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**Peter:** [00:00:00] They're going to try a bad Bitcoin. Yeah, for sure. That should be the base case. I'm constantly shocked. They haven't tried harder. It's the, it's the great mystery. I think they just, they literally don't understand it and they are a little by little, but not fast enough to be a problem yet. That's what I can see

**Marty:** this BlackRock ETF being the beginning of them getting it and trying to corral it into this.

Hyperregulated exposure, where it's like, all right, you can, you can get exposure to Bitcoin, but it has to be via these entities.

**Peter:** Exactly. Yeah, which, oh, are, are we recording yet? Yes. Okay, got it. Uh, yeah, I mean, the trick with BlackRock, you know, kind of, I think the biggest benefit to it is that BlackRock knows how to lobby Washington, right?

So, you know, they've got so many friends that, you know, in a sense, it gives us like plot [00:01:00] armor on this side to have BlackRock on the Bitcoin side of it. And then the question is just, is BlackRock going to try to screw things up internally, you know, more than the sort of policy insurance that they give Bitcoin?

Yeah, that's been a big debate. In the Bitcoin

**Marty:** space is should we be funding these policy think tanks and these policy advocacy advocacy groups to go lobby on our behalf and I'm, I've been a big advocate of let's just piggyback on other lobbies. I'm more focused on the energy sector. I think we should get the energy sector bought in and then use their lobby.

**Peter:** to protect Bitcoin. Oh yeah, they're, they're one of the most powerful lobbies in Washington. They're insane. The, the, the kind of garbage policies they can get through. You know, if you were to aim that lobbying muscle at something that actually made sense, it'd be pretty exciting. Yeah. Well, nothing makes sense right now.

Yeah. Very little makes sense. This is one of the great mysteries is, you know, like if I were rooting for Joe Biden, you know, [00:02:00] if I were like a dedicated Democrat activist, I would be like, what in the hell are you guys doing? You know, between like the border and the gender thing and, you know, the wars, um, you know, the, the retreat from Afghanistan.

I mean, just it, the, the litany is astounding. Like, what are you people doing? And it's almost like they're behaving as if they really don't care what the voters think. You know, normally, if you look at, say, pre Obama, you know, you look back to the Clinton era, for example, at least they tried to dress things up.

Like, they, they tried to do policies, for example, border fences and things, okay? Yes, they were, you know, doing them less so than the Republicans might, but they were at least trying to respond to what they thought public opinion was. And in a whole lot of areas, it's like, they really don't care. And, you know, I did a, uh, an article on this recently talking about voter fraud, that this is what you would expect to see if a regime is engaging in widespread voter fraud, that [00:03:00] they don't care about voters anymore, right?

Because the reason you do voter fraud is so you can ignore the other side's voters, but as a side effect, you can also ignore your own side's voters. So you become like divorced from voters. You really don't care what they think anymore. Uh, rather, you know, the party gets handed over to special interests.

So lobbyists and cronies, um, and the politicians themselves, the bureaucrats. That's really, I think what the Democrat party is looking like now. It. You know that there are all of these sort of own goals, you know, things like banning gas stoves. I mean, where the heck is that coming from? You know, like what, what, what is the benefit to the party?

Right? Like, like, again, you know, if I put myself in the shoes of like a pro, you know, Democrat activists, I'm like, what in the heck is up with the gas stoves? Unforced air. Nobody was demanding it. The climate freaks aren't obsessed about gas stoves. You know, it's like the White House just pulled this out of their rear end, pulled it out of nowhere.

And, you know, I mean, that's, you're not going to win [00:04:00] elections on things like that. So it's, uh, just across the board, they act like they're a party that, you know, whether it's confidence in the media covering for them or whether it's genuine voter fraud, they feel like they really don't care what voters think anymore.

No, I mean, just

**Marty:** having Joe Biden go out there and interact with either the public or other world leaders is an example. Like that gaffe in China where he walked up to Xi unannounced, probably whispered something incoherently in his ear without a translator.

**Peter:** Probably sniffed him. Yeah, you can I

**Marty:** mean you can tell speaking of sniffing The other powers in the world can smell the blood in the water I mean you have Saudi Arabia and China buddying up pretty pretty aggressively Saudi Arabia their foreign minister came out So we're gonna go to China and see if they can broker peace.

Yeah, Israel and Palestine and it's uh [00:05:00]

**Peter:** and just The, the, the, in a sense, I would welcome the incompetence if it was paired with like a retreat from the world, you know, like if we became isolationist and then Joe Biden could sniff people here at home, uh, that's relatively harmless. Um, you know, but the problem is that you're pairing that incompetence with this just extremely aggressive foreign policy.

You know, we've learned recently, uh, I think it was the German foreign minister who was talking about. Uh, early peace talks between Ukraine and Russia and that the U. S. was spiking them. Like they were essentially telling Ukraine, no, you cannot make peace. And you know, why would they do that? You know, you've got what, something like 100, 000 Ukrainians now who have lost their lives apparently for nothing, given that the war is winding down at this point.

So why would you do that? And you know, is it, is it military donors? Is it? You know, uh, to sort of maintain this sense of crisis that they enjoyed during COVID where they could ram stuff through. And so they figured, well, [00:06:00] you know, the COVID shtick is played out. And so maybe we can go for war this time.

Now, I guess they found a new shiny war, so they don't need the Ukraine one. But I mean, really just, you know, pairing. If the U. S. were isolationist, it wouldn't much matter. If we were incompetent, right? But in this day and age, when the U. S. is out there trying to pick fights with pretty much every conflict in the world, uh, it's a big concern.

Yeah. It's

**Marty:** pretty disgusting too. I mean, when stuff began popping off in Israel, in Gaza, the haste with which the Ukraine Debacle

**Peter:** was swept under the it was, yeah, it was like, uh, you know, the Friday night girl, you know, she, you, you keep her handy and then as soon as you meet another one, she's just out of there.

It was astounding. And, you know, of course the Ukrainian people, what they've been through, the Russian people as well, you know, early on in the conflict, [00:07:00] you know, people were sort of choosing sides. And I mean, my argument at the time, I think you probably agree is that, you know, I was on the side of the Ukrainian people and the Russian people as against the Ukrainian government, the Russian government, you know, so this entire debacle here, I mean, honestly, like I, it's hard to quantify how little I care who runs.

The Donbass region of Ukraine. I could absolutely care less. Both countries are corrupt dictatorships. Broadly speaking, it seems that Russia is slightly less corrupt. But beyond that, I really don't have an opinion. So why we got involved in the first place, uh, and, you know, along the way, how many Thousands of Ukrainians and Russians were killed.

So I mean, in a sense, if you kind of zoom out, it's like the U. S. Is is almost like this, this this dying scorpion who just sort of stabs everything. It sees it stabs its own babies. It just stabs anything in sight in its death throes. Yeah, it seems [00:08:00] like it

**Marty:** was heavily driven by the military industrial complex.

I mean, you have Mitch McConnell come out on one of the Sunday news shows about a month ago and saying, hey, this is good for American,

**Peter:** uh,

**Marty:** weapons companies. We're basically giving them all of our old ammo and then remaking it here. Yeah,

**Peter:** finally we're in the U. S. Yeah, we're revitalizing the Rust Belt by making stuff and blowing it up as opposed to like making things that people could actually use like Cars.

**Marty:** Well, they're gonna make cars, but they're all gonna be electric cars by

**Peter:** 2030 apparently. Yeah, they're gonna be, you know, there was an article just the other day that 0. 2 percent of car registrations are currently electric cars. For all the mindshare they have for all the billions that they're going to plow into these, uh, charging networks and all this, essentially nobody.

As, uh, any V the other issue with DVS is that China has been plowing ungodly sums into [00:09:00] anything green. Okay. So they've been dumping free money into manufacturers of solar panels and electric vehicles and batteries and all across the board. And all of that stuff is set to flood into the U S now, right?

So we have all these cronies, Solyndra style, you know, electric. vehicle plans to this. I think Tesla is like the one company that's relatively sustainable on its own merits. But the rest of this crap is just, I mean, it's just pure government welfare. And then once you bring China flooding in what millions of electric vehicles are gonna slash, the prices are gonna be half the cost.

So, you know, between customers sort of waking up to the fact that E. V. S. For the most part, um, are a bait and switch. You know, like, uh, an EV truck. Well, you know, you can drive it for like an hour and then you get to spend a couple more hours at the charger. So between them understanding that the product itself.

In most cases doesn't perform anywhere near, um, uh, the [00:10:00] promises. And then you combine that with the Chinese flooding in with all this cut rate product, you know, I think we're just gonna have an absolute wipe out in, you know, so called green manufacturing. Now they're going to double down on it, right?

Going back to the, you know, first point that they really don't care what voters think anymore, uh, they're just going to double down, I think. So the Chinese are going to come in, they're going to try to put trade restrictions Uh, you know, they're going to dump more money into these black holes, uh, because it's about the messaging.

It's about their own crony environmentalists, which are a big part of why Joe Biden, uh, you know. Took the White House. Yeah,

**Marty:** well actually gets to a good segue into what I actually wanted to cover I've originally reached out to you a few weeks ago after that whole Treasury auction debacle apparently there was a cyber attack China couldn't get their trades in the Demand for the 30 year is a 30 year 20 year.

I think it was 30 year Treasury was lowest tank [00:11:00] 1991 And I think that we can actually cover that subject and tie it into something that you've been covering a lot this week, which is hyperinflationary events throughout history. We just had the a hundred year anniversary of the Weimar Republic's hyperinflationary event.

Obviously Argentina just had a big election with Javier Malay becoming their president, uh, in the. It's in the midst of their fifth hyperinflationary event in the last five decades, or however long it's been. And I think we could use sort of that a hundred year anniversary and what's going on in Argentina right now to describe some hyperinflationary events over the last hundred years.

And I think that treasury auction is a signal that if there's not treasuries, we could have it here. And even if the government does want to double down on the stupid spending that you're doing, whether it's in energy or other areas of the economy. They may run into a buzzsaw that is runaway inflation, potentially [00:12:00] hyperinflation.

**Peter:** Yeah. So, uh, what happened in the treasury auctions, this was, I think, two weeks ago at this point, and they hold these things often. Um, but they were trying to sell, I want to say 10 or 20 billion worth of federal debt. And they do that essentially nonstop. They've got something like 10 trillion in debt that they have to flog out to private markets this year.

So they've got a lot of these treasury auctions. And to put that in perspective, there's about 20 trillion in the U S banking system. Okay. And the feds this year are trying to sell 10 trillion, right? Most of that is refinancing old debt and then about 2 trillion in fresh debt. So it is really an enormous sum of money that they're trying to pump out into private markets.

And there had been a concern over the past month or two that there's an accumulating risk premium on us debt because markets are losing their appetite to buy it. Okay. So in that context, we had this auction a couple of weeks ago that was just really exceptionally weak. A lot of people have been watching [00:13:00] auctions for a long time.

Guys like James Lavish, they, they said it was just catastrophic. Uh, you had very little, uh, demand for the debt being auctioned. Uh, it, you know, came out at, at a very high price, meaning, um, at You know, a high cost to the treasury, uh, to the taxpayer. And even so, about quarter of it was left unsold. So that goes to so called primary dealers who basically flog unwanted debt onto the secondary markets.

So this was a near catastrophic auction. Now, subsequent auctions have been fine. Okay. So that, that's, that's, you know, kind of the context here. But the thing is, it's a little bit like if you're flying in a plane and you hear a loud bang. Okay, you're still flying You haven't gone down yet. But that is that's something that you might want to look into Before you continue too long.

So that's kind of a canary in the coal mine these Treasury auctions And I think the last time we talked We talked about the fact [00:14:00] that, you know, the pattern throughout, really throughout the history of the Federal Reserve has been that they hike rates until they break something. And every time it's something different that breaks, you know, last time in 2008, it was what mortgages, mortgage backed securities, collateralized debt obligations.

And it's often little obscure things like that, right? So when 2008 hit. Uh, there were all these explainer articles in like the Wall Street Journal and Barron's Magazine, which is the kind of, well, the in house publications for Wall Streeters. And there were all these explainers saying, what is a collateralized debt obligated?

What is a mortgage backed debt? Because nobody knew what these were, right? It's not like these were huge industries. Everybody was, you know, watching like a hawk and then they blew up. These were more like ghosts in the machine, okay? These were like gremlins. And, You know, of course, compared to 2008, our financial system is a lot more Baroque.

Debt is much higher. I think it's over twice what it was in 2008 throughout the system. A [00:15:00] lot of the restrictions that were put on during 2008 You know, Wall Street outranks bureaucrats by like 20 points in IQ, right? So every time that the bureaucrats try to fix Wall Street, I mean, it takes about 10 minutes to route around this thing.

In fact, if by some freak of chance you happen to get a bureaucrat with a brain. You can guarantee you Goldman Sachs is going to sit down and have lunch with them and talk about the bright future they shall have someday with Goldman Sachs. All right. All of these guys are either idiots or they're compromised.

So I don't want to imagine what kinds of gremlins are hiding inside of our financial system waiting to break. But you know, Treasury auctions is, I mean, that's, that's a massive, massive market. If a Treasury auction does actually break. In other words, um, you know, if it goes on sold, That or, or if the interest rate skyrockets, I mean, that would be something that'd be absolutely catastrophic for the economy.

Uh, but even beyond that, the [00:16:00] question is how many gremlins do we have tied up in there? So I think, you know, sort of the storyline from Washington, no matter what happens is that they trot out Janet Yellen, Jerome Powell, even Biden himself. They all come out and reassure us how everything is just fine.

It's blatant dishonesty, you know, to the point where, like, if you're a Wall Streeter and you're chilling out on Sunday playing golf and you hear that there's a press conference tonight with Janet Yellen and Powell, you rush home, I mean, you, you, you get on the phone and you find out, holy crap, what broke, right?

So it's almost like, you know, the reassurances are the, uh, the crack in the plane wing. So that's kind of where we are and, you know, um, I had a couple of articles this week that we're talking about kind of the bigger picture here, which is hyperinflation because fundamentally what's breaking both this, um, all these problems in our financial system and, you know, what's, what's driving [00:17:00] inflation we're suffering under.

but also inflation in countries like Argentina. What is driving all of this, the, you know, single force of nature, is really government spending. We had a massive ramp up in federal spending during COVID. They had to buy the lockdowns. The way to do that was to pay. Uh, a large proportion of Americans to essentially sit on the couch and continue getting paid.

Um, and that, it brought them to lockdowns. You know, a lot of us at the time, we were sitting around wondering like, what, what happened to Americans? Like, how, how are Americans supporting these totalitarian restrictions? And what are the answers that were being paid? And who were they being paid by? Why? The federal government, uh, with the Federal Reserve financing it.

So that was sort of the original sin this time around. That put us up at inflation rates in double digits. And, you know, when we ask what's kind of the end game on this, I've got another recent article talking about my base case, [00:18:00] which is that we're reliving the 1970s where you had this double hump of inflation.

So first it got real high, got around double digits that lasted for, I think, about two years. Uh, the Fed reacted the exact same way that it is now, which is that they hiked up rates to choke off the private economy. They did not have a Uh, tough conversation with government about spending. They did exactly what they did now, which is pretend they don't see it, uh, and strangle the private sector instead.

What happened in the 1970s is that led to a tremendous, uh, crash in the real economy. So there was one point where the statistics at the time said that they had a 10 percent uh, uh, decline in economic output. at an annualized rate, uh, in a single quarter. And that absolutely panicked the Fed. They said, holy crap.

Um, they're, uh, they fear inflation because they know the voters will blame them for it. But they also fear a severe crash because they know that voters will blame them, uh, for [00:19:00] that too. So the Fed panicked. They reversed course. They slashed rates. And what happened at that point, of course, that inflation came roaring right back because what was driving it was not Mr.

Putin's war or it actually wasn't even the oil embargo, which was the scapegoat in the 70s, along with overpopulation, by the way. Literally blamed the 1970s inflation overpopulation. Uh, the chairman of the Fed had a number of speeches doing that. Uh, at any rate, um, you know, it turned out it wasn't these scapegoats.

Instead, it was government spending. The government spending kept going. They were, they were doing the guns and the butter. So the Vietnam War. The military industrial complex to face the Soviets. Uh, and then they paired that with this massive ramp up of welfare and a bureaucratic oversight. You know, under Nixon, under LBJ.

So the other guns and butters spending was soaring. So once the fed pulled rates back down and made money cheap again, it was off to the races. And at that point, it was about three years that we had a inflation that was even worse than [00:20:00] the first. Okay. So, you know, you had a little bit at first chilled out for a couple of years and it just came roaring back at that point.

There were a lot of people who felt like inflation was going to be permanent. And what happened is basically we as a country got lucky. The very inflation as Jimmy Carter happened to appoint the guy, Paul Volcker, who turned out to be. Uh, really the hardest money fed president that we've, that we've had since the beginning of the Fed, uh, what, 110 years ago.

And Volcker ramped up rates. He put rates at 17 or 18 percent. Uh, it costs you like 18 percent to get a mortgage. I mean, it was, it was absolutely devastating for the economy. They had a pair of recessions. Those recessions cost Jimmy Carter the election, but, and they brought in Ronald Reagan, but what they did do was ended inflation finally.

And my concern there is that, you know, from Washington's perspective, Paul Volcker ending inflation was a catastrophic mistake, [00:21:00] right? Because Jimmy Carter lost his job. He got blamed for the recessions, uh, the Democrats had had almost a 50 year strangle like monopoly on the Senate, FDR. Uh, and they, they lost that during that pair of recessions, right?

So from Washington's perspective, they are never going to do that again, not in living memory. They've, you know, lesson learned. Do not take one for the team. Do not fix a, uh, out of control inflation at the expense of the economy. And so if, if we get to that 1970s replay. where inflation comes roaring back even worse than the first time.

I don't think Washington's going to pull a Volcker. It's not in their interest to pull a Volcker. They're going to keep scapegoating. They're going to keep hoping that the media can, you know, explain it a way that Paul Krugman can declare more victory. Yeah.

**Marty:** Which. Begs the question like how quickly could [00:22:00] this escalate because I mean, I'm sure you've seen it.

I think I've seen you retweeted but like just all the Anecdotal data out there of people complaining. That's the weird thing about 2023 is that people can get on their phones and take a selfie video of all the trouble they're experiencing in their everyday lives. And it's this bad now, it's hard to imagine what it's going to be like if that inflation comes roaring back.

Did it even go away in the first place is another

**Peter:** question. Yeah, we've got a whole bunch of indicators that are basically saying that, um, the economic growth that we have, you know, uh, GDP growth and the job situation, um, you know, in the case of consumer spending, economic growth, those things, a lot of that is just being funded by credit cards.

So you've got, it was just out recently, Fidelity did a study of 401k hardship withdrawals, and those are soaring, right? So people are cashing out their retirement accounts to keep the spending up. Uh, you've got [00:23:00] record spending. Record credit card debt, you know, essentially people ran out of cash and now they're running it on plastic.

But the thing is, most Americans, almost 60 percent of Americans, they cannot cover a 1, 000, uh, unexpected cost. Okay. And so now you've got millions more who are draining their retirement accounts, who are loading up on credit card debt, which by the way, pays 21 percent at the moment. I mean, it's, and this is before the recession hits, right?

Uh, before it hits in full, right? This is, you know, when allegedly we have this amazing growth, uh, we probably talked about jobs as well. Last time that a lot of that is, is smoke and mirrors where, you know, you've got about 5 million Americans who dropped out of the labor force during COVID. A lot of them retired early.

Some of them went on to government benefits for a while. Their government was essentially no questions asked on benefits because of COVID. And so you've, you know, once people go on to benefits, it kind of becomes a, um, a poverty trap. If you earn money that they're going to take it away, right? So once [00:24:00] you go into that, you might earn something black market on the side, but people, a lot of people, once they go on welfare, they're never, ever coming back.

So we've got about 5 million missing Americans. And if you added those back on, then we'd be looking at an unemployment rate of 6. percent right now. Right. The only reason why we're not seeing the misery is because all of those government benefits are covering a lot of those people. Or, if it's the older ones who are early retired, they're draining out their retirement accounts.

So, you know, this, this sort of sets the stage for where we are here before the recession hits in full. If we look back historically, right, recessions, typically they lag. So when the Fed hikes rates, it usually takes something like 18 months for the recession to hit. So on that schedule, we're still a good year away from the full brunt of the recession.

And, you know, taking it back to government spending, again, historically, if you look back at the couple of rece the, the last couple [00:25:00] of recessions, every single time Government just cranks up the money printers and especially the deficits because when a recession hits a lot of people lose their jobs or they have lower income if they have a business or investments, so they're not paying as much tax and then meanwhile you got millions of people who, who, who newly lose their jobs, right?

They're, they're laid off or they're going through financial distress. They lose their homes. So they go on government welfare now. So if we extrapolate from the past couple of recessions, then, um, You know, my guess is that next time around, we're going to be looking at not a 2 trillion deficit, which is what we're running now.

We could be looking at a 4 trillion deficit. So at that point, the amount that the government's financing, it's not, it's not 10 trillion. Now it's 12 trillion. You know, now it's 60 percent of the entire banking, all of the money in all of the deposits in the United States. It starts to get to a goofy amount of money.

And you know, taking it back to Argentina, for example, the kind of [00:26:00] deficits that we're running in the U. S. Right now, as a percent of the economy, we're actually almost twice what they're running in Argentina. That's before melee comes on. So basket case Argentina running 143 percent inflation is apparently far more fiscally prudent.

than the U. S. government at this stage. So I think, you know, when we sort of um, go through the usual suspects for what's going to break this time around, I think there's a very good chance that it could be sovereign debt. Sovereign debt is too big to bail out. Okay. You, there is not enough money in the world.

The sums involved are absolutely astronomical.

**Marty:** Yeah. And when you consider the fact that we need to roll over, what, one third of the 33. 7 trillion that we have in the next two years. And then that's essentially a race between, does the recession come soon enough to force the Fed to [00:27:00] lower rates, that you refinance that at lower levels, or if that doesn't materialize, what's that look like when you have to...

Refinance all that, that, that these interest rates.

**Peter:** Yeah. And I think a lot of the problem was it kind of came from 2008. I think 2008 gave them a false sense of confidence. And the lesson that the fed took away from that is that if anything breaks, if anything goes wrong, just shoot it with a trillion dollars, go away.

And, you know, but you want to zoom out for a sec. So the amounts involved in 2008, you know, the main bailout mechanism back then, that was TARP, that was about 800 billion. Billion dollars is nothing. Now you couldn't make a dent with that, right? When we had the bank crisis earlier this year, they, they, I mean, we don't know how many, um, uh, fictitious assets they, they basically allowed banks to pretend that their assets were worth, uh, what they bought them for and not what they are today.

Uh, even said, which would be trillions involved even beyond that, [00:28:00] you know, their first reaction was to say essentially that every FDIC. Um, or actually every uninsured bank deposit in America was going to be guaranteed. All right, which is about 20 trillion. Now they, they can't actually fulfill that promise.

The FDIC itself has about 1 percent of that. I think it's, let's see, 100 billion on 20 trillion. It's, they're essentially promising things that they can't possibly do. But the point is that, you know, we've gone from 800 billion. And I mean, that was a big deal back then. A lot of people were upset. They were like, you know, you're going to hand wall street 800 billion.

And now, I mean, it's, it's, it, it sounds naive, you know, it's like charming little numbers. It sounds like we're talking about the 16th century, about 3 million national debt or something. It's just a silly number. So, uh, I think, I think at this point, Uh, they really are going for broke that, you know, it's the loot the treasury stage of the decline of empire.

And, you know, the question is whether there's some, like, is there [00:29:00] some break on it, right? Is there some guardrail that's going to head this thing off? And for a long time in American politics, the Republicans were the suckers. You know, they would be the ones who, there would be an election. The Democrats would say, we're going to have this, this, you know, the party is just going to be outrageous.

You guys, you never seen how much we're going to spend on this party. And then these idiot Republicans would be there like, uh, yeah, what I'm going to do is clean up for, um, I'm going to charge everybody, uh, you know, a hundred dollars to clean up after the party, uh, so they always lost. And, you know, you had first Reagan and then Trump, uh, who discovered that, that's a chump game.

You know, you're not going to win an election, uh, promising to close down the party and clean up what's been done. In other words, to cut spending and to start paying down debt, you are not going to win that way. And so at this point, both major parties in the United States are essentially on the same page.

The only thing they disagree on is what they're going to spend the trillions on. Is it going to be on war? Is it going to be [00:30:00] on, you know, equity or climate? Um, but either way, like it's, it's hard to see what could actually stop. the runaway federal spending, uh, beyond just, you know, literally going off the cliff and having some kind of sovereign debt crisis, at which point it fixes itself because you can't borrow money anymore.

So, you know, it's kind of the quickest way to get a balanced budget is to go bust default and then nobody will lend you money anymore. Yeah, I mean

**Marty:** that's just the problems here at home. I mean rumors started spreading last week Who knows how much validity there are to them? I wrote about it on Friday, but then I saw some stuff over the weekend said it may have been fake news But there was two headlines out of UBS first their CEO at some risk management association Uh, for some reason or another saying that if UBS was going to be bought, he'd prefer to be a private entity buying the bank, uh, which [00:31:00] is something you wouldn't expect, uh, the CEO of one of the largest banks in the world to say.

And then there was that screenshot. of somebody saying that, uh, they couldn't withdraw money because some of the UBS branches were having liquidity issues and so that, I mean, that's why I had you on earlier this year was in the wake of the banking crisis that popped off here in the U. S., but it seems like, speaking of gremlins, those gremlins within the banking sector specifically are still there.

Popping up obviously with treasuries being the liquid reserves on a lot of these balance sheets and, um, the treasury markets moving in the way they have throughout this year, it seems like that problem's only getting worse and people are just trying to keep it out of mind, out of sight. Um, but it seems like anything could happen at any moment where liquidity.

**Peter:** Yeah, well, Switzerland, uh, just a couple of weeks ago, they, uh, news leaked out that they had floated the idea of [00:32:00] capital controls. Uh, they call it friction tech, quote unquote. And the idea is to make it difficult for people to withdraw their money from banks. And, you know, of course, once Once it got out there, they, they, you know, they immediately said, no, no, no.

That's, that's crazy talk. Yes. We were talking about it, but we're not really considering, you know, so, uh, they want to damage control mode, which I mean, of course they have to, because Switzerland at this point. So. Traditionally, they had two giant banks, Credit Suisse and UBS. And Credit Suisse went down earlier this year.

Uh, so there was kind of a shotgun marriage brokered by the Swiss government. They had a huge sweetener. I think they gave him like 55 billion or something, uh, to take on Credit Suisse. But at this point now, UBS is like a third of bank deposits in Switzerland. Uh, in U. S. terms, that would be like an 8 trillion bank.

I mean, that, that's, that, that is too big to bail out. Like, the amount that the Fed pumped out for COVID, right, that was about 6 trillion the first couple [00:33:00] of years. So, I mean, you would literally have to, what, put that down on a bank. Something like 90 percent of the publicly traded companies in Switzerland do business with UBS.

I mean, it is, it is absolutely too big to fail. And this is happening in a lot of countries now. We're seeing in the U. S. where, The smaller banks are failing. They're being gobbled up by the too big to fail gang. And it's understandable why that happened. Uh, I mean, partly, you know, the regional banks have been particularly reckless, but fundamentally the ever since 2008, the message that's gone out to the banking sector.

Is that you've got to get too big to fail as soon as possible so that you can hold taxpayers hostage, right? You want to get to a situation where the government is compelled to bail you out because 2008 worked like a charm for the American banking system, right? They got to run for 10 years making money hand over fist by taking on risk and by lying about the assets.

And so, you know, every year they [00:34:00] banked that they got to go with the, you know, with the yachts and the hookers. the blow and gave, you know, fantastic, um, dividends back to their shareholders. And then when it came time to pay the Piper, the taxpayer covered it. I mean, just what a racket that was. So, you know, banks all over the world are in the same situation where if they can just get big enough, they can get over that line to the point that they're too big to fail.

Then the taxpayer will give them Anything they need to avoid that. So that's really where Switzerland is at this point, and it's shocking. You know, for those of us who remember Switzerland as a paragon of stability and prudence, I mean, it's shocking for the Swiss government to be sitting there carrying water, talking about restricting depositors, locking them into failing banks with this so called friction tech.

Uh, it's astounding. And it's also something the Fed, the Fed has been putting out a lot of papers about friction tech. Uh, you know, they were. Caught [00:35:00] blind on the Silicon Valley bank run, you know, traditionally, traditionally, meaning past 20, 30 years, bank runs would occur over a course of weeks. Okay. And in the case of Silicon Valley Bank, it was like hours.

I mean, it was lightning fast. That freaked out the Federal Reserve. And so now the Federal Reserve is also floating you know, Friction tech and, you know, they're kind of playing the Washington game, which is that first you put out a bunch of academic papers talking about this, this very clever idea. You decorate it with jargon.

You try to make it look sciency and then you get, you know, your cronies in Congress to carry this stuff through and say, well, you know, experts say that we're gonna have to lock people into failing banks. No doubt they've come up with some cute words to describe it. Friction tech is already pretty cute.

Um, but you know, that, that is, I think where we're headed. Um, and you have to go that route. If your banks are too big to bail out, then, you know, you've got to make, uh, the depositors bail them out instead. Right. You got to lock everybody in there, uh, to the crashing banks. [00:36:00] Yeah.

**Marty:** Yeah. That may be the biggest difference when comparing hyperinflationary events of the last century to the potential hyperinflationary event that could happen in the U S and just in the.

The West more broadly, because it seems like the global economy is so interconnected that if it happens here, it's kind of happening pretty much everywhere. And like social media, particularly this digital age, throws jet fuel and accelerant on

**Peter:** all of this. Exactly. Yeah, the level of connection between countries is, um, probably comparable or maybe even a little bit less than it was, uh, going into, Certainly in the 1910s, that was kind of the golden age of globalization.

Um, but you know, if you go into 1929, that's probably comparable to what we're looking at today. But you're right, the huge difference between now and then is that news travels very fast. A lot of banks offer, you know, a 24 7 service. You can take your money out at three in the morning. [00:37:00] Um, and, you know, that is going to accelerate, uh, these bank runs.

And, you know, it sort of puts back into focus the fundamental flaw of our system, which is that the global banking system everywhere in the world is, it, it, it is permanently insolvent. Uh, because of fractional reserve banking, so it, it permanently owes more than it has on hand. And, you know, this is very common in businesses.

It's very common for, for business to owe more money than it actually has. And that's called insolvency. That is bankruptcy. And, you know, if you actually go through all of the banks in every single country in the world, they are all Always insolvent. So why aren't they wound up? You know, why aren't they bankrupt?

Because central banks stand ready to bail them out. That's been the deal ever since the beginning of central banking. That's a Walter Badgett, um, lender of last resort is the term. And Badgett is, is like, He's the, [00:38:00] the Jesus Christ for bankers. Okay. Like whatever he said is law, he was writing in 1870 or something.

Um, that is how the system is built. It is built to be bailed out. And, you know, but again, that was designed in an age where bank runs didn't run to the size that they can today or at. Uh, it's also built for an era where banks were not as concentrated as they are today. So, you know, if you're looking at, uh, you know, what I think, uh, uh, JP Morgan has passed 2 trillion at this point.

Uh, and you combine that with, you know, 24 7 bank withdrawals, then you have to massively ramp up the bailout. Mechanism and if you do that, then you are doubling down on that moral hazard from 2008, right? You're doubling down on that lesson that banks get that you should you should be as risky as possible right because you'll always get bailed out because remember in it like one of the iron laws in finance is [00:39:00] that Uh, more risk equals more return.

Okay. And across a large number of asset classes, this is essentially always going to be the case. If you take bigger risks, you're gonna make more profit for it. So if you are building this massive, like it's not a safety net anymore. It's more like, you know, you're like enveloping them with taxpayer billions so that nothing bad can ever happen.

If you're doing that, then your entire banking system is going to go for broke on the risk. And, you know, in the context of how big it's become, uh, very quickly, it, it outgrows the ability to bail it out by governments. And at that point, the only way to bail the thing out is to siphon it from everybody, right?

Take people's life savings and give it to bankers.

**Marty:** Yeah. Are you optimistic that Malay will be able to create a blueprint for beginning to get away from this with his staunch stance over the weekend that, uh, abolishing the Argentine central bank is not [00:40:00] negotiable. It's got to happen. Yeah.

**Peter:** I believe in Malay.

Uh, I think he's the real deal. The concern is that he does not have a majority in Congress. And so at that point, the question is. You know, can, can he keep the Argentinian people focused and passionate about reform? Um, dollarization, so the idea is that the country would throw away its current currency.

It would, it would, it would get rid of a central bank, but like, you know, it wouldn't go into like the libertarian paradise of, um, you know, of like free banking or anything. Um, it would essentially just trade. It would give like the bank's supervisory functions, presumably the treasury. We know this because there have been other countries that have dollarized like El Salvador and Ecuador.

Uh, and then the Argentinian peso would either be discarded or it would become more abundant. El Salvador still has a currency, but it's not used. Uh, everybody in El Salvador uses the dollar. So that's the idea essentially of what he's pushing is that the [00:41:00] um, Argentinian Uh, economy would shift from the crappy peso that it's been suffering, uh, to the U.

S. dollar. The results on that are really strong, right? So countries that have done that, such as Ecuador and El Salvador, uh, inflation, of course, you know, collapses. It, it goes down to the U. S. level. Which, until very recently, was quite good. Um, but, you know, even the inflation the past couple of years is a heck of a lot better than what, like, Ecuador used to suffer and what El Salvador is getting today.

Um, so, you know, you get good results out of it. Uh, in Ecuador and El Salvador, these passed under, like, regular governments. It, it did not take the, um, Libertarian Dream Team. to get these reforms. So I think that there are people in some of these countries, like there are bankers even who would like their country to be more stable.

Uh, it'd be a better environment for them to make money. So I think that even without having a majority in Congress, he may be able to get through dollarization just because it's not [00:42:00] that, um, controversial, right, when, when we look at other countries that did it. Uh, in terms of, you know, slashing government by 60%, now that's going to be controversial, right?

So something like one out of three Argentinians work for the government. It's going to be hard to keep them on side, uh, you know, doubtless they're going to play the same game they do here. So like, you know, anytime you propose to cut spending in Washington, they'll be like, well, we can cut spending, but we'll really have to start with social security.

You know, like, yes, but do, do we have to do that? Is there nothing else we can cut? So, you know, they will play the game. They'll, you know, he was talking about what, uh, getting rid of the. It's like the Ministry of Equity or something. Uh, and you know, for sure they're going to trot out. They're going to find some beneficiary who's super sympathetic.

Uh, you know, hold her up in the newspapers. The, uh, left wing or the media down there is relatively left wing like ours. Uh, so that I think they're going to fight tooth and nail. Uh, but you know, [00:43:00] dollarization itself, I think does stand a good chance just because the record is so good and it's happened in relatively normal countries.

That would be a great shame though

**Marty:** if they dollarized and then we just completely mess it up for them here

**Peter:** Great timing guys, you're gonna jump on the dollar as soon as we break it Yeah, I mean there's you know, I think that the trick with the US dollar Yeah, all fiat is doomed. I mean, this, this we know because fiat has been tried many, many times in history. Every single time. It's the same story, which is that fiat subsidized government spending that then leads to inflation and eventually gets out of hand.

They can't pay the soldiers. And then, you know, something changes. So we know that fiat is doomed. But I think what's interesting about the U. S. Dollar is that on the way to fiat death, I think the most likely scenario is that the dollar may actually get stronger along the way, because what happens is even weaker currencies.

They go first. [00:44:00] Okay. And either they Yeah, you know, are abandoned like, like Ecuador did, and they just swap over the dollar, uh, or, you know, they die on their own, like Venezuela and in Venezuela, people are shifting over a lot of them are shifting the dollars. Many are also shifting to stable coins. Many are shifting to Bitcoin, right?

So, but either way. Each currency that dies, it's like it's like the U. S. Dollar absorbs the corpses of all the other currencies on the way to Ragnarok. Um, so, yeah, it would be nice if they could just, like, make a jump to either a goldback currency or to actually, you know, uh, having the first Bitcoin backed currency.

Uh, that's probably outside the Overton yet. I think we're gonna have to get a lot more failed currencies. Uh, before, you know, any country is going to be willing to consider that. The

**Marty:** milkshake theory. Yes. Every weak currency fails into the dollar. It's going to be interesting though. It seems like markets are beginning to price this and obviously Bitcoin's [00:45:00] up well over 100 percent this year.

Gold is up at like, I think, 2, 012 today. So there is at least a hedge being put on people looking at the sovereign debt crisis. And all the chaos in the world right now, putting their dollars in the

**Peter:** hard money. For sure. It's, it's, um, I don't know whether it's good or bad, but like, since Bitcoin was invented, the world has stumbled into like every argument for Bitcoin, right?

Like, you know, first it was a banking crisis and then it was widespread censorship. You remember under Trudeau and you know, you had. You had, uh, Bitcoin is going over there and, you know, trying to get the truckers funding in the face of a totalitarian government. Uh, then you had the inflation. I got, you know, now you got bank crashes.

Uh, I mean, it's like every argument for Bitcoin is just playing out in real time one by one. And it's funny, you know, because like if you were there at the very beginning of Bitcoin, you said. You know, okay. So Bitcoin fixes this, [00:46:00] that, and the other. That's like a running joke in the Bitcoin community, right?

How, you know, we always say Bitcoin fixes this. And, you know, they're like, yeah, yeah. And, you know, so all of the yeah, yeahs are actually happening now, right? You know, you've got double digit inflation, even in the U. S., which, uh, that was certainly not on anybody's bingo card. Uh, and, you know, you've got, what, 143 percent in Argentina.

You got something like 10 countries now that have 40 to 50 percent inflation or higher. That number is, uh, is spreading. The IMF thinks that, you know, the next two years are going to be, uh, are going to be at least as bad as we've been going through, uh, with high inflation, slow growth, the slow growth and feeds into even higher inflation because you don't have enough stuff.

Right. So if the government's still printing money and you're not building, you're not making more stuff, then the inflation accelerates again. So yeah, it's almost like, um, the world is like a running commercial for Bitcoin at this point. Yeah. And

**Marty:** on top of that, I mean, we talked about Malay, but you also mentioned the.

Populist [00:47:00] win in the Netherlands over the weekend as well. Seems like the economic pressure is becoming so immense that people are Throwing their hands up and saying, Hey, we need to figure something out. Let's go with these populist candidates that, that are promising to clean things up.

**Peter:** Yeah. And that, that kind of goes back to what we were talking about at the top, where, you know, um, this sort of ruling left wing elite, uh, almost on a global basis, they have become so divorced from voters that they're opening this massive gap now.

And, you know, I think so far they've been counting on a pliant media. Uh, they've been also counting on captured institutions. To, um, you know, sort of put out propaganda for them, uh, to cover it up, particularly to try and taint any opposition. I mean, they just reached for the F word, like immediately, you know, they call them far right.

And I mean, they were calling Javier Malay far right. Okay. So when they say far [00:48:00] right, they're referring to like German corporals in the 1930s, a radical libertarian is the. precise opposite, like Ron Paul and Austrian corporals are the exact opposite. Um, but they're, you know, shameless and any, anybody who is promising something that voters actually want, uh, they go after the messenger, right?

There's, they, they try to tar them. And I mean, again, if, if I were rooting for them, if I were on their side, I'd be like, what the heck are you doing? Like, why don't you just adopt the policy? Like, you know, if you're afraid of these policies because the voters like them too much. What am I missing, guys?

Just adopt this stupid policy. Uh, but they're not. And, you know, I suspect that's because uh, they believe that media and these captured institutions give them enough insurance, give them enough protection that they can just cater to the special interests, the cronies, military industrial complex, the financial industrial complex, the [00:49:00] censorship industrial complex.

Uh, you know, they're just multiplying. Yeah.

**Marty:** Yeah, the marginal return on throwing the, uh, the far right. On people is diminishing rapidly. People are like, all right,

**Peter:** you're Yeah. Yeah. You've got people, um, ironically embracing it just cause they're, they're, they're sick of the slander. And I mean, the irony is that if they actually hated the genuine far, right.

Then they would not try to conflate normal things with them, right? Rather, they would, you know, they would keep the actual bad guys isolated. Uh, so, you know, I think this is just coming from fundamentally an evil place. In other words, they are actually promoting. The genuine evil far right, uh, because they're trying to look for an electoral strategy where they can shut out a bunch of guys who are, you know, trying to do pretty common sense policies for people, bring prices down, uh, get job growth up, uh, [00:50:00] not let, you know, every single undocumented human in the world wants into your country and go on welfare.

I mean, these are, these are fairly common sense for a lot of voters, really, uh, every single place in the world for the record. If an undocumented Guatemalan sneaks into Mexico, they have camps with razor wire that they put them into. The only reason they're letting them slide now is because they're moving on.

Alright, but historically, Mexico has been absolutely brutal to illegal immigrants. Every country on earth has always been. People don't want that. Uh, if you're invited in, that's one thing. You know, if somebody visits your house, you invite them in. That's one thing. If somebody just, it's very, very different.

If people just show up uninvited. Um, but yeah, you know, if you look at the dynamics and you kind of look at the trends on it, I don't think it's changing. Uh, you do see a lot of media hand wringing about how Biden is unpopular, but a lot of that is sort of still on the tactical level where, uh, you know, he needs better messaging.

And like, I think. If you're a New York Times reporter, a Bloomberg reporter, and you come out and say, you know what, maybe we [00:51:00] do need a wall on the board. I mean, you are, you're out of a job. Like, you know, you better line up your interview with Daily Caller before you put out that article. Yeah. And I

**Marty:** mean, we saw a pop off in Ireland over the Thanksgiving holiday as well.

It seemed, yeah, people are just being pushed to the edge. There's too many of these instances back to back to back where it's like, alright, what is going on here? I'm waking up in a country I do not recognize anymore. It's completely run incompetently by these governments who are pushing us into debt.

Inflation's high. I can't get a good job, and you're telling me I'm a racist.

**Peter:** Yeah. And, and I mean, that's, that's why they're so obsessed with censorship. You know, like if you believe that the voters want your product, then, you know, just, just show them the product. Uh, you know, this, this, um, emphasis on shutting down the other side and shutting them up, whether, whether it's by, you know, calling them far right, or whether it's by literally taking away their voice, uh, that is [00:52:00] not a show of confidence, right?

That's, that's what you do when, um, you're convinced that. That you've got a losing message and you know, again, I'm just mystified. Like if they know they have a losing message, why don't they change the message? But they don't

**Marty:** know. I mean, here in the U S it's actually pretty frightening. They're locking people up.

The one guy is in jail for 18 months for a Hillary Clinton meme. It's astounding. The January six, uh, political prisoners. And then that video that all that footage came out last week. It's like, are these people really that, uh, That bad? Were they really trying to overthrow the government? I don't think

**Peter:** so.

Yeah. People still talk about the jailing of socialists. Uh, Eugene Debs, I think. I think that was Wilson, it might have been FDR. Um, but, you know, that was, uh, he was a socialist, he was popular back then, uh, he was arguing against the war, and so they put him in jail. And a hundred years later, we still talk about him.

Apparently, not all of us remember which war he [00:53:00] was. But, we still talk about, we still talk about as a dark stain on American history that we actually jailed political opposi Uh, opposition and where we are today between, I mean, from the Hillary meme to the J sixers to, you know, the prosecutions of Donald Trump.

I mean, it's, it's, it's just absolutely shocking. This is the kind of thing, this will be discussed for centuries. Uh, this is not a, you know, one week news story here. This will absolutely be discussed. This is a concerning, um, you know, step on the path towards banana Republic.

**Marty:** Yeah. Which brings us to the 2024 election.

What are you expecting?

**Peter:** My best guess, I've had people tell me I'm an idiot, so that is always a possibility. Okay, my best guess is that they're going to run the primaries partway, like through March, so that Joe Biden wins a bunch, and they're going to get him to win a bunch. Uh, and then at that point, he's going to retire for health reasons, and I think it's going to go to a convention.

So this is what happened [00:54:00] in 1968. Essentially, if, if the candidate drops out partway through the primaries, Then how do you decide who your, uh, candidate is? Well, you know, you, you fast forward to the convention in like July or August or something, and all of the delegates, all of the, you know, party officials, they vote on who they want the president or who they want their, uh, party's candidate to be.

Uh, so that's, that's my guess. Um, just because everybody in the Democratic Party knows that Biden can't do it. But on the other hand, I think they also believe that nobody else, uh, is actually popular among voters. among Democrat voters. Um, and so, you know, if they do that, then come, let's say August at the convention, uh, I guess they'll vote for somebody like Gavin Newsom, uh, and, and, and, and then he'll be candidate.

Uh, I, you know, if I had to bet, um, they're going to cheat a whole bunch again. Probably more than last time, uh, because the stakes are higher after what they've done to Mr. Trump. Uh, so I [00:55:00] would guess that they cheat, and that's, that's really I think where the battlefield is going to be fought, is can we pass laws in purple states, uh, to, to prevent, uh, election fraud to the point that, you know, is actually a competitive election.

Yeah, I think they're

**Marty:** going to trot out Michelle Obama. I think

**Peter:** they might, they might. That's, that's what my wife thinks as well. It strikes me as goofy, but like a lot goofier stuff has happened over the past couple of years. So yes, distinct possibility. I mean, we were talking about it

**Marty:** earlier. Maybe that's part of their strategy.

Like just letting Joe Biden speak in public multiple times a week. It's becoming glaringly obvious. It's like, this dude is not fit. For the job. You're gonna have to replace him with somebody. Yeah, obviously they forced RFK to run as an independent. Gavin Newsom. I think it would be very easy to attack him.

Just point at California. Like oh, yeah for the country and then yeah, exactly. [00:56:00] Napoleon Michelle Obama be like first woman president.

**Peter:** First woman president. She's untainted by failure. She's never actually been in office. So, you know, the easiest way to never fail is to never do anything She's been excellent at that.

So Yeah, no, it is entirely possible. Yeah,

**Marty:** it's also tiresome though. I get extremely exhausted from the election cycles It's like we do this nothing ever changes Right and yet a bunch of the country's intellectual capital has sucked Uh, and their attention is sucked into this election process, and it's not even a four year cycle election starts.

What? 18 months. Yeah, before before each election and you have midterms Let's maybe get a 12 month break between the bickering and the attention suck.

**Peter:** No, it is. And, you know, we gallows humor is pretty much all we have left. So, you know, we [00:57:00] do, uh, laugh about it. Uh, the clown show in Washington. But, you know, I mean, the, the, the issues are serious, right?

I mean, you've got, you know, millions of Americans, uh, who are on the edge. Um, you were talking earlier about the videos, right? You've got all these millennials and they're talking like, you know, the lifestyle that they grew up in. Right. Where, you know, they had like, um, you know, a two family, um, what is it?

A two person income. They lived in a house that like their parents actually owned. And, you know, they can't imagine that lifestyle now. Right. Like for them, what they have to look forward to is maybe living with roommates, right? Uh, eating ramen at 40. You know what I mean? Like they're, they're not gonna be able to get married.

They're not gonna be able to have a family. They're certainly not going to own a house. So these, these people are, are, are in distress. And then meanwhile, right. You know, Washington is just playing games. Uh, at least the Democrat party is, is playing games, which I think is still the odds on favorite to win, unfortunately, in 2024.[00:58:00]

Um, So, you know, I, and you do hear this from a lot of these videos where there are people who, they would consider themselves old Democrats, okay, so they had joined the party, they had grown up, uh, in the party when it was, like, genuinely fighting for the little guy, you know, it was interested in, like, workers and, you know, uh, working class families and things like that, and, You know, now, of course, I mean, the party is all but declared war, uh, on the working class because it associates the working class with Trump, you know, so anything that the working class does, like if they go to McDonald's, if they watch football, you know, if they, uh, uh, like fireworks, if they buy pickup trucks, like anything that the working class does is just automatically tainted as, You know, ideally they call it far right, of course, uh, or privileged or, you know, whatever combination of terms they're using, but it's such a betrayal really like, you know, if, if you were that sort of old democrat, you know, if you believed in that original message is sort of fighting for the little guy, uh, it really is a betrayal to just [00:59:00] completely turn it.

on the base. And for what? For, you know, a bunch of crony billionaire green, uh, you know, companies or what? For like, you know, the university eggheads sit around feeling superior. I mean, it's just, uh, to me, it's just like the unforced error of the century. Because, you know, if most of my life, like Republicans Have been the party of those jokers right of either big business or of, you know, uh, people who feel like they're superior to the rest of the country and like, why would the democrat and, and, and that always hurt the republicans right?

Like I grew up in Philadelphia and, you know, normal people who are democrats and, you know, plutocrats and, you know, corrupt millionaires out of the country club. They were republicans. Okay, so that was like not a good spot to occupy in a democracy. Okay. Okay. Okay, you want to be for the common man. And so why the heck they threw that away, I mean, just what an unforced error.

Uh, I think they just got bought. They got bribed out of, you know, [01:00:00] really a commanding position in U. S. politics. Yeah. And that's the

**Marty:** real scary part too, and something I've been trying to get at is like, how is this situation, this setup different? Then these historical examples of hyperinflation or just the empire dissolving when you watch those videos And I'm a millennial talk to your friend group and they look at Gen Z as well I think there's a psychological aspect where a lot of these videos that we're talking about Essentially by the end they tap out and say why am I even doing this and you can have that right?

Psychological breakdown where people are going to jobs to be Excel monkeys Do things that they really don't think are adding value to the world and yeah, is there a point where they tap out zone out just go on the

**Peter:** Yeah. Yeah. Yeah. Right. Whether it's,

**Marty:** I don't think that's being factored in at all as this generational tap out.

**Peter:** Yeah. You're absolutely right. And that's, that's kind of one of the, you [01:01:00] know, challenges in economics is that we're often talking about like GDP and inflation and, and, uh, job growth and productivity and things like that. And the thing is when you translate those into the real world, that's exactly what it looks like.

Right. It's people who, um, you know, they can't. Do what they always dreamed of doing. They've got to do some BS job that, you know, they're going to be doing that until they're 70, um, they're depressed. They don't see any purpose to life. Uh, they often vote that depression, you know, they, they, uh, they end up feeling like nothing is really particularly worth preserving.

Uh, you may as well watch it all burn because it sucks right now. So, you know, it's like if you're playing billiards. You know, and you don't have a good shot. And so you just kind of hit all the balls in the center and screw it. Let's just see what happens. And, you know, I think for a lot of millennials, that's almost the approach that they're now seeing, um, in the world is it sucks.

So what the hell, we may as well change it. Uh, you know, whether it's, uh, communism or, you know, whatever, it can't be any worse [01:02:00] than this. And, I mean, A, that's never the case. It can always be a heck of a lot worse. Um, but, you know, that's really, when you sum up, you know, the slow growth, the high inflation, Uh, the tapping out retirement savings, the not being able to accumulate any kind of savings, not being able to build up a down payment for the house.

When you sort of translate those into the real world, that's exactly what it looks like. It looks like people who just don't see any reason, um, to get up in the morning.

**Marty:** Yeah. Black pill. Let's end it on a white pill though. I know you got to go here in like five minutes. I mean, I think there are a lot of things to be optimistic about.

People are waking up to this. Yes, a lot of talk about the strife. First part of solving a problem is identifying it exists in the first place. People are getting to identify the problems. They're seeing it in their everyday lives. Obviously, we have Bitcoin. Um, you know, that's the only things to be positive about.

Like, how do we, [01:03:00] that's the other thing, and they're noticing the tax problem as well. Like, I'm working this hard, the income tax is very high, I'm paying state's tax, I'm taxed at the grocery store, I'm taxed everywhere, like, what is the things that people can be doing external to government influence that begin to call back to some sense of

**Peter:** sanity?

Yeah. I mean, honestly, I'm extremely optimistic. I know it sounds goofy. Cause like, you know, most of what I talk about, you know, what I try to talk about in the videos is I want people to wake up. Okay. Like a lot of us understand what's happening, but a lot of people still don't. Okay. And like, I want the frog to wake up before the water is actually boiling.

All right. So I do accentuate. Uh, the bad things that are happening. There's tons of good things that are happening. Uh, you know, if you look at school choice or second amendment rights, I mean, they've just been on an absolute tear. Like, as catastrophic as the economy's been for the past ten years, uh, when you talk about things like that, which, I mean, you could argue those are [01:04:00] just as important, right?

The ability to, um, save your children from the propaganda machine, uh, your ability to defend your family. Those are, you know, those are similarly important things. Uh, we've been absolutely on a tear. There are a lot of ways where we're making ground, but really when I zoom out, the reason I'm optimistic is because if you compare similar situations in history, okay, so even just in the U.

S., there have been many times when things have been as bad or worse than they are today. Uh, you know, if you take FDR, heck, you can take the post world war two censorship era where we had, you know, we had essentially a socialist in charge of the entire U. S. Government. You had zero way to get your message out.

Murray Rothbard, the economist he talked about in the 1970s, you get the entire liberty movement in America into a single living room in New York, right? Liberty movement in America in the seventies was by far the most developed on earth of any country. I mean, you're talking to three people. In like New Zealand or something.

I mean, it was just absurd, right? You compare [01:05:00] that to today, right? Where yes, we're censored on the internet, but compared to a living room in the 1970s, my God, we didn't get our message out. So if we survived those times. I mean, I am extremely optimistic for what's going to come next. Uh, democracy is also, of course, you know, we were just talking about the censorship and the cheating, but again, compared to most of human history, and particularly compared to the eras when liberty won, okay, governments are always trying to crush liberty.

It is like a historical constant. There is no moment in history when governments were not trying everything they could to crush liberty, and yet it won over and over. You know, now we have not only do we have certainly a formal democracy that it still has a lot of elements, right? We're still at a point where is there is if, if like 80 percent of Americans reject the candidate, they're not going to cheat past that because they don't have confidence that they're going to be able to get away with it.

If they can't get away with [01:06:00] it, then the other side is going to punish them afterwards. Okay. So between the quasi fair elections that we have, certainly in a historical context and the ability that we have to communicate over the internet. I am extremely optimistic in a sense, I think that the next couple of years is going to be a pretty tough storm.

Uh, I think, you know, there's, there's going to be a lot of misery, but I think on the other side of that, that the severity of the storm is going to bring enough people on side that I think that we're going to have a renaissance. I think where the, the water is going to start boiling, but I'm confident that because of the size of our movement, not least the Bitcoin community, which is extraordinarily passionate.

Uh, and, you know, spreading like wildfire now, um, I think that, you know, you put those together and we are going to get to a Javier Mele style, you know, frog jumping moment a heck of a lot faster than we would have, you know, in the seventies [01:07:00] or then indeed then it took Argentina to get to.

**Marty:** Yeah. It's all right in front of us.

We have the tools, the communication tools, the monetary tools, the software tools to build our way out of this. It's just like you said, waking enough people up to be like, all right, there's a problem. Let me go focus on the solution by leveraging these tools.

**Peter:** Right. And in that context, if you've got a ruling elite.

That is like willfully, you know, ignoring the people. I mean, you could not ask for a better setup. Holy cow. Thanks guys. I mean, they, they are, they're like, you know, you don't have to fight them. You just have to wait until they screwed up bad enough. Uh, the key is that you have to connect the dots for people.

Right. You have to make people understand. No, no, this isn't people buying too many Pelotons. You know, this is actually government spending or, you know, they're, they're going to throw up excuses, but I mean, the excuses are, are flimsy. And as long as you're able to talk to people, I think you stand a very good chance that, you know, the more they screwed up, the more people come over to your side.

And [01:08:00] at some point, Quote, unquote, everybody knows, um, that change is needed, you know, like you take the Soviet Union, right? So Tuesday morning, everybody was a committed Marxist, believed in it very deeply. Wednesday morning, nobody had ever been a Marxist. Everybody knew that it was, you know, silly. Um, so I think that we do get to that moment and Victor Davis Hanson, he had an article just out, I think yesterday, and he was talking about the fact that, you know, A lot of these people like these, these, you know, captured academics and, um, you know, all these institutions, even the journalists, even the politicians, all of these people who are having a hand in the evil, they don't actually believe in it.

They don't believe in anything. They don't care about anything. They are spineless. They will go to whoever is the highest bidder. Okay, so academics are all communists at the moment because that's what pays best, right? That's how you're going to get promoted. That's how you're going to have a bright career in academia.

Uh, you know, somebody like Nancy Pelosi or Chuck Schumer, they don't believe in anything. They, you know, if, if it's in their interest, okay, if [01:09:00] donors plus voters sum up to position X, they will adopt it in a second. You know, so we forget, like we often complain about how spineless politicians are, but there's, there's a very big silver lining to that.

Which is that you almost don't have to fight them. Okay. I, once, once things are bad enough and that brings enough people over to your side, right? Once you've skillfully explained exactly how the bad thing is causing, you know, misery to them, uh, there is some point where the numbers flip and the entire thing, just.

It folds like the Soviet Union, right? I mean, just, you know, all of those captured institutions, all those lifelong committed Marxists whose entire careers were tied up with the, you know, system. They just like poof flipped, right? Like, like an Othello board, just put one stone down and bam, every single person, the entire society flips.

So I'm, I'm, I'm actually excited about it. You know, when I look at the tools we do have, um. I'm looking forward to what [01:10:00] comes next. It's going to be tough between here and there, but I am very up to it.

**Marty:** I am as well. I am as well. And hopefully this, this episode is just a snowflake on the snowball gaining momentum that forces people onto the side of sanity.

And

**Peter:** it is without a doubt, without a doubt. People like you speaking, you know, reaching, um, convincing new people, but also giving them arguments that they can then take to, you know, everybody in their life has. Convincible friends and family and whatnot. And yeah, you're an absolutely huge part of it.

**Marty:** Well, you've quickly become the economics professor of the internet.

So I think you're, you're doing a hell of a job yourself, sir. How's it feel? You're the official economics professor of Twitter now, I think.

**Peter:** I think, uh, I, you know, there's, there's a lot of pressure. So I'll have to go out of my way to make a really, really stupid video. At some point I actually did that.

Like the very first video we did, it kind of took off and I was shocked. I was like, what, [01:11:00] why would you want to watch this? And so. But, but I got nervous, right? Cause like, you know, you go from like talking to 50 people to, to a lot. And so, uh, the second day we did a video that was, it was so bad. It's still up.

Cause you know, I figure it's, uh, it's, it's a teaching moment or something. I don't know. Maybe it'll inspire the next producer to do the same thing. But, um, I mean, it's just so awful. And I'm like, I'm like staring down and like the cameras at the ceiling.

**Marty:** Well, the quality and the consistency is extremely impressive.

So thank you for doing it. I watch every video.

**Peter:** Yeah. Well, thank you. I mean, you've been in the game for years and years. So seriously carrying the torch. Well, carrying, carrying the light to people. Yeah. Seriously. Appreciate it. We're,

**Marty:** uh, we're optimistic here. More people are going to see the light. She's going to take time.

We just got to keep showing up, being consistent. That's what it is. Giving our

**Peter:** daily lessons. Um, Professor St.

**Marty:** Onge, it's been a pleasure as always.

**Peter:** As always, it's great seeing you, Marty. [01:12:00] We'll have to do this in the, uh, in the new year. Yes, I'm looking forward. Yeah, it'll be exciting. Maybe we'll be closer on that, uh, uh, on the, uh, nomination there.

We'll see how those played out. If it's going to be Michelle or Gavin Newsom.

**Marty:** I'm telling you, don't sleep on Michelle. She's gonna come out of nowhere. I can feel it.

**Peter:** Alright, we'll see. Alright, you enjoy your day. Yes, sir. Thank you again. You too. Keep crushing it. Yeah, of course. Thank

**Marty:** you. Peace and love, freaks.

Thank you.