



Retirement *Lifestyle*
Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Mark Jeftovic
TheCryptoCapitalist.com

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Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me once again on today's program is returning guest, Mr. Mark Jeftovic. If you're a longtime listener, you'll recognize Mark as the, I'll use the term proprietor of the website, dollarcollapse.com. They have a breaking news section on that site that gives you links to a lot of terrific news stories. I'd encourage you to check it out. You can also learn more about Mark's work free at bombthrower.com. That's bombthrower.com. And he is the publisher of the Bitcoin Capitalist. You can learn more about that@bitcoincapitalist.com.

Mark, welcome back to the program and thank you for joining us.

Mark Jeftovic:

Hey, Dennis. Great to be here. Always enjoy talking with you.

Dennis Tubbergen:

Well, Mark, let's just start with, here we are in 2024. The Fed in December said that rate cuts are on the table. They now say that rate cuts will be postponed to May anyway. What do you think the Fed does here moving ahead in 2024?

Mark Jeftovic:

Well, I've been saying it for several months now, probably since mid '23 that the Fed has started a slow-motion pivot, and in fact, I think most of the central banks have started a slow motion pivot, and what that looks like is jawboning tough, jawboning hawkishness and really being unable to raise rate any higher. Inflation hasn't come down to the targets, they have to pretend like it has. They have to declare victory and withdraw and drag it out as much as possible, and then finally capitulate and start lowering rates.

That's going to drive inflation, it's going to drive asset bubbles, it's going to drive wealth inequality. It's going to drive a whole bunch of things that got them in this mess in the first place, but there's no other alternative because they can't raise rates without destroying the financial system. And the Canadian Bank, Bank of Canada is pausing. The Bank of England is pausing. They're moving like a Peloton right now.

Dennis Tubbergen:

Well, Mark, when you look at, I'll just talk about US government finances for a minute, cost to service the interest on the debt is now a trillion dollars this year. I read a piece and talked about it on last week's program that with a

one and a half trillion dollars deficit, the US government has to finance or refinance about \$10 trillion in debt this year. Can that be done with honest money or is the Fed going to be the buyer of last resort and that's another reason they have to do what you have predicted they're going to do?

Mark Jeftovic:

Yeah, again, there's no real alternative here. I think I saw a similar statistic talking about the same thing, that 21% of all federal government receipts are servicing the interest on the debt that's up from 15% the year before. Lawrence Lapard was putting out in his quarterly investor shareholder letter for his fund, that 33% of federal debt is maturing in the next 12 to 18 months. So there's a whole pile of debt rolling over. The deficits are blowing out like a trillion dollars deficit. It's going to be even more probably this year. And nobody's really showing up at these auctions other than the Fed is going to have to step in and monetize this stuff, and they can't do it at higher rates. They just can't. So that's going to ripple through the entire system.

And we saw that regional banking crisis last year around this time, and it seems to be like something's coming unglued under the hood now again in the same sector. So, it really, everything is like a tension wire. They can't really even nudge it another quarter point higher without everything breaking loose. So yeah, they're going to have to lower rates, they're going to have to monetize their own deficits, and that's formula for inflation right there.

Dennis Tubbergen:

Mark, I agree with you, and you made a comment that easy money policies by the Fed will reflate asset bubbles. At what point does the market react differently? Do they say we're at a point that this is, we're on a road to nowhere, we're on a road to an inevitable financial system crash. At what point will the Fed be unable to reflate these asset bubbles?

Mark Jeftovic:

It's a great question. I think these asset bubbles will reflate just because of the way the fiat system is built, that the money is evolving, but what will change is the nature of these asset bubbles. What happens usually between these huge up cycles in these asset bubbles is a change of leadership. So, before this tightening cycle, we had what people were calling euphemistically the everything bubble, and you saw a lot of profitless unicorns getting billion valuations. You saw this SPAC fad where companies were going public before they even had a company, and they were getting these million, billion-dollar valuations. I think what happens this time on this go round is there is a little

bit of sobering that happens in the investing public and people realize, you know what? These ephemeral unicorns that have no profits and no business models, we're not going to just jump on those like their meme stocks to try and protect our capital base and our wealth.

We're actually going to buy concrete things. We're going to buy real businesses with real profits. We're going to buy commodities. We're going to buy stuff. We're going to buy precious metals, we're going to buy Bitcoin. It's going to be this real big shift, I think from unicorns to commodities and actual businesses and things like that. So that's what it looks like when the wider public or the investor class for that matter wakes up and says, the Fed has lost the plot. There's nothing they can do to destroy the currency. We've got to move into something that's going to hold its value that isn't a unicorn with no business model.

Dennis Tubbergen:

Well, if you're just tuning in, my guest today is Mr. Mark Jeftovic. He's the proprietor at dollarcollapse.com. They have a breaking news section there that I often refer to. I'd encourage you to check it out. You can get his free commentary at bombthrower.com, and he is also the founder of the bitcoincapitalist.com.

Mark, continuing along these lines, what's your take on recession? To me, the reason we're not in a recession is that the US government has a high level of deficit spending, and if that goes away, we are already in recession. Do you think the Fed can kick this can down the road, or do you think we're seeing an official recession this year?

Mark Jeftovic:

Even when you see an official recession, they revise the meaning of the word recession. So, you're not in an official recession. We saw that happen in 2023, or was it 2022? So, I find that's splitting hairs like how many angels can dance on the head of a pin. The economy is really hard and horrible right now. There's layoffs across almost every sector. People are losing their jobs. People are having a hard time keeping up with the cost of living, and whether you want to call it a recession or not, we're not in a boom right now. We're not in a rosy economy. Things are tough, people are scared, businesses are raining in, and if you want to call it an official recession, you can. I just think it's just a tough slog right now. Now, whether you get an actual two consecutive quarters of negative GDP growth? Yeah, that wouldn't surprise me even though things that damage the economy grow

the GDP nominally, but it's not really a useful measure anymore. But the economy's in horrible shape right now that can't be denied.

Dennis Tubbergen:

Mark, I think sometimes people forget the fact that this devaluation of all fiat currencies, but in particular most of our listeners here in the United States as the dollar devalues that skews the reported economic data. It makes stock values look better. It makes GDP numbers look better. To what extent is economic growth simply a factor of a reported economic growth, I should say, simply a factor of currency devaluation?

Mark Jeftovic:

I think it's a huge factor. I even think when you look at Charlie Munger passed away recently, and people look at his career and it's like, oh, look at the Berkshire Hathaway and Warren Buffet, and by no denying they were next level investors that had had a gift for it. But you look at the history of a Berkshire Hathaway or another company that's compounded over decades, it tracks the growth of fiat money, tracks M2, and I've read a few good books about real estate, like a good one, I can't remember the author's name, The Secret Life of Real Estate. It basically says that real estate basically tracks the inflation rate over the long, long term. And so this pass it assumption that stocks always go up in the long run. It's like, yeah, when you're printing money all the time, then everything goes up over the long run.

And I think that is really not taken into account when a lot of these people come out and talk about this relentless growth in GDP or this relentless growth in asset values. A lot of that is being, you've got this tailwind of just currency devaluation.

Dennis Tubbergen:

Well, Mark, we've got just a little bit of time left in this segment. For our listeners that have not heard of your work at bitcoincapitalist.com, would you be kind enough to share a bit of an overview?

Mark Jeftovic:

Sure. So, the bitcoincapitalist.com, it's for people who are investors, business owners, capital allocators who want to allocate a portion of their wealth to Bitcoin in the crypto economy. So, we focus mainly on that segment. We do comment on precious metals and what we see going on in the rest of the asset classes. But then when we get tactical and we focus, we have a basket of crypto and Bitcoin equities, 10 names. We actually have a value investing approach to this, believe it or not, it does happen in crypto

and in Bitcoin. And 10 names pretty focused. We don't do trading, we're not looking at chart patterns or anything like that. We're looking for, we want two Amazon of cryptos out of this portfolio.

And so we put out a mid-month portfolio update every month and then a monthly macro letter. And we're going to actually cut off new memberships soon when one of two things happens, when Bitcoin hits a new all-time high or the having comes, which is going to be in April, whichever comes first, we're going to stop accepting new members just because we found from experience that we want people who have the long term vision, not the people who are scrambling to get in at the top.

Dennis Tubbergen:

Well, my guest today is Mr. Mark Jeftovic. To learn more about the Bitcoin Capitalist, it's bitcoincapitalist.com. His free content is at bombthrower.com. I'll continue my conversation with Mark when our RLA Radio returns. Stay with us.

I'm Dennis Tubbergen. You are listening to RLA Radio. I have the pleasure of chatting once again today with returning guests, Mr. Mark Jeftovic. Mark is the proprietor at dollarcollapse.com. They have a breaking news section where there are links to many, many news stories. I use that as a resource frequently. I'd encourage you to check it out. His free content is available at bombthrower.com, and he is the publisher of the Bitcoin Capitalist. You can go to bitcoincapitalist.com to learn more.

So, Mark, the big theme here, and I think this fact maybe is lost on a lot of aspiring retirees, those who are putting money away in a 401k, and that is that we seem to be in this slow motion move toward currency changes, which has occurred many times throughout history. You think about Weimar, Germany, which maybe wasn't so subtle, but John Law's France, the Roman Empire. There are many, many, many examples. Aren't we seeing history just repeat itself here?

Mark Jeftovic:

Yeah, I think we are. When you said currency changes, there's two things that came to my mind actually, and one of them might be a little outside of what you were expecting, but first, currencies devalue themselves to practically being worthless time and time again, especially fiat currencies, currencies that are backed by nothing, currencies that can just be printed out of thin air. I've got the classic book, I can't remember the author, that this fiat money, which is just showing even from ancient Chinese dynasties

through the Middle Ages, the Civil Weimar, Zimbabwe, every single fiat currency, the chart looks the same. It's just down into the right. They just value themselves to zero.

The other currency change that for a second I thought you were alluding to, and I'll just mention it briefly, is there's going to be this pivot to central bank and dual currencies worldwide as a Hail Mary to save these fiat currencies and get another couple decades of runway out of them. That's another thing that if you're saving money in a 401k for retirement, you want to be aware of because there may be some conditions on that wealth you have stashed away in the banking system come time to retire or want to get at it.

Dennis Tubbergen:

So, Mark, since you went there, I'm going to go there. The Central Bank digital currencies, you described them as a Hail Mary. I think that's a terrific analogy to use to describe them. If Central Bank digital currencies actually become reality. My take is, as you think about it, that if you take cash out of circulation and make everybody use a digital currency without some interim period where both are used, you're forcing something down the throats to the citizenry, and that may not sit too well. Do you think that Central Bank digital currencies can actually be a reality before we see some type of financial system reset?

Mark Jeftovic:

Well, they're a reality now in some parts of the world. We track this every month in the Bitcoin Capitalists, the current deployment of Central Bank digital currencies, and I'm actually writing a book on the CBDC survival guide. So, I'm really deep into this topic. There's retail CBDCs going right now in Venezuela, in Nigeria, in Jamaica, a few others. None of them are going well. Nigeria, especially, massive public rejection despite the government trying to be monetized cash and everything. It's just that.

So, it's really a hard sell for the public, the early indications are. It depends if it gets to a point where the economy is so bummed out that they have to implement things like universal basic income, then people will take the CBDC if it's what they need to have their economic survival depend on it. And so my advice to everyone, and hopefully doesn't apply to many of your listeners, is not to be reliant on government entitlement programs for your economic sustenance at all, because that's going to be the rails of how these CBDC systems come into effect.

Dennis Tubbergen:

So, let's talk a bit, Mark. The what, is fairly easy to predict? The when, of course, is the million-dollar question. You pointed out that going back throughout history, when you look at a chart of purchasing powers of fiat currencies, eventually they all end up worthless. In fact, I think it was Voltaire in the 1600s that wrote that all currencies eventually return to their intrinsic value. And with fiat currencies, of course, that zero. So, to the extent that you're comfortable, do you have any idea or inkling as to what timing might be on this whole progression?

Mark Jftovic:

One of my favorite quotes of all time is Douglas Casey that says, "Just because something is inevitable doesn't make it imminent." And things have managed to drag on far, far longer than I could have ever have imagined. I thought, I've been thinking since 2010, 2012, this can't go on much longer, and it just keeps going, keeps going, keeps going, COVID hits, and the monetary presses ramp up even harder. It really, it's impossible to say other than probably when even people like you and I who are expecting this kind of thing have our guard down and think, Ah, well, who knows how much longer they can keep it going then wham, suddenly it's going to happen. It's just there is so much impetus and will to keep this system on the rails. And I don't fault anybody for it because these alternatives are bearable, really. Nobody wants a hyperinflationary blowout, even people like myself who are expecting it, I don't want it to happen. I don't want the system to come apart, it seems.

But there's so much will from policymakers and legislators and politicians, and everyone really just keep this thing held together with spit and twist eyes that it's going to go on for a long time. I really have no idea. And the only other thing I'll say about it quickly is the other dynamic when I wrote a piece called The Crypto Capitalist Manifesto that I put out in '21, which kicked off the whole newsletter and all of that, I was talking in 10 and 20 year increments for what I saw coming, and then it happened much faster than I thought. So, we had capital controls come in Canada in 2022. This was supposed to happen 20 years from now, not a year after I started writing about them. So, we have this dual dynamic where things that I didn't expect for 20 years are happening now, and things that I thought were going to crash 20 years ago just seemed to just keep going and going and going.

Dennis Tubbergen:

So, I'm hearing, Mark, that if somebody's listening to this, they've got money saved for retirement, that certainly you don't want to keep all of your wealth stored in one currency, you're going to want to diversify your currency risk to use that term. So, what advice would you give someone gold, silver, Bitcoin? What would you tell them?

Mark Jeftovic:

I like everything that is not fiat money. So, I like physical gold, physical silver. I like the gold stocks and silver stocks to get that leverage from having never ending call options. I like having a little bit of real Bitcoin in self-custody, not on an exchange. And if you are a family office or institutional, then you're using a proper institutional grade custodian with a multisig key. I like things like real estate and businesses that produce cashflow, just things that actually aren't fiat money, things you trade fiat money for that actually hold their value and produce income and give you some diversification. I wouldn't diversify out of the dollar to go into Swiss banks or German Marx or Canadian dollars. They're all headed in the same direction-

Dennis Tubbergen:

I'm hearing you say that, because in the first segment you mentioned that you expect that commodities will be a good place to be. So, are you leaning more toward gold, silver, bitcoin maybe as an alternative currency, or are you suggesting even some of the maybe less invested in commodities like agricultural commodities and things like that?

Mark Jeftovic:

Yeah, things like that. Gold, silver, Bitcoin, agriculture, farmlands, energy is going to be huge, like it or not, energy will be huge for the next foreseeable future. Yeah, so it's like a hard asset movement, shift. Supercycle coming.

Dennis Tubbergen:

Well, this is probably not a fair question to ask you with two minutes left in this segment, but to what extent do you believe the BRICS coalition that have now added notably United Arab Emirates, Saudi Arabia and Iran, to what extent do you think the BRICS coalition and their openly stated goal of developing a gold back trade currency will advance the devaluation of all the fiat currencies we've been talking about?

Mark Jeftovic:

Yeah, it's definitely going to have a factor. That's one of the things that has accelerated far quicker than I thought it would, was the whole dedollarization theme. I thought, okay, the US dollar world reserve currency can't last forever, won't last forever, but it's probably going to take a long time to run down or to be phased out. My main business, I'm in the software industry and the web industry, and we have this concept of the long tail. The long tail of the US dollar world reserve currency very, very long. And then again, what we saw happening was this whole move to dedollarization started happening very quickly, self-inflicted by the way, because the US government used their US dollar reserve status as a weapon against two other nation states. Doesn't matter what you think of those other nation states, but it forced every nation state on the planet to rethink their US dollar reserves.

So that really accelerated the move to create alternative currency blocks. And so now we have one, and we're already seeing some of these countries saying, we're no longer going to price our oil exports in the US dollars, or they'll be one-off sales to a country like China in gold or in Juan. So this is one of the driving factors that is going faster than I thought it was going to go. And yeah, it's really moving and you're still going to be able to spend US dollars around the world for a long time, but you're probably going to have to spend a lot more of them to get equivalent services and products.

Dennis Tubbergen:

Well, my guest today has been Mr. Mark Jeftovic. He is the proprietor at dollarcollapse.com. They've got a breaking news section as well as a lot of other free information I'd encourage you to check out. Mark's free content is available at bombthrower.com. And I'd encourage you also to check out thebitcoincapitalist.com, which is also Mark's publication. So, Mark, always a pleasure to have you on the program. Always get great feedback when you're on. Thank you for joining us today. Love to have you back down the road.

Mark Jeftovic:

Thanks, Dennis. Always a pleasure. Just one minor correction. It's thebitcoincapitalist.com. I wasn't able to get the other domain.

Dennis Tubbergen:

My apologies. Thebitcoincapitalist.com, thebitcoincapitalist.com. My apologies, and we'll return after these words.