The Bitcoin Frontier with Trace Mayer | June 4, 2025

Trace Mayer: Bitcoin outcompetes gold in terms of stock to flow and like the next two epics it's going to get very, like, very competitive for these…Like individual Satoshi's the price to run a gold full node is really high. like you got to spin up a refinery you got to melt down the gold bar you got to recast it like that's expensive. Like we the the barrier to do that has been lowered tremendously with Bitcoin you can do that for 15 cents…I mean we're only 16 years into this and the president's like "Hey we're going to have a US strategic reserve of Bitcoin."

Joe Burnett: Yeah.

Trace Mayer: Like, wow, I thought that would be like another 10 years out probably…Michael Saylor on the other hand like instead of managing for cash flow, he's managing for capital gains. He's managing with leverage, he's managing with debt. Now he's issuing perpetual preferred shares that are like a perpetual cash outflow, you know so there's a negative, not just no cash flow there's negative cash flow.You know, I like to just operate a different way.

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Joe Burnett: Trace, thanks so much for taking the time to record.

Trace Mayer: Yeah, great to be here. Thanks for, thanks for having me, making it work.

Joe Burnett: Absolutely. I kind of want to start off with yesterday, we were just talking about it. You debated Peter Schiff, not really debate but it kind of, he took it as one.

Trace Mayer: He took it that way.

Joe Burnett: How do you think it went overall?

Trace Mayer: Oh I thought it was, it was fine. I wish Peter had stayed a little bit more on point, and I wish his arguments had been a little bit more clear, and a little bit more correct. But that's Peter. So, I think it was a lot of fun. And I was surprised just how many people showed up. It was standing-room only on the main stage, I think JD Vance's was like a little bit more. But I was kind of surprised at that, so it's good that we're able to have fun.

Joe Burnett: Yeah.

Trace Mayer: And we didn't really get into the substance of the gold and sound money bitcoin conversation that we could have really had. So it’s a little bit disappointing that Peter's like talking about housing bubble stuff, when we could be talking about, like, the sound money but apparently he doesn't think I understand anything about sound money. So, okay.

Joe Burnett: Yeah. Where do you think Peter goes wrong when it comes to Bitcoin?

Trace Mayer: Well, I hit on it like four times in the conversation with him about subjective value theory. And then he restates my position that I said Bitcoin's got intrinsic value, and it was like no Bitcoin's limited in amount by its intrinsic characteristics but there's no intrinsic value there's subjective value that each individual is placing on the thing or the good or the service or whatever. So like, I don't know how you even have a debate with someone who's like hearing your conversation and then restating it in a misrepresented way. And so, anyways, like if he goes wrong with something as basic as subjective value theory, you start from a wrong premise no matter how good your reasoning is, and his reasoning is not very good anyways, you're going to come out with a wrong conclusion.

Joe Burnett: Yeah, yeah. I know he brought up intrinsic value. He's like "Trace said intrinsic value." And I was like "Wait what?"

Trace Mayer: I didn't hear that.

Joe Burnett: Yeah so…

Trace Mayer: So, I mean I had to wait for him to finish his like two- to three-minute like roundabout whatever he was doing, and come back to that and be like, "No I didn't say that and you're completely wrong." And then the other place that he goes wrong…So, one is subjective value theory, two is the theory of entrepreneurship. And so I had to lay out to him that Satoshi was an entrepreneur. He's a monetary entrepreneur, he's delivering a monetary good to the market. And guess what? You, as an entrepreneur, you try to guess and understand what other people's subjective value is. But you don't, like, bash them over the head and tell them what it is. Like you try to persuade them to buy your good or service, unless you're the government, you know, or some other malactor, but when that takes place and there's not this free trade or exchange, then one party's worse off as a result of the interaction. When you engage in free commerce both parties are engaging in that transaction, because they feel that they will be better off as a result of it. And that's where specialization labor and these other things come into play. And so like he didn't, I don't think he even understood that like the point I was making. Like Satoshi was a brilliant monetary entrepreneur, figuring out what the market wanted for a product, and delivering that as a good to the product. And you know, then I had to kind of tease him a little bit, which I'm not sure he even got the joke, but I said that you know under prices you know when we look in the Austrian theory the entrepreneurs that correctly assess the market and deliver a good product they have profits. And those that don't, like Peter, have losses. And so, you know, or they miss out on a tremendous opportunity, because they don't forecast the market and market demand properly. And so you know these profits, these losses, is subjective value theory. Like if somebody wants to buy Pokemon cards, that's their prerogative. Like if they…if they're putting value on those things, or on a Black Lotus or whatever it is. So, like, the…and I think it comes from just a totally wrong mindset, a mindset that's not respecting the individual and the dignity of the individual and their ability to make choices. And that's where he's really going wrong is, like, and that's deep in the psyche.

Joe Burnett: Yeah he definitely has massive losses denominated in Bitcoin.

Trace Mayer: Gigantic, like they're Titanic losses. You know I'm sure he's doing fine. But like, you know, and maybe he buys it closetly and like this is all a charade that he's like talking trying to trying to talk publicly. But I don't think so, because, I mean, I tried to have discussion with him at $7 Bitcoin on camera, and he didn't want to do that because, you know, he he wanted to protect his image and everything um instead of trying to get ideas out to the market objectively about potential new sound money product. So anyways, it's interesting to see how everybody's interacting in this space, the subjective value theory. Like, even now people that strut around as Austrian economists are still getting it wrong when it comes to magic internet money. And then they just are living this like Bitcoin derangement syndrome because of that.

Joe Burnett: Definitely. Another thing that I think that he kind of gets wrong, at least from my perspective, is like you have Bitcoin scarcity, which is far superior than gold I would say. And then its portability, which is far superior than gold. But he gets stuck on like, oh well, Bitcoin's only use case is money rather like gold can be used for dentistry he said or technology or whatnot. Like, how would you reply to someone like that where it's like well Bitcoin has no other use case than being money?

Trace Mayer: Ah, what about Taproots Wizards? Like we want cat JPEGs on Bitcoin, like there's a use. Proof of existence, you know, when you take a PDF and you put it in the blockchain and you're able to anchor it now you can prove that that PDF exists or that file or whatever existed at a point in time. You know, there are other ancillary uses for Bitcoin besides just the monetary use. But, like, I guess I mean all of these other uses, you're just going to add a monetary premium to the asset. And those other uses are going to be competing against that monetary premium, and you'll find, like, substitute goods for those things if the monetary premium, like, gets too high relative to everything else. But like yeah, I mean gold's a wonderful wonderful asset, like, I don't have anything bad to say about gold. In fact, in some areas there is a degree of superiority to Bitcoin. You mentioned this monetary characteristic of portability. Okay, so one way of looking at portability is the ability to transfer over distance, and with Bitcoin we're now able to transfer over a communications channel like a fiber optic line or something because it's data. Obviously, you can't email gold somewhere. Well, what we're seeing getting abstracted around monetary transactions by governments, especially with things like the Bank Secrecy Act, is this attempt to define portability as customer-to-customer and not physical distance. So, for example, if you have your brokerage account and you want to transfer stocks between your E-Trade account and your interactive brokerage account like you can do that as long as they're titled in the name of the same person. But so, but if you try to transfer from your E-Trade account to, from my E-Trade account to your E-Trade account they're not going to let that happen

Joe Burnett: Yeah.

Trace Mayer: Even though it wouldn't go anywhere different geographically or even institutionally they're not going to allow that portability, you could, say from person to person, right. And so like there there different ways that we can we can look at some of these monetary characteristics and how we need to adapt to them based on changes in the circumstances in the market. And gold, for example, you know we've got LBMA gold bars and we've got gold coins and we've got serial numbers on the gold bars and you know the ETFs they like to say "Oh we've got these serial numbers in our vault." And sometimes the same serial number is showing up in multiple like audited financial statements, and you're like "Whoa how'd that thing get around so fast?" And so what do the Russians and the Chinese do? Well, they like to buy the gold bar and they like to melt it down and they like to recast it, so it's got a different serial number so that it's more portable, right. So that there's not that transaction history associated with it.

Joe Burnett: Interesting.

Trace Mayer: And so, you know, there are monetary characteristics and uses for gold that you don't necessarily get with Bitcoin. And the market, you know, values that. You look at gold, $22 trillion market cap, $500 million of new daily emission from the mining. You've got maybe $2 trillion in market cap with Bitcoin. $50 million of daily emissions. So gold is like, in order of magnitude larger in terms of economic scope and scale than Bitcoin is. And as a result, you know, it very much is still the financial, the center of the financial universe. And as we've had this currency debasement over the last you know 6 months of 2025, gold's market cap has outperformed Bitcoin's market cap. So, that was part of the discussion I hope that Peter would have brought up is like hey this is where gold's like doing really well and your Bitcoin, your magic internet money, is not. Like what's the deal with this? You know, and we could have had a substantive discussion on monetary characteristics and things that go into making something sound money and why somebody might subjectively value these different assets and different ways and everything. But instead he's like running around like a squirrel on meth or something

Joe Burnett: Yeah. Do you think that eventually one day Peter will actually buy Bitcoin and publicly…

Trace Mayer: He probably already does. I don't know if it's like, I don't know if he…I think he needs to keep dangling along the Bitcoin community cuz like they just love a distraction. And so they…we got to have a distraction on Twitter, so Peter's the Peter's the distraction. He just milks it for everything it's worth. I mean, he gets hundreds of thousands of impressions on his posts. And you know, and that controversy definitely stirs discussion and everything. So like, you know, he's doing good in that sense. You know, he's getting attention and I don't know that it's getting him customers if that's his goal. And if his goal is to like, move forward and talk about and help people understand sell money, I don't know that it's accomplishing that either. So not sure exactly what he's doing or why he's doing it, other than you know let's pat Peter on the head because like he can strut around and think he's so smart about something.

Joe Burnett: Yeah. When you think about constructing a portfolio with Bitcoin, gold, and other assets, like, how do you think about that currently? Like is Bitcoin a large portion, a greater portion compared to gold? Or how do you think about it?

Trace Mayer: Yeah, I mean, I wish I had some of the bitcoins. I went voting the other week, but they're all gone. But, I mean I've always kind of, and I mentioned this on stage, like you know, I have gold UTXOs, like a gold coin right that's 25 years old. I mean I bought it 25 years ago. And so, I mean that's almost twice as old as Bitcoin exists, you know, a long-term Bitcoin holder is 155 days on the HODL waves. Like I don't think..So like that is not…Like sound money is over millennia. The Roman Empire is gone, the Ottoman Empire is gone. Like gold's still here, so you know we have to kind of change that time preference, that change that way of looking and thinking. And if we were to like reason by analogy I kind of see London like gold, and Columbus like Satoshi discovering the trade winds that enables the profitable building out of the Americas. And then you got the map like Manhattan is like Bitcoin, you know. And so, I don't see any reason to sell the London real estate, like ever. I mean, like, you just hold that stuff and you rent it out. And maybe you take some of the money you made from that, and you go to this speculative new land and you buy some of the real estate there. Then you start building it up and you start renting it out. You know, so that's how I kind of see the role of sound money in the portfolio, you know. I like gold like, I still have UTXOs from decades ago. I add to gold position on a pretty regular basis. I like to keep the overall portfolio construction in a measured way. And so with gold, I like to see that as like what's the monthly passive income and that's how much physical gold to put in the portfolio. So, if you've got like a 1 ounce gold coin like you have $3,300 of passive monthly income

Joe Burnett: Interesting.

Trace Mayer: You know, and so as like you know as your your monthly passive income grows, like you grow that base of gold, or maybe you go grow the base of gold first and then focus on growing that passive monthly income. Because I mean, like this is where I have a different approach and philosophy than Michael Saylor. Michael Saylor, I look at the investing force you know from Star Wars you got the light side of the force you got the dark side of the force. The light side of the force is equity-based, cash flow, you know, no leverage very, safe, conservative like, you're not really going to hurt yourself on the light side of the force. You're just like…you can grow it indefinitely. In a lot of ways Buffett manages Berkshire in this very kind of light side of the force way. In his letters to shareholders he's like around here at Berkshire debt is a four-letter word.

Michael Saylor on the other hand, like, instead of managing for cash flow, he's managing for capital gains, he's managing with leverage, he's managing with debt. Now he's issuing perpetual preferred shares that are like a perpetual cash outflow. You know, so there's a negative, not just no cash flow, there's negative cash flow. You know, I like to just operate a different way you know in terms of my portfolio construction, which you know is very you know never a chance for a margin call,never a chance…Like it's just a financial fortress. And it just churns cash, like into the, you know, into my treasury. And then, you know I have to figure out what to do with that cash and sometimes and…And I look at I look at gold, Bitcoin, and US dollars as cash, like short-term asset that like…I look at them all as cash, just kind of a different form or different characteristics. Euros I look at as cash, but I don't really hold euros or yen. And I actually, like, calculate the metrics of performance in the portfolio in gold, Bitcoin, and dollars. So I'm like I want a P&L on all three, or like I might not have done the right thing you know with the allocation. Now you know, there there's a separate section that for like the operating portion, there's a separate section for like the mark to market and stuff like if gold's going up a bunch and Bitcoin's gone down, like you know I'm not going to mark to market the losses in my calculation, because I know that I'm like trying to balance between a bunch of different, three things. But every month I want to see that, like, I have a P&L in those three assets.

Joe Burnett: Interesting, yeah.

Trace Mayer: You know, so I'm stacking…well I don't I don't usually buy gold every month, but like Bitcoin like there's more of that like every month coming in like through you know different different strategies that we got.

Joe Burnett: What do you think's the endgame with Micro Strategy? Because you brought up how, like, they are borrowing money effectively to buy more Bitcoin. Is that going to be a sustainable strategy very long term? But is he betting on hyper Bitcoinization and the end of the dollar to some extent? How do you think about it?

Trace Mayer: Well he's definitely betting on capital gains as opposed to cash flow, and to me betting on the capital gains is just kind of risky. Like, I like to go after the cash flow and if capital gains follow that like I'm happy as a clam. So you know, it's just a different strategy. Like you know, if I've got triple net leased real estate in there, that's like leased to Walgreens or Amazon or something, like you know that's going to pay every month for indefinitely, right? Because I can always like lease that out. But you know if Bitcoin goes up, then the value of that piece of land measured in Bitcoin is going to decrease. And so like, I'm juggling between all three of these assets as a numer error like the presentation currency. Saylor, especially like BTC yield per share and all this stuff, he's trying… It seems like he's trying to shift to this like using Bitcoin as the sole numer error, or the the sole numer error – the sole thing to optimize or enhance for. And I guess I've just been around enough these Bitcoin cycles like both up and down and up and down, in major swings that like I want to, you know, I like having a, you know, multiple legs on the stool.

Joe Burnett: Yeah.

Trace Mayer: And then just reinforcing like all of that. And you know and I guess as part of Bitcoin maturing and getting less volatility and you know all this type of stuff like you know we're not going to see a 452x increase during a 4-year epic like that's probably not going to happen again. It could, I guess, if like there's hyperinflation. But I don't think we're going to see hyperinflation either, so like you know…But that's where the entrepreneur like makes their choices and their allocations of capital, and you get profits and losses. And you know that, like and you can get lucky you know you can get lucky betting on capital gains, and lots of people do that. But it's…capital gains also seems to be very much an artifact of a fiat currency system. If we were on a much more sound money system, I think and tax policy and everything were much more favorable to cash flow things instead of capital gains things, I think we would be much like not only would we have better allocation of capital, the business cycle would be more moderate like more like less amplitude in the business cycle, because we wouldn't be like running these different bubbles and everything. But you know, that's the system we live in, and that's how Saylor’s like performance is kind of based, you know. Wall Street's looking every three months.

Joe Burnett: Yep, yeah.

Trace Mayer: I know it makes sense, so I don't know that he's got the time horizon that he wants. And then you know, and then to his credit, you know, he gets to take advantage of you know other people you know buy and there might be a run up in the stock, and then he can hit the money. You know, so there's like an ability that he's got there to kind of like go after, like I it…it's just an interesting mechanic he's got, I guess I won't say too much more on that or like intentions behind like why he's hitting at the money the way he does and everything. But it's like, it's pure financial engineering. I don't like…I don't see the fundamental business use case contained in Micro Strategy. And even that like was kind of a flop, and he has wanted to get rid of it. He's even said, kind of publicly, that he doesn't want to have the business in there, because it decreases the vol and everything. But when we're looking at Bitcoin vol, you know, it's declining. What's he going to do? And he's talked about it like you know if we have like a 15 vol asset, like gold, with Bitcoin, except the vol is like coming out of Bitcoin rapidly.

Joe Burnett: Yeah, I saw you talked about that recently. And you I think you said you wish the price was higher when the volatility was this low

Trace Mayer: Yeah, exactly.

Joe Burnett: Can you expand on what you mean by that and why?

Trace Mayer: Well yeah, I mean like you're…you're not going to have very large swings in price with gold cuz it's already $22 trillion. And so, you know, if Bitcoin were still a 100 vol asset at $110K, you know, the probability that that we would be running to $250K would be higher the market would be pricing that.

Joe Burnett: Yeah

Trace Mayer: And so you know as these vols are compressing, it's increasingly like the market is increasingly forecasting a price that doesn't kind of run as fast in terms of that capital gain. So I think what the market is helping us understand is that the wealth creation part, like the wealth creation era of Bitcoin is largely in the rearview mirror. And we're moving more into just a pure wealth transfer era for Bitcoin, where it's a sterile asset like gold. And its price going up and down relative to the other assets is mainly just a function of like capital flows between the two.

Joe Burnett: When you think about gold's market cap of 20 trillion or so, like you mentioned in Bitcoin at 2 trillion, do you think Bitcoin will eventually surpass gold? Or like, do you have a time frame on when that might occur? Or do you disagree and maybe it won't pass gold?

Trace Mayer: I think it, I think there's a chance it could pass gold. I don't think it's like anytime soon, you know probably at least 10 years out at a minimum. But then we're here a lot sooner than I thought we would be. I mean we're only 16 years into this, and the President's like "Hey we're gonna have a US strategic reserve of Bitcoin."

Joe Burnett: Yeah.

Trace Mayer: Like…wow! I thought that would be like another 10 years out probably you know in terms of the network effect. But you know we're just jump started on this sixth network effect of the financialization a lot sooner than I thought it would come. You know, 2020 it really seemed to start kicking off, and you know here we are five years later and we have the US president talking about it.

We don't have a lot of the large other global players talking about it. You know, Russia's like had banned it, China had banned it like they're not too friendly towards it. Treasury Secretary Bessent has said that Bitcoin is becoming a store of value like that means it isn't really one yet.

Joe Burnett: Yeah.

Trace Mayer: You know, and I think that vol coming down is part of it, you know, becoming that store of value, and that which means you're going to have to have like it's really going to have to be spotlight rallies that are going to be like moving the price up. And one thing that I've gotten a lot more appreciation for gold is just how much of a store of value it is. Because we look at Bitcoin and we look at how much capital has had to come into Bitcoin and has to keep coming into Bitcoin to like keep this proof of work in this $110,000 price and the like $65,000 price up to $110 just how much capital has had to flow in to do that. And then gold sitting here at like an order of magnitude larger. It's just gigantic.

Joe Burnett: Yeah.

Trace Mayer: Like it, you know, you like I knew gold was big but I didn't realize it was that big.

Joe Burnett: It is crazy how big gold is compared to Bitcoin. To me, like, I spoke with Adam Back, like, a couple weeks ago, and he said, like, Bitcoin could become a $100 trillion, $200 trillion asset, like that's you know, significantly larger than what it is today.

Trace Mayer: Yeah, which I agree that it could. And you know, part of this is you know where is humanity going to be storing their excess productivity and their excess like earnings? And you know, that that goes into gold and it goes into the currencies like dollars and everything. But you know, Bitcoin out competes gold in terms of stock-to-flow and like the next two epochs you know and that rationing down of the new emission, like it's going to it's going to get very com… like very competitive for these like individual Satoshi's. But you know the other side to, I mean, to move it to, you know, a $100 trillion asset, in today's purchasing power – cuz you know if they just keep monetizing the debt like what's what's $100 trillion going to be right – but in today's purchasing power like that that just, man, it takes…Cuz not only are you dealing with the new daily emission, but you're dealing with the weight of the chain you know those those holders that like you move you know you move $1,000 that's $19 billion of like market cap.

Joe Burnett: Yeah.

Trace Mayer: You know, the…and that induces supply comes out once it takes short-term profits you know. So you know, to that trek up to a hundred trillion in today's purchasing power, you know it's going to be a…it's going to be a big long trek. But you know, gold's been around for 2,000 years. You know, where might, where might Bitcoin be in another thousand years, right?

Joe Burnett: Yeah, yeah. On the volatility topic, like I looked back at 2017 and late 2016 and like volatility I think, like, was declining kind of going into that parabolic bull run, is it possible that we could be seeing that right now? Or do you, do you doubt that…do you think volatility is actually permanently declining for Bitcoin?

Trace Mayer: I've seen it permanently declining, at least over the last five years. Like, it's in a structural decline. And I'm very sensitive to it. You know, we pay very close attention to Bitcoin volatility, and you know we're having to change our models and stuff like that because of this kind of decline in vol. So… but who knows I might be wrong. I mean, I'd like to I'd love to see higher vol you know but…And like the supply of vol is still very small, so you know, if we had if we had more supply of vol and demand is staying the same like price is just going to decline even more.

Joe Burnett: What do you mean by a supply of vol?

Trace Mayer: Well you look at our derivatives markets on top of Bitcoin, and it's like 25,000 bitcoins on given experies like should be like 250,000 or 500,000 you know. So there's like not a lot of supply of like Bitcoin vol.

Joe Burnett: Gotcha, gotcha. Interesting.

Trace Mayer: I mean think about it like, if Saylor tried to sell vol on 5% of his Bitcoins he'd double the supply of vol in the market.

Joe Burnett: Interesting. You talked about Micro Strategy earlier and you know Saylor made a comment the other day about how he doesn't want to do proof of reserves for the Bitcoin that they hold. I'm curious to hear your take on that, especially since you created the Proof of Keys holiday.

Trace Mayer: Yeah. I mean it's like Bitwise can do it with their ETF, like Meta Planet could do it. I mean he should be using, like, institutional grade, quality custodians. Like, I think his argument holds for like individuals, but not really for institutions and companies. Like why not why not publish them out there? I mean it would really help in terms of like you know the market being able to assess the quality of those UTXOs that Micro Strategy has. Maybe they're like, "Oh we don't like the counterparty risk associated with these ones because they're being held with this particular custodian." And you know they're like, "Hey, like withdraw them out of there." But maybe he doesn't want to withdraw them out of there, because maybe he doesn't think the custodian actually has them. I don't know.

Like, you never know until you try to move them and the spotlight, the sunshine is only a good disinfectant for that. So, yeah I like I don't think it poses any type of a security risk to Micro Strategy, and if it does then like they're not using the custodians in a proper way to fulfill their fiduciary duty. I mean, like how come Bitwise can do it? How come like you know, how come MetaPlanet can do it? How come a lot of the exchanges can do it? You know, like Kraken in…like there's a bunch of these proof proof of reserves that are done. Like why can all these people do it and like Micro Strategy can't do it? So , yeah I just…How do we know that he's actually got those bitcoins, and that they're not encumbered? Because like what if they're, what if they're encumbered like in a surreptitious way by the custodian? And Caitlin Long has done phenomenal work in this area, especially based on some of the things she learned like restructuring the pensions, and you know how these omnibus accounts like you know can get encumbered and the auditors and the and the company might not even know that the securities have like contingent liabilities on them. So it's, I mean I would think like you know just why don't you find the very safest place to like put these things and like move them all out of the less safe places and put them there.

And I think Arkham has done quite a bit of intelligence on, like, trying to map a lot of the Micro Strategy holdings, which is good. And so okay, since they've already mapped it, like why don't you just confirm it?

Joe Burnett: Yeah. That was interesting how Saylor was like, "No, we're not going to do that." And then Arkham came out and was like, "Actually here they are."

Trace Mayer: I mean, and it and it shows a lot of them are at Coinbase, for example. Like, why have them at Coinbase? Like I don't know if that's the like…why don't we move them into something that's, like, a little bit more like solid in terms of the legal regime?

Joe Burnett: Yeah. Are you concerned with, like, coins getting, you know, kind of centralized at a select few exchanges? Like I believe, like, Coinbase has maybe like 2 million something coins with few count…

Trace Mayer: Supposedly.

Joe Burnett: Yeah, supposedly. Like, is that, is that concerning for you or, or no?

Trace Mayer: Yeah, I think it's like if we want to deal with mon… like if we want monetary sovereignty, like this is a big giant issue. The price to run a gold full node is really high. Like you got to spin up a refinery, you got to melt down the gold bar, you got to recast. It's like, that's expensive. Like we, the barrier to do that has been lowered tremendously with Bitcoin. You can do that for 15 cents, and it takes 10 minutes. Like, so you can flex those monetary muscles, like, very easily with Bitcoin. And so you know this was the, like, Murray Rothbart's anti-banking league idea where he's like, "Hey let's just all withdraw deposits from the bank on the same day."

Joe Burnett: Yeah.

Trace Mayer: Like, just for the fun of it to see what happens. Like that was kind of the inspiration for Proof of Keys Day, and that's a way that you know you can flex those monetary sovereignty muscles as individuals and as companies. And so I think it's good to have that type of stress testing happening on a regular basis in the industry. And so, as more and more UTXOs or even economic exposure gets allocated to the ETFs, or gets allocated into the big corporates that, you know, don't want to like kind of have the transparency – even though it's possible – I think that you know that just begins eroding at some of the ethos of the monetary sovereignty in the space. And you know, that ethos needs to be there; otherwise, you know like forks could happen. And if you're not running your own full node, and you're you're not holding your own private keys, and you're relying on an economically substantive node that is BlackRock's, and BlackRock and Fidelity and like Coinbase all agreed on a hard fork, what are you gonna do about it?

Joe Burnett: Yeah, it's a great point.

Trace Mayer: And, yeah, and a lot of the, you know, when you go read a lot of the prospectuses, or you read like the fork policies and all these things, like you know they're kind of a little squishy. I've actually thought of including clauses in some of our legal contracts that, like, you know, the transactions have to confirm in accordance with, like, version 0.29 consensus rules, for example. You know, make that part of the is to confirm or something.

Joe Burnett: Interesting.

Trace Mayer: You know add in like the specific source code that we're going to use to verify whether like if you return the collateral or you're paying us premium or whatever, like we're only accepting it if it follows these rules.

Joe Burnett: That's cool, very cool to think about it.

Trace Mayer: Yeah, it's stuff we have to think about, because like with gold you know you're you have that in LBMA contracts and you have like chain of custody and indemnification agreements. So if, like, Metalore gives G4S a gold bar and it's not got actual gold in it, like there's an indemnification agreement. So G4S can go back and be like, "Hey you got to give me real gold."

Joe Burnett: Yeah.

Trace Mayer: You know, so you know, they have that already kind of built out in the LBMA system. And when you take a bar out of that custody arrangement, it loses like 5 to 7% of its market value because the cost to run a gold full node is so high. Because you have to melt that thing down and recast it to verify the quantity and quality of it. And so, you know we might have to increasingly add things like that into our different trade confirms and everything as an industry just to, like, be sure they're not going to give us pyrite.

Joe Burnett: Yeah, fair, fair. What do you think about the, like, the current macro state of the world? Like obviously you were in gold, then you were very early to Bitcoin. Like are you concerned about the current macro macro state? Like how do you think about the dollar system right now? Like, you mentioned you didn't think it was going to hyperinflate, which I would imagine that's a good thing for all of us.

Trace Mayer: Yeah, I was talking with the State Treasurer about this, because he was opposed to one of these strategic Bitcoin reserve bills, and I was like talking with him as a couple of his deputy treasurers about it. And I was like, look like Bitcoin is chaos insurance. Like, the price of the premium has gone up with the price. Like, this is what you would want to own as things get more chaotic. And so as things get more chaotic with tariffs and potentially capital controls, like oh man like stuff's gonna get real crazy if like capital controls get locked down. So you know, cuz we haven't really had capital controls in a meaningful way for a few decades. But you know like it could be tariffs and then capital controls. And you know, Bitcoin is just going to be great chaos insurance for any of that type of situation,

Joe Burnett: Do you think that that's coming? Like is that a high probability, or…?

Trace Mayer: Bitcoin price is going up. Like, I think, yeah the market's kind of saying it, right. I mean, why else would somebody want to own this type of an asset, or gold? Why is gold going up? I mean gold's market cap has outperformed Bitcoin's market cap in 2025. Like, why? It's cuz, you know, this uncertainty, this potential chaos is all brewing, you know. I mean what if you know what if World War III that we're already in, like, escalates? I mean Ukraine just sent a bunch of drones into Moscow, like, tried to assassinate Putin in his helicopter. Israel, Gaza's faux minting. Like China, Taiwan…What if it really, like what if these conflicts, like, really explode?

Joe Burnett: Yeah. Yeah, the gold market cap, you know increasing on a nominal basis by so much, is interesting. Cuz like, I've looked at the gold ETFs, and like you know there's not too much inflows to that. Is it..like why do you think it's gone up so much, gold in particular? Is it countries buying physical gold? Is it individuals buying physical gold?

Trace Mayer: Yeah, well it's definitely got to be countries, right? I mean, to be moving stuff on that scale. I mean, this is like geopolitical in a big way. And yeah, maybe the US is like draining the physical gold like back onto its shores. Yeah it's, and then it's interesting like how it…you get this very odd Bitcoin behavior, too. Like, Germany selling 50,000 coins, and then the Bitcoin going up. It's like why'd that happen?

It was funny like back probably 10 years ago I was at a conference over in Europe and there was a guy from the Bundesbank, and we were talking about the gold and Bitcoin markets. And everything, and I kind of made…He was like well I'm not sure that happens with gold. And I'm like, sure it does. Like you guys are occupied; you don't get to make your own decisions. You know, because we got a lot of US troops, like, occupying Germany. So you know, I think that there's a lot of stuff in flux geopolitically with the Trump regime, kind of you know, changing big policies. And as a result, like capitals moving around. And we're starting to see that manifest itself in the gold price, and consequently, a little bit in the Bitcoin price, too.

Joe Burnett: Yeah, it's definitely interesting times. Do you believe in the idea of hyper bitcoinization at some point? Or do you think that we're always going to have like gold, the dollar – or maybe not the dollar, but maybe maybe the dollar – and bitcoin kind of coexisting for a very long time?

Trace Mayer: Yeah, that seems to be kind of the policy coming out of Washington. I like to…an analogy would be search results. Like the top result gets 55% of the traffic. The next result gets like 30% of the result. After that's like, what 20% or something, 10%, 15%. And then like all the rest like out to millions are going to get just like a tiny, tiny slot of it. Okay, so the first search result's gold, the second's probably the dollar, you know, third, fourth, fifth is, you're looking at like euro, yen, yuan, and bitcoin. You know, if the US has the, you know, if they're able to dominate the gold, and dominate the world reserve settlement currency and extend its influence through stable coins, and then dominate like what could potentially disrupt those two, bitcoin. Like, now they own all three search results and they can box out the other currencies from even getting, you know the best they could do would be number four, right. And so, I think like…and that you know, if that kind of does play out, you could see the dollar getting extended another 20 to 40 years probably, because you got this Bitcoin component to it. And how we usually deal with these situations of excess debt, I mean in the Old Testament you would have your jubilee – just forgive the debt. We don't really do that now. We, you know, governments like to just default on the promises over time through inflation. And you might get something, the central banks actually have like on their balance sheets – they'll have a gold revaluation account. And so you'll just revalue the gold. Kind of like what Roosevelt did from $20 to $35, now it balances the balance sheet. And so, and Trump even floated this. He's like, "Well, maybe we'll pay off this $36 trillion of debt with a little bit of Bitcoin." Yeah, like what does that actually mean? It means, like if they can seed Bitcoin out on a bunch of personal and corporate balance sheets, and then have that Bitcoin price go up relative to the debt that are on those balance sheets, now you can fix a whole bunch of balance sheets. Both personal, corporate, and potentially, like governmental with a Bitcoin revaluation account. So that, there's the argument for you know 110,000 Bitcoin to, like you know, million-dollar Bitcoin relatively quickly. It's like, oh we're just going to do a debt jubilee by, like, having Bitcoin go up and getting Bitcoin seeded out on everybody's balance sheets.

Joe Burnett: And that kind of, I guess relates to Senator Lummis' bill would enact. Like, what do you think that that might actually get passed? And like what what would happen? Like would Bitcoin go to a million, would it go – could it go – to 10 million? Like how do you think about that?

Trace Mayer: It could. I mean it could get so crazy. I mean if…Cuz, okay if China and Russia have been taking advantage, like going after the Achilles' heel of the gold price suppression scheme – the Achilles' heel being physical bullion – and they've got the physical bullion, like we can't get out of this debt trap with like the gold revaluation account, because it's going to benefit like our geopolitical foes, right. So, we have to find some other thing to do it with. And I don't know any other thing out there besides Bitcoin that's kind of doable. So yeah, I mean like that…Now overnight? I don't think so, you know. But, cuz I think her bill would try to acquire the coins like a certain amount every year and probably like over a TWAP or something, or you know, or they could…But there's all types of stuff they could do, you know. They could, they could give, you don't have any long-term capital gains on your Bitcoin, if you pay taxes with your Bitcoin. I mean there's all, they're the government – they do all types of stuff with changing the rules. And I don't think it's…I don't really think it's in their interest to pull something like an executive order 6102 with Bitcoin, because that would, like, that would undermine their ability to like really have a revaluation of the debt with it. So, they need it to be distributed out to everybody. And you know as long as they can be taxing it, like you know, you give up some of the gain in your long-term capital gains tax, so you know it…I think it's a tool that they can use. And how much more it's going to get out to everybody or like hyperbitcoinization to replace the dollar as the medium of exchange. Like, we have a lot of wood to chop there as an industry. Lightning hasn't necessarily actualized to the degree that we would have hoped it would. You know, we like…El Salvador gave everybody a little bit of Bitcoin and like that didn't work. So, you know changing the human behavior is kind of a hard thing to do also. And maybe the, maybe the L2s are like Visa letting you just pay off your credit card with Bitcoin or something like that, you know. So, I think stuff is morphing, and you know just based on a lot of individual decisions on how people value and want to use stuff. And I, so I think that plays a role in it also.

Joe Burnett: Yeah, that makes sense. You took some time away from Bitcoin. And one, I'm really glad personally that you're back, because I thought you were a great speaker when I was first learning about gold and Bitcoin to begin with. You know, what made you decide to publicly come back and start talking about Bitcoin?

Trace Mayer: Oh, I mean it's been very busy building out this sixth network effect, the financialization. And you know it's, I did all like my podcast and all that stuff like at my own cost, my own expense, you know. So, I didn't make any money like doing that. Like you know, there weren't advertisers. And even the ones that could advertise, like they didn't have any money to cuz the industry was so small and bootstrapping and growing and everything. And so, you know, when you're looking at life and priorities like you, I think, appreciate just how much time and effort and even cost it takes to create, like, the new content and everything. And so, you know, there's just like a to-do list and like you got to draw the line somewhere. And so now, you know, we're like…with the family office, I got a great team you know on board, we're cranking through stuff, we're getting a lot of work done, we're making good P&L. And so, the time and the cognitive load is starting to lift, cuz you know building stuff like takes thought and everything. And when you're doing that, you can't necessarily like be thinking about doing other things. So you know, it's more it's more kind of all of that happening. And I think it's good to like reinforce these principles of monetary sovereignty into the ethos of Bitcoin, like help people understand, like well you know, ask the question like why are you really here? Are you here because you want a number to go up, that's like held in a like an ETF that like is three times removed and encumbered? Or are you here for monetary sovereignty? Like, what are you here for? And helping people understand and explain that I think can help reinforce kind of our Bitcoin ethos and our monetary sovereignty ethos overall. And plus, it's fun. Like, the battlefield of ideas is fun. And so, like you know, it's a good hobby to have, keeps the mind sharp. And there's always, like, stuff to learn, you know. Like we're…oh now we got geo strategy, like geopolitics, like moving into the space. Like, I mean I talked about this theoretically, you know over 10 years ago. I did a two-part show on Max Kaiser show about, like oh maybe a little country will pick it up as a dagger or a shield and look El Salvador's done it, you know. And they're, like, cutting their way out of the IMF track with it. So you know, it's really cool to kind of see the theory becoming practical. Then it's like oh well now that it's becoming practical and we're learning new things through the behavior that's actually going on and the stuff that's getting actualized into existence, like oh where's where's it going to go from here. You know, and that's kind of a fun exercise to be engaged in.

Joe Burnett: Definitely. Is it surreal seeing like a United States National Strategic Reserve in El Salvador, considering like you were talking about this very, very long ago?

Trace Mayer: Yeah, I mean like this magic internet money. I mean, I started publicly talking about it at a million dollar market cap, like 25 cents. Like, and people would think I'm crazy like a three-eyed fish, you know. It's like holy cow, like you know. And now here we are, and to go back and look at some of the older content and just how prescient it was. And all things considered, like how accurate it was. Because you know, we're we're iterating and we're learning and we're digesting and understanding and like the thoughts begin crystallizing. This takes time and experience and everything to really have that happen, and so you know, and seeing different people take different strategies. Like you know, I was talking with Barry Silbert at $5 Bitcoin, and you know he wanted to invest in the picks and shovels, because that's what worked during the gold rush. And I was kind of like, I had a different like I got a different approach, you know. I want to invest in the underlying like protocol, and then picks and shovels. But you know this seven network effect kind of thesis, and which eventually I was able to kind of crystallize and distill, where I could, like, explain it to other people in 2015. But you know, 2013, 2012 you know, making investments in Armory and BitPay and Kraken and stuff like that, you know in order of the network effects. So, you know, being willing to invest in the picks and shovels, but kind of having an idea of the timing to do that in, you know. And seeing how it's played out has and you know some of the darts, like, didn't hit very close to the target, you know, cuz it's speculation, merchants, consumers, miners, like that merchants, consumers thought that would come pretty early. You know, speculation needs custody. So, Armory, Kraken, and Exchange, well invested in Bipay to do merchant processing, you know, in 2013. We still aren't really doing like merchant, like the the merchant consumer network effect still isn't like actualizing very much and we're 10 years a 12 years after that, right. And I thought, I thought that would come a lot sooner. And yet, now we're we're building out this sixth network effect of financialization. But we can always go back and start tinkering on the second third ones if we can find the technology or like innovations that can help make that take place. So, it's, you know, it's this experiment that we're in, this trailblazing, this like building out the new world, the new continent of cipher space with Bitcoin like it's fun. And you also get exposed to a bunch of the ideas when you're not in your own little like bubble. And you have to sharpen your sword and steel sharpens steel, right. So like being engaged in the discussion and the debate like helps one formulate their own thoughts and ideas better, unless it's with Peter

Joe Burnett: Yeah, exactly. On the topic of Bitcoin and sound money, generally, obviously – like low time preference is a core theme of that – what's the lowest time preference activity that an individual can pursue, from your perspective?

Trace Mayer: I think investing in oneself is probably the best thing you can do. And there seems to be quite a bit of empirical evidence and other stuff that like when you die that's not the end of you. I mean, we have millions of near-death experiences and all you know we have major world religions that are usually founded on different stuff, and so it's like oh okay…So not even not just thinking about, like, tomorrow or 10 years from now, or 50 years from now. But like, if you continue to exist after you die, like how can you…like what's that going to be like and what type of person you want to be there? Cuz obviously if you can't figure out how to live well here, what makes you think you're going to live well there? And so, like how can you really become a master at the art of living? And in order to do that you really have to, like, build yourself and your own human capital. And what is that, like what does it take to really become the best version of yourself? And we have, you know, great access to great thinkers and leaders in this area. You know, whether it's Buddha or Swedenborg, the great Buddha of the north. [He] happened to be a monetary scientist also, he helped fix the Swedish monetary system – his writings are phenomenal, and his economic writings. And as you delve into his stuff, it really helps you understand you know some of the premises that do not get explained by the Austrian school of economics, and is very applicable I think to, you know, this very long time horizon of like what we want to do. And so it's, you know, if you invest in yourself, and become your best self, and become a master at the art of living, then you know you really get to…take that with you for a long time, because you can't get away from yourself. But there are a lot of people, because they don't really have this time preference, they just don't treat themselves well. You know, whether it's their health, or alcohol, or like they want to get away from themselves so they're like smoking a bunch of pot, or like cuz they can't sit with themselves, like have a good conversation with themself. And you know, they they want to dull the sensations or the emotions or the pains or like whatever whatever the problem is; and it's like well why don't you just figure out how to like fix all that stuff so that you can be happy with yourself, become a master at the art of living, and do it for a long time. Like it's, you know, so that's how I kind of look at it. Like instead of running away from yourself, like why don't you run towards yourself. And you know become the best version of yourself that you can be.

Joe Burnett: Yeah, that makes sense. Two more questions and we can close it out. What's something that you believe that most Bitcoiners would disagree with?

Trace Mayer: Oh, I don't know…I don't know that there's like a… I can't really, I mean I can't really think of anything specifically. There's so many different thoughts and ideas that Bitcoiners bring to the discussion, and I mean maybe the discussion we just had like a bunch of them disagree with that. Cuz I mean, I know a bunch of Bitcoiners that like they love drinking their alcohol and going out and partying and not sleeping well and treating themselves poorly. And you know, it's like, to each their own. But like, you know, I just kind of, I think that when you have this long time horizon this long time preference, like Bitcoin will begin like helping you shape your decisions in a better way. Like you'll begin to live a better life, because you're changing that that time horizon, and so you know maybe for me I've just always had like a really long time horizon that I've looked at. Like, I've never drank alcohol, like I just don't do any of that type of stuff, because you know, I want to make those trades with my future self that are going to be good and profitable. And so, maybe that's it, you know is like you know, because it really much becomes a way of life and a way of lifestyle and maybe that's where there's a little bit of difference in thoughts or ideas.

Joe Burnett: Yeah. Last question: what's the biggest risk to Bitcoin?

Trace Mayer: I don't think we have any anymore. I mean, other than losing the ethos of like what's there. But even that, I mean Bitcoin's becoming so…so many different parties own and interact with it and like the tension that's…I mean we thought the block size wars in 2017 were big. I mean, now the, just the sheer tension on it is so much stronger. And you know there's hundreds of millions of people probably that have owned it or at least heard about it, so it's a part of the global conversation now it's not going to go away it's only going to get more entrenched over the next four years with Trump. And we saw what the Biden administration tried to do burning the industry to the ground with Operation Chokepoint 2.0 and everything, and we were able to withstand that and then flip the tide, you know being a majority of the political contributions in the election. And flipping a bunch of House and Senate seats and, like you know, so it's not going to go away. It's only going to get stronger, more entrenched. Sure, it might ossify, but if it ossifies and the cement dries like then it just is going to be a permanent fixture on the planet. And hopefully we get the innovations and stuff in that, we want before that ossification happens, but even if we don't like Bitcoin's still got such a massive value proposition. And we haven't hardly built out what the potential that lies within it you know with Tap Root and other stuff. So yeah, I mean, I don't think there aren't really any threats to it on this kind of global basis.I mean, sure, there might be MiCA Law in Europe or stuff like that, but not on a global basis. Like, it's here to stay.

Joe Burnett: That makes sense. Well, Trace thanks so much for taking the time to do this. This has been incredible.

Trace Mayer: Yep, thanks so much for having me and get some Bitcoin if you don't have any

Joe Burnett: Yes, absolutely. Perfect, thanks, Trace.

Trace Mayer: Thanks.