Mike Peterson & Trace Mayer | May 17, 2025

Trace Mayer: Gold, for example. Like, why do humans produce gold? And it's because we use it to perform economic calculation. Sort of like we use steel to build things, we produce oil to, like, power things. We produce gold to be the measuring stick to perform the economic calculation. And when we do that economic calculation in a voluntary way, in a peaceful way, then both sides feel that they're better off of having engaged in the transaction. Now, we looked at El Salvador. How many transactions were going on in El Salvador where these gangs were pointing the gun or the knife at somebody? And the other side didn't feel better off as a result of that. And whether it's happening in that gang type context or whether it's happening because you got some people behind closed doors just pressing CTR+P to print more money and confiscate a little bit from everybody else in a surreptitious way, which might even be even more deleterious on your ability to perform an economic calculation than the gang example is, because you don't even necessarily know what's happening to you.

Mike Peterson: All right, we got an impromptu sit down with Trace Mayer. So good to meet you.

Trace Mayer: Yeah, wonderful. Thanks for having me.

Mike Peterson: And I hear this is your second time here in El Salvador.

Trace Mayer: Yep, yep, a second time down in El Salvador. I've been very curious about what's been going on with the legal tender status and the, on the field, adoption, and then also just, the miracle that we've seen happen in El Salvador. Cleaning up the gang problem, the violence problem, and having it go through this renaissance. It takes a lot of courage and political will to make something like that happen. So it's nice to see that actualizing into existence.

Mike Peterson: Definitely want to dive into that. I know before we started, you were talking about you've always been focused on monetary, sovereignty and that being a focus that even predated bitcoin for you. This will be a little bit impromptu because I got a call, like, half an hour ago. Trace Mayer is here. You gotta have him on your podcast, so from Roman. So, yeah, so not a lot of notes to go by, but we'll dive in. And I'm curious, when did you kind of start following, El Salvador? And actually, why don't, for people, I know you're an OG in the space, but there may be people that have entered in the last couple years that aren't that familiar with you. So why don't you give a little bit about your background and your history in Bitcoin.

Trace Mayer: So I started a blog in January of 2008 called runtogold.com. And, that's where I talked about monetary sovereignty, the role of the monetary metals in terms of our political philosophy, how that forms essential checks and balances in the political machinery. And know, really, when you look at Western political thought through John Locke and whatnot, University of Salamanca, going up to England, over to the New World, the Constitution, the Declaration of Independence, all of these things are the culmination of some of the best of our thinking as a species. And so, and chief among that, when you look at the civic realm or the civic plane of thought, what we use as money or currency has to do with the very highest things with which the political elites are entrusted for governing society. And so this monetary sovereignty, as far.

Mike Peterson: As the role that they play and the power that they wield, like that is one of the…

Trace Mayer: Yeah, yeah. I mean, whether you're a king or in a representative form of government, like on that civic plane, if it's a represented form of government or democracy, we, the people, are wielding that power, it's the power over the purse. It's this power over, basically how we chose to exercise our freedom in the past becomes the fruits of our labor. And we're storing that in something. And that thing that we're storing it in as a society usually coalesces onto a single asset of some kind.

Mike Peterson: Hey, guys, just a brief interruption. We'll get back to the exciting show here. But I just want to really ask a favor that you guys could make sure that you're subscribed. If you're watching this on YouTube. If you are listening to this on a podcast, please, take a second and review this. You know, you don't even have to write a lengthy review or anything at all. Just click the number of stars that you want to give us. It really helps us in the algorithms to make sure people are finding out about what's happening here. All right, back to the show.

Trace Mayer: And then that asset acquires a monetary premium, which in the case of silver or gold, then becomes where we're storing our value. And so when we look at our agency, when we look at the philosophy of liberty or freedom, we have past, present, and future. We have future represented by our life interests. We have the present, represented by the Great Writ of Habeas Corpus, to present the body to challenge your illegal detention. And then your past would be your property right. And chief among those property rights is gonna be your store value, gonna be your money. Because that money or that currency is what's being used in half of all the transactions in the realm. And so when we're interfering with that, we're interfering with economic calculation that the society is performing at the individual level across millions of people. And even worse, when there's confiscation through inflation, which is a form of taxation without representation or due process of law, you're able to just swipe millions of lifetimes worth of earnings.

Mike Peterson: Well, and it distorts everything too, because things that under sound money wouldn't be worth doing. All of a sudden it's good to take on debt. It's good to leverage yourself. All these things that are not good habits actually pay dividends under kind of a corrupt system.

Trace Mayer: Hence, fix the money, fix the world. We get all types of misallocations of capital because of this interference in the currency or the money and the diminution of it or the inflation of it. When Faust, in *Faust, Part II* by Goteta, it talks about, Mephistopheles is asked by the king, he's like, well, bring me some gold. Mephistopheles is like, I'll bring you some gold and some more. And then the Chancellor responds like, well, it's not quite right, but I'll make it right. So the Supreme Court, that's what they did in City vs. Dover. That's what Franklin Roosevelt did in 1933 with Executive Order 6102. That's what the legislative branch did, interfering with

American's ability to own gold for 40 years. All of these things are attacks on our fundamental freedom as individuals. And then of course we have to figure out, do we believe that those are God-given rights or innumerable rights, inalienable rights, or are they granted as part of the political process? Do they come out of the barrel of a gun like Mao says? And that's really the dichotomy that we're dealing with. And so the money and this, this principle of monetary sovereignty, that's why it's so important is because it's operating on millions of decisions all with the same instrument or unit of account.

Mike Peterson: Yeah. So if you get the money right and you don't get everything else right, it's still gonna go well. But if you can't get the money right, if you get everything else right, it's still gonna be a failure.

Trace Mayer: Yeah. And that's because of your ability to perform economic calculation. This gets back into Mises and like human action and Rothbard, like, you know, if we're not allocating our resources based on profit and loss, and how are we allocating them? And when we're allocating based on profit and loss, well, what's our unit of account to figure that out? Like, you look at international accounting standards, like international accounting standard number one, is your presentation currency. Like, are you using as your numerator, are you using dollars, euros, yen, or gold ounces? And when you're using gold, for example, like, why do humans produce gold? And it's because we use it to perform economic calculation. Sort of like we use steel to build things, we produce oil to power things. We produce gold to be the measuring stick to perform the economic calculation. And when we do that economic calculation in a voluntary way, in a peaceful way, then both sides feel that they're better off of having engaged in the transaction.

Now, we looked at El Salvador. How many transactions were going on in El Salvador where these gangs were pointing the gun or the knife at somebody, and the other side didn't feel better off as a result of that. And whether it's happening in that gang type context or whether it's happening because you got some people behind closed doors just pressing CTR+P to print more money and confiscate a little bit from, everybody else in a surreptitious way, which might even be even more deleterious on your ability to perform an economic calculation than the gang example is, because you don't even necessarily know what's happening to you. And so that measuring stick is doing this [moving smaller and larger], but you have no idea that it's doing that.

Mike Peterson: At least with the gangs, you knew how much they were going to require every month.

Trace Mayer: You had a pretty good idea if you're cooking pupusas, you had a pretty good idea how much you had to pay these guys to like, keep them off your back. But you have no idea how much you got to pay the Federal Reserve people. And they're just doing the thing behind. And now we're learning from DOGE there were like 14 of these magic money printing machines and different agencies. So now everybody had their own little franchise to just print as much of this stuff as they wanted. But where's all that purchasing power coming from? So it's a surreptitious form of theft that's coming from everybody who's using that instrument as a store of value.

Mike Peterson: Yeah, everybody who doesn't have access to the printer is basically paying for it.

Trace Mayer: Right. And that's where we get to monetary sovereignty. And the first principle of that is scarcity. And gold, it's scarce because of special atoms, you know, periodic table. With Bitcoin it's special numbers, private keys. And so we've been able to create that digital scarcity, like purely with an Internet protocol, with rules that everybody's agreeing to. And then it's used voluntarily. So nobody's been forced to buy any bitcoin. And there are a lot of people who wish they bought some.

Mike Peterson: Right, or wish they'd learn how to handle it better.

Trace Mayer: Yeah, These are all forms of human capital. Figuring out how to use a checkbook, figuring out how to make change, like figuring out how to do all the things like balance your checkbook, pay your credit card statement. These are all forms of human capital, all types of education we have to develop and use. And it's the same thing with figuring out how to manage your private keys and Proof of Keys Day, like withdrawing all your bitcoin from a third party into your own possession. And it's in that act of holding those private keys to the money, holding the UTXOs yourself in a sovereign way, whether those UTXOs take the form of a gold coin or whether those take the form of like bitcoin UTXOs, like that's where you get to flex your muscles of monetary sovereignty is like actually taking possession of those UTXOs.

Mike Peterson: So going back to one thing you mentioned, the Proof of Keys days, how do you think that kind of concept has been impacted by now? The ETFs by the government entities that are supposedly stockpiling bitcoin? How do you see that as far as, kind of, keeping to Bitcoin's ethos, that we actually know who actually has real Bitcoin, that they're not creating paper Bitcoin?

Trace Mayer: Yeah, I mean that was part of the reason I created it, like was, hey, let's as individuals, like, flex our monetary sovereignty rights when we can. And it was modeled after Murray Rothbard's anti Banking League. He was basically, we need to withdraw our money from the fractional reserve banks on the same day and maybe we can crash some of them, because they're just engaged in fraud, right? Because they have a mismatch in demand deposits and everything. So this is an excellent question.

Mike Peterson: I mean the original idea was that you had all these exchanges where people were holding their bitcoin on the exchange. You didn't know what kind of games they were playing.

Trace Mayer: Pretty much every year we've had some type of exchange get decapitated during Proof of Keys Quadriacx like other ones. So the genesis for this actually came back, came to me like this was sparked by earlier activity. In 2008, GATA, the Gold Antitrust Action Committee – they had republished one of my articles on the gold ETF – and that particular article I'd gone through basically, like line by line at the prospectus and been like, they don't have to have any of the physical gold. Like, they just make a bunch of this crap up.

Mike Peterson: They don't have to have gold backing the shares that they issued.

Trace Mayer: Yeah, it's crazy. I mean, you should go read the prospectus, like on gld and the SPDR gold ETF.

Mike Peterson: Really?

Trace Mayer: Oh, I mean, it's like. And then they found bars with the same serial numbers listed on different, ah, vault receipts, like out of the bank of England. I mean, there have been a lot of shenanigans here. And so what did we see out of this activity? Well, the Chinese and the Russians, they're buying all this physical gold out of London and Switzerland, and then they're melting it down and recasting it with new bars with new serial numbers. Why? Because they want to sever those serial numbers that might be getting placed on, like, three or four different, like, vault receipts. They were like, yeah, we just like, give us the bar we paid for it, we're gonna melt it down, recast it, put a new serial number on it.

Mike Peterson: Probably want to also make sure it's actually gold.

Trace Mayer: Yeah, yeah, and make sure it's actually gold. Because there's the tungsten scare, because it has a similar specific gravity, specific weight as gold. So when we're looking at GATA's work over the last, it's almost 30 years now. In 1997, they got started, and you're looking at the central bank's gold price suppression scheme, where Alan Greenspan testified twice before Congress that central banks, plural, and these were western central banks, stand ready to lease gold in increasing quantities should the price rise. I mean, yeah, it's wild. If you own a lot of something, why run a cartel to keep the price suppressed? And it's because their ability to print what we use as currency is infinitely more valuable than the price of that portfolio asset that they're suppressing the price on. And so, okay, they're suppressing the price, but how are they doing it? They're doing it by taking the physical gold that they have and leasing it into the market, primarily through the bullion banks, who then sell it into the market. So the lady in India like melts it into a bangle and takes possession of it. And so, they can't get that physical gold back at anywhere close to those prices that they lease it at. And so that's what we found with GATA, is that these central banks have a half to a third of the physical gold they claim to have.

And this was as of, like, the mid-2000s, you know, 15 years ago. And the situation, who knows what it's like now. And it does look like the Trump administration's like, hey guys, like in Europe, we want the physical gold, so start flying it all back here. And isn't that, wouldn't that be the rational thing for any of these nation states to do, is they want to have the world reserve currency. If they can't have that, then they should have as much physical gold as they can and probably as much physical bitcoin. Which you made me very curious. Like, why do we have such forward thinking people in El Salvador in the government that they're going to start acquiring this magic Internet money? Like, right. Usually it's not the A team like running the governments, but in this case, not only are they cleaning up this gang mess, but they're also acquiring the sound money as an institution, as a state institution. So it's wildly interesting to me.

Mike Peterson: So when did you first hear about El Salvador's bitcoin adoption? Was it when they made the announcement at the conference?
Trace Mayer: Yeah, yeah, I just read about it in the press like everybody else.

Mike Peterson: Yeah. And what was your thought at that time?

Trace Mayer: Oh, it's fulfilling what I've talked about. Like in 2014 I did an interview with Max Keiser, where I talked about the geopolitical and geostrategic ramifications of bitcoin and how there would probably be some little small country that would pick it up like a shield and perhaps even use it like a dagger. And sure enough, here we are. And that's exactly what they're doing. Because now they've got this large mark-to-market gain on their bitcoin hoard. They're able to negotiate probably better interest rates because they're more credit worthy. Now hopefully, they can figure out how to get out of the, underneath the thumb of the IMF. you know, they probably don't even have that much debt to refinance. I mean, I bet Tether could, like, just refinance all their debt if Tether actually wanted to.

Mike Peterson: So obviously they have deep pockets.

Trace Mayer: Yeah, well, I mean, you're talking about a very small, relatively small GDP, $25 billion GDP. I mean Wyoming, which is a small US state, smallest by population is like $30 billion GDP. So they could, I mean, they really can use Bitcoin to their advantage down here in a huge way. And when you look at, when you look at our history, like when the bank of England collapsed in 1696, they put in Isaac Newton, his master of the mint, and he developed the classical gold standard. And it laid the foundation for this huge explosion of free trade, of production, of capital allocation, like all these things that were positive benefits to society. So I see the similar type of potential down here in El Salvador.

Mike Peterson: Interesting.

Trace Mayer: And they're acting on it. And then I read about the press release and I'm like, I wonder what else happened to this country. Well, the Russians were over here with communists and Marxist propaganda for like 50 to 70 years. Just all types of a mess, right? And so you have all that mess and then you have this gang violence mess. And so yeah,

Mike Peterson: They were caught in. The Cold War struggle, then they went from that into the gang mess.

Trace Mayer: You've hit rock bottom, you're coming out at the top like a renaissance is beginning to happen. Like what better foundation to build a renaissance on than sound money?

And not the old sound money that's largely been trammeled and otherwise manipulated as much as possible by the central banks of the world, but like a new sound money that's largely held by individuals. A market-based money that's kind of crawled out of this primordial ooze, you know, like very exciting things to see happening.

Mike Peterson: So how do you square what's happening on that end? I'm just curious, for somebody who's coming from the outside, who hasn't kind of lived through the history here, how do you square that with the reports in the press that this is a dictator and this is, you know, an oppressive government and those sorts of things? I'm just curious, as a bitcoiner coming in from the outside, how do you kind of square those things together or what's your perspective on that?

Trace Mayer: Yeah, I suppose even more fundamental than just an outsider would be, you know, I'm very much Ron Paul libertarian.

Mike Peterson: Yah.

Trace Mayer: You know, I donated to Ron Paul in his 2008 campaign. Like the libertarians and the communists are kind of the only two that are really ideologically anchored into something, in the political sphere. And so coming from this like libertarian viewpoint, if there is a proper role for government, protection of life is pretty high on what would be, an authorized right that you could delegate to someone else. Because that's the whole concept of limited government is that individuals are endowed with rights and then they can delegate those rights to someone else to act on their behalf. And the right to self defense is, you know, a huge, like, we should all believe in that one and that we can delegate it.

Mike Peterson: Yah.

Trace Mayer: And so, you know, when you have a population that's being terrorized by these, like, gangs that are, you know, murdering people, murdering babies. Like I watched the interview that President Bukele did with Tucker Carlson and just talking about, like, the nature of this lawlessness and this violence and the spiritual kind of component that President Bukele has kind of phrased it in. And we're seeing similar types of things in Mexico. Like when you have that type of stuff going on, you know, it..Does it bring, like, that's where the rubber meets the road in terms of libertarian philosophy. Right? Because, like, yes, we should have due process. Yes, we should have individual rights and everything. And at the same time, we need to be protecting against this type of behavior that I think all of us can agree is completely atrocious and has no place in a civilized society. And so how do you go about actually cutting out that cancer? You know, and that's what's interesting. Like, President Bukele appears to have, like, visibly subjugated, a realm of hell, like physically subjugated that into the CECOT.

Mike Peterson: No, no, I mean, and I asked just because having lived here, lived through those bad times, raised my kids here, like you felt it here. For the people here, there's no question that he did what was needed to be done and that it's been a huge release.

Trace Mayer: 92% approval rating. And my dad was at the battle of Dok To, the fiercest, most bloodied battle in Vietnam. Both my grandpas were at Omaha Beach and at Utah Beach, both my dad and my grandpa were in communications. So the Viet Cong knew that the guy at the front of the boon tripped the trip wire. The grenade rolled out at my dad's feet. It was a dud. Like, the German sniper shot the telephone pole that my grandpa was on, stringing the telephone line, and like, barely missed getting shot in the head because of that. When we're in the middle of war, you know, hopefully we can retain some of our principles even in the midst of war. And that is what's very interesting with President Bukele, even his Twitter bio "Philosopher King", right. Like, it doesn't seem like he wants to have a Jacobeian revolution here like the reign of terror in France. No, no, it seems very much that this is a principles-based like holy war going against these guys and these guys, like, look at what they've done. And it's atrocious behavior. The very worst that probably comes out of human beings when you think about it.

Mike Peterson: Yeah, I mean it affected people at all levels. Every part of their life was impacted by this sense of fear and control that they...

Trace Mayer: And so what they do, 3 million of them left, like you couldn't have economic calculation going on. So there's, you know, you look at it and it's like man, that's just, that is incredibly interesting, courageous, and admirable that someone would actually go up against that.

Mike Peterson: Well, everybody thought it was impossible. Everybody said there's no way. Other governments have tried it but nobody came in with the full force and determination that this had to be. You had to be all in in order to win it.

Trace Mayer: One we had to be all in in 1945, like my grandpas had to be all in when they like jumped off of those amphibious landing craft and ran into the machine gun fire. And I mean my grandpa was behind the front lines like coming and he was a high value target up on the telephone line. I mean you have to have, you have to have courage, you have to have admiration, you just have to have just an unbelievable amount of might and willpower to, like, force your vision for what needs to be in the world against that opposition. Right. So I mean I look at it and it's like the gangs were like way worse dictators than it seems Bukele ever could be accused of being. If you even want to try and go down that road. But if you're trying to go down that road, like what are you trying to accomplish? Like you going to side with the MS-13 guys? Like I don't think they have very much public support.

Mike Peterson: No, no.

Trace Mayer: So I mean I look at it, like you, there are a lot of people that can be critics of people that are in the arena, but what have they actually accomplished?

Mike Peterson: It's very easy to be a keyboard warrior.

Trace Mayer: Yeah, well there's a scoreboard and there's points on it, and President Bukele's put a bunch of points on the scoreboard. A ton of points. Points that a lot of people thought were impossible to put on the scoreboard.

Mike Peterson: No, I mean when it was rolled out I had my doubts. I'm like the governments have tried this before, you know, they come in and then that winds up being worse than ever after. So, I think most people had doubts that he could actually do it, but he persisted.

Trace Mayer: Yeah and it seems that there was not a lot of collateral damage among civilian populations or whatnot. I mean look at the terrible atrocities that happened in Afghanistan for example. Trying to have our conditions based-withdrawal and other things mean it's just statecraft is messy I think is the under underlying theme of this is that it can be very messy and you want to hope that the people that are engaged in it are well intentioned and well meaning and that they're somebody that you can morally feel that you're kind of delegating some of your inalienable right to and that they're not going to abuse that delegation in some type of an immoral way. Because, I mean we look at Korematsu, the Supreme Court case about the detention of the Japanese during World War II. Or we look at Ex Parte Milligan under Lincoln. You know, even in the United States we've brought some of these. We've done fundamental constitutional and human rights questions. I mean the Hamdi case, one of the terrorist cases, now Judge Boasberg going head to head with Trump on this alien enemies act stuff. And these are…We can all criticize people in the arena but they're putting points on the board. And in some cases, and, I do think that they're often well intentioned.

Mike Peterson: And I think it's good to have people call out the other side and to question things to some extent. I think we do need people that are willing to take the other side so we can have these types of conversations.

Trace Mayer: Well that's why our institutions are so strong is because of this freedom of speech. And didn't we see, like, over the last few years how weakened our institutions become when there's censorship and silencing?

Mike Peterson: Definitely.

Trace Mayer: You know,

Mike Peterson: And we're seeing it in Europe right now. It just keeps getting worse.

Trace Mayer: We're seeing it in Europe. The UK's got 1,105% excess death on 0 to 11 year old kids. Like why are kids dying at such a high rate in the UK right now? Did censorship play any role in that? So sunlight's the best disinfectant. That's why the first Amendment, that's why communication is so critical to the functioning of a free and open society. But just society in general because when we're not able to share ideas, you know we're gonna have a hard time figuring out how to do things better than we did before.

Mike Peterson: No. 100%. I'm curious, another issue. Sorry, to hit you with all these, but I know these are things that you…

Trace Mayer: Impromptu.

Mike Peterson: Yeah, impromptu. But I know these are things you've thought deeply about, and so I don't feel like I'm backing you into a corner. You know, another criticism of bitcoiners of El Salvador has been them buying bitcoin when the money that they use to buy it is the people's money come from taxation. A lot of it really borrowed from, and so just curious as to how you think about those things and then how that would transfer over to the talk about the strategic reserve in the US, you know, that talk of them accumulating bitcoin. Just curious to hear how you think through that as a libertarian.

Trace Mayer: So the question is, like, what administrators of the institution of state are doing with resources that they've acquired somehow.

Mike Peterson: Yeah.

Trace Mayer: From the populations.

Mike Peterson: That the government should. Shouldn't be buying bitcoin because they shouldn't be holding funds to begin with. That they should just take the limited amount to execute the duties that they need to execute.

Trace Mayer: Yeah. So I think this is where the study, like the Austrian School of Economics, one of the things that really attracts me to it is that it talks about how things are, not how you wish they'd be.

Mike Peterson: Yah.

Trace Mayer: And often we look at, you know, the laws of physics, and we might wish that the laws of physics had been different, but the laws of physics are neutral. Right. Like, gold is a neutral asset. I don't really care what your intentions are. It doesn't really care what you're planning to do with the thing or not doing with the thing. And the more Bitcoin becomes decentralized and resilient and all these things, the more, kind of, impervious it becomes to the intentions of the people who are actually holding it, whether for good or bad. So as we're seeing more of this nation state adoption, I think that just shows more of the maturity of bitcoin, the more of it stepping into its destiny, with this seventh network effect of world reserve settlement, currency status. And then it's becoming a neutral instrument to whoever is using it for whatever purpose.

Mike Peterson: You don't see it as good or bad, but just something that's inevitable, that it's gonna move in that direction.

Trace Mayer: Something that's neutral. Gold is neutral. Like everything is nothing until you make it something. And so. Oh, now we're gonna say this is a conflict gold or this is a conflict diamond. So we're gonna make something and then attach it to the thing and try to attach this story to the thing. That story has nothing to do with that thing. We created the story and then attached it. And so that's how I see a lot of this with bitcoin is like why are we trying to attach a story to the thing that doesn't have anything to do with the thing? And now if nation states want to move in and start acquiring satoshis because they're digitally scarce and it's becoming the shelling point, I think there's a place for that. And that's what I talked with Max Keiser like in 2014 about, 11 years ago, was this like geopolitical and geostrategic ramifications. Now does that align with someone's personal feelings or sentiments? It may. It may not. Like, does it matter? Not really, hopefully. Right, because then gold and bitcoin are bigger than just like one small segment of humanity that may think and feel a particular way. It's part of becoming more decentralized. It's just becoming more mature. It's just what it is.

Mike Peterson: So back to El Salvador. Have you, have you used bitcoin here?

Trace Mayer: No, I haven't used any bitcoin here.

Mike Peterson: Come on now.

Trace Mayer: Well, unfortunately I'm an American citizen and there are a lot of tax ramifications with bitcoin, and so it does not get nearly the day-to-day currency usage from me as it probably should.

Mike Peterson: Yeah, no, fair enough. I know for US Citizens…

Trace Mayer: There is. That, it's a terrible price we pay.

Mike Peterson: I never would have thought that we'd have the day where people are trying to get away from that passport. But you see more and more bitcoiners that…

Trace Mayer: Well, I don't know that it's a good idea to get away from the passport. The passport comes with its privileges too. And you…

Mike Peterson: But the worldwide taxation thing is something.

Trace Mayer: Yeah, I mean. And everybody's got to do their own individual calculus on whether you want to, like, keep the passport or not keep the passport. And I understand the sentiment if somebody wants to turn in the passport. But I mean, I'm 10th generation American. My 10th great grandfather was William Bradford who came over on the Mayflower. And I mean my fifth great grandfather was in Washington's army. So there's a legacy that I have with these individual rights, and we're also at a stage in humanity where, like, you have to lift where you stand. Like, if you're El Salvadorian, it's good for you to be in El Salvador and lift. El Salvador. If you're Brazilian, do the same thing. If you're American, do the same thing. I think we're being able to just run away to the new land. I think that that's largely kind of becoming a thing of the past, because the world's become so much smaller and more constrained and, through treaties and legal agreements and the passports and everything. And so you really have to figure out for yourself, like, do I want to be an American with a passport? And that means, like, okay, you know, like, it didn't look very good with Obama, right? And it didn't look very good with Biden, and, you know, but Mr. Trump's come in and he's trying to do the thing and, you know, go to war, you know, against the deep state and all this stuff, and, like, have a refresh of America, like a new golden age. But if you turned in your passport, okay, you took your jersey off.

Mike Peterson: Yeah.

Trace Mayer: You took your jersey off. And so if you took your jersey off, like, you're not American anymore. So you want a pardon for something like, not paying your taxes, right? Like, you took your jersey off.

You weren't part of the team. And I think that's what Elon Musk was saying is, like, being part of the team comes with its privileges. And so you know, I think it's an important thing to figure out, like. Like, how does somebody want to structure their life and everything? But when you give up that passport and you were born with that type of heritage and that legacy, and you decided not to do anything about preserving it, like, you didn't get in the fight, it's kind of cowardly. Right. And so, you know, and that's one thing I think President Trump, I think everybody can kind of agree, like, President Trump's not a coward. Fight, fight, fight. Right. Get shot in the ear. You can get back up there.

Mike Peterson: That was surreal.

Trace Mayer: That was surreal, wasn't it?

Mike Peterson: Yeah.

Trace Mayer: Like, so he's not a coward.

Mike Peterson: So, I mean, how many people would do that, like I've been shot. And that is their reaction.

Trace Mayer: I mean, it's really kind of like, wow. But that's American. Everybody loves a winner. Like the fastest guy on the track field. Like, that's... To be American is to be the winner. Right? That's so American. And not to be the coward. So when you're looking at World War II, or you're looking at the Constitutional revolution. Holy cow. Valley Forge. Like, man, they were under desperate circumstances. Right. Washington's army. I mean, it was perilous. Lincoln. So it's very much like courage is fundamental to this kind of American DNA. And that's one thing that's great about President Bukele. Like, who their right mind would decide to go try and lock up all these terrible drug cartels. Oh, it's just impossible. Oh, there's just nothing we can do about it. He goes and does it, because that's what Americans do. Yeah. I don't know if you've ever read the Art of the Deal by Trump, but in there, there's this part where he, was doing an interview after he had built the skating rink, and he didn't get to operate at the skating rink. He didn't get to make any profit on the skating rink. He just got to build it. He didn't even get to really make any money doing it at all. And the journalist asked him about this. And so why'd you build a skating rink? He said, well, my daughter wanted to go ice skating, and there wasn't a skating rink, so I built it. That's the American spirit right there. If there's something you don't like, you go and change it, right? I mean, that's American, and you have to have courage to do that.

Mike Peterson: No, that makes a lot of sense. Makes a lot of sense. No, even, I'm just thinking back to kind of living through the period here where the gangs really controlled everything. And I would get so frustrated, because as an American, that is your, like, let's fight back. And to see the kind of overwhelming kind of control that they had. And as an American, I couldn't understand that. I remember sitting. I was so, like, the injustice of it, like, riled me up so much that I was like, went out on the street with my machete, was just, like, sitting there. And my wife's like, what the world are you doing? She's like, I can't let them think that I'm afraid, like. And she's like, haven't you ever heard don't take a knife to a gunfight? I was like, yeah, but I feel like somebody has to show that we're not living in fear. And I think that is something that, that comes innately, like, in the American DNA. And I think, and I think we're seeing that in El Salvador here, that they are having now that internal fight and realizing they don't have to be captive and let people control their lives like that.

Trace Mayer: Yeah. And really, the most important, the most important battles are in the battlefield of ideas, because only ideas can overcome other ideas. “Power and force are impotent against the power of ideas,” to quote Mises. And so this is where, like in the battlefield of the ideas is where we can really have change and affect minds and hearts. And so that's exciting to see that happening here in El Salvador. Now all of a sudden, Bukele’s visage is getting painted on places in Central and South America. It's like a beacon of hope to the rest of the region. I mean, this is phenomenal. You know, if we can have that instead of Che Guevara and communism and Marxism, like, all the better.

Mike Peterson: Whenever I travel, conferences, whatever, and you're in an Uber and speaking Spanish to the person, they're like, I live in El Salvador. And they, first thing, they're like, oh, Bukele, we need a BukelE. Here's. I mean, it's universal. I don't care if I'm in Miami or if I'm in Argentina. Like, that's their reaction.

Trace Mayer: And we're in a fourth turning, aren't we? And it's a big one. We have a lot of seeds that got sown in the previous one back in the mid-40s. And so WTO and like Ukraine, Russia, Taiwan, China, like Israel. We have a lot to deal with in this fourth turning, and it's going to take a lot of courage. And I think we're, we're going through a great gate in history, whether we want to or not. And so what's going to happen out of this? And we look at the UK and we look at Europe and just do they prize freedom? Do they prize freedom of speech and all these things? Not so much. And yet we're seeing here in Central and South America this renaissance coming out of this little tiny country, and then it's starting to spill over into other countries. And that's a hopeful message, in my opinion. So that's one of the reasons I'm curious with what's going on in El Salvador.

Mike Peterson: Kind of digging in a little bit on the fourth turn. I'm just curious as to how long do you think we have for this to play out.

Trace Mayer: Be another 10 years.

Mike Peterson: Another 10 years?

Trace Mayer: Yeah, it'd be 2035. It could be another 10 years. Hopefully, it, it doesn't escalate. When you look at, kind of, the timing of this one versus the last one, we've already had more kind of bloodshed than we did the previous fourth turning. The previous fourth turning was catastrophic. Know hundreds of millions if you count all the starvation and everything, in addition to just the wars. So hopefully we don't have something too crazy, as a result of this fourth turning, but we better strap in. It's getting crazy.

Mike Peterson: Yeah. I keep wondering if we're going to make it through this one. Is bitcoin the tool that helps us to reset without the violence, or is that just part of what you have to go through?

Trace Mayer: I don't know that we have to go through it, but humanity seems to take the hard road often, which is unfortunate. Nevertheless, Trump is quite a deal maker. He's shaking stuff up a lot. The big confrontation, I think, is going to be US and China. And so he's already bringing that one to the fore, with these tariffs as we record. I think he slapped 125% tariff on Chinese stuff.

Mike Peterson: Which I don't understand how the Chinese think that they're going to win. That, I mean, we buy so little. I mean, they buy so little from us compared to what we buy that can be replaced at other places. So, yeah.

Trace Mayer: Yeah, I don't think it's ever quite a good sign when we're seeing trade barriers or even worse, currency controls and stuff like this start to go up. Travel restrictions, and what we saw over the last five years with travel restrictions was completely atrocious to a free and open society, and the free movement of capital and labor around where it needs to go. But if anything, we very well could see a new golden age for America if we've got the dollar and then if America has got the physical gold and then the bitcoin, like, what's the fourth search result? Nobody knows, nobody cares. And so let the euro, yen, yuan all scramble and fight for fourth place. but if America is dominant with those top three, then capital is going to just naturally accumulate and aggregate into that area. And with stable coins extending the reach of the dollar, we could, we could see America have a new refresh.

Mike Peterson: She don't think it's…

Trace Mayer: No, it very well could be, the next couple hundred years of, like, American kind of dynasty.

Mike Peterson: Yeah.

Trace Mayer: I mean, China's in demographic decline. Like Europe can't seem to figure out how to make more kids. And yet, I mean, you look at the GDP of Europe versus the US over the past 20 years, where's all the innovation and the creativity coming from? Yeah. And America is able to be so self sufficient. It's huge and its map is just amazing for it.

Mike Peterson: No, we have so many natural advantages, too.

Trace Mayer: Yeah, all the natural advantages. America, Warren Buffett, never bet against America. Pretty good advice.

Mike Peterson: Well, I could talk about this all night, but our air conditioner’s out in our studio here and I'm sweltering. So we won't keep you too long. But I do want to hear what are you doing these days. You were like all over on the scene, early days in the Bitcoin space. But you've been kind of quiet the last few years. So I'm just curious to let people know what…

Trace Mayer: Yeah, we're doing…

Mike Peterson: what you're working on, what you're excited about.

Trace Mayer: We're building out the sixth network effect. So that would be the financialization. So primarily, figuring out how to financialize Bitcoin. So getting it to get more integrated with our current banking and financial monetary systems. So that's like repurchase agreements, derivatives, puts, calls, futures, stuff of that nature. So, yeah, and it's going well. Bitcoin is a lot deeper and stronger in its liquidity, in its markets than I would have expected at this point in time. And it seems to be growing just at a rapid rate. The price is going up. But more fundamental to that is just the overall market structure is so much deeper and so much more solid than it was.

Mike Peterson: So what's one example of something that's maybe happening behind the scenes that you think people aren't aware of, that you've been kind of surprised by?

Trace Mayer: Well, I mean you look at just the call option. The amount of volume in liquidity we have in the bitcoin derivatives market, so much more than we had even just one or two years ago. And now with the ETFs coming on board and the options markets getting built out around the ETFs, like we don't have nearly this type of on any other coins like Ethereum, would be the next closest and it's not even a tenth probably of bitcoin size in the derivatives market. So being able to get this type of scope, in our derivatives markets with Bitcoin, I think it’s, just it's phenomenal for where we're at. We're only 16 years into this.

Mike Peterson: Yeah. It's so early.

Trace Mayer: And to have these types of derivatives markets is like, holy cow, like how do we. And it's not just selling call options. I mean we got, there's put volatility being sold out there too. And selling puts completes the market, you know, who's going to be that buyer last resort. And so people are selling physically settled puts, and there's a gigantic bid under Bitcoin, at these levels. So you know, this is all, this is all very, very exciting. So building out that sixth network effect is primarily what I've been focused on doing over the last few years. For example, I led the round in Custodia, the bank. And so we marched up to the Federal Reserve and we were like, hey, give us our fedmaster account. And they said no. And so we sued them and that's actually up on appeal. And Paul Clement, who did the Chevron…

Mike Peterson: Is the government still fighting it or are they with the new administration? Have they.

Trace Mayer: Well, we have... Custodia's got standing to sue the Fed. That's kind of a hard thing to get, to get standing against the Fed. And so, we're kind of, we're making several different arguments there. Paul Clement, who did the Chevron case, he's written one of the amicus briefs and then two other Deputy Solicitor Generals. This could actually be a very interesting case for the Trump administration to scope out executive authority relative to the Fed. It's kind of an esoteric area, but if they think about it, I think they come to that conclusion. But yeah, are these Federal Reserve bank presidents, are they superior officers under the Constitution or are they inferior officers? Are they just carrying out a ministerial duty to give us a fedmaster account, or are they exercising like superior officer type responsibilities in denying these fedmaster accounts? And if they're superior officers, well then why aren't they held to the accountability of superior officers? So it's going to be kind of, it definitely makes for good entertainment value.

Mike Peterson: So is that still proceeding right now?

Trace Mayer: Oh yeah, yeah, it's up on appeal right now.

Mike Peterson: Okay.

Trace Mayer: So, yeah. And I told Caitlin, I'm like, I want to see this thing all the way to U.S. Supreme Court. It's great entertainment value. So we're going to have fun with these Federal Reserve lawyers. And who knows, maybe we could get subpoena power, for some of the facts we need out of some of the various senators that are sympathetic to our cause. But yeah, I mean it's fun. Like bitcoiners, like, we went from this little magic Internet money with. I mean I first started talking about it at less than a million dollar market cap. Now we're at 1.75 trillion. We have some resources now, so we get to go play the game. Right. Like we get to play the game. So kind of like what you're doing down here, you have something that you had a vision. You wanted to actualize something. Like, now us bitcoiners are getting to actualize the things that we want into the world and kind of be those force agents and those forces have changed. So that's kind of what we're doing, some of that stuff, building out the derivatives markets and bitcoin related stuff. Then I've got some other investments and stuff that we're also building out. So, you know, just stuff we want to actualize. Like if there's a, like I want to build the solutions. I want to. You know, this is a fourth turning the cement’s wet. Like, we can build the new things. We can, you actualize the new world that we want to see.

Mike Peterson: Awesome. If people want to follow you or.

Trace Mayer: Yeah, I got the bitcoin knowledge podcast. So bitcoin kn. Maybe I'll bring it back. There's been. Everybody I talked to is like, you gotta bring that thing back. And so it's like, okay.

Mike Peterson: How long has it been on hiatus?

Trace Mayer: Well, I would always go out to the bitcoin conferences and I'd record like 12 episodes there. I didn't have a fancy studio like this. Podcasting has come a long way. It's just in the last few years. And so with all the COVID travel restrictions, like it kind of got put on pause, put on the back burner and then life gets busy.

Mike Peterson: Well, that was part of the reason we started this podcast here because it was like, we're in this place that we have all these incredible bitcoiners coming through to our doorstep. Yeah. We don't have to go somewhere else.

Trace Mayer: Yeah, so that's kind of. Yeah. So it's, you know, if I bring it back, like, that'd be one place to follow. Other than that, it's, I guess I got Twitter, but I haven't been there either. Like, I guess it's bad for one's mental health. So I'm just kinda not there very often. But, anyways. Yeah, if the podcast comes back, that'd be.

Mike Peterson: Well, you're welcome to come down here and we'll have the air conditioning working next time and you use the studio. You come down here and have the people come to you.
Trace Mayer: It was phenomenal out there on the beach, like that beach. Something else, like the black sand. Like and the waters, like...

Mike Peterson: Sunset tonight.

Trace Mayer: Oh, the sunset was beautiful. Like pina colado was great. Food here is phenomenal. Yeah. What's nice, one of the things that's really nice about El Salvador is that both the food and the people are real. You know, it's not like LA where the food's more real than the people. You know, we got real people here in El Salvador, so that's.

Mike Peterson: So friendly, willing to help you with anything.

Trace Mayer: They're friendly, you can talk about stuff.

Mike Peterson: But not friendly, because they want something out of you. They're just friendly because they want to help. They're excited that you're here.

Trace Mayer: They're just real people.

Mike Peterson: Genuine. Yeah.

Trace Mayer: Yeah. So, yeah, it's very. I like it. It's great.

Mike Peterson: Awesome. Well, excited to have you come back. You know, they do a couple amazing conferences here every year, so that'd be a good time for you to come back and you can get in here in the studio and, bang out 12 interviews. So, it's always welcome. We always love to have, you know, bitcoiners that are in the area come and make use of the studio. So.

Trace Mayer: Awesome.

Mike Peterson: Open invitation.

Trace Mayer: Thanks so much for the invitation. Sounds like a great thing to take advantage of.

Mike Peterson: Yeah, I appreciate your time.