Financial Survival Network – Kerry Lutz & Trace Mayer | June 3, 2025

Kerry Lutz: Let me ask you a question. How did you know?

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Kerry Lutz: And welcome. This is Financial Survival Network. I'm your host, Kerry Lutz. The person you're about to hear from, if I had listened to him 12, 13 years ago, well, I probably wouldn't be doing this podcast now, or if I was doing it, it would be from my villa in the Mediterranean. He told me that I should buy Bitcoin right then and there. He had the wallet. He was ready to sell it to me. I'm sitting at a table in a restaurant in Broadway in New York. And Bitcoin had just gone up to $10. And I said, you know, I think it's a little high priced. I'm going to wait for it to go back down to seven. And you know what happens when you say I'm going to wait. You never do it. And of course I never did till many years later till it was $50,000 a coin. But this guy of all the people I've met talked to – and it's thousands of people over 10,000 podcasts, interviews – probably had the best calls of anyone. Talking about Trace Mayer. Trace, it’s great to have you back on the show.

Trace Mayer: Yeah, great to be here, Kerry, and that was quite an interview. I think we can still find it on YouTube, so... First seen years ago.

Kerry Lutz: It should be on YouTube, or I probably have it in the archives. If I can find it, I'll put a link to it in the show notes to this interview, which will be on financialsurvivalnetwork.com. So what's been going on here since we last spoke 10, 12 years ago?

Trace Mayer: Yeah, well this little magic internet money thing, it's become something. Now the President of the United States has created a US Bitcoin strategic reserve. We have Strategy, a publicly traded company, they have acquired close to $60 billion of Bitcoin as a reserve, treasury reserve asset on their balance sheet. And we have lots of copycats, a couple hundred of those treasury reserve companies. And then, the retail space, everybody's heard of Bitcoin, almost everybody's bought some or used it or sent it around or somehow played with the technology. So we've had just deep penetration of the technology from where it was 13 years ago. I mean, it's really kind of crazy to think about what Bitcoin was like back when we kind of had that lunch.

Kerry Lutz: The Wild West for sure. So let me ask you a question. How did you know?

Trace Mayer: I think there's a lot of human capital that went into it. When you do the work, the consequences follow. And so our mind has to be prepared. First, we have to have good soil to plant the trees in, the trees being thoughts or ideas. So, we have to have good purposes or intentions that we then get grasses and shrubs and trees. These are thoughts, ideas, and convictions.

And those come because we study. In Bitcoin's case, it's highly interdisciplinary mathematics, cryptography, internet protocols, computer networking, thermodynamics. You know, you’ve got the hardware, the software, mining. Then you layer on top of that all of the sociological and economic aspects, game theory. And you need...

The Austrian School of Economics, not political dogma, because if you start from a wrong premise, you're going to, even if you reason correctly, you will still get an incorrect conclusion. So you have to start from like real premises from the Austrian School, and that means that you're now into praxeology, the study of human action. You're into all these types of things. And all of our universities and these types of courses in the economics, they just teach political dogma. And they don't even acknowledge that there's an entire branch called monetary science.

So, I had put in the work in all of these different areas. Intellectually, I'd even had a lot of practical experience playing with digital currencies that came up in these virtual games and stuff like that. And I'd also experimented with PGP encryption, and peer-to-peer networks like Limewire and Kazaa and eventually BitTorrent, and before that things like Napster. And I'd even played around with things like eGold in goldmoney.com, which experimented with the first versions of sound money in the digital age.

And so, you know, it was for me, I had a rich garden of the mind which had been cultivated, pruned, you know, everything wasn't just growing wildly.But it actually seemed to have been organized in a very methodical and deliberate way, looking back, seeing kind of the divine providence at work in my life. And so when I did come into contact with Bitcoin, and at this point, I was already running my blog Run to Gold, which I'd started in January 2008. And so I'd been writing about monetary science, monetary sovereignty, some of the financial issues. And my conclusions, studying the Austrian school, trying to apply it to current events and everything for blog articles.

So I'd been putting in the hard work that was needed in order to then, when I was exposed to Bitcoin, I could fit it into a model that already existed. I had a very well-cultivated garden and it was like, this Bitcoin tree can go right over here. Boom. And it's like there was a spot just specially for it. And so then once I get the little Bitcoin seed planted in there, well, I have to water it, I have to dung it, I have to prune it, I have to let time go by so that it grows. Everybody wants the flower, but nobody wants all of that stuff. Nobody wants to do the work that is precedent to the flower or the fruit. Everybody wants to eat the mango, but they don't want to grow the mango tree from a seed. And so I did that,

Kerry Lutz: The rest is history.

Trace Mayer: So the rest is history. Those are trades that we make with our future self. Why did I do that instead of watching cat videos on YouTube and going to the beach and staying out late and I never drink alcohol?

A lot of my friends were drinking alcohol. They would stay out late. They'd have a hangover in the morning. I'm reading Austrian School of Economics book. You know, so I'm making trades with my future self. So, it's not like it just happened by accident. It's not like I got lucky. You know, I got fortunate and I do think there was an aspect of being in the right place at the right time. And that's called opportunity. And preparation combined with opportunity, that's what a lot of people call luck.

Kerry Lutz: Well, in Hebrew, the symbol for luck, the word is mazel. And the symbols are comprised of time, place, and action. And that kind of sums it up. So looking at it though, like me, I think I brought a lawyer's mindset to it. I was much into economics in many ways as you, not so much into math. But where I went wrong is I'm the hardened skeptic. And I always thought that the government would do its best to close it down.

Trace Mayer: Which it’s tried.

Kerry Lutz: But you know, they could have shut down the nodes. I mean, that was the ultimate attack, the nodes, physically and cyber, but they never did. Because my theory was that crypto is the best way to pay off a politician ever created.

Trace Mayer: Well, I know that I'd say that because it is very traceable, especially now with tools like Chainalysis and all the blockchain analytics. It's not necessarily a very good tool to use for engaging in crime like bribery of politicians.

Kerry Lutz: Well, you know, he could go to the relatives and the friends and the lawyers.

Trace Mayer: Well, that's getting very much…those loose ends are being tightened up with all of the AML, the KYC. And we saw this with Operation Choke Point. They wanted to operationalize, they wanted to weaponize the financial and monetary system to suppress political opponents.

Kerry Lutz: They did.

Trace Mayer: And they did.

Kerry Lutz: Very real.

Trace Mayer: Like very real, just pure expression of political power.

Kerry Lutz: Guns, online gambling…

Trace Mayer: Payday check lenders,

Kerry Lutz: Payday lenders, everything.

Trace Mayer: The crypto industry, even Melania Trump got de-banked. She talks about it in her memoir.

Kerry Lutz: of America.

Trace Mayer: And so, you know, we had this private sanctions regime. No notice, no due process, no ability to appeal, no reason, no way to even know what you did. It's being done by private actors, but at the behest of regulators, but they're not putting anything in writing.

Kerry Lutz: Government action.

Trace Mayer: Yeah, it's government action through their puppets, their puppet regulated parties.

Some countries like Uruguay, for example, having access to a bank account is a civil right. And so you have to be given a bank account because you need one in order to participate in society.

Kerry Lutz: I was surprised I was never debanked, honestly. They just keep offering me more cards and more accounts, but it's very real. But we're kind of past that at least for now, and probably won't go back to it anytime soon. So, future here. We've got $37 trillion of debt. got hundreds of, we got a few trillion of Bitcoin, know, maybe 5, 10 trillion altogether of cryptos out there.

Trace Mayer: Well, I mean, the Bitcoin market has about $2 trillion right now, another $1 trillion for all the other altcoins. But I guess getting to your point, President Trump, he said maybe we'll pay off the $36 trillion of debt with a little bit of Bitcoin.

Kerry Lutz: How do you do that when you make the coin go up to $15 million?

Trace Mayer: Right. Well, it's the same as you would do with gold, right? Like Franklin Roosevelt had the revaluation from $20 an ounce to $35. So, you know, if you have the Bitcoin price go up and the liabilities are staying the same.

Kerry Lutz: This is different because there's only so much gold, and different parties control the largest amounts.

Trace Mayer: Like China and Russia, where it doesn't benefit us if the price of gold goes up, benefits them.

Kerry Lutz: Exactly. So instead you take an asset that was originally worthless. You seize it from unsuspecting drug dealers and money launderers and other ne'er do wells.

Trace Mayer: And you tax it.

Kerry Lutz: You tax it. Maybe you do a windfall profits tax, or maybe it just doesn't qualify for capital gains; although, it does now. And then, then basically you pump it up to $15 million because it becomes a true competing currency.

And then before you know it, the debt, you have your choice. You can keep getting 25 basis points interest, or you could take these Bitcoin to pay off. Or we create a new coin that's backed by Bitcoin, and then we use that to pay it off. Something to that effect. How likely is this?

Trace Mayer: We look at Senator Lummis. She's introduced a bill, and it would have the US government by I think 4 million pickpoints or something like that different iterations of it. So, you know there's that.

Kerry Lutz: What if it's been buying it all along? What if the Fed's been buying Bitcoin all along? And we don't know…

Trace Mayer: And meaning what they've confiscated. Yeah, we don't necessarily know the ownership of all the UTXOs. I mean, maybe Chainalysis has some idea. But it would definitely be a way that the US government could exert some dominance over their geopolitical foes. If we look at it, we have gold in $22 trillion market cap, half a billion dollars of daily emission, new gold being mined.

Bitcoin is about a tenth the size. $2 trillion, $50 million a day. Then the US dollar. So we got gold, the US dollar, Bitcoin. Those are kind of our three main reserve assets. And then around Bitcoin, we've got the euro, we've got the yuan, the yen, stuff like that. If Bitcoin can go up to $5 or $10 trillion market cap, now you're looking at it displacing any of these other fiat currencies, which just further entrenches the US dollar and allows extension of the US dollar through additional credit creation for maybe another 20, 40 years.

But it keeps, if the US can control the top three search results, effectively, for world reserve assets, gold, Bitcoin and dollar, and use stable coins for all of that, they can box out the geopolitical rivals, Europe, China, et cetera.

Kerry Lutz: So you see it, I see it. I think there's a few other people that see it, not a lot, but somebody who's actually working from the government actually has figured this out already.

Trace Mayer: Yeah, seems about a year ago, a year and a half ago when the ETFs got approved, a year before that, it just seemed like there was an about face from the government. So maybe there was something deep in the roots of the Pentagon that changed and they decided, you know what, we're going to use Bitcoin in a geostrategic manner. And all of sudden, instead of Operation Choke Point…

Kerry Lutz: It's Operation Floodgate.

Trace Mayer: Yeah, Operation Floodgate, like open them.

Kerry Lutz: That's what we should call it. Operation Floodgate. So it seems obvious to me. I've written a couple of articles, gotten completely ridiculed about it, but there is no other way, because there's only so much gold. And like our adversaries have it and you can only, how much can you make it go up to? Can you make it go up to $250,000 an ounce? Then we're going to, you're going to crash the dollar doing that.

Trace Mayer: Yeah, I mean, gold is already a massive asset, and its market cap has outperformed Bitcoin's market cap in 2025. So as a tool for monetary sovereignty, gold is a phenomenal tool and the market says that. My thesis has always been that Bitcoin could also be a very powerful tool for monetary sovereignty in a different way than gold is. And because Bitcoin started out just crawling out of the primordial ooze, you know, 16 years later, here it is. But where's it going to be in another 16 years, and another 30 years after that?

Kerry Lutz: It can only go higher the way I see it.

Trace Mayer: Yeah, because the dollar will only go lower.

Kerry Lutz: It's going to go, you know, sawtooth, but it's, and the beauty is, I was talking with your assistant about it, the tops, the peaks are so easy to detect. I knew it in ‘17, I knew it in ‘21, you know, $1,907 and $67,700, I think it was $69,700. They were just so obvious because the parabolic move has to die.

Trace Mayer: Yeah, because of the proof of work nature of the asset. Same with gold. Like we can get these rhino horns, but eventually when you're producing so much of this and you're having to convert electricity and hash power or oil and steel into gold or into Bitcoin, that acts as a natural corrective mechanism for the price.

Kerry Lutz: And it's just the nature of markets. When you get a parabolic move, it's just the tree does not grow to the sky.

Trace Mayer: Right, exactly.

Kerry Lutz: And you combine all those factors, you know, because most of Wall Street financial experts, they just extrapolate. They say, whatever is happening today, we extrapolate that into the future and that's how we sell.

Trace Mayer: You’re right.

Kerry Lutz: But it doesn't work that way because it's just like I used to liken it to commuting to New York City on the highways. It's direct, the amount of traffic was directly correlated to economic activity. And I would know when something was going to happen because we hit peak everything, every toll plaza, every highway going into Manhattan. I knew it can't go on and yet they're extrapolating as if it can go on forever. And that's the mistake of…Maybe it's by accident, maybe it's by design, maybe it's both. But that's what I've always found, the flaw of extrapolation.

Trace Mayer: Yeah, and this is the madness of crowds, right? The book, Behavioral Economics, we're getting into Austrian business cycle theory, you know, booms and busts and crashes, and actually how fiat currency in our fractional reserve banking system exacerbates these amplitudes, causing damage in this allocation of capital into the economy.

Kerry Lutz: Multiple bubbles.

Trace Mayer: Oh yeah.

Kerry Lutz: Everything bubbles. Back in the good old days when there was a real currency, a sound money, gold, silver, you could only pretty much have one bubble at a time. Now you could have real estate, you could have crypto, you can have stock market, bonds, currencies, everything, the everything bubble.

Trace Mayer: It all gets correlated, you know, basically to M2.

Kerry Lutz: That's it. And then how do you stop printing money in this day and age?

Trace Mayer: It's not very politically palpable to do that. So you take the inflation.

Kerry Lutz: Yeah, it's baked into the cake. So inflation, what are you thinking on?

Trace Mayer: Well, fundamentally, it's a form of taxation without representation, it's obfuscation without due process of law. And so, when you're able to just print this stuff out of nothing and confiscate surreptitiously tens of millions of hours of people's labor, I mean, it's just a terrible system to live under.

Kerry Lutz: Sounds like it's unconstitutional to me.

Trace Mayer: Well, Article 1, Section 10, Clause 1, clearly unconstitutional monetary system.

Kerry Lutz: And the Fifth Amendment taking without just compensation, it's a taking.

Trace Mayer: Yeah, I'm not sure under how we generally define the takings, but it's definitely you're diminishing the value and you're interfering with the obligation of contracts, which are other constitutional clauses that you could have in your clause. But it's clearly, the federal government has no power to make anything legal tender. And if the states make anything legal tender, it must be either gold or silver.

So the federal government can't make anything legal tender. The states are restricted in what they can make legal tender. Somehow this Federal Reserve Note got made legal tender by the federal government. That's clearly unconstitutional. They don't have that power. The states can't make Federal Reserve Notes legal tender. But Roosevelt breached this. The legislature breached this, making it holding gold and using it illegal. And then in City versus Dover, the US Supreme Court refused to hear the case.

So all three branches of government have clearly abdicated their duty to uphold the Constitution on what monetary system the United States uses. And it's so big now that the US Supreme Court isn't gonna hear it, because it's a political question.

Kerry Lutz: That's like the income tax probably wasn't legally passed and Peter Schiff's father fought it for years and he wound up in jail. He's probably right, but there's no way that any court is repealing the amendment. Was it the 13th Amendment creating income tax? I don't remember.

Trace Mayer: Yeah, the 13th.

Kerry Lutz: 12th, 13th, one was...

Trace Mayer: But there's even less room to argue here because Article 1, Section 2, Clause 1 is clear on its face. There's prima facie. But what happens is we just are going to lurch from one crisis to the next until it implodes in deflation or explodes in hyperinflation.

And this is the cause of so many of the negative effects in society is the corruption of our monetary system. And Johan van Goethe wrote about this in *Faust, Part II*, and they brought Isaac Newton in as Master of the Mint in 1696 to fix the failure there. And so he created the gold standard. This is not new. We've been through this before many cycles.

Kerry Lutz: You look at the breakdown of the family, it's directly attributable to inflation because it used to be one parent, back then it was the mother, stayed home, raised the kids. But then the cost of living got so out of hand, you needed a dual-income family just to survive.

Trace Mayer: And why did that cost of living get out of hand? And it's because there was no safe store of value, “Gold & Economic Freedom” by Greenspan. If there were, the government would make it illegal, like they did in the case of gold. A good example is my father. He graduates from college. He takes a job with the railroad instead of the accounting firm. $900 per month. Back then, it was 25.7 ounces of gold. $700,000 a year in purchasing power for a brand new college graduate, no experience. And that's how much the standard of living has been eroded for the benefit of those that are closer to the money printer.

Kerry Lutz: Banks cash in, and they love inflation.

Trace Mayer: Yeah, and then the big corporations that are housed by them. We've had huge productivity gains over the last 40 years.

Kerry Lutz: That's only thing that's kept us afloat is those productivity…

Trace Mayer: But it hasn't been to the benefit of the American citizen. As clearly illustrated between my dad's salary starting now and a college graduate starting today. One-tenth or one-twelfth the value of what the purchasing power is. Because one ounce of gold there is still one ounce of gold today. And then when you look at *The Golden Constant* by Professor Jastram, the book, the price of all the other assets and services and stuff in the economy, they rotate around gold just like the planets do around the sun. And so, you know, when we're not earning 25.7 ounces of gold for our college graduates coming out of school, yeah, their wages have been diminished. In Article 3 of the Constitution, the federal judges, their wages are not to be diminished. That's part of an essential check of amounts in our political machinery to have an independent judiciary. And yet, what do we have? We have this unaccountable, unelected, unreviewable Federal Reserve deciding what the length of the dollar is.

Kerry Lutz: And so we got to wrap up. I know you’ve got another appointment. Any place we can find you on the web these days?

Trace Mayer: Yeah, so I host the Bitcoin Knowledge podcast, bitcoin.kn. I have a Twitter thing. I haven't really been active there for a while, but maybe I'll start something up there. Anyways, those would be kind of the two main places.

Kerry Lutz: All right, the links are in the show notes, this interview on financialsurvivalnetwork.com. You got a question for Trace, myself, shoot me an email, kl@karylutz.com. Trace, great reconnecting with you, hearing your wisdom that's been born by over a decade now, and we really appreciate it.

Trace Mayer: Yeah, thanks so much, Kerry . You do a great job. Keep up the good work.