Digital Capital

Brave New World of digital capital,

So it looks like microstrategy, MSTR stock is gonna hit $300 this year soon; earnings report incoming October 30th.

And some big news, the FASB.org financial accounting standards board, they updated their accounting standards to include bitcoin and crypto, which is an insanely big deal because starting January 2025, essentially companies corporations like Apple can start to add bitcoin to their balance sheet, being able to accurately mark their assets and capital in bitcoin, openly transparently, fair accounting.

Anyways, the reason why this is such a big deal is that for a long time, especially thinking about bitcoin pizza day, in which a guy bought two medium sized Domino's pizzas with about 100,000 bitcoins, maybe worth about $200 million today, back when it was worth nothing, round 2009, my junior year of college.

Anyways, back in the day actually whether it was our sophomore or junior year, I still will never forget how my roommate Kevin told me that we should've bought some bitcoins, like 100 or so, Windows trading for pennies. At first I dismissed him saying that it would be a scam;

In the past I regretted this, but now... No, I am even more convinced. 100% of my assets into bitcoin, the first and true digital capital, this is like the early days of the Internet!

And also, for Roth IRA, IRA and retirement, the traditional market, literally micro strategies only safe to invest in; my critical thinking and understanding is there is too many risk factors for all these other corporations, even Apple, which seems like the safest bet, it might be the other and only "safe" Investment out there which will last 30 years, but my bearish view is that within 30 years, Apple might be bleeding and dying a slow slow death.

In fact, my unorthodox view is that actually, *not* investing in bitcoin is the risky idea?

Excitement optimism and joy!

A random thought this morning was actually, maybe investing in apple is actually the unethical thing to do; think about all the mainland Chinese workers that fox con exploits, and as long as mainland China is doing acts of genocide all around the planet, and Apple is OK with that… Because Fox con should also be understood as essentially just another puppet or arm of the mainland Chinese corporation government, then, in theory to invest in Apple is to low-key accept all the human rights violations that mainland China does around the globe.

Everyone loves to talk about how climate change is so bad, racism is so bad, eating animals is bad blah blah blah, but yet nobody talks about how mainland China, is committing genocide all around the planet? And everybody knows it; and yet everyone still feels OK buying new iPhones?

Once again, if you are some sort of plant-based, anti-meat eating, pro environment person, yet you have an Instagram a Snapchat a Facebook a YouTube a TikTok whatever… No, this is not ethical.

why bitcoin is ethical.

To anybody who says that bitcoin is bad for the environment or the planet blah blah blah, essentially they were suckered by Sam Bankman-Fried and these evil corners, who sent she made air tokens which means fake value out of fakeness.

So, question… Do you think that air conditioning is bad for the planet? How about iPhones? How about the Internet? How about your hybrid Prius, your Tesla car, public transportation?

How about heaters?

How about washers and dryers?

So washers and dryers and air conditioning currently wastes about 20% of the world's electricity -- do you think the trade-off is worth it? If you have ever lived in Southeast Asia, Texas and the like, obviously!

What is commonly misunderstood about bitcoin is that it actually might be the most ethical energy use; actually, the economics of bitcoin mining is that it actually makes more sense to invest in energy efficient bitcoin mining rigs, near stranded energy sources like ideally building it at the edges of the grid, next to hydroelectric power plants etc.

What is actually very very interesting is that once you create a bitcoin, it lasts forever! The maintenance cost of bitcoin is practically 0%; whereas even gold, the world second best asset, bleeds at around 2% a year; which means that in about 60 years your value goes down by half.

Economic immortality?

So everyone is trying to become immortal in Silicon Valley or whatever... But instead, maybe what if economic immortality were more interesting?

This means, building up a war chest for your kids kids kids. So when your kids kids kids have kids they will be able to do great things on the planet!

No no no, the world is not going to melt. Ignore Al Gore and all these fake fear porn people; who essentially profit off of your fear! This includes Google, who makes more ad revenue The more people click on climate change articles.

Bitcoin is hope, bitcoin is a promise for a more glorious future!

Why do I care?

For me, considering the fact that I grew up poor, essentially I think of bitcoin like unethical imperative. The idea of saving up money for the future, building up capital for the future, and also my belief in open source; to me... Bitcoin might be the most ethical thing on the planet? That is censorship resistant, open source, and also... A political, which means that America doesn't need to keep committing war atrocities in order to support the value of the US dollar.

What is interesting is that all of these weird conspiracy theory people in America, the ones that tell you that the Rothschild in these Jewish bank organizations run the planet blah blah blah, that Israel is evil blah blah blah, actually the real bad guy is America, The US government, the American military, which essentially bankrolls Israel.

I think the best way to think about Israel is that essentially it is just like another military outpost for America, to maintain control over the region, kind of like South Korea, to have a strategic position against North Korea mainland China etc.

Koreans, South Korean don't want to accept or think is that essentially South Korea is a neocolony of America, a new colony of America. As long as American military support South Korea and maintaining the 38th parallel, South Korea is essentially forever indebted to America.

Also let us not forget that Israel, was essentially established, with the guiding hand of America. Without America, Israel as a state would not exist.

So rather than pointing the finger at Israel, which actually does seem that the Prime Minister of Israel has done really terrible things, especially to the Palestinians, Hamas also seems like the bad guys, the innocent people are the civilians women and children. But really really really, the real bad guy is America, and the sad truth is without American military dominance on the planet, the US dollar supremacy would not exist.

Even if you are a liberal Democrat, anti-war; assuming that you have US dollars in your bank account, you have a JP Morgan Chase or Fidelity or Citibank, or Bank of America... assuming that your salary is being paid in US dollars, and let us remember that almost all the currencies on the planet, even the Chinese yuan are essentially pegged to the US dollar, without the Fed printing more money to pay military contractors for the US defense government, the US dollar would not have any value.

So what is the solution? Super simple buy bitcoin. In theory, buying bitcoin not the US dollar, could help solve violence that destruction and genocide on the planet, and solve at least 50% of the world issues; considering that about 50% of the world's issues are about money. If you're from a broken family, or if there has ever been any debt or bankruptcy or credit card debt, or gambling in your family, lot of it is actually embedded in financial issues.

Think first principles

Actually, the best way to think about bitcoin is not to listen to your favorite YouTuber or podcaster, but to think first principles, and going back to the source.

For myself, the most interesting book on economics I have ever read is DELLA MONETA bye the Italian Fernand Galliani, who surprisingly wrote the whole treaty when he was only 21 years old, masquerading as a six-year-old man. Essentially I discovered Galliani via Frederich Nietzsche, who quotes Galliani all the time; like some of my favorite quotes include from Galliani "better to be a gay monster than a sentimental bore", or the idea that Eagles fly solo.

Anyways, Galliani talks about money and why it has value; and talk specifically about gold and silver and how in America at the time… The Quakers would actually trade paper money which was considered insane at the time.

To summarize, Galliani said that gold was the most valuable asset and money because it was both beautiful, used for decorations and jewelry, like making your child beautiful by giving them cold jewelry, and also… The fact that it was resistant and robust against the elements, it lasted a long time, and was also rare on the planet difficult to find. And also, how the color in itself is the most beautiful as it shines like the sun. Have a theory the reason why he was like is that in fact, we love this golden yellow color because it simulates the sun and the light, Let us not forget that most of the ancient world they praise the sun God.

But then again Galli mentions wisely how inflation happens and how money is valued, like when the Spanish conquistadors discovered gold in the New World, and brought it back to Europe, the value of gold plummeted because it became less rare. And also in history, there were many places on the planet in which silver was actually more rare than gold, and therefore in some parts of the world silver was actually more prized!

Essentially the moral the story is that money is a man-made concept; and even the notion of capital comes from the notion cap, head, Kaputt, caput-- like literally the head of oxen. Even in the Iliad, a hectic comb is the sacrifice of 100 oxen, to appease Zeus and the gods. Even in today's world, in which an adult oxen could cost you $1000, can you imagine sacrificing 100 oxen to appease the gods? it's like almost burning $100,000, to get the gods to not get angry at you; very expensive. Like a single cyber truck!

What's the point of capital?

There are some simple things, like paying rent and groceries. But beyond this, what is the point of money and capital?

At this point, I'm starting to think of capital and accumulation like the most interesting fun game! 1, trillion times more interesting that any video game out there because it actually has to deal with reality; the problem with all the video games is none of them are actually based in physics or the real world; even professional sports which is essentially a prostitution of the body, is beridden with steroids and drugs and all this bad stuff. The only useful professional sports seems to be the UFC or mixed martial arts, as it might benefit you in a street fight, everything else seems quite useless.

Also a lot of guys were interested, a lot of fools make that analogy that thinking that some sort of chess grandmaster would be a great military strategist, but this is not the case. Because to sacrifice upon is very different than sacrificing the life of a human being. And also… The real world is 1 trillion times more messy than chess, Which has strict rules.

And also in theory… Any skinny fat loser could be really really good at chess, like number one on the planet. But how would he do in a street fight, or player versus player combat? Let us not forget our manly virtues; ultimately… It don't matter how rich you are or how smart or successful you are, if you do not have physical valor and strength, you got nothing.

Good role models

I think having a good role model is critical. Like a Steve Jobs, except he is dead now. In fact, Apple today is kind of a former shell of Steve Jobs original vision; now that Jony Ive has left Apple, Apple is like the new Microsoft. There is no more sex in Apple.

Even Elon Musk has a joke that failed Tesla or SpaceX engineers go to Apple; much more difficult to design a self driving car or a spaceship or a rocketship rather than the next mediocre iPhone.

Michael Saylor, also talks about risks of most securities, like a simple one; how do you know that the iPhone 55 pro will be any good or not? And how do you know if one day… Mainly China closes the doors to international traded manufacturing, if Apple no longer can create iPhones in mainland China with Foxconn, then what? Certainly Apple cannot maintain her monopoly profits if she produced iPhones in Nebraska or in the Midwest, maybe Vietnam but even Vietnam is kind of in bed with mainland China, so if overnight, Vietnam closes her borders to America, Apple would be in big trouble.

I wonder if mainland China's long-term vision is to continue to steal and help her trade secrets with Apple and American corporations like Microsoft and Bill Gates, and then eventually just close her borders to America, and hoping that Huawei could take over the planet? Currently the fact that TikTok is dominating America, maybe her plan is working?

Back to us

So taking things back to us;

First, it seems the interesting idea here is that maybe we should not worry too much about macro economics, like solving global poverty issues here etc., but just starting with ourselves and our own family.

The first one I think is that the simplest way to become rich is to just not get poor, which means don't buy the new iPhone Pro, don't buy a new car or Tesla, don't buy a single-family home even if you could afford it, better to rent indefinitely and put your money into bitcoin, which will go out forever without any maintenance costs, whereas I think if you think about investing in a single-family home… It seems like a good investment idea, but because of the mortgage interest rates, assuming that your mortgage is above 0%, you're essentially bleeding yourself dry, I almost wonder how much of modern day economics is about buying a single family at home and a mortgage, because the banks want to just profit off of this idea?

Once again even if you had a very very low interest rate, even if you're paying about 2%, sooner or later, the interest itself will kill you. And right now the interest rate is around 7 to 8%; too expensive!

And also once again, even if the asset of your home goes up in value, after the cost of maintenance, fixing your roof and water heater and 1 trillion other things which could break, but that means your acid value goes down infinitely because you bleed yourself dry doing maintenance and renovations etc.

And also, I think a big thing is once you buy a single-family home or even a condo… Every time you come home, you'll think to yourself, all of the upgrades and maintenance that you have not yet done, that you need to do. Even for me right now, I've been putting off changing the oil in my 2010 Prius for over a month, barely finding time to even do that! Whether I do it myself or go to a dude, I don't think homeownership is right for me, or most millennials because we have no skills for home maintenance?

The best lifestyle is a zero maintenance lifestyle

You don't want a high maintenance girlfriend wife spouse partner, dog, or negative yielding asset like a Ferrari Lamborghini Porsche etc.

The more maintenance, the worse your life, the more headaches the more stress, the more misery.

I think the sucker of capitalism is that we think that if we purchase these high-yielding stuff, we think we will be happy. But no. If you are happy paying for $1,000 oil changes in your Lamborghini or Ferrari or Porsche 911 GT 3 RS, yes! And I think what I discovered is it doesn't matter how rich or poor you are; nobody likes to pay for these things.

I think the peel of having a Tesla is you never have to get another oil change again. But then again the issue here is that the battery is not designed to last forever, let alone 30 years.

At least your Toyota Prius might last you 30 years, I don't think any Tesla or electric car will.

Go long

On a long enough time span, thinking 30 years, things become simple. You don't need to overthink things too much.

How to make free money

Currently the infinite money hack and trick I discovered is this:

Purchase microstrategy stock with your traditional account, ride it up, and when the value is high, sell the pure profit, and then use that money to purchase bitcoin! And essentially ride it up forever.

Ideally purchase the bitcoin when microstrategy stock is high, and buy bitcoin when it is a bit low. but either way, the ultimate goal is to acquire as many bitcoins as humanly possible, he or she with the most bitcoin shall win.

Even Michael Saylor revealed in an interview with Maddy Reid, the reporter from New Zealand, that his and micro strategies goal was to acquire the mythical Nakamoto, which is 1 million bitcoins, the same number of bitcoins in the wallet of Satoshi Nakamoto, the founder of bitcoin. Also what is a big deal is that since Satoshi was born, he has never touched his bitcoins, or moved them. And also what is interesting is that Satoshi disappeared, the immaculate conception of bitcoin.

Also another reason I believe in it is that there was only first one bitcoin version, no version two. This is the reason why I ended up ditching chain-link when they released the second white paper, and also Ethereum is bad because of all the hard forks, And different versions.

Day trader?

I don't know if this is just a trend, or somehow... When people ask me what I do for a living, I've actually been getting "day trader" a lot.

I suppose in some ways I kind of am because I'm watching bitcoin and micro strategy like a hawk, and I consume every single Michael sailor interview that comes out. I think I have literally watched every single interview he has ever done, from four years ago up until now. And he has been consistent and wise and insightful the whole time; and also what is very meaningful is that the last four years, he has never once advertised his own company, I didn't even know what MicroStrategy was up until maybe six months ago?

Why the future?

My philosophical idea is that capital, capitalism, investing is all about the future and optimism. This is critical because the world is so emo dark morose and pessimistic; if you're an investor, do you think that the future is going to be more beautiful more Urías! If you think that the future is going to be death and destruction, you don't invest, you just consume for today's hedonic pleasure.

Therefore as a consequence, the philosophy investing is for the future; we believe in the future seek it and love it!

ERIC