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Peter McCormack: Yeah, it's a great honor that I have to introduce Trace Mayer to Bitcoin pod. And welcome Trace.

Trace Mayer: Yeah, thanks so much for having me.

Peter McCormack: How is everything with you?

Trace Mayer: Everything's going well, we're here at the Bitcoin 2025 Conference in Las Vegas, Nevada, and it's probably been the largest Bitcoin Conference in history, over 30,000 people, just gargantuan. And Vice President, JD Vance, from the United States of America, presented standing room only on the main stage. I got to have a fun little discussion with Peter Schiff, notorious Gold Bug, Bitcoin troll, because I also have kind of a gold background. And actually I knew Peter clear back in 2008. We'd crossed paths on the Ron Paul presidential campaign. So, it's kind of fun to see just all the growth over the last 16 years for our magic internet money becoming something.

Host 2: It feels like the institutions are here and they're trying to, you know, make their way into…Yeah, and make, like, how can we capitalize on this?

Peter McCormack: So we're going to discuss a lot of that. I wanted to start by just saying that I'm honored to have you on the podcast. So I'm class of 2017, and I learned a lot from you back then, because you were one of the prominent voices. And I know you say that you are the HODLer of last resort…

Trace Mayer: One of them.

Peter McCormack: One of them, well…

Trace Mayer: I recruited some friends.

Peter McCormack: I think I am, I am the second HODLer of last resort. So you really helped me with my conviction in Bitcoin, and the never sell your Bitcoin part really helped me through, especially the COVID time.

Host 2: Yeah, the hard part is not to understand Bitcoin. The hard part is to kind of hold them.

Trace Mayer: And have conviction. And you really have to, like, if, if your mind is like a garden, you have grasses, you have shrubs, you have trees. Like, different levels of ideas and convictions and understanding and stuff. And so, you know, to really become that HODLer of last resort, you've got to have, like a giant sequoia tree, or kind of even a grove of them that form, kind of your worldview and your understanding and all the stuff to give you that conviction to hold it.

Host 2: And not look at the price chart.

Trace Mayer: Well, yeah, because then it becomes, like you're holding it for a different purpose than just, like the number going up. I mean, it's nice when the number goes up, but there's, there's, like, a different, more interior purpose to that.

Peter McCormack: So I guess in Sweden, maybe you're not a big name, as you are in the US. So who is Trace Mayer?

Trace Mayer: Yeah, so I came as a kind of a monetary sovereignty maximalist. In January of 2008 I had started a blog called Run to Gold, and I talked about monetary science and, kind of, this role that sound money plays in the monetary and financial system, and then was applying it to, you know, current events. So doing that with my blog, and then I started a podcast, Run to Gold podcast in the early days. And then, because I had this kind of microphone, you know, of readership and listenership and interviews and everything, when I came across Bitcoin, I fit it into my worldview regarding monetary science and monetary sovereignty, and then started talking about it. And so that was around $1 million market cap for Bitcoin, like 25 cents. And helping explain, I specifically went after the gold bugs and the libertarians, because the gold bugs should understand the hard money, the Libertarians are just kind of crazy. So, hey, they might buy the magic internet money. So, you know, I went after those two different target markets and actually encountered quite a bit of resistance from both of them. But eventually they kind of saw the kind of the reason, the logic, the rationality, and the case. And now they're a very strong contingent of Bitcoin HODLers, you know, HODLers of last resort. And I think that's because it put in the work it started to understand, like all the kind of facets of it.

Host 2: That's really interesting. Because as the price of Bitcoin increases, the power dynamic in society, both in the States, but also globally, will change. Getting these people that are kind of crazy.

Trace Mayer: Well, that's why I specifically targeted them. And so, so now we're, we're dealing…Like Vice President JD Vance here at the conference yesterday, he encouraged us to get involved in the political process. Like, sure, like, the Trump administration is able to, you know, add some pushback and resistance to Operation choke point 2.0. But he was like, we don't know, like, if power will swing four years from now. And so, you know, get involved in the political process. And the Bitcoiners were a huge swing and determinant of this previous election with the Trump administration. And operation choke point, hopefully, is in the rearview mirror. But this, this idea that the financial, monetary system has now been weaponized for political ends instead of being a neutral tool for everybody, I think that's done tremendous damage to our ability to trust and interact with these financial systems. And like, you know, it does, like, you know, the Bitcoin industry was on the receiving end of that operation choke point. But you know, what if, what if that gets turned towards the Democrats, for example, and we start de-banking them and escalate the situation.

Peter McCormack: Also internationally. I mean, the dollar has been used as a weapon as well, considering that the US basically owns the SWIFT network, so they can shut off entire countries from the financial system, which they've done with Russia, Iran, yeah.

Trace Mayer: Well, and even completely law-abiding countries have been threatened. Been threatened, you know, for different activities that the, totally legal, that like the US, or actually not even the US, but just particular banks don't like, you know, it's like some of the banks are running the US foreign policy through an operation choke point style thing. But it's, you know, this is all the politicization of and weaponization of the monetary system, you know, confiscating all of Russia's reserves, foreign foreign currency reserves, you know, the sanctions, like all this stuff. It's like, it just really fractures the trust that's happening globally, and I think that's one of the reasons we're seeing something neutral like gold begin to outperform, you know, and get more market share as a treasury reserve asset. And now bitcoin’s increasingly like getting more market share, too.

And so the geopolitics and in the geo strategy, you know, starting to really come to bear in this new innovation that's been made by Satoshi.

Host 2: That's a very interesting talking point, just the neutrality of Bitcoin. And money as a neutral asset or a neutral tool to facilitate, you know, free cooperation between people and companies. And I think the Trump brothers were…had a panel talk as well. And they, at least, Eric Trump, felt like he said that he understood what the Bitcoin community and the crypto community had been through by being a victim of that same abuse, that same weaponization of the financial system just for his political beliefs.

Trace Mayer: Oh, yeah, and it's in Melania Trump's memoirs, like she got de-banked. So, you know, having a private sanctions regime against individual citizens where there's no notice, no appeal ability, no ability to challenge it. You don't even get told why you got de-banked and yet, like, you have to pay your taxes with a wire transfer or a check.

Host 2: And it's not unique for the United States. I mean, we have several clients in our businesses that, that, you know, they do a transfer to buy bitcoin. Could be ridiculously small sums, like $100 or $1,000 and the bank is shut off their accounts.

Trace Mayer: Yeah. And, there are actually other countries, like Uruguay, for example, where it's basically a civil right to have a bank account, enshrined by legislation.

Peter McCormack: It is in Sweden, too, yeah.

Trace Mayer: Oh, but they still shut them off?

Peter McCormack: Yeah, yeah, because AML kind of trumps that. So AML is above everything. So the bank and, can technically say that you we don't have in Swedish called “kun jane dunn”, I don't really know how…

Host 2: Know your customer.

Peter McCormack: Yeah, it's know your customer. And they feel that we don't know exactly what you are doing with your account, so it's better to just shut it off. So that…

Host 2: That’s what trumps their responsibility to provide an account.

Peter McCormack: Yeah.

Trace Mayer: Interesting, yeah. And so, you know, this is all…We've learned by sad experiences. As soon as somebody gets a little authority, they'll immediately begin to exercise, you know, negative tendencies.

Peter McCormack: And the most…

Trace Mayer: Bureaucrats love their stamp stuff,

Host 2: And the most destructive part of that is when they do it with good intentions. Like, yeah.

Trace Mayer: Well, they think, they think they're doing it with good intentions.

Host 2: Yeah, exactly,

Trace Mayer: And, and really, as a result, it just undermines the trust that the people and eventually society has in them. And this is even more fundamental, like the whole reason gold became money is because it was the most saleable asset, because people freely chose to use it. And so they're really, you know, this, this whole monetary and financial regime that we have currently, it's, it's an, it's an abnormality in human history. It's kind of only existed for 40 years. That's when the Bank Secrecy Act got passed. Before that, it was all very neutral. So, this idea of tying identity to the money, and having the and having the currency not be limited in amount, like this is very much a, like, a *con*-fidence game, right? Like they're like, you have to really trust it. And you start when you start, like, hacking away at the roots of different trees, and like, interrupting the nutrient flow, like all of a sudden, those ideas and convictions that society has towards using those tools, they begin to decay and erode, and eventually they fall over, and they start bursting onto fire, you know, they become firewood. So it's, I mean, that's what we're looking at. And actually, Goethe, Johann Van Goethe, German, he wrote about this in *Faust, Part Two*, about the negative consequences that come when you corrupt the monetary system that come to society, the Chancellery gets corrupted. Eventually it results in martial law. The commander in chief in the place said, the soldier asked not from whence it proceeds. And it's like the money is so absolutely critical, the money and currency so absolutely critical to the well functioning of the society. In fact, Sweden has an incredibly rich heritage in this area. Emanuel Swedenborg wrote a paper in 1722, he was in the court of nobles, and he wrote a paper on inflation because he'd been in charge of the mines. He was master of the mines, also professor mathematics, one of these, like Renaissance men, geniuses. I'm sure your audience is aware of one of your luminaries. But in this 1722 paper, he was writing to the rest of the court, and he talked about how, because the money has to do with half of all the transactions in society that it has to do, “With the very highest things with which we are entrusted.”

Host 2: Yeah, no, you're absolutely right.

Trace Mayer: And so, you know if, if you're entrusted with the very highest things, and you screw it up, like you start impacting society on a very wide scale, and when that starts to disrupt and destabilize, you're you're gonna have problems on an like, on a big, on a big scale, right? And that's what we're seeing globally, because we have a like.

Host 2: It's interesting that we don't learn from the history. I mean, Sweden has the oldest central bank in history, in the world, and they it was founded in 1662, or something like that, and they've been struggling with the same problem since then, to keep people trusting the currency and to avoid inflation and have a, you know, a stable, neutral money. That's what they've been trying to achieve, but they've failed

Trace Mayer: Well, and that's because, you know, it's the tendency not to do that like, and why do it if you don't have to. Like, if anybody can, just like, they have to…The unit of account. And I talked about this on the, kind of, the discussion yesterday with Peter Schiff, gold is limited in amount by its intrinsic characteristics, by atoms, by chemical law. Bitcoin is limited by its intrinsic characteristics of the mathematics and the difficulty adjustment algorithm and proof of work and everything. You know, Swedish Kronos or whatever you guys are using. How are they limited in amount? Through counterfeiting laws, something that's an extrinsic characteristic, not an intrinsic characteristic. And so when it's an extrinsic characteristic, well, you know that's not being enforced by natural, by natural law. It's being enforced by man-made law. And man-made law can be bent or broken, particularly by people who are in charge of it.and, and they, and they love to, you know, they love to try and do that.

Host 2: For good intentions.

Peter McCormack: Because it feels like they…

Trace Mayer: Yeah, it's easy, low hanging fruit, right? But you do it enough, and you, you're going to struggle with these problems indefinitely.

Peter McCormack: It feels like the financial system is being corrupted by bureaucrats in many ways, especially in Europe. So they're really trying to push the digital euro down off roads. And I think none of us here wants to go down that path. We would rather go towards the hyper bitcoinization path. But how would you say we get there without total destruction? Is there a peaceful way to go from wherever the bureaucrats want to go versus where we want to go?

Trace Mayer: Yeah. I mean, I think El Salvador is a great example of changing a system in a peaceful way that was very entrenched with negative forces and interests. Trump is an example of a system that was headed one way, and now an individual is taken in a different direction, in a peaceful way, more or less. If anything, Trump was the victim of the violence, you know, getting shot in the ear. And we still don't know all the circumstances of that. You know, it's that investigation, you know, has…Yeah, it seems like very shady stuff going on with that. And so, you know, there's, you know, this is the nature of statecraft, right? And that's one of the reasons that, you know, the monetary metals and Bitcoin as sound money, it protects against these despotic inroads on the part of government. And that's why it belongs in the same class as constitutions and bills of right. As Mises tells us, ideas can only be overcome by other ideas. Power and force are impotent against the power of ideas. And so what will eventually happen is if you have bureaucrats that turn into tyrants, and they are governing in a way that oppresses the population to a certain degree, eventually, the new ideas will circulate among the population, where they'll rise up and cut off the knees of those bureaucrats and tyrants. And so, so we have voice versus exit. You know, in our western democracies, we want to have these peaceful transitions of power. Because, like, look at China, there's really only one way to change the regime in China. And as a result, there's no release valve. And so when it gets despotic enough, it becomes extremely bloody to change that regime. And we're seeing it in Europe. Like, look at the Romanian elections. The bureaucrats don't like the results, so they just cancel the elections. Like, look at AFD in Germany. You know, they start winning in the battlefield of ideas. So what do the bureaucrats want to do? They want to ban the party, as if banning, like, the largest political party in the country is going to like change the ideas. I mean, all you're going to do is attempt to marginalize that voice. And there's voice versus exit, and if people don't want to exit, and their voice isn't being heard, and they feel it's unfair, you know, that's where it begins going down the road of, you know, like France in the 1790s.

Peter McCormack: so, do I understand correctly?

Trace Mayer: I mean, like, that's the direction.

Peter McCormack: I mean, whatever you think about those specific parties, that that idea and that principle holds fast.

Trace Mayer: Yeah, the principle, the principle holds because, like politics, this game of statecraft, like, how do you how do you come to consensus with competing views and interests? And the, you know, one of the great contributions of European political process to humanity has been, you know, John Locke and the University of Salamanca, and like going from Holland up to the to England, and then coming over to the US and rights being granted by God, as opposed to coming from the barrel of a gun. And so maybe this is just part of the consequence of the like the secularization of Sweden, like, you know, losing that belief in God, and as a result, not having a morality that they that they ground into in terms of their ethics and their political philosophy. And as a result, you know the it's, oh well, you know the the rights are granted by governments as part of the political plan. It's not like you're endowed with inalienable rights as part of like, like a god, as part of a freedom and dignity of the individual, you know, because it's very diametric, like it's diametrically opposed, that it's one or the other, right? And and so if you, if you have this respect for the the dignity of the individual, and that's where America shines. It's been more available and more assured in America than anywhere else on earth. And the reason Europeans are free today is because Americans came over and helped, you know, drive back the Third Reich. And what right?

Host 2: I feel like we have forgotten that a bit in the general discourse.

Trace Mayer: But yeah, well, I mean, my, like, Both of my grandfathers were, one was at Omaha Beach. The other was at Utah Beach. Like my dad's father, like drug the telephone lines behind the front lines at Omaha Beach, you know, where they were just mowing people down with the machine guns who were storming it.

Host 2: aren't they kind of also focusing on the people with the telephone lines?

Trace Mayer: Yeah. High value target, high value target, because they're establishing the communications, you know, in order to relay back what's happening. So, so this, I this battlefield of ideas. You know, the people, the people who are like up on the telephone pole, are high value targets. Like my, my grandpa, mayor, he was up there, German sniper shot the telephone pole right next to his head, and he cut loose, fell like 20 feet, broke his wrist, you know, the they wouldn't give him a Purple Heart. You know, that's one of the American military kind of medals for when you get wounded in action. They told him, why do you let the Germans scare you off the pole? And, you know? And he was there for four years. He was in Africa, like fighting against Rommel, he was like about D Day. He was a Battle of the Bulge, you know, where people were free freezing to death. Like Europe, a lot of European freedom has been paid for with American blood. You know, that's why we have the Pointe du Hoc memorial in France, and it's American territory, because the French understand, like we came over and liberated them. And the the Third Reich, I mean, they were, they were doing all types of financial and monetary things in order to conscript all of the European production via, like, kind of how the Gold Standard and stuff was working back then. So, you know, freedom isn't just given to everybody. You know, America, in a lot of ways, is an abnormality in history. And I think a lot of a lot of people in different countries, they've been able to free ride off of the freedom that America has generated and produced to the world and exported through this idea of constitution and rule of law and dignity of the individual. But you know, like America needs, you know, it's kind of turning more…sorry, it's kind of turning more inward right now, as opposed to outward, and as a result, like people are gonna have to pay for their own freedom.

Peter McCormack: I think we might very much as we can take our freedom for granted. We were born into this free and open society, and maybe eventually we will pay the price for not being aware.

Trace Mayer: Well, that's that's part of like you can, you can vote communists and socialists into power, but you can't really vote them out.

Host 2: I am hearing you speak on that topic made me think of it in a party I was at a couple of weeks ago, and we had a conversation about general like, okay, Sweden, and how Sweden is progressing, and what has built Sweden into the country it is today. And one of my friends who is there, he was like, yeah, it's a social democratic party that has created the welfare state and the prosperity we see in Sweden now. And that's actually a general idea and a general opinion a lot of people have that it's not the hard working people of Sweden that has, you know, tried to make way for themselves, worked hard, created companies, created, you know, prosperity. That way, it's a party and a socialist party in that that has created the abundance and the wealth, you know, the welfare state and everything that people enjoy and use. And for me, that's just the opposite of what you, you just explained, and that's a very, very strong conviction with a lot of people in in the country.

Trace Mayer: Yeah. But the that, that that battlefield, that that idea battlefield, absolutely in favor of economic calculation problem, like, that's why socialism and communism failed, is because of the economic calculation problem, and in order…which is basically that, like you need a profit and loss system in order to get the knowledge out of the economy, in order to allocate the resources. And socialism and communism do not have a tool or a mechanism to be able to do that. And so, like that, that problem got, got solved, like, 80 years ago, you know, and, and so, you know, they're, they're just operating with a fundamentally, like, bad premise and idea.

Peter McCormack: So, just going back a little bit to the process of hyper bitcoinization, it feels like you're saying that we need some kind of political will as well to do it peacefully. We need to vote in better politicians to get there. Because that was what they did in El Salvador with Bukele. That's what you guys did.

Host 2: Broadcasting the ideas.

Peter McCormack: Well, I mean, it's a ground-up movement, so you need to reach the politicians, but you need to have them on board to reach the end goal, which is hyper bitcoinization.

Trace Mayer: Yeah. I mean, we can, like, the cypherpunks write code and the code can put the technology out there, but it takes the political will to keep it there. Now, the interest, one of the interesting things with Bitcoin is, you know, it's now the highest stock-to-flow asset on the planet, and of highly liquid assets, twice gold stock-to-flow. And so it's going to treat capital better than like, you know, other assets, which is causing more capital to kind of get pulled into its orbit and be stored there as a store of wealth. And that, you know, Bitcoin is not going away. There's 200 plus countries, so it's going to, like increase the competition among countries to retain both wealth and entrepreneurs.

Host 2: Yeah, we had one country yesterday announcing a Bitcoin strategy.

Trace Mayer: Oh…

Host 2: Pakistan. Pakistan the Minister of blockchain. We had this full title written down somewhere. I forgot it, but the Minister of blockchain something of Pakistan held a big yesterday speech

Peter McCormack: A very good speech.

Host 2: Yeah, yeah for sure. And he announced a strategic Bitcoin reserve, and he said that that Pakistan is open for business. And then I saw a Tweet this morning where someone quoted Saylor saying that the first country who prints money to buy Bitcoin will win. And then it said that the UK printed 133 million pounds last year, sent to aid, sent it as aid to Pakistan, and Pakistan buys Bitcoin for it. So…

Peter McCormack: Full circle.

Trace Mayer: So Pakistan didn't even have to print the money. They got the British to print the money.

Peter McCormack: Yes, just going back to what you said about the capital. So capital usually flows where it's best treated.

Trace Mayer: Yep, that's usually what happens. Look at immigration. Why did everybody come to America? Well, you got treated well there.

Peter McCormack: Or Sweden, yeah.

Trace Mayer: Well, I don't know all of Sweden's history, but..

Peter McCormack: No, not history. But now you get, yeah, there's a lot of welfare.

Trace Mayer: Oh, the immigrants coming now. Well, when you subsidize something, you get more of it.

Host 2: For sure.

Peter McCormack: So at the moment, the market cap of Bitcoin is a 10th of the market cap of gold. And a big narrative now, especially when the institutions are coming in, is that Bitcoin is digital gold. It's not really used as a currency yet, or a medium of a change, or a mean of putting prices or anything. So would you say that, if it just stays digital gold, has it failed? Or does it need to be kind of full currency perspective?

Trace Mayer: Well, I don't think failed is the right word. One of the, kind of, pieces of thought at discussion that I've laid out is the Seven Network Effects of Bitcoin. And you have the speculation, the merchants, the consumers, the miners, the developers, the financialization, and then the world reserve settlement currency. Well, the speculation network effect, that's what we're talking about with the store value. You buy it because you want to store value in it, or so that it goes up in value, chasing the rabbit of the green candle. So everybody loves that activity. Ebay had buyers and sellers, one network effect. They layered on PayPal. So they had two network effects. They became indomitable in the, in the auction space. So these network effects exponentially reinforce each other, and in bitcoin's case, you have seven all taking root at the same time and growing. So, merely speculation, miners, and financialization is going to give you an incredibly powerful network effect, because you get a shelling point on now, a liquid asset with a high stock-to-flow. There's plenty of room to be had figuring out how to extend Bitcoin to these other network effects, like the merchants and the consumers. And we've tried different things. You know, I funded Bitpay queer back in 2013 as a merchant processor. And 12 years later, we still don't have very much, like, you know, daily currency usage with it. And I think there are a variety of reasons for that. But that doesn't mean that we can't go back and visit that now, or, you know, 10 years from now.

Peter McCormack: Yeah, and it was an announcement from Jack Dorsey's company yesterday.

Host 2: Block, yeah.

Peter McCormack: Block, about putting Bitcoin and lightning payments in all their..

Trace Mayer: Their other wallets,

Peter McCormack: And merchants.

Host 2: And how many merchants did they say they have?

Trace Mayer: Oh, millions.

Peter McCormack: I think it was like 4 million merchants across the United States, globally.

Trace Mayer: So there's, yeah, so they're in, so there's all and maybe we'll have a different light. Maybe it'll be like a Visa and MasterCard layer, where we're, you know, paying in Bitcoin, but they're processing the transaction, then we pay our bill once a month, or something. You know, scalability is the, is the issue, right? Like trying to figure out how to scale this blockchain technology, these are all hard problems to solve, you know. And we're experimenting, and we're blazing a trail, you know. So we're having to figure out where we're going and what we're doing and then and everything. But I don't think failed is the right word, like maybe it won't live up to the full potential that it possibly could, because of design decisions that were made or not made before it ossifies, but failed is like it's already changed the world, and it's not going away, and it's highest stock-to-flow asset on the planet. And when you look at the history of India and China, you know, not adopting monetary, the greatest monetary technology at the time available. You know, going from silver to gold, and being late doing that, they lost like 80% of their national net worth as a result. And look at El Salvador adopting Bitcoin early, and what it's doing to change El Salvador's balance sheet. You know, they're like $700 million worth of bitcoin now, like purchase price well below that.

Host 2: Yeah, Bhutan is another example.

Trace Mayer: Yeah, Bhutan, Pakistan's gonna get in the deal. The US, with a US strategic reserve, Senator Lummis' bill to start actively acquiring into that. You know, all of the digital scarcity is kind of like, it's a it's a compelling use case and argument

Peter McCormack: The store of value use case is quite a big use case already.

Trace Mayer: Huge.

Peter McCormack: Because we really, we really need sound money on a global scale. There's a lot of capital that could be attracted to bitcoin just by that use case.

Trace Mayer: And it already has been. $2 trillion, nothing to sneeze at. Like, top five asset in the world. So, we're…it's just early days. We're 16 years. Like, I have gold UTXOs, or like a gold coin right, I bought it 25 years ago. My gold UTXO is almost twice as old as bitcoin is, total. And there are countries that don't even exist anymore, but gold still exists. Like the Roman Empire, the Ottoman Empire. You know, there's institutions, like the Vatican, they have gold UTXOs that are millennia old.

Peter McCormack: Do you think bitcoin will demonetize gold, eventually? As bitcoin will be the most sellable goods?

Trace Mayer: Well, it hasn't so far.

Peter McCormack: It's only been 16 years.

Trace Mayer: And actually, in 2015, the gold market cap on a relative basis outperformed the bitcoin market cap, in 2015. So, I think this gets more to a geopolitical question. If we do have a

Balkinization in the world until like, the West, India, China, Russia or something, the BRICS, and they're using gold and we're using Bitcoin. I mean, there's like 80 % of the population in the BRICS, a bunch of the physical commodities, they could be continuing to store their productivity gains in gold versus like Bitcoin.

Peter McCormack: But couldn't it be like back in, the back in the old days where gold in many ways demonetized silver, where countries that stayed on the silver standard?

Trace Mayer: Well, yeah, the example I gave with China and India,

Host 2: Yeah.
Trace Mayer: But like, you know, we live our lives in months and like days and months. Governments live their lives in terms of like decades and centuries, you know, like years and centuries.

Host 2: Different time preference.

Trace Mayer: It's just a totally different time scale. And so, you know that like you sure it might demonetize. Like if the BRICS really do kind of balkanize and fracture and the economy gets kind of split in two, it might be, you know, a hundred years before Bitcoin could demonetize gold.

Host 2: Yeah. I mean, Senator Loomis mentioned talking about her bill that a budget-neutral way for the United States to accumulate Bitcoin is to revaluate the gold reserve they have and sell it. I mean…

Trace Mayer: That’s a bad idea.

Host 2: If that would be interesting to hear your thoughts on, but just to finish my train of thought here. If you do that, if more countries do that, they start selling gold, wouldn't that put a downward pressure on the gold price and an upward pressure on the Bitcoin price that could accelerate?

Trace Mayer: Yeah, if there's no increased demand for the gold. Problem with this is like GATA’s work, the Gold Antitrust Action Committee, and how the Western Central Banks have already been surreptitiously selling their gold. Even Alan Greenspan, chairman of the Federal Reserve, he testified twice before Congress that central banks, plural, stand ready to lease gold in increasing quantities should the price rise. So like they've been holding gold in the vault and gold out on loan is the same line item. In effect, we're putting cash in accounts receivable is the same thing. You know, a lot of these Western Central banks, they say they have a certain amount of gold, but they've probably actually taken the physical gold, leased it to a bullion bank who sold it into the physical market. The Chinese and Russians have bought it, or the Indian housewives have bought it, taken physical possession of it. And now the Western Central banks can't get the physical gold back at those prices, which is driving part of it up. And so what are you going to do, sell like more paper gold? Cause you might not even have the physical gold. And if you sell the physical gold, like you're not, or, lease it, you're not going to be able to get it back. And so like, this is a, you know, this is a serious game because when you like, we all know the saying he who has the gold makes the rules. Like that's why you don't sell the gold. Because if you want to keep making the rules, like you need to have the gold.

Host 2: So there's still a gold bug in there.

Trace Mayer: Well, it's the ultimate form of payment, as Alan Greenspan says. And we're at $22 trillion market cap for gold. We're at $2 trillion for Bitcoin. We're at $50 million of daily emission. We're at $510 million of daily emission with gold. It's two and a half days of daily emission to equal Bitcoin's monthly emission. And that's kind of like the what's the difference between Dogecoin and Bitcoin? It's about the same in terms of scope as Bitcoin to gold. You know, just the economic mass is gargantuan differential between the two. So I kind of look at it like, you know, gold is like London and Satoshi discovered the trade winds to build out America. That, well, Columbus discovered the trade winds, and Satoshi discovered the consensus mechanism like difficulty adjustment. Manhattan is like Bitcoin and maybe Chicago's like Ethereum or Monero's like St. Louis, the Wild West on the edges of society where there are no rules or whatever. Maybe San Francisco exists somewhere out there, because I mean, we'd been here in building out the new world for 250 years.

And San Francisco still had a population of 800 before gold got discovered. And that set off speculation, fever globally. And everybody converged on San Francisco and built it into the city it is today. But during that whole process, why sell your London real estate to buy Manhattan real estate? And you don't necessarily know where the, like how the the map's gonna develop. Should you buy Manhattan real estate or maybe New Orleans real estate? You don't know, like in 1610, you don't necessarily know which city, which real estate's going to turn into something over 200 or 300 years.

Host 2: And it's not really something you think about because you live 80 years.

Trace Mayer: Yeah, and you only live 80 years. And so, like London, you know, how about you just keep your London real estate forever and you rent it out and you use the earnings from the rent to go buy Manhattan real estate, right? And then you have both your London real estate and you get the Manhattan real estate and you build it out when it's cheap. You know, you buy it and you start building it out when it's cheap. So, you know, I see it the same way with the gold. Like, I don't think… it's not good idea to sell the gold. I mean, that's kind one of the first rules of the sound money. You don't sell it. You don't sell your gold. You don't sell your Bitcoin.

Peter McCormack: So what's your view, because you mentioned some of the other protocols, Ethereum and Solana. Do you feel that they have a right to exist going forward? Or is Bitcoin kind of going to eat it all? Do we need the other protocols, or is it a different beast?

Trace Mayer: I don't know that we, like what we would need the other protocols for is test beds for innovation and experimentation and all the stuff. I mean, that's what Satoshi was doing. He was experimenting. As an entrepreneur, trying to like create a monetary good the market would value. You know, having, how many are there 42 million now or something? I mean, they're just like all

Peter McCormack: Meme coins, there's a...

Trace Mayer: I mean, there's just unlimited numbers of these things. I mean, it's almost like they're a DDoS attack on my car. So you have to be very discerning. Like, why even think about any of these things? But humans are very creative. And that innovation, I mean, the gold bugs and the libertarians, like magic internet, what? They looked at it like it was the craziest thing that had ever come across our screen. And it took a lot to change mindsets and educate users on how to actually buy and sell and move and store and transfer and exchange Bitcoin. So it's almost like we've had a, like with the internet, it took, we had to educate people on how to use email and attach files. And that's what we're building tech at the end of the day. So right to exist, I definitely think we should have a free market. We get better pricing with a free market, and the pricing signals help pull out disparate knowledge and make better decisions for capital allocation.

Peter McCormack: Do you feel that holds back in a way Bitcoin, because people conflate Bitcoin and crypto and it doesn't always help to have all the other protocols?

Trace Mayer: I mean, the more altcoins we've had, the higher Bitcoin's market cap has gone. So, I mean, if anything, like all these other ones just help show the value proposition that Bitcoin has. It's like, look, nobody can come up with anything better.

Host 2: And I think the free market aspect of it is important as well, the idea of another company holding back one company and then we should discourage that company from operating, that's not in accordance to a free market.

Trace Mayer: Well, when we do that, having optionality makes us wealthier, even if we don't choose the option.

Host 2: Yeah, exactly.

Trace Mayer: Do you want to only be able to eat rice and beans in a tortilla, like the guys in the CECOT in El Salvador? Or do you want to be able to have the optionality to eat French fries and steak and brussel sprouts and salmon? Because sometimes you might want to eat salmon because it's got nutrients you want. Sometimes you might want to eat the steak. Or you might want the banana pudding for the fun of it. Option, options having options always makes us more wealthy than having less options, even if we don't choose the particular options

Host 2: I would say that you can argue that a lot of the options when it comes to meme coins doesn't make you more wealthy.

Trace Mayer: No, probably makes you wealth…Well, I mean, having the options makes you more wealthy. Now, where you actually allocate the capital, you know, that because, you know, wealth, there's more to wealth than just like our balance sheet. There's like this aspect of freedom. I mean, and we saw all types of infringements on this over the last five years, you know, on what we put into our bodies or what we don't. What gets mandated to be put in there, following the science, you know. And now we're seeing all types of deleterious effects coming out from that, and that's an example of like you know where tremendous amount of harm has been caused because of lack of options

Peter McCormack: It's interesting coming back to freedom and speaking about, you know, personal freedom and it being granted to us as individuals, not from the state. I mean, we're from Sweden and these ideas are, they exist, of course, but they're not in the public discussion. You don't have a politician in debate talking about defending personal freedom. We have one party that's called the Liberal Party that's supposed to be liberals, and they recently came out and said that the public and the public sector need to take a step forward and take more responsibility. t just goes against what liberalism is in terms of libertarianism. And what would you say to our listeners in Sweden? How can they in their everyday life, kind of, champion Bitcoin and freedom? What can they do and what can you do to help others understand Bitcoin in a country where you don't value the idea of personal freedom?

Trace Mayer: Yes, I think Europeans are probably better at this than Americans and some other countries of like a five or six flag theory. And that's where you kind of distribute the risk. Right? So you might have citizenship in one country, residency in another, your assets in a third different country, you like you're distributing that geopolitical, political risk among different jurisdictions, so that you, you know, so that when the problems are happening, like you are more mobile or flexible, so that you have more options of what you can do. You know, it's the… I mean Europe's got this just atrocious history where, you know, all of a sudden like walls get built and options get foreclosed and you can't leave and now you're stuck behind the Berlin Wall for however many decades and you try to leave they shoot you. That's example of not having options.

Peter McCormack: We have this exit tax in some of the countries. So if you want to leave and take your wealth with you, it's going to cost you basically half your wealth. There's walls that are built, but there's financial walls instead.

Trace Mayer: Oh yeah, already walls are getting built, you know, and eventually there will probably be more physical walls. Well, we saw that. We saw that. You couldn't go to the grocery store if you didn't have a special card or whatever.

Host 2: Yeah, and then that becomes... You don't have that vault. So you can't escape the pressure from ideas and it pent up and that could become something bloody or, you know, it's dangerous in the way people can't move and put their wealth wherever they want or live in whichever country they want in the European Union when those walls are built.

Trace Mayer: Yeah, that's, I mean, that's like where it's kind of, it's all about like digital ID, central bank digital currency, social credit score. Like, I mean, there's, there's definitely a, an orchestrated plan and stratagem that's been…

Peter McCormack: In the public’s opinion in Europe is that that's something good. A lot of people think that it's going to be something that not going to create more freedom, but it's going to make their lives easier just by pushing these kind of things.

Trace Mayer: Yeah, that remains to be seen.

Peter McCormack: So we're going to start rounding off here. But what are you the most bullish about with Bitcoin in the short term? Not price wise, but just as kind of this freedom money.

Trace Mayer: Yeah, in a lot of ways, I was talking with one of the state's treasurers and his two deputy treasurers in the US, one of the smaller states. And I'd made the comment like, you know, Bitcoin is chaos insurance. And the price going up is like, you know, showing that the market thinks that there's probably more chaos on the horizon. So, you know, as we transition to a different regime of how cash flows around the globe,

Host 2: The fourth turning.

Trace Mayer: Trump at the UN, Americanism, not globalism will be our credo. So more of a retrenchment from these globalist ideas to more like nation-state based ideas, tariffs, capital controls, trade barriers, walls, financial walls, movement walls. I think Bitcoin shines as a like a form of chaos insurance in this new world that's kind of coming into view.

Peter McCormack: And the premium is quite cheap, just 107,000 per Bitcoin right now.

Trace Mayer: Yeah, with where it could go.

Peter McCormack: Or 0.1 million is another way of seeing it.

Trace Mayer: Yeah, because these fiat currencies, they're the common stocks of nations. And if these nations have lived beyond their means and made promises they can't keep, and they're having to increasingly rely on violence in order to enforce their ideas that the populace is increasingly getting opposed to, and their standard of living begins declining and crime is going up and all this stuff. Basically they've got a failing business model. And if the nation states have a failing business model they're going to have to resort to more more draconian and authoritarian type of measures, which as they engage in more of that, it's going to make it more difficult to perform economic calculation in those jurisdictions, which is going to continue the spiral because there's going to be huge misallocations of capital and destruction of wealth. And that's going to show up in standard of living. And it's going to show up in inflation. And it's going to to show up in all these symptoms. And Bitcoin can be a way that you can express a financial vote of no confidence in what they're doing.

Host 2: That's a very good way of thinking.

Peter McCormack: Beautiful way of putting it. Trace Mayer, thank you so much for coming on as a guest on Bitcoinpodden. We will do thank you.

Trace Mayer: Yep, thanks so much for having me. Keep up the good work.