TFTC 438

[00:00:00] Alright, we're live now.

**Marty:** We're we're live Now. I was asking you a question to, and I had a fascinating discussion. What was that after the takeover event? Yeah. Or no, it was the debate series. It was after

**Tuur:** the debate series. It was the debate, and then we went, uh, we had a, had dinner with some people. Yeah.

**Marty:** We were talking about ancient structures, whether or not ancient aliens exist.

Pretty topical considering what's going on on Capitol Hill right now. Yeah. I saw you were tweeting about it. What's your take?

**Tuur:** Yeah. About, uh, UAP slash UFOs like the, the, there's uh, there's this whistleblower, uh, David Grush who's been arguing and he, he had the highest security clearance. So he's a guy who was really, and I think he was also on the u a p task force.

So they had like a kind of like a new-ish organ that was gonna investigate what's going on. And so basically he was poking around and, um, his. The reason why he became a whistleblower, according to him, is that [00:01:00] basically he was a refuse access and at the same time he got in touch or was approached by a whole bunch of people that claimed to have like, you know, personal experience with, um, they call it non-human intelligence.

So like either crafts or pilots or both. Um, and so he became a whistleblower. Uh, and then, uh, eventually, this is maybe like. Only a month ago, I think he did like the whistleblower interview. And then now today they had the first, I think the first ever, um, what do you call it? Congressional hearing.

Congressional Hearing, yeah. Where there were, were Rush and two other, like they were two Navy pilots. Uh, no, uh, uh, just pilots, military pilots who, uh, testified and were subject to que and so they were all under oath. And so there's an additional layer of credibility in a way that, you know, if all of them make these claims, like now, [00:02:00] they, it would, they would be at risk of perjuring themselves as they're actually lying.

So, you know, that kind of adds to the credibility of this whole story. Yeah. Torn. And so he's saying that not only are there, you know, craft that have been retrieved, but that there's actually, uh, secret government programs to try and reverse engineer the technology. And that he, like, one of the incidents he mentioned goes back to Mussolini's, Italy.

So in the 1930s, um, apparently, or allegedly there was a craft there that that was then retrieved to the us Yeah.

**Marty:** And there was theories that the Nazis had an alien craft. Were trying to reverse engineer it as well. And that's what I'm, I've got my skeptical I lens on for this. Aliens is a great psyop to, to bring about the world government.

And somebody brought a good point up on Twitter earlier today, which is like, we have autonomous pilot list drones here on [00:03:00] earth and we're probably a thousand years away from interstellar travel. Like why, if aliens. We have this rudimentary technology and pilotless drones, why would they ever actually get in their aircraft to travel between stars, galaxies, whatever it may be?

**Tuur:** Wait, what would they get in? What do you mean? With get in?

**Marty:** Like if there was actually pilots recovered? Yeah. Like why wouldn't they just send autonomous?

**Tuur:** Oh, why wouldn't they just send drones? Well, so the theory, again, like I'm not very well versed. I've only been studying this for, I don't know, a few months.

Um, but the, the most dominant theory seems to be that the pilots are part of the drones because like they don't have any reproductive, they're like the gray aliens, like that, that is kind of the cliche, you know, imagery that we know, like according to some of these alleged witnesses that are, seem to be relatively [00:04:00] close to the people that are now been testifying and, um, And some of them totally aren't close, but I mean, at least seems some of them are that the gray aliens who are known to be pilots as well of these drones that they themselves are basically manufactured 'cause they don't have reproductive organs, they don't seem to be able to survive for very long.

It's just like, you know, using biological materials, you can create a being that's a lot more intelligent, or a machine that's a lot more intelligent than if you were to just, you know, build a craft. So, so, oh crap. That's the idea. Yeah.

**Marty:** So this is a developing story.

**Tuur:** Yeah. I mean, I'm, I'm just like, I, I kind of wanna know about the, the whistleblower claims, like, you know, he's claiming that there's programs, secret programs that were illegally funded, et cetera.

And so I'm just curious to see where this is gonna go.

**Marty:** Yeah, I know Matthew Pines from the Bitcoin Policy Institute is very scared by

**Tuur:** all this. He, he seems to take it seriously. Yeah, yeah.

**Marty:** Like to the point where he is [00:05:00] like, the aliens might wipe out humanity and. In a few years. I'm like, all right, if that's the case, I'm not gonna worry about it.

Hmm.

**Tuur:** Well, I mean, it's kind of like if this whole story is true, then you know, then maybe we should be talking about ancient aliens. Like maybe they've been around for thousands of years and they're just kind of like, they just have access to an extra dimension that we don't have access to. So we never get to see them unless they choose to expose themselves to us.

So they're kinda like living in the shadow side of earth and you know, in a way we've maybe always coexisted. Yeah.

**Marty:** What's the, the theory of the Anki? They were actually, um,

**Tuur:** oh yeah. Our, like that we part alien or

**Marty:** something. Yeah. The aliens came to Earth and used their d n A to create humans, and it's the ancient, one of the ancient alien theories.

**Tuur:** Yeah. Yeah. Actually, I, I never had National Geographic growing up, and so I only know some of the memes, but, uh, I don't really know the ancient aliens theory. Yeah.

**Marty:** I think that the. Most [00:06:00] recent alien, the movie was based off the Aki, was them Seeding Life on Planet Earth. But we digress. We came here to talk about Bitcoin.

Sure, sure. No, I mean, uh, I mean it's been a while since we caught up. We caught up on the show. It had to be two or three years ago, probably three, maybe longer. Wasn't

**Tuur:** it like, uh, it

**Marty:** that bit block boom. You were on your way outta town. You're about to get on

**Tuur:** a bus, wasn't it in a hotel lobby? Yeah, yeah, yeah, yeah, yeah.

So maybe 2018 or 19

**Marty:** actually. Yeah. Yeah. So it's been a while. Mm-hmm. A lot has obviously happened since then. Your show

**Tuur:** has grown a lot. Tremendously. Well, it's

**Marty:** crazy what happens when you, when you start talking about Bitcoin, people get attracted to it and slowly over time.

**Tuur:** And when you keep at it also.

Yes. 'cause it's, and when you don't all of a sudden have an announcement that you're joining the team of this new professor coin and you know, or do like a whiny rage quit. Like if you actually keep at it like, yeah. Consistency

**Marty:** is key. [00:07:00] And that's actually part of what I wanted to discuss today. 'cause that's one thing I've been and get your thoughts on.

Like, one thing I've, I've been having a lot of conversations and whether it's Bitcoin's, inability to materialize as a fully monetized store of value, medium of exchange off the bat, over the last 15 years, people typically look at Bitcoin, they say, oh, well it's not a good store of value. Look at the volatility.

It's not a good medium exchange. Look at how expensive it is on chain and how few transactions you can do. And then similarly with the Lightning Network, uh, launched five years ago and people wanted it to do what it was marketing it could do out of the box. But five years in for Lightning particularly, it seems like we've gotten to the point of maturation where there's good dev tools to build on.

There's a robust implementation environment that people can choose from. And it's getting easier and easier to implement lightning into [00:08:00] the commercial applications, whatever it may be. Um, and I think this just highlights the fact that we're building many different cathedrals here with Bitcoin and the layers on top of it, and it's just gonna take time and effort.

And I think what I've been having conversations and pitching Bitcoin to people, like in my mind, this is the best time ever from a risk adjusted perspective to get into Bitcoin due to the maturation of everything that's going on at the protocol level and uh, at lightning and other second layers. Then on top of that, it seems like the Overton window is shifting and Bitcoin is becoming more palatable

**Tuur:** plus.

Right now, there's no euphoria around Bitcoin. So from a price point of view, it's not that risky either. So I, I do think it's, that's why, you know, I put out the report is I think now's a good time to really look at Bitcoin.

**Marty:** Yeah. And that's what you're famous for with your reports, is you drop them typically in the middle of the bear market when it's like, all right, here's the

**Tuur:** signal.

Mm-hmm. [00:09:00] Yeah. My, my, my wish is always that I, we start seeing like the uptick and that, like, that's where I put it out. Right. It's like right when we're starting to actually get into a new bull market. Yeah. Yeah.

**Marty:** When did you supposed to go and so you've released your last one, was it like six months ago?

This

**Tuur:** one? No, no. More recently. Uh, it was end of May I think. Oh, end of May. So Bitcoin was, I remember $26,000. Okay.

**Marty:** Only three grand above that right now. Hovering at 29. Yeah. Yeah. So what have you seen? Why did you feel end of May was the right time to release your report?

**Tuur:** It's, well, I mean, I did write, I.

Put quite a bit of work in it. So I think I started actually writing when we were right at the bottom, pretty much like, I think it was like 17, 18,000. And, and usually my writing is kinda like rage fuel. That's like, I just see so much like despondency and like people just like, and there's these in the depths of the bear market, like, you know, people stop, engage, like they stop even talking about Bitcoin.

Like they just, they kind of feel [00:10:00] ashamed to bring it up to family and, you know, and, um, And then there's also sometimes like some crazy stories that don't make sense. And so usually there is that for me. And then, and then I, I maybe part of why I get mad is like, even I feel some like doubt creep in. It's like, oh, is this one gonna gonna be different?

And like, and so then it's like, all right, let's just, you know, get my stuff together and like, try to try to really make the case and address all the fud, right? So that's what I just tried to do is like, all right, let's look at all the, the objections that are floating around, uh, and assess them and, and then see do they actually matter?

And then also look at like, well, what are some, what are some potential tailwinds and what are the whales doing? For example, you can actually look at the blockchain and see, so whether whales are are capitulating or not. And usually whales just. They just hoddle all the way through the bear. Like the only times when you actually see serious old coins moving on the chain is, uh, is when there is [00:11:00] exuberance when you have these massive rises.

And, and the old guys, the OGs, a lot of them, a lot of whom we probably don't even know, people have thousands of and thousands of Bitcoin, uh, they basically start seeing that a lot of people are getting involved that don't understand it. Like they're basically gonna be the weekends. That's not the case now.

Like whoever's, you know, getting into Bitcoin today, the vast majority, I think has a reasonable idea about what Bitcoin actually is. Why do you say that? Just because, uh, the price is weighed down and usually it's people that have heard about it in the past. And, you know, in a way every, every new bull market starts with smart money getting in at the beginning, and then later you get more like retail involvement.

People that are more like trend followers rather than the, the trend makers.

**Marty:** Yeah. Do you think the cycles as they've played out in the past will

**Tuur:** continue? Yeah, I think so. Just because of human emotion and, and because people always, they make models and then they [00:12:00] think the model is true. But then because enough people start thinking that that defies it, right?

Because then you overshoot whatever the model predicts. 'cause everyone thinks, oh, this is the easiest thing, right? Let's just, it's gonna keep going up forever. Um, you know, like the super cycle, like that was one of those ideas. Thank you Suze. Even, even I bought into it for a while. I was like, you know, like, you know, the scur at some point you gotta go vertical.

And anyway, so, um, yeah, it just, I think it's human nature, like the cycles are us reacting to Bitcoin. It's nothing innate to Bitcoin.

**Marty:** And so again, going back to like the development at the protocol and layers above it, like, do you think the progress that's been made there is setting us up for. Unique cycle, especially when you combine that with, like, I just got off of spaces with R F K Junior and he admitted at the end that he owns Bitcoin.

So like, it seems like there's [00:13:00] a coalescence of, um, productive building that's been going on, making Bitcoin more accessible, more useful, and then this narrative that's sort of lining up next year with the ha having in the presidential election, that seems like it could be a good tailwind.

**Tuur:** Yeah, there is definitely the first time ever that there's been so much like political buzz around Bitcoin.

Like all of a sudden Bitcoin is an item on the, on the election agenda. Like we had, I, I think David Bailey said like, uh, weren't there like four presidential candidates at the latest Miami Bitcoin conference? Like, that's crazy. Um, so and then at the same time, yeah, we do have lightning, which in my mind.

It debunks the idea that somehow Bitcoin is elitist, right? It's like, oh, you can only do three transactions per second, therefore, or like, you know, however high the fees would be. People would use that as being like, oh, fees are $2. [00:14:00] Like, it's only for the elites. And so with Lightning you could say, well, well no.

Right? I mean, it's, it's ready. Regardless of whether and how much people are gonna use lightning in the next cycle. Just the fact that it's there and you can figure it out if you want to. I think it's super powerful 'cause, 'cause a lot of the coins that were created in the 2017 cycle, we're just riding on that fud wave of like, oh, Bitcoin, it has too few transactions.

And look at our coin, you know, we have, uh, a hundred transactions per second. It's so ridiculous looking back. But that's how they sold, marketed a lot of these coins.

**Marty:** I believe Solana can do a hundred thousand a second. Oh wow, man. But eventually it will, it will break and they'll have to restart it.

**Tuur:** Do you know of any good Solana podcasts that could be on?

I

**Marty:** think Kyle so's in the city. We can go find him and see, see if he's willing to talk, but, That's another interesting question, like, like stepping away from Bitcoin and looking at the crypto cycles. Like do you think they're as pronounced, [00:15:00] moving forward as they have been in the past? Are they losing narrative steam?

**Tuur:** I, I think, yeah. I mean, I guess I can't hide it. I'll have a little bit of glee thinking about this theory that, 'cause I'm gonna reveal my theory, but so, uh, the mantra has been, Alts are back like that, that is gonna, they're gonna come back at some point. It's just a matter when, you know, alts are back and, and so they're trying to revive the scam coin cycle over and over.

Um, and so far in a way, they've been right, but one of these cycles, they're gonna be very, very wrong. I think, and I, I, I'm kind of speculating that this coming cycle people may be wrong. Thats are back because we have so much regulatory scrutiny. Like, so basically the, the on-ramps are getting, you know, more and more shut down and, and these scam coins are not decentralized, right?

And so that means if you are going after the fraudsters, like they actually can't keep running the coin oftentimes, [00:16:00] um, or not keep them, keep it functional at least. Um, so that's one headwind for the alt coins. Then there is the fact that Bitcoin actually is scaling. So all the narratives are the narratives that, um, we're justifying these coins are being.

Incorporated in the Bitcoin, like Bitcoin is scaling, Bitcoin is having smart contracts. You'll be able to do asset issuance on top of Bitcoin. There's just so much stuff is, is clearly happening on top of Bitcoin. Um, and then I think also just the world is becoming a little more wary that, you know, how many scam coins can you live through and then still be gullible for the next one.

Like at some point people just get tired of it and they're like, you know what, no, I'm not gonna buy your new coin. Um, so yeah, maybe it really won't happen the next time around. Yeah, I think because you can do plenty of scams on top of Bitcoin too, right? I'm not saying scams are gonna go away, but you know, [00:17:00] specifically scam coins.

Hmm. Maybe it'll be more like a scammy Bitcoin startups and, and then they sell equity in those, or you know, who knows, who knows

**Marty:** What was, uh, Mesia? Papa SKU's scammy Bitcoin. Sorry. He started like a, in a. Yeah. Equity

**Tuur:** exchange. I mean, I think I actually, I, I never, well, for a while because I was, I had my newsletter back then, and when I was looking at Bitcoin denominated securities like Wade 2012, 13, um, I remember well, like there were a few that were legitimate, you know, like, uh, TOI Die, Eric Voorhees is, you know, uh, gambling website actually was a real operation.

It was profitable. And, and he, he did an I P O and, and yeah, that one was running on, uh, Merc's. Um, what was it again? I forget the name of his, uh, exchange or, um, no, I forget what it was. Um, yeah, but, so I think maybe some of the other ones were more scammy and then, I mean, there was ASIC miner, that was a big one.

[00:18:00] It was one of the first, uh, 'cause they had the specialized mining chips early on, and they, they went public and they had a guy called Fried Cat who would just give these very detailed reports from the inside about how the company was doing. And. And some of these, uh, and, and the stock one up up to five bitcoin a share.

Um, and then something went wrong and it just disappeared. I think a bunch of people lost money on that. Yeah. So that was, yeah, that was, I think those times could come back where we get, we actually get some real defi going and uh, and, and then, you know, it's gonna be a matter of trying to not get, you know, not walk into these traps.

**Marty:** Yeah. And it's, I think a lot of the ability of the scam coins to draw people in is driven by, is impatience where, like I said earlier, they want Bitcoin to be the fully monetized store value with layers that are enabling medium of [00:19:00] exchange at scale, out of the box. But it takes time to build this stuff.

And I think this cycle, The building of what you just said. We're gonna, we're gonna see that there were good ideas in the past whose time has finally come because of the infrastructure that's built out. Great example is this thing right here, the 21 co computer. Uh, remember back in the day?

**Tuur:** Is that Balaji's computer?

Yeah.

**Marty:** Yeah. This thing. Yeah, you can pick it up. Um, whoa. Remember the idea of the machine payable web behind

**Tuur:** this? I've never seen a physical version of it. Yeah. This, so this is like a little raspberry pie to run a note on.

**Marty:** It was a little fan. It was a minor. It was,

**Tuur:** uh oh. That's from before that, that, so this is like the 21 E six, like they, they minor.

Oh, I see.

**Marty:** Yeah. But again, going back to like ideas whose time have come and actually makes sense now. Like the whole idea behind 21 Co. Is the machine payable web, like enabling machine machine payments via micro transactions. And they found out the hard way. That probably doesn't work at the [00:20:00] protocol level.

You can't do that with UT XOs. But now that lightning exists, Like that idea is a very good idea. It just wasn't viable in 20 15, 20 16. Now with Lightning and what we're seeing coming outta the AI for All Hackathon, which is going on right now, led by Fetty and Rep Lit and a bunch of others, like I think it's becoming very obvious.

Like, oh, this is a great idea. Not until now was it actually viable.

**Tuur:** Yeah, you always need both components. It's like one thing to have a great idea, but the timing is just so important like that. That's why the running joke in the comic show Silicon Valley was, um, that Russ Hanman guy is that he had radio on internet.

Like he had basically like, I think he was a parody of Mark Cuban who had like, basically also like sold this idea of like, oh, video streaming in like 1999. Way too early, but apparently found some people. Willing to buy out his company [00:21:00] and then, you know, he was set. So yeah. To me that fits there. And so, so when you look at the Bitcoin startups today, you, that's what you have to have in mind.

It's like, yeah, yeah, yeah. There's gonna be lots of great ideas, but where are we on timing? 'cause if you're five years early, or even three years earlier, two years early, you might, um, just burn through all your cash and, and never launch.

**Marty:** Yeah. And be on the sidelines as you watch somebody take your idea Right.

And run with it. Yeah. Yeah, yeah. No,

**Tuur:** that's, I mean, so that's why we need to see minimum viable products that actually generate cash. Like we need to see those things.

**Marty:** And you might, what are some examples of that that you're excited about?

**Tuur:** Well, I'm gonna be doing more conferences, so I, I do expect to see more, uh, you know, you know, more startups and get a better look at what's, what's going on.

Um, I remember talking to the guys, um, in Miami who have this, um, It's like a, a wallet that implements the [00:22:00] minis script stuff. And so they, they're like a French company and uh, they basically empower users to have all these time delays. And so they, this Liana? Yeah, Liana, yeah. So I had a demo of them. And so if they can show that they actually start having customers and that there's demand for this and they're building it out as like a, a service right on top of the technology they built, like, something like that, it's, you know, that's promising.

**Marty:** Yeah. That particular use case too. Thinking about like timing and tailwinds for the next cycle, like one thing that we've experienced at 10 31, talking to high net worth individuals and family offices that want to get into Bitcoin but have paused to do so, is the idea around custody. Like they're smart enough to realize they don't wanna hold it all on Coinbase or an exchange.

Wise enough to, to understand that they should do self custody, but haven't been comfortable with the options at their fingertips to date. It's still, there's still like a gap between the one extreme [00:23:00] of fully custody on an exchange and, and cold storage that they're comfortable

**Tuur:** with. And there's a lot of what if questions that couldn't really be answered satisfactorily, where it's like, well, what if, you know, uh, this goes wrong and that goes wrong and that goes wrong?

Oftentimes it was like, well now we ran outta keys in our multisig. Whereas like with the minis script stuff and there's looks like, um, I think, uh, fetti is also in that direction, then it's like, well, you can have an entire mul multisig as a backup and then it starts over. So you can just build in a bunch of redundancy, uh, and the time delays, which is great in itself.

'cause that's the, the vulnerable part of any theft is, is, um, It's speed. Like all the movies is always like the, you know, they're running out of time. Right. The thieves. And so if you can build in a delay mechanism, all of a sudden you have a way more robust, uh, wallet solution or vault solution. Yeah.

**Marty:** Yeah.

And then on top of that, like not only can this multisig via minis [00:24:00] script degrade into different multisig setup, so they can also degrade into like a single sig where you have your nuclear option, single sig wallet, where it's like, all right, ball else fails. Yeah. So we'll to spend from this, from this key.

**Tuur:** Yep. Yeah, very powerful. Yeah. But so, you know, when people look at it's kind, it's interesting, right? How so much of the VC money, I forget the numbers, but uh, I guess the Tru Ventures, they actually ran the numbers of what percentage of VC capital went to crypto versus Bitcoin. It was insane, right? It was like 97% or something went to crypto.

I think even hire that,

**Marty:** it's like 98, 90

**Tuur:** 9%. Yeah. Right. Well, but then again, if you think about, okay, but what were the successful pure Bitcoin startups in the last 12 years? There weren't that many, right? There were mostly Bitcoin mining companies and there, you know, a lot of them didn't really need that much external funding.

Um, but yeah, a lot of the, like a wallet. How do you monetize a wallet? Like that's hard. And then I think [00:25:00] Unchain did a great job of like showing like, yeah, the lending is a real thing, but then the exchanges, they just had to expand, uh, their offering and they became crypto exchanges. Um, So yeah, there was that, there was that uncomfortable period where actually there just weren't that many startups in Bitcoin that were profitable.

There were just some open source projects for a long time.

**Marty:** Yeah, and I think another thing there too is like the price of Bitcoin sort of affects how people, or how much people are willing to pay for services. Like I imagine as the price increases. Oh yeah. And the underlying value of people's Bitcoin holdings increases.

They're gonna be more and more willing to pay for services that help them either custody, uh, do financial services using their Bitcoin and stuff like that. I'm

**Tuur:** laughing 'cause I remember like one of the first quote unquote services I remember encountering being denominated in Bitcoin was, uh, the first conference I attended was in London, early [00:26:00] 2012.

And uh, the Bitcoin Foundation had just been, you know, I. Uh, sprung into life and they were, they had all these plans and, and you could become a member. And I was like, what does it mean to be a me? What is it gonna, it's like, oh, but you, you get to support the cause. And I said, all, all right, how much is it?

And they were like, ah, it's 50 Bitcoin, it's like $500 at the time. But, uh, and just to me it was like, that's just too much 50 Bitcoin for membership. So I think, yeah, a lot of people look at it that way. It's like, you know, like expressed in the most scarce money in the world. A lot of things look very expensive, very easily.

**Marty:** Yeah. Mm. And as bitcoin monetizes and the opportunity cost of departing with your Bitcoin, uh, decreases like, It makes sense to me intuitively that people are gonna be willing to cough up either dollars or SATs for services that

**Tuur:** that add value to them. Yeah, and in a [00:27:00] way, there was some predatory stuff happening too because there was so much easy money sloshing around in Silicon Valley, et cetera.

And so there's so much easy VC money and that went into like a Coinbase and a whatever, like all these, and they were so flush with cash, all these crypto startups that in a way they were poaching a lot of Bitcoin companies like customers away from Bitcoin companies. Like, like, um, I. You know, onboarding people are all these crypto exchanges with zero fees and stuff.

So, you know, if you were a God honest Bitcoin company, it was just hard to compete because, you know, you were not sexy in Silicon Valley to raise money like that. That's why we're seeing these Bitcoin focus VC funds now that actually understand the ecosystem.

**Marty:** Yeah. And another big problem with that era and that mania, if you will, is like they convinced individuals and companies that wanted to focus on Bitcoin to get into shit, Cory.

'cause there, there's pressure from the cap table. Like, [00:28:00] hey, you need revenue. Huge pressure. Launch the shitcoin. Yeah. Transition

**Tuur:** to Solana. Yeah. And also if you're an exchange, it's like you, all of a sudden you get all these, uh, they just throw money at you to list their coin. So it's hard to say no to money.

Yeah.

**Marty:** The, uh, what do you think, like going back to like the regulatory environment and the s e Mm, how big of an impact do you think they have? On the industry? Like, do you think Coinbase is in trouble, do you think Binance individual?

**Tuur:** I talked to someone in Miami who, uh, who said that their law firm said, um, that it was a small possibility, but a genuine possibility that Coinbase assets could get frozen so that customers would have all their funds stuck at Coinbase.

Um, that that's, you know, that that's how serious this stuff is. Um, so, [00:29:00] yeah. And uh, you know, they kind of, Coinbase kind of announced like, oh, we're looking to expand abroad, and, but it sounds like that's. Yeah, that's mostly like a story that they're spinning up now, but they, that was never their bet. Like they're kind of caught off guard.

They didn't expect so much headwind. They thought like they were really naive. Like, they're like, oh, but we're the good guys and we just need to make them understand. And they made like a whole documentary about Fred and, and Brian. You know, the, I dunno if you saw, did you watch that? I watched it. I saw some of it.

Yeah. I paid 99 cents to watch it. Well, yeah, and I think that it, it really comes from this naive idea of like, but we just are the good guys, you know, how could you be against us? We're trying to be compliant and you just need to understand that you don't interpret their law correctly. And so I think you rub, you rub these s e c people the wrong way.

That way. Uh, if, if, if you already have a conclusion and you're kind of, it's comes across as arrogant, right? Like [00:30:00] you guys need to just understand the right way of thinking. It's like I heard that the head of custody at. The Ss e c is like 80 years old, like the, the chief honcho of who, like, who, who goes over like, you know, I, I, I forget the details, but basically when it comes to making serious decisions about what is custody and what is not and who's allowed and who's not.

So that's what you're dealing with. Like you're talking two generations back, you know? So it's, uh, yeah, it's, it's tricky. And then of course there's vested interests as well, like, you know, on the, on the cynical way is like, oh, they're always gonna favor their own cronies. And, you know, and it's as a takeover.

And, and then on the more, and I'm not choosing either one, but the more friendly interpretation is kind of like, you know, they're trying to do the right thing and they, there's people that they already trust, and so they're more skeptical of the newbies who like, you know, come from a world that seems maybe scammy and whatever.

And, um, maybe they [00:31:00] trust a BlackRock more than they do a Coinbase. Um, but so yeah. Um, I think all this headwind stuff is, It is serious. I think it's not threatening the Bitcoin yet. I think it's much more about securities, uh, regulation. And so a lot of this, uh, I mean people, people always thought like, oh, but the I C o boom happened and where are the lawsuits?

They were like, kind of like ca and a Cavalier Way saying like, if, if really what all they did was illegal, like where are the lawsuits? But people forget that after the.com bubble burst, uh, we had lawsuits up to 10 years after the fact, massive lawsuits. So the system is just slow. Uh, so we're only like six years in right now.

**Marty:** Yeah. That's the other thing going back to like the naivety of the crypto industry is the s e c was openly choreographing for years. Like, Hey, we're likely gonna move, we're gonna move slow, but at some point in the future, like, we're going to react to what just happened.

**Tuur:** [00:32:00] Yeah. And, and I mean, I mean, clearly.

Ethereum was a securities offering, like Ripple, I think are securities. I mean, I'm not a lawyer, but it just seems like, it seems pretty straightforward, uh, that most of these things just are securities because of the level of centralization and, and, you know, the airdrops and how it was all marketed as a, and clearly there were expectations of profit and all those kind of things.

So, um, and I think it's, uh, it makes sense, you know, to have securities regulation. I think that, um, or at least if you're, if you're gonna regulate markets like that is an area where I can see, uh, having a need for transparency. But then of course, you know, you, you have the, the risk of favoritism and you know, all those, so I'm not saying it's without problems, but like fundamentally I see the distinction between a commodity and, and a security as a, a valid one.

**Marty:** Yeah, and I mean, [00:33:00] I think in the case of Coinbase and others, Or like throwing their arms up. Like I think another thing that's really not playing into their favor is like the crypto world is very little to show for all the investment, all the right pumping dumps that went in. Like, is there, that's steel man play devil's advocate.

In your mind, is there anything of value that is materialize out that industry maybe outside of state? Yeah. 'cause

**Tuur:** every time, every time people, people like Bitcoiners make a statement of like, yeah, what have they got to show for it? Then every time there's a few crypto aficionados who come out and be like, oh, what about this and that and that.

And then you look into it and all it is is like leverage trading. It's all like financial, uh, duplo or something. It's like, oh, but you know, what about this thing that we made? And it's just like another type of pyramid scheme or a, a way to trade. Not necessarily [00:34:00] faster, but more like using this as collateral and then blah, and then that stable coin.

And it's all these like shaky constructions that are just financial games that aren't necessarily like, okay, we made transactions this much faster, or we had a smart contract that is, uh, so robust. Like it, it's so much better than previous generations. And it's not really about that. It's more, well, with this coin you got to play with a lot more leverage.

So, all right, well that's just more of the same. We come from that world. The fiat world is all about that. So yeah, there's very little to show for people and, and that's really, you gotta be super. Devil's advocate to try and say like, oh, but the Altcoin world has given us some smart contracts. Or like, you know, they're gonna be, it's more the other way around.

They've actually gleaned from Bitcoin a lot of stuff and uh, and then claimed it as their own. [00:35:00] I don't know. I mean, call me cynical, but I'm just not seeing a lot of innovation that is now that Bitcoiners are like, oh, wow, that's so cool. Let's use that too. Usually it was discarded early on for good reasons because it was too risky, et cetera, and then it was used and failed in the altcoin world.

Yeah.

**Marty:** Going back to our comments about timing, like there's these ideas of smart contracts and Right, uh, second layers and

**Tuur:** or like experimental cryptography, right? They're like, They come up with something, it's experimental things go, need to go through a, a whole process, which takes a long time of like validation by the scientific community, et cetera, et cetera.

And these crypto people come around and say like, oh, this new thing, like whatever it is, Zika, Snarks or whatever it is, let's just, this new and shiny thing. It's so much better than whatever's, you know, been tried and tested for 30 years. We're gonna build our whole coin around this. And it's like, well, it's experimental.

It's like, you know, [00:36:00] uh, you gotta treat it that way. You can't, you, you, you need to use it in a test environment. Don't just spread it in the population. Yeah. Don't wanna talk about vax. But anyway.

**Marty:** Yeah. The, uh, your knowledge proof, I mean, that's like one of the big mees. We should implement c k p on, on top of Bitcoin.

Well,

**Tuur:** even the Monero stuff, right? It's like mon, I don't rank signatures. Yeah. And it was like, oh, but it's so much, it's so much better that it's all private. And then it's like, well, really, like what is the, what do you want at the heart of your ledger if you're gonna have a decentralized ledger? Do you want to have obscurity or do you want to have verifiability?

You can't have both. Right? If you have obscurity, you, you might have an inflation bug and all of a sudden there's many more coins than you thought they were. And there's no way to verify it. So I'd rather have Bitcoin, which is verifiable, and, and where you can have privacy built in higher layers or in, you know, kind of, uh, intricate constructions rather than a [00:37:00] coin that's obscure from the beginning.

That doesn't make sense to me.

**Marty:** I mean, I've never been able to validate these claims, so anybody listening take them as just that claims rumors. But there was a pretty popular rumor back in like 2017. 2016 era that there was an inflation bug in an era that people were manipulating. I remember hearing about that.

Yeah. Yeah. Like it was never brought to the public's attention, but people were taking advantage of it and stacking more Bitcoin. Um hmm. That's, I think that's another benefit of this bear market. So like I've always, or this year as we got into 2023, this bear markets are reminding me more and more of 2015 in terms of like the length and, um, lack of des or the, um, amount of desperation.

And I was seeing like December, like when you started rage writing, I, I was seeing similar things like, ah, people are really down and out, um,

**Tuur:** Let's hope there's not another civil war coming. 'cause in 2016 we, in 17 we [00:38:00] had that whole, uh, block size debate, which is kind of a euphemism to call it that way.

Like it really felt like we're at war. Um, who knows, maybe when the market heats up, well, there'll be something else that people get scared around. Bitcoin drive chains. Uh, it doesn't seem to have a lot of traction. No, it doesn't. Um, I mean, I think it's probably, if there's anything, it'll probably be in the political realm where all of a sudden there's a, whoever wins the election is gonna be very rabidly anti Bitcoin or, you know, blame, you know, blaming Bitcoin for all the inflation in the world, or, you know.

Yeah. Could def I could do something

**Marty:** like that. I could definitely see that. Mm-hmm. But in this bear market, like building on like the distinction between Bitcoin and crypto, I think this bear market has really set Bitcoin apart from crypto better than any other bear market. And talking about something you mentioned earlier, which is, For the time being, it seems that Bitcoin's gonna, uh, evade the [00:39:00] regulatory scrutiny that the crypto market is getting.

Like what are you, like, are you seeing that as well, that the distinction is being made pretty clear?

**Tuur:** Yeah. And there's also pathways. Yeah, exactly, exactly. That. There's also pathways for Bitcoin to seemingly be captured. You know, like if you think about it from a Washington DC point of view, if they approve the E T F and lots of Bitcoin flows in the E T F, in their mind it's like, oh, now we have something we can control.

Its so facto we can control Bitcoin or, you know, there's all these miners and like Texas is like 20% of global Bitcoin mining hash rate or something. It might give them the idea that they're keeping this under wraps or controlling it somehow, even though that's not really the case. But, um, So, so, so there are these avenues or like, you know, let's, let's, let's let JP Morgan like have some big Bitcoin trading desks and let, let them hold a whole bunch of [00:40:00] Bitcoin and then, you know, we keep tabs on it so that none of that has happened so far.

So I think that makes me, makes me, makes me hopeful that like, this could be a cycle of like benign regulatory adoption to an extent, uh, rather than like, uh, panicked, cracking down. Yeah.

**Marty:** Yeah. And again, like the fact that it's going to be a campaign talking point, this presidential election and people are gonna be forced to about it's

**Tuur:** crazy, is really bullish.

Like, imagine like this big debate and, and like the moderator being like, what's your stance on cryptocurrencies? That's, I don't know if it's gonna happen, but it's possible. Totally

**Marty:** possible. I I would bet there's more than a 60% chance at it. Bitcoin or crypto is mentioned, they'll be open like,

**Tuur:** oh, the latest polls show that, uh, latest surveys show that 14% of Americans own, uh, crypto, you know, what, uh, what's your, what's your policy stance?[00:41:00]

**Marty:** And another thing I want to dive into thinking about the last cycle. I mean epic blowups, Terra, Luna Celsius, block Fi, f t x three arrows. And I think what each of those individual blowups, I mean grayscale or Genesis, uh, and Gemini mm-hmm. Like what they got embroiled in with the iron product and Genesis getting blown out.

Like I think it really drove home this idea of counterparty risk. And this is something I think many people in the Bitcoin space believe, and you mentioned unchained earlier, which I think they're spearheading, is this idea of leveraging Bitcoin's native properties, particularly multisig, to create unique custody.

Setups that can really be the foundational sort of mechanism that this new monetary financial system is built on. So like I've had this theory that maybe it's not this cycle, but the next cycle, that multi-institution [00:42:00] multisig will be the standard, or should be the

**Tuur:** standard. It should be, it should totally be the standard.

I mean, you could never do that with gold, right? Back in the day you couldn't, you always have to store one bar of gold in one spot. But, uh, with Bitcoin it's, yeah, it's a different game.

**Marty:** How do you think that would change things if it does become the standard? It's

**Tuur:** just so exciting because it means that, um, the ability for governments to aggressively expand their.

Projection of power. You know, like if you think about Napoleon or a Hitler or something, where part of the appeal of rolling out their armies was to just grab whatever they could grab on the way there. And, and of course you think like, oh, they took over companies and they took over. It's like, yeah, to an extent, you know, like Hitler, uh, apparently he wanted Romania, 'cause it had a lot of oil at the time.

And so that's true. That's always gonna be true. Uh, but part of [00:43:00] the motive was to grab the gold of, of the other, the country that you're gonna get. It's kind of like a, a board game where you get to take the armies of the other country and then, and then that creates more momentum for you. And there's all these stories about how the gold moved around in the period of the, of the great wars in Europe.

Um, just fascinating. And so with Multisig, when, when the signatories, um, are in. Uh, are different companies are situated in different countries, maybe even different continents, that becomes impossible. Like every company, every company's treasury and every country's treasury could be stored in a virtual Switzerland, right?

In a neutral place that cannot be touched by the interests of one particular nation. So, and then of course, as the, the political geopolitics, uh, geopolitical situation changes, those keys can also be changed, right? If, if all of a sudden we have a bipolar world, well then you can shuffle your [00:44:00] keys so that neither pole has the majority of the keys or controls the majority of the keys.

So to me, it's just a recipe for peace. You know, it just means that there's less incentive to, um, to go to war. Yeah,

**Marty:** I completely agree. And it's again, exciting with the mini script stuff, with Unchained, really proving it out with their lending product and their Vault product and their I r A product like, I think it is becoming obvious that it doesn't make sense from like an investor's perspective.

Like you could argue that there's a fiduciary responsibility to ensure that you're backing companies that have this model, not an F T X A block fi Celsius, who just had the ability to take customer Bitcoin and do with it what they want.

**Tuur:** Yeah. And also it, it's, it's so instructive that these companies had their run and the run was so short, right?

Like you would think like, oh, but a Madoff did it during 20, 25 years as Ponzi. [00:45:00] And of course there may be more shoes to drop. You know, there may be some big exchanges out there that don't have full reserve. 'cause unfortunately, proof of keys is not really, uh, uh, mainstream. You know, it's not commonly demanded by Bitcoin customers yet around the world.

Um, but, um, but I think it, it, it makes me. Hopeful to see that like an F T X, they did it for what, less than three years. And like they went bust and Celsius. I don't know how long they ran, but I don't think it was very, very long. It was like four or five years something, four or five years, like block fi.

And I mean, it doesn't mean that in the future these fractional schemes are gonna stop existing. I think they're always gonna try it. Um, but at least if you start getting a culture amongst certain Bitcoiners, maybe a subset of Bitcoiners or you know, savers. 'cause ultimately the whole world is gonna have Bitcoin.

But if you have a subset of the population who's like, look, uh, our family only puts their Bitcoin in places that have proof of [00:46:00] reserves that, uh, that use Multisig, that whose Bitcoin is not stored, where the keys are not. Guarded by the same institution where there's at least three institutions involved or something like that.

You know, you could basically have a, literally an ethos around that. And, and I think that's, it's important that we try to explain that that's possible and try to encourage that.

**Marty:** It completely agree. It's gonna be socially driven. Mm. Yeah. That's like the one that's like, I know down the hall when F T X blew up, they saw a lot of inbound because it was like, all right, now I realize that these exchanges that don't have this key set up are central points of failure.

Likewise, cold card, uh, I believe saw a big influx of people saying, Hey, we need to get hardware, wallets, can't hold it on the exchange. And yeah, like, yeah, the ings really helped the market learn.

**Tuur:** Yeah. I mean, when I did my fund in 2019, like we were, uh, lending, uh, borrowing from unchained and I remember like.[00:47:00]

A lot of the objections or a lot of the pushback was like, why do you go with them? They're so expensive. And I was like, well, you know, I did some due diligence with block fi and I'm not comfortable. And then I went there and I wasn't comfortable either. And these guys, like, we looked at their docs and it said that the, the collateral was allowed to be re hypothecated elsewhere.

And so I didn't trust that. And you know, at least in this, in this case, I know what I pay for. I know it's not being re hypothecated. Um, so yeah, oftentimes cheap can be ex expensive. You know, doing something on the cheap can, uh, cost you dearly cost

**Marty:** you a hundred percent. Yep. In any cases. Yep. Which is, it's funny, I mean, we got that flack too at 10 31.

Like, why are you investing in Unchained and not block fi? Block fi is worth $4 billion now. And we had to go like, Hey, like similarly to what you just explained, we looked at it, their model, like they're gonna blow up one day and they, um, You never, well, yeah, you never like to see people lose their money.

But we have been vindicated for making [00:48:00] those decisions

**Tuur:** and that's why having some knowledge of history is so useful. Right? Because when, when you see that this is not new and, and, uh, 'cause things take time to play out, right? If, if, if you only live in the now and you see you're, you're like, you just live with the news cycle and you're, you're just thinking like a pundit, it's like, yeah.

Then of course you're gonna bet on block fi. 'cause you look at their growth and you wanna be on that train. But then if you have a bigger, longer term perspective, you see like, oh, but fractional reserve banking also existed in the past and sometimes banks would blow up after 10 years or after 20 years and I'd like to sleep well at night, so let's go conservative.

**Marty:** Yeah. And it's, I mean, the blows are way more pronounced and happen quicker. Like you said in Bitcoin. It's, there is no lender last resort. Like you lose the Bitcoin, you're not getting it back. Yep. Speaking of tailwinds, I know we talked a lot about like the Overton window being shifted [00:49:00] toward Bitcoin at the political landscape being part of the presidential talking points leading up to this campaign.

Uh, but external to that, like looking at what the fed's doing, what's going on with this multipolar world that seems to be evolving with bricks, countries teaming up and uh, European countries going through some economic turmoil. Like how do you think that plays into the narrative as we head towards the next having

**Tuur:** Yeah, I mean it's just, it's all rocket fuel for Bitcoin.

Like, I mean, I mean, I can speak a little bit for Europe 'cause I, I grew up there and I lived there until I was about 30. So, um, and I also, I had my newsletter. I was very much, you know, looking at European markets, uh, not really to invest, but more like to try and see where the next, uh, bank was gonna topple.

Um, And in Europe, uh, things are just, there's a culture of obfuscation. Like people often point at the US as like, oh, the glass [00:50:00] house, and look at that. And it's like, yeah. But part of why you can point at the US is that there, it just is a lot of data. There's just so much data. And I remember as a, as an analyst, I really had to dig and make phone calls and try to like, where's the data they would like be in.

Like, you know, if you wanna look at Italy, you might need to like find an Italian economist who knows how to dig into the Italian language database of, you know, it's just so arcane. And, uh, you know, oftentimes, um, not that you can't know enough to figure out the outlines of things, but, um, but so, yeah, I, I just, you know, I don't know if it's very valuable to your audience, but I just, it's tempting to think the the grass is greener elsewhere and to be like, oh, you know, like Peter Schiff, he made a big.

Fuss about that. Uh, in the, in the wake of the, the 2008 crisis, he was like, oh, you know, if you are in the dollar, [00:51:00] you have a target on your back and the, you know, Bernanke is shooting at you and you gotta like, and so he like recommended people to divest in all these, uh, more exotic fiat currencies and to go invest in emerging markets and terrible results.

So maybe that's just a general thing of like, you know, I think the whole world is very interconnected and, um, and, uh, if these trade routes get, get, um, jeopardized, uh, We can all suffer at the same time. It doesn't al, it doesn't have to mean that there's a big winner and a big loser. Like we can kind of all, uh, suffer in our own way.

Just how, like the Ukraine war, like who's, is there a big winner there? I don't know. I don't think Russia is really the winner, even though oil prices did go up and, and you know, uh, so yeah, I just, to me the general theme is that there's just, uh, a lot of lies have been [00:52:00] built up. A lot of stories have been built up fairytales that are aren't true.

Slowly. People are figuring out that these it's true. It, it doesn't hold. They're, they're kind of like trying to get their money out. And so we are just seeing some of these things starting to topple and, uh, I think it's just gonna accelerate, uh, that process. Uh, it's hard to predict exactly when, but also I, I feel like, yeah, it is all interconnected.

Um, and, um, And, and, and so it's getting more and more difficult to try and maneuver as an investor. 'cause oftentimes the past couple decades, the richest people in the world were global macro investors who, you know, druckenmiller style. I could kind of see the waves coming and, and make their betts. Um, even, even, uh, Warren Buffet that has done that.

Like, he kind of claims that, uh, you know, he's just a value investor. But he's, he's made directional betts for sure. Um, few people know this, [00:53:00] but he, you know, he, he did a big silver bet, for example, and some other stuff. Um, and clearly like he, he bought up banks like in the wake of the financial crisis 'cause he knew they were gonna be bailed out and things like that.

Um, So, but I think that game is gonna, is getting more and more difficult 'cause the volatility is just ramping up so much. And uh, and so it's just getting more and more attractive to just choose a thing. Choose what is your thing that you believe in for the next 10 years and just sit still. 'cause if you don't want to get shaven, what is it?

The, the meta, the, the proverb. If you sit still, if you don't wanna get nicked or something, like if you, you are basically a sheep and you're, you're gonna get shorn. So sit still while that's happening. 'cause, 'cause it is true, like politicians are gonna panic, they're gonna raise taxes. And so if you're a landlord for example, you're, you're like, you know, um, juggling with debt and leverage and, and, and, and, and [00:54:00] moving your capital around and flipping and all that.

You can't predict what the housing policy is gonna be 2, 3, 5 years from now. Whereas, you know, if you have a position in Bitcoin, of course maybe the taxes are gonna go up a lot for capital gains or whatnot. But at least if you, if you sit still, um, you have a better chance of, of, um, making a strategically sound decision.

And at least the underlying asset is, is going to, you know, go the right direction. Yeah. You can weather the storm right. Much better than, I don't know if any of that makes sense, but that's kind of like how I look at the No, it

**Marty:** makes sense. And what I couldn't stop thinking about, it seems like the Rube Goldberg machine will focus here in the United States that, you know, it seems like they've just been adding to it in the financial layers, like with the Fed opening new facilities post covid.

You have the reverse repo markets, you have this duration misma mismatch with a lot of the banks and treasuries, like rates changes affecting that. And now it seems [00:55:00] like the commercial real estate market in many big cities is beginning to falter, and it just seems like there's a lot of leaky holes. Yes.

And the, the strategy of the government and the Federal Reserve over the last 15 years has been to try and just like, create new facilities and patch the holes. But it seems like to me that it's getting to a point where it's like there's, there's too much going on all at once.

**Tuur:** Yeah. You literally can't taper a Ponzi like you, you can only expand it.

You can only just keep going and, and, and try to, you know, make the base of the pyramid wider and wider, which eventually just dilutes the value of the money in the first place. So, yeah. No, and, and it's, um, It, it's, it's also the basic lesson of, uh, you know, a lot of the Austrian economics literature is that there's so many unintended consequences of interventionism, and that's what we're seeing.

Like, they started intervening in 2013, uh, sorry, in 1913 with the Fed. And then, you know, they just built more and more layers of intervention thinking that [00:56:00] if only we can make a, a intricate enough bureaucratic machine, we can cover all the edge scenarios. But all that they're doing is just, um, uh, making the instability of the whole system bigger.

Like the, if, if everything, if you're always trying to suppress volatility, eventually you get a massive hyper volatility, uh, in the system. That's why the economic crises are getting so much more severe compared to like the 19th century. Um, like a stock market crash wasn't really a big deal back then, whereas now it feels like the end of the world.

**Marty:** Yeah. Mm. Net worth of most Americans tied very, very tightly to that. Exactly. It's interesting we're having this conversation today. I mean, Jerome Powell came out, raised rates another 25 bips today for targets between 5.25 and five 50. Now, he also came out during the press conference after and said, the consensus of the board members is that we're not gonna head into a recession here anytime [00:57:00] soon.

Recession is officially off the table in their minds, which is like, are they gonna make a off

**Tuur:** landing? Hmm. No, I mean, it's. It's, it's also like, it's, it's a semantics game at some point as well, because if they print enough money to make it look like there's no soft landing, people could still be really hurting.

Like they retain their jobs, but all of a sudden the price of eggs is up another 30% and the price of gas is up another 30, 40%. And so then it's kinda like, what are you achieving? Except that on paper you're doing a good job and unemployment is low, and like who cares about unemployment? Right. If, if, if, if people don't have enough to, to make ends meet, it doesn't matter.

**Marty:** Yeah. I completely agree. That feels like exactly what's going on. Like recent jobs reports like, yeah, we're winning, we're winning, they're raising rates again, we're not gonna have a recession. They're pointing at C P I, it's back at 3.3%, but it's like, that's not what everyday [00:58:00] Americans are feeling.

**Tuur:** I'm sure in 1923, uh, Germany, everybody was working.

There wasn't any unemployment.

**Marty:** Yeah. And then, Actually, Bellagio has been tweeting about this and uh, has sent me a few messages about it, but he's been tracking like the, the inflation software services and like yesterday tweeted out like, there's a number of software services, but it'd be like YouTube tv, YouTube premium.

Um, and they, Spotify. Spotify went up a dollar. Yeah. So it's 10 or more than 10%. It was 9 99. Now it's

**Tuur:** 10 99. Yep. Actually I went to see Oppenheimer yesterday. Um, and, uh, the movie and, uh, one of the things I noticed, it's, it's impossible to not notice. It was like a war zone. There was like popcorn everywhere.

The toilet smelled terrible. Uh, just. They just, they're cutting on, you know, staff. Uh, maybe that's like, you can, I mean, you can always make the argument like, yeah, but you [00:59:00] know, people are streaming more nowadays, or there's always a story as to like, why that particular place is deteriorating. I just think it's also inflation.

Like, you know, people have less discretionary budget, um, and they, yeah, just everything is deteriorating. Like that's, it's like inflation is like anemia of the economy. Like if money is the blood of the economy, then well, you, you, you, you're gonna have blood cancer eventually like that, that, that the, you diluted enough and the, the nutrients cannot be transported around in the economic body.

And so all the organs start breaking down. And that's a, that's a big crisis. It's, uh, it's frustrating. I mean, I've been, I've been literally counting down to, you know, To this for the last 15 years, it's just been what I've been expecting and at least one of the fears I had back, you know, when I first started thinking about this in like 2005 was um, [01:00:00] oh my God.

'cause it kind of feels like the end of the world. It's like, oh my God, we're gonna have such high inflation. And, but when you look at places like Latin America and other, like life goes on, like Argentina has pretty much hyperinflation right now. And like you can, you can live well there, you just adapt.

Um, so that's what gradually everybody's learning how to do.

**Marty:** Yeah, I mean that's, I completely agree. And I had the same sort of frame of mind in like 2013. I'll never forget, I think my wife and I had been dating for two years. We were long distance and she would come to Chicago, And I would ruin her trip.

'cause it was like right when I was getting into Bitcoin, I had the same like, oh my God, inflation is gonna get insane. The financial markets are gonna melt down. And by the end of brunch she'd be crying. Like, what's wrong with you?

**Tuur:** I feel you. Yeah. It's, it's a really, like, it's a really existential process to go through and like realize that this is, this is gonna happen.

It's like, 'cause you didn't, they didn't teach you in [01:01:00] school like, you know, well, you know, when inflation happens, this is what you do. And that's, nobody ever talked about that.

**Marty:** Yeah. Hmm. I mean, and he's less than a dozen feet away from us, but like gradually, then suddenly written by Parker Lewis. It does, like, it feels like you only recognize this, like while you're in it and you're able to really dissect it in, in retrospect moving forward.

But like, is there the potential. We are like in the middle of a hyperinflationary event right now. We just don't realize it yet.

**Tuur:** Yeah, I think stagflation is where we're at right now. I do, I feel confident this is the next, you know, starting in 2020 whatever, 2020 at least to 2030. If, if we're not gonna have much higher inflation.

At least this era is gonna be known as Stagflationary, where, um, we've just kinda like run How much more capital do people still have left? Like, if you like all these shows, like, uh, what is it, Ramsey, James Ramsey and [01:02:00] these other guys that are like analyzing people's budgets. It's like how much actual savings do people have these days?

You know, it's not a lot. I think millennials are, I mean, and people make a big deal out of like, oh, but the millennials are gonna inherit all the wealth of the boomers, you know, even though they only have five and a half percent now of the whole pie. And, um, and the boomers, when they were our age, um, Had like, uh, I think it was like 30% or something.

Uh, well, you know, don't worry because we're, we're gonna inherit from the boomers. I don't think so. I think the boomers invested in the Ponzi and they're just holding F T X tokens, you know, they're holding government bonds and they're holding real estate and they're gonna have to sell to pay for their pension.

And so as they're selling, it's, it's gonna drive the price down massively. So anyway, I, I'm just, you know, we're in that phase where we've used up all the capital, you know, all the savings, and [01:03:00] so this is gonna be a hard time where, um, people need to learn to strap the belt and focus on the essentials for a while so that we can actually start saving again.

Um, I forgot where I was going with that, but that's one

**Marty:** thing. But I mean, mentioned boomers and millennials. We talked about this last week on the last trade, but the forgotten generation, generation X, like the median Gen Xer has $40,000 in retirement savings, and they're gonna start retiring in 10 years.

Wow. Something like 30% have zero retirement savings, which is insane to think

**Tuur:** about. Yeah. That is just really, uh, yeah. I mean it's, but like, like I said, people get by, like people back in 2001 when the Coto crisis happened in Argentina, that was a kind of a similar shock. You know, in the nineties, Argentinians were traveling to Europe and living the good life.

And so it's, it's kind of a good reference point. Like people really also were met by this great [01:04:00] shock. Like all of a sudden the money's stuck in the bank. You can't get your money out. I thought I had X, but I don't. I thought I could borrow, but now I can't. Um, I thought I had a house and now I have to sell it just to make ends meet.

Um, I think all that is gonna happen and it's tough, but at the same time, like people adapt. You know, like all of a sudden you're six weeks in and it's the new world that you live in. Right. And all your friends are going through it. Kinda like with Covid, you know, like we, you know, people are strong. You know, you just, you live through it and it's of course, I mean, I feel better being prepared, but, well,

**Marty:** that's what I was gonna get to.

Do you think, Hmm, now the Bitcoin exists, like there's an opportunity to. Shorten the amount of time that there's like crazy disorganization. Hmm.

**Tuur:** Yes. I, I do. Yes. Crazy disorganization. And also it, it, it, because there's this escape hatch, uh, we can, [01:05:00] we basically have a backup system already up and running, right?

I mean, Bitcoin is a, a global money. It's, it's right there. And, uh, and of course Tether is in a way, part of the whole ecosystem as well. For sure, for sure. Because that means that if, even if, if you're in the depth of the Great Depression, right, it's gonna be a depression. So if you're in the depth of that depression and you wanna start a business, you're like, everybody needs, I don't know, people need to wash their clothes and I have this new, whatever it is, you know?

Um, Or I'm gonna start a bus company or something. You have a way to calculate your revenues and your returns and to pay your staff and all that. So, so the bootstrapping is gonna be a lot more effective, uh, with Bitcoin? Yes, absolutely. And of course, some of the, some of the way that things kept spiraling, like in Latin America, you would have a hyperinflation and then like 5, 6, 7 years later, another bout, and it would just be this kind of endless cycle of [01:06:00] kind of stumbling from one hyperinflation into the next that could be kind of prevented, right?

Where, 'cause then you get that bad cycle, massive inflation, and then there's a, a new presidential candidate and he runs on a Bitcoin ticket and he is like, I'm gonna put you guys on a Bitcoin standard. So all of a sudden there, there's hope. Yeah.

**Marty:** Mm-hmm. Yeah. It's not like you have a hyperinflationary event.

They take the. The, the largest notes out of circulation. Like, I we're gonna reset. We're not gonna do that again. They do it again.

**Tuur:** My program is we're gonna scrap three zeros off the currency is like, does doesn't really inspire or we're gonna go on the dollar. Right. Yeah. I mean, that's the best people could do in Latin America, you know?

Yeah. Go on a dollar standard. Yeah. It's,

**Marty:** uh, it's interesting time, like speaking of like nation state adoption, like that's another thing that this bear cycle has really brought forth. Obviously we had El Salvador towards the, the middle of the last bull run, but since then, like, it seems like the game theory [01:07:00] at the nation state level that big winners have been talking about for greater than a decade has been playing out, at least in some areas.

You had the kingdom of, of Bhutan, their sovereign wealth fund, unfortunately get embroiled in the block fi and Celsius. Bankruptcy proceedings. And so they were sort of unmasked as, uh, a sovereign wealth fund that has been accumulating Bitcoin and we come to find, has been mining Bitcoin since early 2020 and is doubling down on that now that they've been unmasked like, and, and it is working out in the way that many predicted where these smaller nations like El Salvador or the king of Baton would be the first movers because their asymmetric upside is so much larger than the first world economy like the US or, or Europe like.

**Tuur:** Yeah. And there's also a big PR problem, right? If a country like Germany were to adopt Bitcoin, then there's a lot of the rhetoric that all of a sudden, you know, people you're undermining. Whereas a little country that [01:08:00] doesn't have anything left to lose, like they, it's easier for them. Yeah. Mm-hmm. I, I think a nation state adoption, I.

It doesn't seem like there's a lot cooking behind the scenes, like a little bit here and there, but I think for this cycle, in the beginning at least, it's mostly gonna be institutions. I think institutions, insurance companies, like just the, all these vast pools of money, um, I think are gonna start cycling into Bitcoin.

Basically, institutions that have had historically so much exposure to bonds cycling into Bitcoin. And then that can in turn, um, trickle down in the political world where politicians starting to realize like, actually the big money in the world, what they want is something real, something hard. Like, you know, uh, commodities, Bitcoin gold.

And then they'll be like, well, we haven't been successful in, in, in issuing these, this latest [01:09:00] batch of fiat bonds. Maybe kinda like what Kennedy said, you know, we'll have this one. It's a bit weird that Kennedy is like talking about bonds that are backed by Bitcoin because it's debt, right? It's not backed by anything.

It's just a promise to pay in the future. But at least some of the, some of our liabilities, what if we denominate them in Bitcoin so that these um, these big pools of money at least want to, uh, send some of that money our way? Yeah.

**Marty:** It's uh, and then you're explaining that I'm like, oh, it'd be bad to issue debt in Bitcoin.

Like

**Tuur:** un unless you have, uh, in your country big mining operations. Yeah. 'cause then you can start taxing in Bitcoin as well. And so you can kind of have your economist come up with a model that's like, look, you know, 5% of the bond is expressed in Bitcoin, but like this is our tax revenue stream based on what we're getting from the miners.

And that's good for Bitcoin too, right? Because it creates more stability for those miners. [01:10:00] Yeah.

**Marty:** And speaking on the institutional adoption, like that's been a big meme for a while. The institutions are coming with BlackRock, filing for the E T F and other institutions getting in recent years, B n Y Mellon, obviously Fidelity's been in for quite some time.

Uh, what could that do for this next cycle? Like, like you said, this is vast amounts of wealth, like, like compared to past cycles, what would the magnitude of that much money moving in?

**Tuur:** Yeah, I mean it's,

it's, I mean, that's where the money is. It's like literally like, you know, as

**Marty:** HODs are getting more embolden and as the subsidy's about to get cut in

**Tuur:** half. Yeah, exactly right. HODs, uh, are, are holding onto the coins. They're not moving, they're not selling. And, um, and you're right or the, the having is coming.

Uh, and then you have these vast pools of money [01:11:00] that. Are in a bind, really? 'cause it's not like, like they also need returns. They also are scared of the volatility and the traditional safe havens are no longer, like real estate is no longer a safe haven. Bonds are no longer a safe haven. Tech stocks are no longer a safe haven.

Uh, like what are you gonna put all your money on Apple? Like Apple and Amazon? Like, is that gonna last? Even like, maybe this just the last throws of a, of a, an over-hyped, uh, tech market. And then yeah, you could say like, oh, we're gonna bet on commodities. But like, that is a small world. Like, you know, I think commodities are gonna come back roaring, come roaring, come back.

But that's, that's a shift that you need to make, not just as a money manager, but there's that whole PR challenge where you gotta explain it to your investors, like, oh, well, you know, we're making a change. And, and it's like, what you gonna like start digging coal out of the ground? When, when I. The whole world is telling you that you're, you're polluting, uh, [01:12:00] or whatever it is you wanna do in the commodities world.

You know, are you gonna bet on hunger or so, so you gotta sell that narrative. And so it makes sense to at least sprinkle a bit of Bitcoin so that you have that like, oh, well here's an asset that can take off some of the tail risks and look at the historical returns. And, you know, and it's a tech story and you know, it's not correlated with anything else.

And so I think it makes sense that, um, just like with the.com period, it was like, what, what is your internet strategy? Like in the investment world, it's gonna be like, what is your Bitcoin strategy? How, how are you gonna, not like, are you gonna get exposure, but like, how, how? And they'll be like, well, we're, we're betting on mining and so we have some, you know, energy related investments or whatever it is.

Like there'll be all kinds of stories. Yeah. Hmm. And even if it's just for a couple basis points, you know, if you're talking trillions of dollars, Bitcoin is what? 1 trillion right now? Something like that. Probably less.

**Marty:** It's like eight 50 to nine, I believe. Yeah. Yeah. [01:13:00] I'll ask the question more explicitly, like, how high do you think we could go next, uh, next bull market if it plays out

**Tuur:** very, very high, very, very high.

I've said like, uh, I mean, it, it sounds a bit, you know, um, uh, what's the word? Not cavalier, but it sounds a bit, uh, flippant to say, I, this next rally could set your hair on fire. But like, or, or like to say there's no fever like Bitcoin fever, but. I think it's important to be prepared for this stuff. 'cause it's not only fun, like if it happens and you're not prepared, it's stressful, weird, and stressful and like, what should I do?

And, and like, if I stay on this train, maybe I'll do another two X. But, you know, and so, you know, you, and so that's why I, I'm less hesitant to actually say these things because you, you need to prepare. Like what [01:14:00] are you gonna do anything? I'm not saying you should do anything during the bull run, but like, if Bitcoin goes to 200,000, 250,000, whatever it is, 300,000 or even just above a hundred thousand, that's already three x from here.

What, you know, where is your mind gonna be at? And keep in mind, it's not like you and I are sitting here in our, you know, in our sofa and we've just been like, you know, chatting with our friends about Bitcoin and the whole world doesn't care. Like, no, no, no. If Bitcoin is 150,000 or 200,000, everybody's talking about it.

It's on the radio all the time. There's ads for Bitcoin stuff. There's, there's, there's, uh, you know, big political statements about Bitcoin. Like, you know, there's a lot of noise. Um, and so it's important to think about these things. It's not just like, oh, we're just, you know, masturbating about what could be.

It's like important, I think to, to, to try and put yourself there in the future, because we've had it before, like these rallies, like back in [01:15:00] 2014, Bitcoin went from pretty much like 30 bucks to 1200 bucks. Mm-hmm. Whoosh. And one, and it wasn't a straight line, but it was a crazy period of massive, massive green candles.

And there were like serious corrections as well. And so we just came out of, um, Uh, one of the longest Bitcoin bear markets. And so I think, you know, keep in mind that this is a possibility that we, you know, I, I think a lot of the, a lot of factors are lining up behind a story where Bitcoin surprises the world.

Um, and so, yeah, I think it's, it's important to consider Yeah. A as in this environment where this podcast is not gonna be heard by a lot of people and, uh, millions of people. Sure. Millions of people. Maybe the re maybe the rerun.

**Marty:** Yeah. [01:16:00] Well, I agree. And is this technically the longest bear market Bitcoin sisters?

Is it

**Tuur:** surpassed one 15? I would have to check. I think it's the longest, but I could be wrong.

**Marty:** Yeah. Like, like the last few months of price. It's like literally just like, so it feels so coiled up right now between

**Tuur:** 28 and 31, I think. Uh, Simon said like, oh, now I know how the gold bugs feel. Like trying to poke Bitcoin with the stick.

'cause like, come on, do something,

**Marty:** do something. No, that's, I mean, many people have made the argument that last, the 2021 bull market was actually cut short because we found out that F T X was just taking people's Bitcoin and selling it right away.

**Tuur:** Yes and no. I mean, I agree in a way, but it's also like there was so much greed, like there was just, there was so much exuberance in other markets as well.

There was like the Wall Street Betts mm-hmm. Craze. People were buying a m c stock and Radio Shack and what all that crazy stuff. And there was a real estate bubble. There was a, like a, a Rolex bubble. There was, so, like there was a bubble in [01:17:00] used cars. Everything was blowing up. So you could also argue that Bitcoin overshot, you know, it went to 65,000.

You know, it's weird because on the one hand, because of that, everything was blowing up. There was, there was just dumb money going into Bitcoin. But then again, had there not been a bubble in everything, maybe more smart money would've actually stuck with Bitcoin or found Bitcoin. Yeah. So, um, I don't know.

It is, it is what it is. Um, but.

**Marty:** What are your thoughts on the decoupling? Has Bitcoin already decoupled?

**Tuur:** Mm-hmm. From, from what? From everything, from all equities, from, uh, I know. I'm still waiting. You can like, um, you can look at, uh, the Nasdaq expressed in Bitcoin and the s and p expressed in Bitcoin. And, uh, those charts are still waiting to break out.

It's, it's starting to look like, you know, we're, we're close to resistance and, and, uh, we could break out pretty soon. It's looking good, looking very good, but it's not broken [01:18:00] out yet. Um, and then against other alt coins, I look at Ethereum especially, I want see Ethereum breakdown against Bitcoin as like a sign that alts are decoupling as well.

**Marty:** What's it at like 0.065 or something like that

**Tuur:** right now? Point Oh, that's about right. Point oh six three, I think. Yeah. Yeah. What was it?

**Marty:** It's all, I like 0.11, like 11%.

**Tuur:** Yeah, thereabouts. I think what the pattern has been is that we've seen like a double top and then like a kind of a, a debt cat bounce after that.

Like a a, an attempt to make a triple top at failing and then it went down. Like, and so I think we've seen that exact same, well, we saw that pattern in 2017. I think that pattern is playing out right now. Like we're, we're already past the dead cat bounce. But again, I mean the, uh, what is it that Frank Zappo said?

Like, uh, the only thing more ubiquitous. Then Adams in the universe is [01:19:00] stupidity or something. Anyway, like, you know, you just, you can't tell. Is

**Marty:** that a Kane's quote that Marcus didn't say irrational longer than you could say solvent. Was it Cain's?

**Tuur:** Oh yeah, that's Kane's. Yeah. But then Zappo was, he just had this like, disdain for stupidity.

So he is like, it's just the most ubiquitous thing in the universe. Um, but, so yeah, like, like, like if you followed, imagine if you followed Theranos from close by, you would've been like pulling your hair out as like, this thing is a scam for God's sake. Right. Especially if you had a medical background or whatever.

And they went for 14 years. So I don't know, you know, that like, like Kane said, like, you know, uh, the market can stay irrational longer than you can stay solvent, so I'm definitely not gonna bet against it. Well, I will, but I won't, I won't, uh, you know, uh, I'll, I'll, I'll allocate a small amount of capital that I'm short Ethereum.

Yeah. Yeah. Against Bitcoin, but it's not, it's not a huge position. Yeah.

**Marty:** Yeah. I mean, there's been funds that [01:20:00] got blown out holding that position

**Tuur:** too long. I, I do think that one of the ways to, to deal with Bitcoin, the number go up forever is to have, um, short strategies where you go long bitcoin short something else.

Uh, like how in the eighties, the dollar was very strong, so there were a lot of short opportunities then. Like it was the Jordan Belfort era, but it was also an era where you could start to short all these scams, uh, carefully, but you could, yeah. Yeah.

**Marty:** It's very interesting. I'm more of the stay humble stack

**Tuur:** sets.

Yeah. Yeah. I mean, I mean there's, it's a, it's a thing you have to be a trader, right? Yeah. Right. It's, it's a thing for traders and, um, You have to do it very carefully. Yeah. Yeah. Hmm.

**Marty:** What, uh, we've covered a lot here. What haven't we covered that is on your mind in the context of where we stand today and where we may be going in the next

**Tuur:** couple years?

Yeah, Bitcoin wise, um, Bitcoin wise,[01:21:00]

I mean, I guess I'm curious, what do you, what do you feel like is the next thing to happen in the next like six months? Like what, what do you, is there anything you're like looking out for or waiting for E T F? Nah,

**Marty:** I don't care about the E T F. I think Don't buy the E T F. I'm really excited and I've been talking about this a lot, so sorry, freaks for repeating it.

I just said Cody Lowe from Ty. Uh, number one, I'm excited to see Fetti mint, um, live and in the wild. Tested out the AI for all hackathon feint. It's on main net. It works pretty flawlessly, so seeing more development in that area and. Zoning in on what they're doing at that hackathon. I think the intersection of AI and the Lightning Network is something to pay attention to.

Wow. I could, it really make intuitive sense to me. I could be wrong, my intuition could be off, but I do think that AI being the nation industry that it is, and lightning [01:22:00] now with the L 4 0 2 protocol being more widely known and now being applicable via the Lang chain, uh, dev kit that is used by all, a lot of these AI projects could really,

**Tuur:** and so which, which human action would the AI help reward with Lightning?

Is that how to look at it? That's one of

**Marty:** the ways it's like stack work. Um, the way they work is they have an AI engine that does. A very monotonous task for companies, enterprise companies like looking to scrape data from PDFs, but that AI can't always do a hundred percent of the work. The last five to 10% needs human input and stack work has a, a workforce of distributed humans who will do that last five to 10% of the tasks that the AI couldn't finish and they get paid in Bitcoin, then that data gets added to the LLMs.

But I think more, uh, [01:23:00] like another side of the AI and Bitcoin coin, which Cody Lowe from Ty explained on the show last week, is that he created a lightning paywall wrapper on top of his open ai, a p I token, where he bought access to the token with his credit card, and he wanted to prove that like, you can use lightning paywalls using the L 4 0 2 protocol to gain access to that.

So he puts the paywall in front, somebody pays him a lightning invoice and he's happy to give them. Access to his open a p i token right as he got paid. And he can maybe make a little bit money on that, but know for sure that he'll be able to cover his bill with open AI for all the calls he's making. So

**Tuur:** it's like the way you could like, uh, get access to Amazon a w s for hosting or whatever, like you can do it like much more kind of on the fly now with ai, like get access to AI in a, in a kind of a, yeah, like ad hoc basis or even like [01:24:00] with a p i calls or something, like I'm just gonna, my startup is gonna use AI every now and then and pay immediately enlightening or something.

**Marty:** Yes. So that's one use case. And then what Cody found is that he like launched it within a couple days. He checked his open AI account and he had, uh, $2,000 that he owed open ai. 'cause so many people used it and he had $2,200 worth of Bitcoin. So he was, it was. Theoretically you could have sold 2000, kept 200 profit, but we had individuals reach out to 'em and dmm 'em, like 16 year olds from Nigeria, developers who were like, Hey, I've been looking at all this going on with chat G B T for like six months now.

And like, oh, they couldn't, haven't been able to use it because I don't have a credit card and I can't set up an account. Wow. Yeah. Yeah. So I think for these AI companies, if that use case, that particular user archetype becomes more well known, like that opens up their ability to, to reach,

**Tuur:** I'm looking to improve my spam email.

Yeah. A whole universe. My Nigerian prince [01:25:00] email. Yeah. I need chat.

**Marty:** GT P that, or like, yeah. But it just like opens the addressable market

**Tuur:** for them. Yeah. Yeah. Yeah. No. Yeah. Yeah. I mean in, in a similar way as that even like just Bitcoin has access to money. Like now it's like well access to intelligence Yeah.

Is the next frontier potentially. Yeah. And the other

**Marty:** cool thing that Cody explained too is like you can have these AI agents and you give them a task and you use Lightning Network macaroon permissions to give it an allowance in Bitcoin. If, um, it can't complete a task, uh, say it gets 90% of the way and it can't finish the last 10%, it can take the Bitcoin that it's been awarded as an allowance and put it up as a bounty for a human to figure it out.

**Tuur:** Needto, finish that last. So this is, plays into duv, al's, you know, theory, theory that, uh, AI are, are not gonna be this one. It's not gonna be this one overlord that is one ai. Like we're gonna have an ecosystem of AI's multiple [01:26:00] and that they're going to be. Trading with us for our Bitcoin, like they're gonna do things for us and we're gonna pay them in Bitcoin.

And that the way AI are gonna be differentiated from each other is one AI knows the private key to a certain balance, the other one doesn't. And that's how an AI can figure out like the boundaries of me versus you. Yeah. It's just, he has a, he hasn't done a writeup about it, but, uh, he has a fascinating take on, on where AI might be going and how Bitcoin is like, in a way to, 'cause we cannot outsmart AI in the long run, but if we have that medium between us, you know, where we're, we can create a, a marketplace.

'cause they need, theis need a energy, uh, they need chips, uh, to need more data. Keep existing, right? I mean, they, they, they, they need resources that we provide. And so then it's like, well, how do you. How do you make that happen? And Bitcoin is, [01:27:00] it's 'cause they cannot have a bank balance like an AI can.

Similar to the person living in Mali doesn't have a bank account. An AI actually can't either They can't do K Y C. Yeah. And you can't And they wouldn't, even if they could, they wouldn't trust it. Right. Why would an AI trust their fiat balance with Morgan, JP Morgan or something. And

**Marty:** alternatively, like, you wouldn't wanna give an AI your credit card information.

'cause it's like, where's it going with that? And

**Tuur:** Right. It might strip you.

**Marty:** Yeah. It was like, all right, here's a little thousand SAP

**Tuur:** balance. Yeah. Yeah. You send me an invoice and I'll, I'll, uh, I'll pay you. And, and in a way, and people, and Drew was like anticipating people saying like, oh, but how would an AI figure out how to use Bitcoin?

It's like, well, it's literally this. Right. We're already teaching it. Yeah.

**Marty:** Mm-hmm. Just give it a lightning wall with macaroon permissions that have certain thresholds that it's like, all right, you can, it's. It's conditional programming. It's like if you have this much, and yeah. If you're trying to do this task and it's below this amount, you can spend it.

**Tuur:** Right. And the more you [01:28:00] do of it, the more your, the company that runs you is gonna have resources to make you bigger. And that's what you want. You wanna stay in existence and grow. Yeah.

**Marty:** It's fascinating. Machine payable web, it's finally pay. It's possible now

**Tuur:** it's happening. Balaji. It is. What does the grenade stand for?

Uh, it's just, it's not like symbolic, like machine payable web and then the

**Marty:** grenade shout out to, uh, to crypto cloaks. They just make cool grenades with Bitcoin

**Tuur:** on them. It's just all kinds of, uh, like gadgets they make or is it? Yeah, they, uh, do I have anything else from crypto cloaks? Is that like three D printed?

Yeah, it's three D

**Marty:** printed. Cool. They do like three D printed fan alterations for minors. Um, practical, I mean, this is practical in terms of, it's a good bookcase piece, but in terms of like adding

**Tuur:** functionality Oh yeah, yeah. Like, um, I've seen like when you change the fan slightly, you can make it a lot less noisy or more efficient, [01:29:00]

**Marty:** easy, more efficient.

You can direct the heat certain ways and

**Tuur:** Right, right. Yeah. Um, we, we haven't talked about Texas. I don't know, let's talk about Texas. How are you feeling about Texas? Bullish? Why is that? Uh, I mean, I just feel like everything comes together here. Um, you know, there's the energy fossil fuels, there's, uh, the tech, you know, the chips fabs are being built here.

Um, it's flat. It, uh, it, it, it, the energy goes beyond fossil fuels. Like there's wind, there's solar, uh, there's access to the ocean. You could say geopolitically. It's a bit vulnerable in terms of like, if we're really going towards potentially Texas independence, then it's like, well, they could, they could shut off the, the Mexican Gulf, [01:30:00] so who knows?

But, but at least in the next whatever, maybe our lifetime, I just feel like there's just, it has so much going for it. It's business friendly. That was one of the main reasons I moved here, is just that there's, that I. Not just like, oh, we're business friendly. It's like, no, no, no. Like we have that in our d n A.

Like, there's just that, like bootstrap,

**Marty:** that wildcatter mentality.

**Tuur:** Yeah. And like, and in a way also to make something outta nothing, because it wasn't like a big gold rush that drew everyone to Texas. It was more like, you know, the Appalachian Trail and you just kept going with your cattle and your whiskey and, you know, you kind of didn't like that you were bullied by the plantation owners in the South and, you know, and, and, and the, the Yanks in the east.

And you just kind of kept looking for something. And then, uh, maybe you could say like, oh, they stranded. 'cause, you know, the, the, the Comanche were there and all of a sudden the soil became less fertile. But yeah, I mean, but you gotta build an existence [01:31:00] somewhere. So I just, um, yeah, I feel like, uh, there's just, um, something really special about this place, and I didn't move here thinking like, oh, I'm moving to Bitcoin country, but, and that was like 2018 when I, uh, 17 when I first moved to Texas.

But, um, but it's kind of become Bitcoin country. Um, I really feel like if you're here and you, you live here, you, you know, especially if you kind of go into Bitcoin circles, you, you get an idea of a bit, you know, the, the early stages of a Bitcoin economy Oh yeah. With all the, you know, the energy guys making mining deals and all the, the, the, the engineers building Bitcoin startups and Yeah.

Yeah.

**Marty:** And I think Texas is on a short list of states that when it comes to like writing legislation, like has an ear open, would be. Willing to be a first mover in terms of making some, [01:32:00] I don't wanna say aggressive, but, uh, bold Bitcoin laws or protections.

**Tuur:** Well, and there's history in the sense that property rights are just important historically here.

Um, you know, uh, the, the, the, uh, jury trial being tried by a jury of your peers, but also the, um, uh, what's it called again? The, um, the Homestead Act, you know, the idea, and, and apparently early on it was maybe a bit opportunistically put in place because they're trying to draw in more. Farmers, more people from all around the country.

And so people that had a bunch of debt that they weren't paying off in other states, if you came to Texas at least your home, your house could not be confiscated. So that was one of the ways to attract people, you know, being like, if you're, if you're gonna build an existence, your family is gonna be safe.

Um, but so that's still on the books and, and that, that's been expanded on. And there's the castle doctrine and there's [01:33:00] of course the gun rights and, you know, all that stuff that all I think all just adds up. And even things like, uh, the way the highways are, are, um, I've talked about this before, but it's just fascinating me how, part of why the highways are so.

Usable and easily accessible and, uh, in my opinion, amazing. Here. It's like the Jetsons with all the, like, you know, highways in the sky compared to other countries. It's amazing. But, but so the reason why there's all these, uh, parallel roads to highways is that in the Texas constitution it says if you as a have a piece of land, you should also have access to any road that's adjacent to it.

So that means if you build a big highway, you can't put that farmer on an island like he needs to be able to access that highway. And so that means they build these parallel roads everywhere in, uh, in Texas. And that's not the case. Everywhere in the US

**Marty:** certainly isn't. I always are great out here. It [01:34:00] bamboozled me when I first moved here, particularly around Austin.

Like, 'cause like you said, it's like a bunch of like meandering, like. And like growing highway systems,

**Tuur:** I had to learn to drive. Like I would be like, oh, I gotta, I gotta turn right here. Ah. Like, it's like things move fast. Yeah. But, uh, but once you figure it out, it's like, it's, it's very efficient in my opinion.

Yeah.

**Marty:** Yeah. And conversation I've been having over the last year comes up every once and again, but Texas again, first mover, shout out to Kyle Bass. I'm pretty sure he really pushed this initiative when he was at U Timmco, I believe, which is like the Texas bullion vault where they had their own bullion vault where they weren't comfortable holding the gold.

Oh yeah. In the state treasury in vaults in New York. And they, they called it in kind and they possess it at the bullion vault, I believe here in Austin. And that's one thing with a couple other Bitcoin Bitcoiners here in Austin, we really would like to get is that the bullion vault. [01:35:00] To put some Bitcoin or number one, get the state of Texas, put Bitcoin on their treasury, but then you get the Bully Vault to be a key holder in a multisig quorum.

Yeah. Could you imagine having like the Texas bullying as like, um, an institution within a, a multisig quorum? That's

**Tuur:** the definition of badass. And I mean, there's, and of, there's of course history of, uh, governments being involved in banking in, in a benign way. Like, you know, early on the Bank of Amsterdam in the 16 hundreds, like that was such a key institution to, uh, even this financial stability of Europe.

Like they were really holding so much wealth that belonged to people all across Europe. Um, And, and that was the model that the Bank of England was built on, like, uh, uh, Isaac Newton's, uh, project. Um, and then eventually central Banks kind of ruined it, but, but, but that's what it came from. So yeah. To, to have like an institution as the government be like, look, we're gonna keep your keys safe and, uh, we don't even need to control your Bitcoin.

We're just doing this as a public service. Um, that would be amazing. [01:36:00] Yeah. So yeah, that history of, um, also like this sovereignty on a, on a state level is, you know, having your own electric, um, uh, um, what do you call it? Grid, electric grid. Yeah. Um, that's unique as well, having that history of having been a nation state.

Um, I think it's just all, uh, fantastic. And then the, the historic backgrounds of, of the big cities is, so I. Different. Like it's, they're not all cut from the same cloth. Like Austin, Houston, Dallas, San Antonio are all very, very different. Even though they're not that far apart, they have very different, like, historical roots.

So to me that all adds to, you want that melting pot. Like that's what made New York City so amazing is that it was that like impossible melting pot. Uh, 'cause then you, you gotta go find like what are the overarching principles that can keep everyone happy instead of like, if it's very homogenous, [01:37:00] you, you can kind of calcify into getting very like, weird religious stuff built into the government or, you know.

So, um, it's like in Bitcoin as well, right? We have very simple principles. There's a lot of enemies in Bitcoin, but we agree on one

**Marty:** thing. Well, that's a great point. I think like the simple principles of Texas'. S legal landscape, it's like, yeah, we're gonna protect property rights, we're gonna have low taxes, we're open for business.

We like energy beyond that. Like

**Tuur:** just don't kill each beyond that. Come and take it. Yeah. I dunno.

**Marty:** Yeah, it's, uh, no, it's been great. I mean, obvi, it's obviously here at the Commons, it's been really cool to see this become, uh, a, a space where people working in Bitcoin across the country, across the world, stop by and check out things like a debate series or come to a bit devs.

We got Austin Bitcoin Design Club tonight. It should be fun. And uh, no, it's happening. And then beyond like [01:38:00] Bitcoin, you have like all the comedians moving here to Austin particularly. Yeah. Um, I met with somebody last night who's pretty involved in what's going on at the state level. And he lived in Austin for a couple decades and it was like, yeah, there's.

I've never been more bullish. Like everything's coming here from tech to energy. Um, culture with the comedy stuff, like

**Tuur:** Yeah, we have a, a new university sprouting. I think one of the first, I mean, I haven't heard of many new universities being built in the US and U A T X is, uh, is one of them.

**Marty:** The Logan's giving me the time.

Why is that Logan? We're running outta battery.

**Tuur:** We're gonna get kicked outta here. By who? Oh,

**Marty:** by who? Meat Mafiaa. Big ass heads coming in. Um, all right. It's good to know. Thank you for the warning. I don't have my phone on me, so I've been keeping track of time. We've been [01:39:00] getting lost in a great conversation here, Logan.

Thanks for interrupting.

That's

**Tuur:** why I didn't say anything.

**Marty:** Uh, so we're bullish on Texas. We're bullish on Texas. We're bullish on Bitcoin. Yep. Actually over the last couple months, I've become more optimistic and bullish on humanity. I think despite all the, uh, turmoil and anxiety that seems to be rampant throughout society, I've been more convinced than ever that we have, number one, the tools that are fingertips to figure out the problems that we have.

And number two, I do think there is a, uh, sentiment shift going on where people are realizing they need to take more control and be less trustful in institutions that have, that have broughted them.

**Tuur:** I'm very, very happy, very, like I feel very privileged to be alive right now. I really am. Like I, there's just so many things that are like, yeah, there's, you know, you could look at them as scary, like big changes, you know, and, and, and, but at the same [01:40:00] time, there's just so much possible and, uh, and there is more, uh, Well, like with the internet, like even though you know, it's challenging to be hyper online, there's so much mental illness and all that like, but at the same time we are hyper connected.

Like there really is this pos potential for change and like kind of some of it's possible. I think that some of the promises of the sixties and the early seventies like that like. Explosion of creativity, I think that could really come back. I think it maybe could come back in a more mature way and 'cause it was kind of squashed too, you know, like in the late seventies and eighties was very much an age of censorship and things like that and they weren't really tools to push back.

Right. The Cipher Punks part of why they they came up was like, we had all this cool stuff in the sixties, you guys took it all away 'cause you're afraid. How do we build back things so that it's more robust and we can kind of [01:41:00] gradually keep being free without it, um, being yanked from under us all the time.

And, and, and, uh, so I'm actually very, very, very happy. Um, I, I talked about this with, uh, Peter McCormack as well, but like, part of what's happening too is like we have this psychedelics renaissance that's happening. I went to the, the conference in Denver about that, and like, Bitcoin is coming up. Um, I think there is more awareness of like the, the challenges with social media.

So we're seeing like, you know, different ways of being online. Yeah, man, lots of, I mean, of course, economically it's gonna be tough for a, a year or 10 or something. Not for everyone, but, you know, there's gonna be a, an economic depression, but that's not the end of the world. Like we have to get rid of all this bad debt somehow.

It's a cleansing mechanism. Yeah. Right. I mean, we, we, we kind of need to wipe the slate clean. Not that we're, we're gonna do it. It's just gonna happen. So Yeah. I'm, I'm, I'm with you. I'm, I'm optimistic.

**Marty:** We're [01:42:00] gonna win. We're winning. We have the tools at our fingertips. It's just giving yourself agency, believing in yourself, going out and doing it

**Tuur:** Well, yeah.

And also kind of like if, I mean, even winning, like who are we fighting? You know, like we're just trying to figure out how to do this stuff on this Interdimensional

**Marty:** demons.

**Tuur:** Yeah. But I mean, like, yeah, I just, uh, I I feel like people have a lot more in common than sometimes the, you know, the media likes to portray Yeah.

Or the, you know, the political debates and stuff. Um, agreed. Completely

**Marty:** agreed. Mm. We have more in common. It's gonna be fun. Tour. This was incredible. It was too long. Let's not go another three or four years between,

**Tuur:** between podcasts. Oh, I thought you meant like this podcast was too long. No, no. It's been too long since we did this.

It's been too long. Yeah, sure. Let's, let's do it again sooner than that. Awesome. Well,

**Marty:** luckily we work in the same office so we can figure out easy. How to coordinate. Easy, easy. All right. That's all we got today, FQs. Peace of love.