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## Backgrounder

**Adam:** 00:03:08

Hello and welcome to Gestalt University. This is your host Adam Butler. I'm the Chief Investment Officer of ReSolve Asset Management (Global). Today I had the opportunity to chat with Demetri Kofinas, the host of one of my absolute favorite podcasts, *Hidden Forces*, which I highly recommend you go immediately and subscribe to.

I reached out to Demetri because he tweeted out some statements about MMT and fiscal policy that ended up stirring up quite a conflagration on Twitter involving people in the MMT community like Warren Mosler and Rohan Gray, and got quite heated, actually, and I wanted to take it offline and have a more nuanced conversation about those topics.

And so we did start there. We spent probably the first 35 or 40 minutes on MMT. **And it took us a long time to overcome the frustration around the term MMT and the politicization of MMT**, and to drill down to the subtext around equality and government involvement in the economy that I think I was really trying to drive towards, and where we ended up finding common ground.

And then the conversation shifted to a more broad take on what's happening currently in the economy. And then what's happening to the US politically, both domestically and in terms of their projection of power internationally. And some of the issues with domestic politics that are complicating not just the ability to make constructive decisions about the domestic economy, but also to make constructive decisions about foreign policy.

And we also got into more of a personal discussion about how a constant dwelling on themes around geopolitics and in politics and markets, and some of the major risks therein, can weigh on your psyche, and how easy it is to develop some pathos and obsessions and how that can sometimes impact your personal life.

And then Demetri was kind enough to share his experience with brain cancer and how that was so transformative for him and how that translates to his outlook on life and ability to see past some of the major issues that we constantly think about, and focus on some of the amazing things in our lives.

So, it's two hours. We wander quite a bit. A lot of it's a very personal discussion. But I really enjoyed it, and I hope you will too. So, without further ado, I hope you enjoy my conversation with Demetri Kofinas of *Hidden Forces*. Demetri, thank you so much for making the time. I've been looking forward to this for a couple of weeks.

**Demetri:** 00:06:34 It's my pleasure, Adam. Thanks for having me on. Sure. By the way, I was just going to say when you said that you're really excited for this conversation, I think you said, I just thought we're all part of the same weird group of genetic freaks who would say that.

**Adam:** 00:06:50 You're so right. Yeah.

**Demetri:** 00:06:52 It's wild. It's wild that we all get it. We all like to listen to each other's stuff. We're voracious consumers of other conversations and thoughtful conversations about interesting ideas. There's just like a cohort of people that just loves to traffic in, dissect, think about, analyze ideas.

#### Twitter Feeds and Bun Fights

**Adam:** 00:07:10 Yeah. And I think what's critical too is that sort of cognitive flexibility, right? Because I listened to all of your episodes, many of them I listened to a couple times. What I admire about you and others like you that I both read and consume through podcasts is the cognitive flexibility and sort of humility. Your ability to have reasonably strong opinions or frameworks, but then allow those frameworks to evolve over time, and sometimes quite dramatically. And the opinion sometimes, in relatively short order can almost reverse in important dimensions, right? And that's all part of the process of learning and trying to be open minded, and recognizing that it is, the world is very complex, and no one framework is perfectly useful in helping to understand it. So, I really admire that and want to continue with that type of evolution as well. So, I reached out to you. The catalyst was a Twitter statement which turned into a bit of a bun fight about MMT. And you dragged in Rohan Gray and Warren Mosler.

**Demetri:** 00:08:24 They all got involved. I didn't mention any of those people. They all jumped in on my thread.

**Adam:** 00:08:28 Yeah, exactly. Which I think is a testament to the fact that people are paying attention to what you have to say. So, I think that is a nod to your credibility. But I was fascinated by your statement, and your follow ups, and also, the many different directions that the conversation took. Warren took it in a very different set of directions. He never really said much. He kind of posted two or three articles, assuming that we were going to go ahead and digest them and then come back.

- Demetri:** 00:08:57 My recollection was that he was -- I've had him on my show and I appreciated his vitality, his energy levels, his passion, his combativeness. And I think I gave him the benefit of the doubt on my podcast, because I saw that he got a lot of flack, caught a lot of flack from a lot of people in the Bitcoin community. The context of our conversation, if I remember correctly, was the Stable Act. Yes, that's what it was. You know, it's unfortunate. There are a lot of other people like this that you want to be able to engage with them and learn from them in certain areas, **because maybe your views differ in meaningful ways.**
- But there's just a mentality and I think in the case of Rohan, you have to end up making it personal because it is because his behavior's that way. I didn't take it personally, just to be clear, and I don't mind it. And if I ever saw Rohan, I'd smile, it'd be great to meet him in person. But I think a lot of people just have emotional issues that preclude them from being able to get engaged intellectually and constructively on issues. And that's extremely unfortunate. **And I think that my audience and the types of people I seek to attract are people that are done with that, and they don't want any part of it.**
- Adam:** 00:10:06 Right. Yeah, I agree. I also sympathize with the situation that people like Rohan and Warren and Stephanie Kelton, I'm just sort of citing people in that very narrow domain of exponents of MMT. But even a highly contentious topic, which is generally poorly understood, is a political football in many ways. And --
- Demetri:** 00:10:33 In many ways, because they've made it a political football, the MMT folks like Stephanie Kelton, top of mind. But anyway, continue. At some point I'll elaborate on why I have that view.
- Adam:** 00:10:45 No. I mean, I think you know where I'm going, where you can see how you can become increasingly sensitive to characterization of something that is very nuanced and has a lot of grays but that is perpetually straw man'd in an infinite variety of ways. And even though I know that you approach that discussion in good faith, and I think what was missing here is that Rohan didn't give you the benefit of the doubt that you were approaching the discussion in good faith, and he came at you as a bad faith actor. And I think that's what caused things to escalate. Would you agree or no?
- Demetri:** 00:11:24 Yeah. Although I got to also keep it real here, because I always try and do this. First, yes, **Rohan's reaction was way out of bounds, disproportionate.** But I do troll the MMT folks. And the reason why I troll them... and so this is kind of -- I don't know that this was -- this was a light troll. It was something about -- and it was genuine, it wasn't in bad faith. And I think it was in reference to the ways in which MMT folks talk about how to manage periods of inflation, which is at the limit, if you lose control of inflation, or inflation expectations, the primary tool for managing that is increasing taxes.

And I know this because I've read the works of people, including Randall Ray, and others just in articles that talk about this. So, it's not like something that I came up with. And the reason why I kind of troll the MMT folks a bit to this degree and why I think I've gotten to a place with MMTers where I'm probably not super open to engaging with them because I find them to be, a lot of them, to be disingenuous. I think they shift their arguments. **Most importantly, they're disingenuous.** A lot of these folks, in my view, are political operatives, who have a political agenda. They're not honest about what their political agenda is, and they cover it in the veneer of economic theory. But when you begin to dig in good faith, as I have, into the theories and into what they're proposing, you come into conflict with the logical incoherence that is a result of surreptitious political agendas.

I feel very strongly about that because I've spoken with a lot of these people. I've spoken with Stephanie Kelton, I had her on my own television program. And that's probably why I have a hard time with them is because they're disingenuous. My view, my opinion.

**Adam:** 00:13:15 Can you give me an example?

**Demetri:** 00:13:16 I can't -- I don't have one off the top of mind. But to be clear, I wouldn't be saying something like that if I didn't feel it strongly. There are just many instances where I've pressed these folks or I've watched them shift their arguments on Twitter. And I come away with a view that they have a political agenda for what they feel is a more equitable distribution of capital, and more state direction and the use of resources. And they don't just come out and say it. **Rather, they put forward this attempt to suggest that this is a more accurate reflection of how the economy works when it's not. It's an expressed political view.**

I am just as hardcore when I speak to Austrians or other types of let's say, monetary fundamentalists or market fundamentalists, like a Peter Schiff. Like, **Peter Schiff's theories are completely way wacko, out of town.** Actually, they're wackier than Stephanie Kelton, but you know, that's my best answer. I don't have one off the top of my mind.

**Adam:** 00:14:13 No, and that's fine.

**Demetri:** 00:14:15 I rigorously poke holes in people's theories. You might have seen me do this sometimes. And it's hyper disappointing when you keep going back and forth. And you find that they're not actually honestly introspective. And I think that's - in this case, my explanation for it is I think that they have a political agenda. **That agenda is to change the nature of the distribution of wealth in society, and to direct state resources towards projects and things that they deem to be more important.** Whether you agree with that or not, that's fine, but it's a political agenda.

**Adam:** 00:14:47 I actually think we're in complete agreement on that. I think the contention is around the fact that you perceive that their motives are not explicit. That they're shrouded in a veneer of academic formalism, rather than admitting that there's a political objective that is a mechanical description of how the economy works, that they sort of use as the fundamental platform that legitimizes their position to be able to have conversations about these topics.

**Demetri:** 00:15:24 Yeah. I mean, it's similar to like critical race theory and gender studies, academic lingo that's deployed in the real world, and it's masquerading for what is a political agenda and it's not necessarily clear about that. That kind of feels similar. It's kind of the similar thing. There's a lot of this sort of academic jargon, blah, blah, blah, but no one's really being honest about well, this is just what I want. **This is the political thing I want, and I just want it.** Okay. But don't convince us that there's some scientific theory behind it that is compelling.

**Adam:** 00:15:58 Okay. And I think I hear you say that you feel the same way about many other schools of economic theory?

**Demetri:** 00:16:04 Absolutely. Well, I think Austrian economic theory is different in the sense that I think a lot of the proponents -- I'm sure there are a lot of MMTers who feel this way. Though, I think that the people at the highest levels of the Austrian school -- see, I feel like the people at the highest level of -- and now this is -- okay. So, I acknowledge now that I don't necessarily sit around and think through things this much. But if I had to guess, you put me in a prison and the choice that got me out was it had to be right, **my guess would be the people at the highest echelon of the Church of MMT don't believe, or understand more, that this is really political.**

I think the Austrian folks at the highest levels, a lot of those folks actually believe that this is how the monetary system works; the way that they view the economy, and maybe aren't as honest with themselves about the real reasons that they believe what they believe, etc. But they're both full of incoherencies. The Austrian School is what I cut my teeth on. Well, I cut my teeth on Samuelsonian economic theories that borrowed a lot from the physical sciences, which were completely incoherent, made absolutely no sense. And so of course, when I came into the world with those theories, I was mugged by reality. What's that? That's the Irving Kristol quote, *I was mugged by reality*. And the Austrian School was what made the most sense to me, because it's so perfectly explained the business cycle.

And subsequently, the 2008 financial crisis bore that out. You know, I'd been studying Austrian theory heading into the crisis. And the Austrian theorists are the ones that predicted it. **The problem was the Austrians failed in predicting the inflation that didn't materialize.** So, their models of money were wrong. And so to your point about how I constantly try and weed the garden of my own

ideas, and hold myself accountable, I thought we're going to get inflation. I was completely wrong. I was completely wrong about a lot of things post-2008, because I had the wrong models in my head. So, I went searching for alternatives.

The first time that I began to develop an alternative, more accurate model of the banking system that is more closely aligned to my working theories of it today was after I met Steve Keen and read his book, *Debunking Economics* back in 2011 or 2012 when it was when I read it. And I began to understand how profoundly wrong my thought process was around what money was, how it was created. You know, one of the things that Steve taught me so early on was loans come first, deposits second. And I hadn't really grasped that because I came from this view of money from the Austrian School that everything began with specie. It began with this hard thing that we all traded.

And that was around the time also that David Graeber wrote his book, *The First 5,000 Years*. And, again, this thing that I had not thought of previously, because I had this Austrian view of money in my head, which incidentally, also, Samuelsonian school never deals with money, doesn't deal with interest rates. I remember when I was in college, I had to figure out in my own head what an interest rate was. That was profound for me. And I've talked about this before, when I came to the realization that interest rates were the prices of money. No one taught me that. I had to learn it independently. And thank God I did.

But the point that David Graeber made in his book of many that really stuck with me was this notion that actually, the more natural evolution of finance, liabilities would have come first. Credit, claims, would have come first before people would have species. It's not like you and I would have engaged in commerce. Well, let's go find some seashells first so we can kind of divvy up and figure out the supply of seashells, what they're worth artificially and then we'll engage in commerce. No. And we do this all the time in our lives. **We trade favors all the time.**

## The Political Subtext of MMT

**Adam:** 00:19:56

Right. The ledger comes first and then the unit of settlement comes after. So, what I wanted to get at actually is less about the merits of MMT and more about the subtext, which you, I think, raised absolutely perfectly. Which is the political subtext of those who are the most -- the noisiest exponents of MMT are pushing an agenda that's related to equality and to the interference of the state in the economy.

**Demetri:** 00:20:30

Well, the state is always involved in the economy. Another Austrian misperception, this idea that you can have this idyllic sort of Adam and Eve in the garden pure free market, wholesome god-loving capitalism.

- Adam:** 00:20:43 Yeah, sure. But nudging much further in the direction of state directed capitalism.
- Demetri:** 00:20:50 Right. The MMTers want much more of a nanny-nudging, whatever you want to call it, state. I always say that the MMT school is what, let's say, Xi Jinping, if he had to choose economists, he would be like, I'll take that one. I'll take the MMTer. That works for me. **And I think that they are a much more cohesive framework for state capitalism.**
- Adam:** 00:21:11 But that casts sort of a nefarious shadow over both of those objectives. Let's start with, do you feel like the objectives of driving towards greater wealth and income equality and allowing that the state probably needs to become more involved in the economy in order to achieve that objective? Do you agree fundamentally with those themes?
- Demetri:** 00:21:40 Yeah. So, I think again, that's where MMT folks and again, the other -- **this is the challenge also with MMT, there's no formal definition of MMT.** So, it's one of those things where it's like, this impossible object. And that's how I also describe MMT as a theory, it's an impossible object. Because every time you go to apprehend it, it sort of shifts. And there are many reasons for that, some of which we kind of touched on. I'm sorry, I lost my train of thought. Your question was again?
- Adam:** 00:22:04 First of all, do we feel that increasing equality --
- Demetri:** 00:22:07 Yeah. Oh, here I know where I was going. Yeah. Yeah. So, I think they conflate, they're very good at conflating goals with means, or with frameworks for achieving. I completely believe, and I've said this so many times, that the wealth gap and the wealth and income gap, in other words, the fact that wealth relative to income has grown dramatically. I mean, over my lifetime, and in various ways measured as big as or bigger than it was 100 years ago, is one of the core sources of instability in our modern political economy, in that you cannot have a working democracy, if the vast majority of people are disenfranchised, or feel disenfranchised, because those people are enfranchised with the vote, and you will lose control of your country. And that's why populist candidates win office during such periods, because people are unhappy and they express their unhappiness at the ballot box.
- So, just from a practical point of view, this is something that needs to be addressed. But you don't need this whole voodoo framework for thinking about monetary policy. For example, swapping out monetary policy for fiscal policy in order to moderate inflation. It's stupid. The whole theory around raising taxes to moderate inflation is, in my view, possibly even a piece, I haven't thought about it enough this way, but possibly even a piece of evidence to support my

claim that there's a surreptitious political agenda. **Because passing legislation to affect inflation is bonkers.**

Now, a lot of MMTers will then respond, as some did, "Oh, but no, now you're misrepresenting our views. We want fiscal stabilizers. We want them written to their legislation." So, a couple of things there. First of all, Cullen Roche also popped into that thread, and actually gave evidence for where they've specifically talked about raising taxes, which would require congressional oversight and process legislation. But also like fiscal offsets, I forget whatever it's called, stabilizers. Sure, I guess there are places where you can have those things as part of a coherent, overall economic framework.

But the idea that you would trade monetary policy for fiscal -- I don't know, man. I've spent some time thinking about it. I mean, back in the day, when I first read a lot of this stuff, and when I had Stephanie Kelton on my TV program, one of the common things that they were talking about effectively was something analogous to basically getting rid of Fed independence or the myth of Fed independence, putting the Fed directly under the Treasury, increase the money supply through direct government spending, forget this whole fake balancing act between the Treasury market and the secondary market for Treasury securities and the Fed purchasing and selling securities, blah, blah, **and just effectively use fiscal stimulus until the economy runs hot, and then use other fiscal means for reducing inflation.**

I mean, it's just a giant mess. And I think the last 10 years or 15 years of monetary policy is evidence for the fact that we need to figure out a way to have less ambitious agendas on the part of policymakers for managing our money supply. The last thing I'd want is more politically motivated people managing the country's money, which is what I feel like MMTers are. **They have a more ambitious wide scope, wide ranging agenda.**

**Adam:** 00:25:37

So, this feels a lot more like an expression of accelerating distrust in government, and it's by extension, its institutions, than it is a feeling that there's no role for fiscal policy or some more thoughtful combination of fiscal policy. And monetary policy is better than using monetary policy alone ... intractable political situation.

**Demetri:** 00:26:08

Let's just look at the most recent example, which is the SPR, the Strategic Petroleum Reserve. **First of all, that is called fiscal stimulus.** You discretionarily sell oil out of the strategic reserve. What are you doing? You're spending the nation's money. So, I mean, I would completely support something, for example, that I've heard from Rory Johnston, if the government's going to do that, to also buy futures, oil futures, and try to, let's say --- I'm kind of going now off a completely separate tangent. But what I'm basically trying to say is that I don't disagree that we need fiscal policy. I think fiscal policy is happening all the time,

as evidenced by the SPR, and we need government. **But we need both intelligent government policy, and not very ambitious policy.**

We need, I believe in moonshots, for example, if that involves the energy transition, that's an example of a moonshot or actual moonshots. Or in this case, I believe that the government needs to do something to prioritize national security over the climate right now, as an example. So, I don't know what that looks like. Does that mean directing government investment into the oil and gas sector? How that would be done? You know, we've had all these low interest rates for so long. The government should have borrowed and used that money to invest in infrastructure or whatever else was needed. I'm not against that. I just don't believe it needs to be instantiated into some kind of ideological framework, if that makes sense.

**Adam:** 00:27:36

Okay. So, we're getting a little closer here, because I feel like we're in principle, in agreement on many of the underlying prescriptions. But you are reacting to what you view as an overly formalized economic framework that is hiding, that's attempting to hide or attempting some sort of subterfuge on the political agenda that kind of underpins the motivation for them to be so passionate about their theory.

**Demetri:** 00:28:15

**Well, also a lot of it doesn't make sense.** So, it's two things. Like, one, it just doesn't make sense. But the incoherence is a byproduct of the fact that it's a surreptitious political agenda. And the point about an agenda, I don't trust people like that. I don't want them part of the government. I think they're dangerous. I think the same thing was true of the neoconservatives. They were dangerous misfits who were like ticks that latched ahold of the executive branch, and they -- it was a catastrophe. We're still living with the consequences.

So, I think a lot of times you get these kinds of groups that try to attain power in government. You know, I haven't thought too much about it with people like with the MMT thing, but I've spent enough time trying to understand it, that I came away with this view. And, like if Stephanie Kelton wanted to come on my show, for example, the problem is I've resisted doing an episode on MMT because I couldn't find anyone that coherently held those views, that could have an honest conversation, where there wasn't something else going on. **So, I've kind of gotten to a place in my life where I don't really care about it.** There was a period of time where I talked about it and tried to understand it, but I've sort of graduated from that stage.

**Adam:** 00:29:18

Okay. And I don't want to come off as some passionate supporter of all things MMT. You know, I don't really care how it's labeled. I'd say that I'm a passionate supporter of the view that inequality in all of its manifestations is a major causal factor in the disintegration of our society, in our political institutions, or at least

trust in them, and that government should play a very large role in in many of the solutions that are required in order to redress this inequality situation.

**Demetri:** 00:29:55

Sure.

**Adam:** 00:29:56

So, if we can walk back the hot button of conflating this general kind of policy view with MMT, it probably takes away a lot of the obstacles to constructive communication and discussion on the solution. Because really, the problem is the masquerading and the surreptitiousness and the conflating of different agendas that is kind of wrapped up in this idea of MMT, for you and for many others. And it's less the underlying principles or underlying objectives and the ways to achieve those objectives. Actually, there's a lot more common ground there than we give ourselves credit for. **Because we keep arguing about these definitions and these formal frameworks, when actually they just kind of get in the way.** Would you say, that's fair?

**Demetri:** 00:30:50

I don't really think that, at least my perception has never been that when people are talking about MMT that they're talking about equality. I feel like for the most part of the people that actually talk about MMT, it's a cult. There's like a cultish attitude around, "Oh, you just don't understand money. This is how money works, which is why we can do all the stuff that you think we can't do." I just don't think that that's the issue. You know, I don't think it's an issue of, "Oh, we just need to be educated so that we understand that you could do all this stuff."

Again, to go back to the problem that I think a lot of Austrians have, is they're not honest with themselves, or their people, I don't know, about how everything is a political decision. Are you kidding? Literally everything. Nothing is market driven. Markets are just within political systems, okay. And political systems exist within dynamics of force. That's it. So, again, I kind of lost my train of thought again.

## Inequality and Political Friction

**Adam:** 00:31:46

Maybe I'm not doing a very good job of maintaining a coherent thread here. But where I'm really trying to go here is if we can step outside of whether we would espouse MMT, or Keynesianism, or Neo Keynesianism or Austrianism, or what have you, and instead sort of focus more on what are the big fundamental problems economically, both domestically and globally. And we both sort of accept that equality is a major source of global and domestic friction, and more direct government intervention is part of the solution and not part of the problem.

These are things I think that are much more relevant, and where we can make a lot more progress on, than deciding which formal school of thought we should be embracing. And therefore using that, if we embrace MMT, then we should

appoint economic advisors from that school. If we embrace Neo Keynesianism, we should appoint economic advisors from that school, etc. Let's appoint qualified individuals with demonstrable practical experience in solving related problems and that are aligned with the basic objectives and some of the fundamental views and political opinions. Like whether government should play a larger role in manifesting the solutions to major problems. I think that is a key dimension, that upon which we create many of the political divides.

So, if we could have just a general conversation about that, then now we're talking about something that we can debate as a fundamental principle rather than as belonging to one or more schools of thought, or one or more political parties. So, from the perspective of trying to move towards solutions, we've agreed that inequality is a major source of political friction. Do you agree that more direct government intervention and management of the economy would be fruitful here?

**Demetri:**           **00:34:03**

Well, first of all, if we're going to like this philosophical, I would distinguish between two forms of inequality. One is inequality like, for example, John Rawls' *Veil of Ignorance*. Some people are born with certain gifts, and other people are born without those gifts, whatever. Some people are better equipped to compete. And if you were to not know what skill sets you would have, what gifts you had, if you were born, if you were to enter the system, what would be the most equal weighted design? That's one form of equality to talk about. And then there's something else which I think we think of as inequality, but it really actually reflects the corruption of the system. And that is that so many of the unequal outcomes that exist today are not the result of unequal advantage, natural advantage, but unequal unnatural advantage. Regressive policies that have allowed wealth to accumulate in all sorts of hands.

Some of those things are very direct, like we saw in 2008. Companies that got bailed out, executives who got bonuses, etc., even though they sank their company and the economy. You know, it's such a complicated thing. You know, the truth is, I'm not someone who has studied this thing. I would be very fascinated to interview someone on the show, if there was someone out there, who had really spent his or her life studying this and how to design the best political system that gave sufficient freedom for the agents inside the system to exercise the power process that I think is so fundamental to at least someone like me, being able to exert my will into the world and to be able to compete and succeed over other people.

And I think this is so important to point out too. I mean, I was recently watching, I'm going through this phase where I watch videos on YouTube of things. And one of those things is old games, old basketball games. And I was watching about 11 minutes of highlight clips from the 1992 Bulls-Knicks game seven. And you

know, the electricity, the crowd and everything else, and just seeing how passionate everybody was and how on edge they all were. And every possession mattered, was like life and death. That's natural. There are a lot of us like that. There are a lot of us that way. **We're competitive, and you need to give us an outlet.** So, I think that's super important.

But to go back to the point I was trying to make, I'd be interested to interview someone that, or a group of people that had thought about designing such a system, what it would look like. But that would take a lot of work that I haven't put in. And I don't really feel qualified to talk in specific, concrete, meaningful terms around what I would mean if I talked about a system that's more equal. **All I know is that we have a system that's sufficiently unequal in its distribution of wealth that it doesn't align well with a democratic society.** But you know what that means and how you would change that, I'm not sure. And the reason why I also don't spend a lot of time on this is a zillion other things that are problematic in the world that also need government action.

Where I am prepared to agree and sort of speak on this with less inhibition, is that I completely agree **that we need government way more than people are willing to admit or understand.** This has been a constant area of conflict with me and those hardcore maxi, I call them Bitcoin jihadists. Yeah, I got blocked by one of them back in the day, who wrote the book, *The Bitcoin Standard*, which is just pure propaganda. Propaganda's not the right word. But my nickname for him was Bitcoin al Baghdadi or something like that.

Anyway, they're total jihadists, those kind of hardcore maxi's. And a lot of those people, and it's not just Bitcoiners, it's all sorts of folks in this crypto community who are part of this cult of decentralization, who just think everything is just about decentralization. The problem with everything in life is centralization and the solution to everything is decentralization, and I've always held the view that these folks are way behind the curve, like people are going to want more government in the world that we're moving into, not less, or more intelligent government. So, that was a long-winded rambling response to your question.

**Adam:**                   **00:38:15**

No, I mean, it's fair, it's the general trust, I think is, this is not something that you give a lot of thought to, because A, there's a variety of other things that you're more interested in, and B, because it is rather nebulous, and there's a lot of ambiguity in different dimensions of the problem. And it's completely politically intractable. Like we have an entrenched political system and structure and set of institutions. And it's hard to see how you might make enough change to that structure to be able to move towards any kinds of policies that might help address some of these major fundamental challenges around equality, etc.

**Demetri:**               **00:38:58**

I think what interests me as you were talking, I was kind of homing in on something. **What interests me is more, having genuine conversation.** Just

thinking about now the case of decentralization. I mean, the whole crypto space, this is a whole fucking cottage industry that's built around these are the things that we believe, we believe these things. We now believe them. We're out there, we say them, we built an audience saying that we believe them. And now we've got to find things out in the world, and put them into these models, because this is what we believe because we're acolytes, we're sheep. And I get it. I get it. I used to be that way with my Austrian perspective, I get it.

My old TV show every day, I'd wake up to the central banks destroying the planet. **Let's go find stories that confirm our bias.** So, I think where I focus my attention philosophically is trying to have real conversations and try to really investigate the truth about things. So, if inequality just happens to be one of those things that I haven't tried to understand, I believe it's an issue, but I haven't tried to understand, I don't want to like, suggest that I have no concept. And we've talked quite a bit about the role of monetary and fiscal policy and driving economic outcomes. But I haven't tried and tackled it the way I've tried to tackle certain other subjects. Because again, there are so many.

I think the bigger problem we have in society is that you've got a lot of these different folks that just have their own agendas everywhere. Now, it's become amplified now with Twitter, and Substack, and podcasts and this and that. It's like, everyone's got an agenda. And it's so many people are able to monetize their agendas today. And it's just become like this thing of like, where's the humanity? Can we fucking have a real conversation? I get it, I get it. I also have to eat. I pick podcast titles that are going to be more click-worthy, I balance them. I don't try to be a total grifter. Okay. It's like, we're all kind of there.

But can we get closer to the place of actually like having a common humanity and try to do something else, and not use the situation in Ukraine to talk about how great I am or how I predicted this, or how that or that other thing? You know, I think that's the bigger problem today. **We have this cult of narcissism in society.** People are just super self-obsessed, and like, focus on getting theirs. And this has been trending for years. We've seen this everywhere. It's more and more about the individual, me, what's good for me and mine. I think that's kind of where I focus more. So, that's where I would come in from the inequality point.

**Adam:**                    **00:41:20**

Okay. Well, let's move it a little bit away from inequality as kind of the central focus. Because I only really bring up inequality because I believe that it is one of the fundamental obstacles to constructive government, or just constructive governance. That it's one of the major causal factors in the breakdown of trust in our institutions. And I think a lot of the frustration that you just described, the fact that we can't really have authentic conversations, or it's really hard to find authentic conversations because of omnipresent narcissism, competing

objectives between individual, moving ahead as an individual, but also wanting to have honest discussions about how we can build a better society, etc.

But I think a lot of that comes from the fact that what we've seen modeled over the last 30 years is that individuals who are most willing to compromise their personal integrity are the ones that have been able to get furthest ahead. In terms of major CEOs, out of one side of their mouth, they are extolling all of the incredible virtues of the company that they're building and the incredible growth ahead, and out of the other hand, they're selling shares hand over fist. You see where I'm going? Like, we've cultivated this cult of shareholder value maximization which drives towards sociopathy at the top. And when you model sociopathy as the ultimate way to get ahead, that promotes individualism, it promotes dishonest behavior, it incentivizes people to act in bad faith, and it heaps scorn on people who are trying to act in good faith.

So, a lot of this ties into inequality, because we see that those that are in control of the system that have accumulated enough wealth to have regulatory capture, those are people that people envy, but they also tend to skew psychopathic, sociopathic and/or get involved in behaviors that are well modeled by those psychological traits. And of course, destructive narcissism, the whole psychological dark triad. So, maybe I'm conflating, maybe I'm making inequality do too much heavy lifting here.

**Demetri:** 00:43:55

I think so.

**Adam:** 00:43:56

But I think it's kind of tied -- I think it's a lot of it's sort of tied into it.

**Demetri:** 00:43:59

I think that these things are not necessarily related to inequality. I was laughing when you were talking because I was thinking about a lot of different folks who have cult followings and people are just like, "He's the best. Oh, yeah." Like they don't say he's the best or oh, yeah, but that's effectively what they're saying. They're just obsessed with this person. They're obsessed with being in the cult, they found their new leader. People have this tendency to do this. They just have this tendency. They do the same thing with Elon Musk, and I'm not going to name a bunch of other people because I don't want to do that. But there's just tons of people that people follow. They want cult leaders.

**Adam:** 00:44:31

What are the characteristics of people that tend to attract those types of followings?

**Demetri:** 00:44:36

Have you ever hung out with rich kids in New York City who all are into going on Ayahuasca trips and Burning Man and manifesting, and all this bullshit? I'm not saying manifestation isn't real, that having positive thoughts and conjuring something in your mind doesn't bring it into the world. But tons of insanely privileged people are cultists.

**Adam:** 00:44:59 Yeah. But they're not leaders of cults. They're followers of cults.

**Demetri:** 00:45:03 Yeah. Well, okay. So, many of them are followers of cults. But a lot of times the people that are the leaders of the cults are not the wealthy people. They're the hustlers that kind of hustled my way up to the top, and convinced a bunch of people that they're a guru. I just don't see a necessary causal connection between inequality and people's capacity for believing in frauds. You know, like Bernie Madoff is a great example. All the people he scammed were rich. **It had nothing to do with them being poor.**

### What Leads to Wealth?

**Adam:** 00:45:33 Yeah. No, that's fair. But certainly, wealth being a core fundamental dimension of the American dream. So, just by virtue of being wealthy, I don't want to beat this dead horse. I'm not really that married to inequality as being sort of the fundamental problem of our time. But we do have to sort of admit that wealth in itself creates a strong gravitational field that draws people that can create this cult-like idolatry. And it's not the only thing. What do we perceive leads to wealth in the current paradigm?

**Demetri:** 00:46:12 That's complicated, obviously. There's so many advantages and disadvantages in the current paradigm. Some are racial, which we hear a lot about. Obviously, those have been with us for a very long time. There are all sorts of advantages and disadvantages. I wouldn't even know where to begin. **Being smart is a huge advantage.** I've used this example before, like, when I lost my memories and my ability. I had dementia from a brain tumor. I struggled. I couldn't really work. And then when I recuperated from my brain surgery, one of the last skills to come back was multitasking. And I was just acutely aware of how this was not just something that I earned, I was born with these abilities. And those are gifts.

So, I think the vast majority of unequal outcomes are natural. They're not unnatural. We're just not aware of them because they're like water. But on the margin, policies can lead to exacerbated outcomes, which is why I made the point from the beginning that we have to differentiate between natural advantage and unnatural advantage. And I think that I am a personal believer in mitigating for both. When it comes to mitigating for unnatural and for natural advantage, what we need to do is we need to give a lot of leeway to people like me, and I assume you as well. You've probably been very successful. I could give you a whole argument for why it's important for society, the whole trickle down or whatever thing would be. Let people that are really competitive and ambitious run wild so they can create blah, blah, blah.

But I'm not even saying it from that point of view. I'm just saying that you need to create that opening. Because if you don't, those people will take political office, and they will destroy your country. **Competitive people, ambitious people**

seek to exert power over the world. And if they're not going to be able to do it, economically, they're going to do it politically. And some people, they don't care, they do it politically anyway, which is a lot of these politicians, they really want power.

## Current Situations

**Adam:** 00:48:13

Yep. No, I agree. Okay, well, I feel like I've kind of constrained the conversation to an area that you're probably less passionate about. So, I kind of want to open it a little bit further and just talk about maybe more generally, how you would frame both the political challenges that we have both domestically, internationally, and the economic state that we find ourselves in; how would you characterize that state? And what are some of the more likely solutions that might allow us to emerge from this trap with the least amount of pain? So, maybe we can start economically. How would you characterize the current economic situation? Well, let's start there. How would you characterize it? Because I think that would help to inform the different threads we could pull on.

**Demetri:** 00:49:04

It's very interesting, because I don't think about the economics. Of course I do, and they're related to the kind of stuff that I work through and think about. But unlike, let's say, the post 2008 period, where I was very much obsessed with the way in which wealth and opportunity was divvied up and controlled by institutions of government, my concerns today are primarily more natively political in origin. I'm concerned about the nature of our dialogue on our civil conflict in America, and our distrust of institutions, the dysfunction of institutions in America, the lack of leadership, the lack of trust in people, these sorts of domestic factors. And I'm also very concerned about the political, the geopolitical, sorry, dynamics in the world.

I keep going back to nuclear weapons when I have these conversations, because they're so top of mind. Obviously, there's so many other ways the situation could go wrong. And I spent a lot of time on the podcast over the years talking about those things. But nuclear weapons are just the most salient, because we have more nukes on this planet than we did during the Cold War. We have more countries with nukes. Well, that's not true because South Africa gave up their nuclear weapons. Ukraine gave up their nuclear weapons. But I guess my point is that we have more countries that are unaligned or acting with strategic autonomy with nuclear weapons.

North Korea, Iran is trying to get nuclear weapons, Pakistan, India, Russia, China. France, also has nukes and Israel has nukes, but those feel like more stable hands. I don't know if I've got all the countries besides the United States, but I'm very scared about what I feel like is World War III here. And I say that not to compare 1941 or 1943, or 1917, or -- I'm not saying any of that. I'm just saying that the forces that have been unleashed upon the world today are such that

will move us into escalating violence if a third party force does not intervene to stop it. You know, that's where things are moving. **And I don't see yet a pathway to de-escalating this.** That doesn't mean that one's not going to emerge. It may. I pray it will. But I don't know what that is. And the game theory doesn't incentivize it. Those are the two kind of major things I worry about; domestic political upheaval, and national security.

**Adam:** 00:51:35 Okay. So, let's go with national security. And I know you've used this World War III framing a few times. And I'm curious, why do you choose to frame it as World War III instead of more of a Cold War II?

**Demetri:** 00:51:48 Because it's not, because the Russians invaded an Eastern European country, literally, the whole fucking country. And they've been bombing the shit out of it. And you have so many Americans, people, smart people, people I know, in some cases, people I'm friends with who continue to have the view that somehow we're to blame for this, and that Putin is this aggrieved statesman who's actually like fighting the woke mob, and that, who the fuck are we to tell him what to do? We invaded Iraq, blah, blah, blah. **I just want to barf every time I hear that.** Like, how many fucking times do we have to be told that we invaded Iraq? How many times do we have to be told that, well, we're hypocrites. You know, like -- I still haven't quite figured out how to combat this brain disease, this parasite that has entered the American mind, and has hijacked people's brains.

**Adam:** 00:52:42 This is the sort of self-flagellation that you're --

**Demetri:** 00:52:44 It's not flag-- there's something else. I know why you're saying that. But it's anger. People are pissed, they're angry. Pissed is the wrong word. They're angry. They have seething anger towards the American government, and to the people up there who have made decisions on their behalf, who did X, Y, Z. But you also have to ask yourself, how much are they really angry at Judith Miller for not going to jail for putting fake articles about the Iraq War or weapons of mass destruction in the New York Times? How much are they really pissed at Judith Miller or Karl Rove or George Bush or Donald Rumsfeld? And how much is it they're just fucking miserable, there's something in their lives that's not working right, their wife is annoying them or their kids didn't turn out to be success-- who knows what issues they're really dealing with.

And that's the other problem. It's a difficult egg to crack. Because I do think that the undercurrents are that we're going through a period in society, where there are deep veins of resentment. And trying to understand what all the forces are that are driving that resentment, again, requires a real deep dive into thinking this through. And I imagine, there's a lot to be gleaned from that. No doubt, the unnatural forces of inequality are part of it. The changing world, you know. A child born in 1700, was likely to live the balance of his or her life, in a world that was almost identical to the one that his or her parents grew up in. Every year

the world moves faster and faster in a new direction. We go through multiple evolutions of the world in the course of a single human life.

I look back now in my life in the 1990s with nostalgia, deep nostalgia and a sense of, almost like I'm talking about ancient Rome, or ancient Athens. It was a totally different world, my sense of time and space. So, not to go down that rabbit hole, but my point just being that it's hard to know what is driving all of this and how much of it is actually coherent or logically consistent. And ultimately, what do these people want? Putin invaded Ukraine. Now what? You want to litigate the Iraq War or what? What do you really want? It's challenging when you speak to people like this because at the end of the day they don't really have a view on what they want. They're just angry, they're unhappy, they're hurt, they're sad. They might be sad over the invasion and this is the way of expressing it. So, like, our whole society is a lot of psychological work is basically what I'm saying. There's a lot of projecting going on.

## Social Media

- Adam:** 00:55:08 A lot of the causes that you suggested may be behind this, and I know you're not suggesting with any meaningful confidence that I'm unhappy with my wife or the way my kids turned out are the core causal factors here. But most of the things that make people unhappy, they kind of haven't changed through time. Like, existential disappointment with your life, because of your spouse or your job, or the way your kids turned out or --
- Demetri:** 00:55:35 Decisions that you made or didn't make.
- Adam:** 00:55:37 Decisions that, yeah, you look back on and wish things had been different. These are timeless. Why is the level of angst so front and center and out in public, like dirty laundry everywhere in a way now that makes it very difficult to have fruitful conversations and just general sort of social cohesion or have faith in anything that might allow us to move forward?
- Demetri:** 00:56:02 **Social media.** Yeah, social media. And when I say social media, I'm going to include the whole suite of communication applications and hardware that have changed the way in which we interface with the world and interact with one another and consume information, interface with ideas, analyze the world, etc. It's such a powerful force that when you sit down, you begin to really think about it, it can be kind of terrifying. Because there's an intelligence at work in the world today that didn't exist 20 years ago. It's like an alien force in the world. And every day, it grows stronger, the pull on your attention, the way in which it structures, your understanding of the world grows stronger. And it's not an objective force. It's very subjective. And it is both at once controlled by its Frankenstein creator. And as every day grows, it becomes more autonomous and powerful.

That's a whole, whole nother web, which if you get down that rabbit hole, it's very easy to come to the conclusion that the single biggest threat to humanity is that. **That's the black hole that we're all moving towards.** And I don't know what we do about that. You know, one of my very first episodes back in the day was a monologue. It was inspired by both having reread Ted Kaczynski's *Industrial Society and Its Future*, along with Bill Joy's writeup in *Wired* that referenced the piece, and *The Matrix* and this whole move towards a more automated world where the human being has less and less of a place in the middle of it. I think this is a real threat.

I mean, I was on another podcast not long ago and the host asked me what advice I would give young people today. And I would say, **don't let them take away your humanity.** Because I think that so much of what is happening today is that people want to take away our humanity. This the same thing that happened, it's happened a lot of places that happened during the Holocaust. It happened to Jews in concentration camps in Europe, which was that the system, this indomitable system that is totalitarian authoritarian system, was seeking to take away their humanity, to reduce them to animals. And what's happening today, in various corners of the world and in aggregate in a different way... I'm not trying to compare genocide in Germany to what's going on today. But systems of control and power, seek to strip people of their autonomy.

And autonomy is a big part of what makes us human. Our emotions, our sense of love, and to replace those things with this kind of slick, emotionless exterior. And that's been a big part, by the way, of also neoliberalism. This ideology that what matters in the world should be economic growth, and finding efficiencies and expanding production and more hard drive and CPU space. I think people are reacting to that, whether they know it or not. **And you could describe that as a kind of spiritual death.** And I felt that as well. It's something else I've talked about. I want to say like, have you ever heard Bari Weiss's podcast?

**Adam:** 00:59:13

Yep.

**Demetri:** 00:59:14

Dude, I love Bari Weiss. First of all, I'm happily married. And I know Bari Weiss is not straight, so there's nothing happening there. But I love her deeply. And that's how I feel when I listened to her. And there are people in the world who I've never met who their work speaks to me and I love them so much. There are authors like that. And Bari Weiss is one of them. When she talks, when she does monologues, she's done a few. She did one called *"Things Worth Fighting For"*. And she did one recently as well where she gave a talk to students. I get so emotional when she speaks from the heart.

I've talked about this. I've talked about it on other podcasts too. I don't know what it is. I mean, you hear it sometimes in music, certain artists when they speak. They don't necessarily have a great voice, but there's something about

their voice that speaks to a deep truth. And I just connect with what she says and how she really gets the heart of what I feel like matters. She speaks to what I think matters and what so many people are longing for and don't have. And so they're engaged in all these conflicts and fights and arguments on Twitter, they're trying to pump their subscription or their shit coin, or they're this or that or that. But like that shit doesn't matter. And I think deep down people know that. They may not know that it doesn't matter, but they know that it's not filling them. There's something missing. They don't know what it is, so they think it's this and they think it's that. The woke mob invaded Iraq, and now they're going to invade, I don't know. But I think there's something there that needs to get worked out.

And I'm blabbering and blabbering, but let me continue. Because I'm reminded also of RFK's speech on the back of that pickup truck in Indianapolis. When he gave that speech, you've seen it, I'm sure. It was the day that Martin Luther King was shot. RFK was campaigning for the presidency and he was on a campaign stump there in Indianapolis he had set up there to give a talk. That was my understanding at least. And his aides told them Martin Luther King had been shot.

So, now here he is just finding out that MLK had been shot, he goes into spontaneous speech. He cites Escalus. And a quote of Escalus is about suffering and it coming drip by drip onto the heart until you get understanding and empathy. I wish I could remember the exact speech. But he talked about how he lost someone close to him. He didn't mention his brother by name. He talked about how he lost someone close to him. Everyone knew that he was also shot. And it was just this deeply human conversation speaking to people on a soulful level, about a tragedy that occurred and being present within it, without looking to demonize someone. It was like I think Indianapolis, like was the only city that didn't riot on the night that MLK was shot.

But like I said, I was babbling. But I think that that's what we need. We need more people like RFK. We need more people like Bari Weiss. I try to be that person. I do my best to be that person, maybe not with the MMTers, but in my own imperfect way, I try to be that person. And I think that that's how we get out of this. I really do. Because everyone wants some policy thing, but I think there's just a level of collective humanity and soul that needs to come out. And that's my hope that more and more people will listen to Bari Weiss, people like Bari, and try to be the change that they want to see in the world. And I don't know if that made any sense.

**Adam:** 01:02:36

It does. And I mean, I can't help but contrast it with what we actually see in the world. We raise up people who behave in exactly the opposite way that you're describing. **You can't elect a political leader who speaks authentically or who**

says what he thinks and says what he or she means. You know, I'm thinking about OnlyFans. I'm thinking about the people with the most followers on social media, whether it's YouTube or Twitter, or etc., carefully managing your brand, your messaging, curating your cult, which are also your customers. Every incentive that we have as a society, both politically and economically, seems to run at 180 degree angle to the themes of authenticity and real conversation that you describe as being one of the keys to the kingdom.

**Demetri:**           **01:03:40**

Yes, I completely agree. I'm not going to try to recount the scene from the Bible where Christ is on the cross, and he speaks to a thief. But that is what I'm describing. It's that eventually, I think people emerge who, they're answering to a higher calling. This is like an evolution of consciousness. I don't know, man. I mean, I'm not comparing myself to Christ, that's for sure. But I've seen them myself over the years. I'm more driven by a higher calling. I'm more open. I'm more openly loving. I'm more willing to acknowledge if I'm hurt, rather than get angry. It's about consciousness. It's about elevating consciousness. And I think that's where the work has to be done.

And I think Joe Rogan's a positive force in that regard. It's a perfect example actually. Joe Rogan also sometimes will have guests on where he seems to agree with them and like when he had that guy on, the COVID doctor guy who clearly had a political agenda, he was not being objective. This has nothing to do with the vaccine guys, or anything else this has to do with political agenda and the guy had a political agenda. But anyway, all that aside, Joe feels like one of those guys who, he dealt with a lot of stuff when he was young, he learned how to fight, to be tough, to engage in the world.

But as he's gotten older, he's gotten more comfortable, more confident, more open. He looks like he really seeks to have open, honest conversations. I heard a recent interview that he gave on Lex Fridman's podcast. And I just loved what he said. He talked about why he hasn't had Trump on. Trump's team has reached out to him multiple times to come on the show. He's refused. **And he said the reason he refused is because the stakes are so high.** And in order to do the right job, he would have to really understand things at a level he doesn't. And he doesn't want to give a platform to someone who can take advantage of his platform in order to tell a particular message.

Now, most any other podcast host would have Trump on in a second, most any other TV host. And it's not because they're below Joe Rogan. It's because -- like Howard Stern would have done that shit. Howard Stern is not an elevated consciousness person. So, I think that it's a great sign that there is someone like Joe. I hope that there are people even more evolved or more evolved and intelligent, because I think Bari Weiss is an example of that. I don't know. I have no idea how I got to this point.

- Adam:** 01:06:04 No. I mean, it's -- Social media just amplifies this pathology. I like how Daniel Smackdenberger described -- Are you familiar with Daniel from *The Consilience Project*?
- Demetri:** 01:06:15 No.
- Adam:** 01:06:15 Oh. Yeah, I highly recommend that you review some of his interviews. But he described social media as just profoundly asymmetric warfare, where you have a central intelligence that is vastly better informed than any individual. Both in terms of their knowledge patterns, but also just in terms of the sheer amount of data that they have at their disposal. And every day those who engage with social media are fighting a battle with this asymmetrically powerful opponent, for their own humanity, their own sense of independent thought, whatever that means, whatever it ever meant. It is inevitably a losing battle, unless either the incentives are changed for the companies that are administering these platforms.
- So, unless we change from the sort of advertising *click-for* based models to some other economic model, or antitrust legislation, or some other type of regulation is imposed on these platforms, this is going to get worse. And all of the commensurate problems that spiral out from this will also get worse in terms of political intractability, the widening ..., etc. **I fundamentally agree this is one of the great challenges of our time.**
- Demetri:** 01:07:48 This is a perfect example. So, when you talked about inequality early on, the focus was how do we use government policy to rectify this issue? Where I think about government policy is right here. I think that organizations like Twitter, I really feel this way. And I also want to say before I say this, that I'm totally open to having someone show me a better way. But I think this is so urgent. I'm kind of, of the mind that government should regulate this space like a utility company, have complete open access to the protocols, and wrap it directly into government oversight. **That there should be absolutely no private companies operating for profit, attention monetizing engines, anywhere near human beings.**
- Adam:** 01:08:32 Wow. I mean, that's a super strong statement.
- Demetri:** 01:08:34 It's like, yeah. It's a very *new deal* level intervention by the government and I think it's an emergency. And you could do this, you could justify it on national security grounds. I actually don't think that that's the biggest threat. I think the biggest threat is endogenous. The system itself generates incredible amounts of discord. There's no doubt that foreign intelligence agencies use these networks to spread misinformation. Again, you have a lot of people who are, like the folks we described, oh, Johnny ran off the bridge, so I'm going to go kill myself too. You know, like, I'm pissed that they invaded Iraq, 2003. So, I'm just going to pout

and throw a fit now that we're saying that Putin should be sanctioned for invading Ukraine.

But again, these foreign intelligence services take advantage of that predisposed bias, and they amplify it. I did one episode on disinformation, specifically, with Thomas Rid, but I also worked at RT. You know, I know what kind of nihilistic energy they feed off of, and try to amplify in the American and European mind. So, that's just one example. But yeah, that's how I feel. I think this is an area where the government needs to urgently intervene. But good luck with that happening because the only kind of government that's going to intervene is going to be a government, a very a populist government that also has an intelligent group of reformers, because anything else is going to be too compromised. These companies are immensely powerful. So, I don't know. I mean, it's a crapshoot.

### The Need for a Crisis

**Adam:** 01:10:05

I mean, this is a good example of an enormously important dynamic at play in our society that is in desperate need of intervention and regulation. But there seems to be basically zero chance that there's any action taken. And I mean, this is just one area. So, maybe we can kind of close the loop on this conversation. So, it's long been my view, and it goes all the way back to 2008. And it also manifested around the time when Trump was elected. But I've long held the view that society is so broken and there's so much inertia against meaningful change, that the only way that we could possibly catalyze anything meaningful is if there is a crisis that is substantial enough to galvanize the population or the citizenry in order to implement some sort of productive regime change.

And I thought in 2008, that that might have been a sufficient catalyst. Instead, it got worse. I almost secretly was rooting for Trump in 2016, because at least I felt like we would accelerate this trajectory toward crisis and therefore, towards the change we need. And I thought again, after the pandemic because governments took extraordinary steps after the pandemic that had never been taken before, or at least, not since the New Deal. And I've been sort of consistently disappointed. And I've heard you talk about something similarly transformative to your thinking around 2008.

And I'm just wondering, do you maintain a similar type of deep down belief that the only way we're able to set ourselves on a more constructive sustainable path as a nation and as a global community is by going through the crucible of a major crisis that is substantial enough to catalyze this type of change? And if so, where do you see the most likely sources of this type of conflagration?

**Demetri:** 01:12:30

Of course, first of all. But this word crisis is also so overused. And what do we mean when we talk about a crisis? Sometimes people kind of crisis of

consciousness. For example, you don't have to be diagnosed with cancer, to have a revelation about your life. There are things that can cause that. So, to my point, maybe something causes momentum in the direction of elevating people like Bari Weiss. Again, I used her as an example. More and more people become popular. And then that takes on a life of its own, then some of the tribal herding behavioral impulses of human beings drive them to seek out more people like that. Then it gets dangerous, because then you get some of the cult people who are like pretending to be conscious. Let me get back into the same problem we were in before. **But I do think that there's got to be some kind of a catalyst.**

What's kind of freaky is we've had these things that should have been catalysts, but weren't. 9/11 wasn't a catalyst. It was a catalyst in a different direction. It didn't make us reevaluate our Middle East policy. It made us double down on our policies. 2008, how do you even think about what the response was to 2008- - I think the 2008 crisis was, unlike 9/11, which was actually used as an opportunity to double down on failed policies, 2008 was simply the inertia of the system, just was so overbearing and it felt indomitable. People camped out at, what's that park in Wall Street, and all over the world, you had all these *occupy movements*, all this stuff. It felt like a joke. It felt like kids with a lemonade stand in front of their houses.

And I think ultimately, because there's been money, there's been lots of money in the system that's been able to keep the lights on. So, I guess what we're going to see is in some of these other countries, where the lights go off what happens. And I don't know, man, I really don't know. I'm not sure what it's going to look like, what's going to happen. **But right now, one of my big concerns is that the major powers end up in a global conflict.** And it might be America that starts it. These countries are very scared of the United States. The Russians are terrified of the United States. The Chinese are terrified of the United States. And I think they get even more terrified when they look at our internal politics, because they also don't understand it.

You know, from their perspective, they're just like, we know who's in charge here. In China, we have a bureaucratic system, we have a leader that we've chosen. In the case of Russia, it's like, well, we know who the ...is. It's that guy over there. Like for the Iranians, for example, like what are the -- it's like a joke when Biden goes to Iran now or when he goes to the Middle East -- I don't know if he goes to Iran. But when he goes to the Middle East, when diplomats interface with Tehran, what are the Iranians supposed to think at this stage? Like, why on Earth would they ever try and even negotiate a deal? And I'm not trying to exculpate the Iranians from anything. I'm just basically saying, from their perspective, why would they trust the US on anything? Why would MBS trust the US on anything? Why would any of these people? They can't figure out who's in charge, they don't know who's going to be in charge when. You know

what I mean? So, until we figure this shit out here, it just puts us at greater risk on the geopolitical stage.

**Adam:** 01:15:36

I actually wanted to take it in a bit of a personal direction, because my partners, Richard and Rodrigo, who are big fans of your show, and who know me very well, obviously, they warned me in advance of this conversation, because they said, I tend to spend a lot of time worrying about what could go wrong, and exploring all the things that are going wrong in the world, and in a way sort of obsessing about them. To be fair, a little bit, that's got to be my role. I need to constantly be thinking about what could go wrong from a portfolio standpoint.

But they also noted, of course, that you have that side as well, that you tend to sort of dwell on where things could go wrong, and some of the negatives. The two of us together could really spiral into some dark, dark places. And I know personally, that I do obsess about all of these topics and I do feel hopeless and frustrated. And at once, like I want to be out there doing something and at the same time knowing that it's a voice in the wilderness. So, I find it takes a toll on me. It takes a toll on the conversations I have with my wife and my children and I'm not very fun at dinner parties. Because I've been looking at your body language as we've been talking, and there's a lot of like -- There's a lot of this going on, right? And there are conversations where I can tell that you're really animated, where you're leading the conversation.

So, I'm curious if you feel like this does take a toll on you personally. How does your podcast, the topics that you dwell on, the thinking that you do, and the analysis that you conduct on these themes; how does it impact your personal life, your view, your perspective on the world? Is it exhausting? Like, I have to say it's exhausting. I'm almost constantly rooting for crisis because I'm so sick of the way it is.

And my friends who've been through crisis, like Rodrigo is from Peru, who lived through 17,000% inflation and wiped out his family savings and has seen real crisis. Richard is from Brazil, has seen real crisis. And their message to me is, yeah, crisis is not something you should ever be rooting for. However bad it is, crisis is worse. And it's not about what's on the other side of the crisis. You don't know what's on the other side. Preserving the status quo is almost certainly better than the crisis that we need to make substantive change. And that's so unbelievably frustrating to hear. And it also is like, if crisis is not a catalyst, what is and what hope do we have for my kids, etc.

So, anyways, I've kind of ranted a little bit. I want to kind of throw it over to you and see how you've been managing this emotionally and personally, and if it's affected you at all in the same way, or you have similar thoughts.

**Demetri:** 01:18:35 Yeah. Well, I was laughing because I was recently at my cousin's house, he's obsessed with the board game Risk. You ever played that game?

**Adam:** 01:18:44 Many hundreds of times. Yep.

**Demetri:** 01:18:46 Okay. So, we hadn't played it in a very long time because we're both so competitive that when we play that game, it gets out of hand real fast. So, he put together a game, it had been years since I played it. And it was me, him and two other folks that we know. And people that know me know that I am a joker. I'm constantly making jokes, making people laugh, and I couldn't help but channel all the dark shit that I've been consuming in media, as we're playing this game to take over the world. And I can tell you that I semi-traumatized my cousin who already has ... anxiety.

And after the game was over, we stayed on text messages, and I continued to send articles in the text chain.

**Adam:** 01:19:34 You just doubled down.

**Demetri:** 01:18:35 So, the answer to your question is, while yes, it does impact me, on some days I feel overwhelmed. Like the invasion of Ukraine, for example, was really tough. The invasion of the capital, I remember those two events. In those types of situations, I think maybe perhaps I feel that more deeply than the average person because of the larger context. **But for the most part, I have a really great life.** I am happy, laugh and lighthearted. And I think a big part of that is that I have had experiences, personal experiences in my life, most notably, my real face-to-face encounter with death, and the loss of things that were core parts of who I am, like my brain and the functioning of my mind, that I have a perspective on the inevitability of death. **I have a perspective on suffering.**

And so I don't let the world, the suffering of the world cause me to somehow forget that, in all likelihood, the things that are going to be most difficult for me are going to be personal. They're not going to be the events of the world. I do feel a deep sense of anguish that I've talked about on the show, on a pretty regular basis around the way that we talk to one another. So, that type of stuff that happens on Twitter, the egos and the narcissism on social media and in the world upsets me in a really surprisingly profound way. So, that's kind of my answer to that.

And to your point about crisis and stasis. I mean, Ben Hunt is an example of that, where he constantly *says burn it the fuck down*. I think the only reason that Ben Hunt says that is because he lives on a farm in Connecticut. He's not worried about what it means to burn it the fuck down. But I think that that's the wrong attitude. I'm probably more like your partners, even though I haven't lived through hyperinflation. That's also informed not just by what I just talked about,

but also I'm a Greek citizen. My country has got a tough future. The immediate future for Greece is tough. It's not just tough economically, it's not just tough demographically, it's tough with --

Greece is one of the prime bulwarks against migrants from Africa, who are fleeing their homes because of hunger. Also same in the case of the Middle East. Syrian migrants across the Mediterranean. They've got a more assertive, strategically autonomous Turkey that is challenging their territorial integrity on the eastern border. And I see the benefits of the liberal international order. So, all these folks that shit on America all the time, a lot of times I just really -- it gets me angry. It really does. I mean, there's just something about it that really upsets me, **because I think it comes from a place of privilege**. There's just really no appreciation for -- I remember, during the -- Am I going off tangent right now or is --

**Adam:** 01:22:33

No.

**Demetri:** 01:22:34

So, I remember during the Greek financial crisis, not during the one in 2011. But then, subsequently, I think it was maybe 2013, or 14 or something. There was another event that had occurred. And one of those people that I met on my more libertarian journey, sort of privileged guy, probably grew up with money ... newsletter world, I don't know. I don't want to over-flesh out details here. But I remember we were having a conversation, and he was like, it's retarded. Greece should just leave. They should leave the union, they should just reprint the drachma and not go further into debt.

And my response was, but the country could collapse. We have members of the Golden Dawn, of the far right radical party in parliament. The country could become radicalized and then you lose your country. And he couldn't wrap it around his head, because in his mind, it was just based on again, this economic ideology, this thing of like, what makes the most sense. I'm angry. We printed lots of money. And there's a whole country here with people, and people's lives, and it could all fall apart. So, of course, I want to cling to whatever life raft the IMF can give us.

Now, when I was younger, and I was being interviewed on television in Greece, that was not my position, because I didn't believe it. I was pissed. And I wanted to burn it the fuck down, just like Ben Hunt, but I'm not a child anymore. And I don't feel that way. And I think that we have a responsibility to kind of work constructively. That's kind of how I -- you know, when I say that I'm not saying Ben Hunt's a child, he's obviously not. And he's a great guy and I've had Ben on my show, but we just have a difference of opinion on that. And again, not to single out Ben, there are other people that do this as well. And I just, I think we have a responsibility to each other to try and I don't know, do what's right.

- Adam:** 01:24:18 And so you'd say that you're hopeful that --
- Demetri:** 01:24:20 I am hopeful. I'm hopeful about humanity. I'm very sober about the challenges that we face. I'm sober about the risks of nuclear annihilation. I'm sober about the risks of losing our humanity through the empowerment of either power hungry elites, using magical technologies, which is what the suite of what we call AI are, or the suite of AI itself eventually displacing people, because people just allow themselves to be displaced. It's already happening. This isn't some sci-fi thing. There are areas of our lives where we no longer make the decisions, we let machines make those.
- So, I'm very sober about those risks. And I think about it in all sorts of ways. You know, my wife and I, we don't have kids yet and talk quite a bit about how we want to raise our children. And the thing that both she and I have in common is we have a common sense of what it means to be a human being. We have a deep sense of pride around being humans, not in some, like, team human way, you know what I mean? But like, legitimately, what it means to be a human being, to have a heart to bleed, to look at a sunset and feel awe and those things are not monetizable. They shouldn't be. And how do we want to cultivate that sense of humanity and being in touch with the world for our children? You know, we live in a rural area. We love it. That's part of it, you know?
- Adam:** 01:25:47 Yeah, just like the tactile immersion in real things like trees and animals and getting together with other humans. And I mean, these are the ways that you cultivate a sense of wonder and humanity. Do you think that your regular shows provide enough of an outlet that you're able to sort of compartmentalize many of the pathos that would otherwise permeate your other dimensions of your life, or you're able to sort of contain them, because you're able to regularly have the kinds of conversations that you have with the types of guests?
- Demetri:** 01:26:28 100%. I actually think that I'd be unbearable, if I didn't have my podcast. Because I used to talk about this shit at -- I'd grabbed people at cocktail parties. Did you hear about the shit that's going on --
- Adam:** 01:26:38 This is where I am. Exactly.
- Demetri:** 01:26:39 I get it, you know. And that's why I started my show, because I needed an outlet. I needed a place to talk about these things, which goes back to my point about the game of Risk, which is why it was literally able to go in the opposite direction, and just literally make dark humor jokes meant to provoke anxiety in my cousin, over the course of hours, and it was no big thing. Because for me, it's like I deal with these things so much that I have this kind of effortless grasp on concepts like total nuclear war, thermonuclear war or AI singularity. And so there's a kind of dark humor associated with them. You know?

I think I also have -- I have a sense of spirituality, a sense of personal transcendence, and connection to the mystery of existence that I got from primarily the suffering that came from my diagnosis, and in the initial years, kind of the initial year of the diagnosis after the initial diagnosis. And then subsequently, when I fell ill, and then eventually went through brain surgery and the recovery process. That whole period really put me in touch with the thing that I think a lot of people experience as God. And there's no word that I feel comfortable using because when I grew up, God meant this bearded guy who cares about me, and he's like a father figure. That's not what I felt necessarily. Certainly what I felt was not anthropomorphized.

But what I felt was a kind of a sense of order around the universe, and a sense of order in my life, and a sense of deep love, of which I was part. That's the thing. It was this feeling of being part of a pervasive source of love that felt like it was the progenitor of who I was. And I think that's what people sort of talk about when they talk about returning to the source. A lot of that stuff, when I watched the Matrix, again, after my brain surgery, it spoke to me. And you know, that experience, and getting in touch with that, which I've really fallen so out of touch with. I mean, I'm still in touch with it, but not like I was when I was just in it. I mean, I was so in tune. That's the irony of the whole thing.

I had been sitting in my therapist's office after my radiation was over and I remember saying to him something along the lines of I don't mean this, but I kind of do, which is that like, I almost want to go through this again. And I really felt that way. I really felt like I want to go through brain surgery and radiation again. I want to go through battling for my life again, because something about it -- and by the way, this is when I would read about the accounts of soldiers in the field, or war correspondents coming back from war torn regions. It was completely what they described was essentially the feeling of being deeply alive and returning to the world and feeling dead.

And I wasn't feeling dead when I said that, but there was just something about being in those waiting rooms, surrounded by other people who were dying or fighting for their lives or suffering, that opened my heart. I walk through that as opposed to trying to hide from it. You know, some people, when they go through tragedies like that, it's just really tough for them and they find ways to sort of disassociate. I really didn't do that, or I tried not to. And I think I'm the better for it.

**Adam:**                   **01:30:09**

Wow. I mean, I can't think of a better place to close than you sharing that experience. Thank you for that. And I've heard you recount that experience in a variety of conversations. And you reveal different dimensions about it in each conversation. And I feel like you revealed something new that was potentially helpful to my own situation. So, thank you. Thank you so much. I want to be

respectful, leave at a hard stop and we're right there. So, I really enjoyed this. Thank you so much for giving the time and there's so many more things to explore here. I look forward to doing this again sometime in the coming months. So, thank you and enjoy your weekend.

**Demetri:**           **01:30:58**

Anytime. You too. Thank you so much, Adam.

**Rodrigo:**           **01:31:00**

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