



Episode 770: Doug CASEY: International Speculator, Take No Prisoners Libertarian

Guest: Doug Casey

WOODS: It's great to talk to you because of this new project you have. You've coauthored a novel, which is a new thing for you, I'm reasonably sure. It's called *Speculator*, and it is getting rave reviews. I was just – part of the reason that we've postponed this discussion was that I was on a cruise a week or so ago, and I had at least two people on that cruise who were reading *Speculator* and raving about it, so I thought, all right, doggone it, we are definitely going to have a conversation about this. All right, let's just get this right out of the way. What makes a guy like Doug Casey, who writes all kinds of investment stuff, newsletters, books, turn to fiction?

CASEY: Well, nobody wants to be a one-trick pony, and that's why I thought I'd do fiction. And you've got to recall, and I'm sure you do, that although Ayn Rand did some fantastic nonfiction books, she became famous for her fiction books, and she sold many, many times more fiction books than she did nonfiction. And also in my case, I've got to say, there are many things that you can say in fiction that you really cannot or perhaps even dare not say in nonfiction. So that's what this is about. It's a series of six books – *Speculator* is the first of the series – that reform the unjustly besmirched reputations of six highly politically incorrect occupations.

WOODS: Well, let's start there, actually, because – well, I want to say something about Ayn Rand, because of her books – I've read all of her fiction books, I've read a lot of her nonfiction, and you're right. Her nonfiction, I really enjoy reading, especially when she's going after somebody. I would think to herself I would not want to be on the wrong side of this woman. She would just rip your head off polemically. She was great at that. The books I enjoyed very much too, but as you well know, the books at times get a little bit wooden, because the characters are giving speeches, and these speeches are obviously transmitting her views to the reader. So it gets a little clunky at times. How do you write a book that is obviously meant to convey a message through a fiction medium without being pedantic and bashing people over the head?

CASEY: Yes, that is the key. And one of the keys is actually don't tell; show. So through the actions of a character that you see what you should do in a given set of circumstances, and I know exactly what you're talking about in Rand's novels – I guess the most famous example is that 100-page-long speech of John Galt. Great for philosophy, not so great for entertainment. And I want *Speculator* and the succeeding novels to be bought for the same reasons as people buy Jack Reacher novels, for instance: because they're entertaining and they're fun, absolutely.

But I'm trying to be instructive in these books too. I mean, *Speculator* has a lot of what I consider my own theory of education, because my hero, Charles Knight, is a high school dropout, but he doesn't believe that people can give you an education or should give you an education. It's something you must acquire by yourself, which implies a sense of personal responsibility. And of course since it's all about a mining fraud in Africa, which is how he turns his bankroll from almost nothing into a gigantic amount of money. So it's got a lot about the stock market and a lot about the mining business. So the book's educational, among other things.

WOODS: Charles Knight starts off with, I think it's \$10,000, and he turns it into, well, six figures, and then well beyond that.

CASEY: Yeah.

WOODS: And I wonder – I don't want to give anything away, but is it giving too much away to say something about what winds up happening to all that money?

CASEY: Well, this happens actually in his next adventure, which is called *Drug Lord*, which we're almost through with, and I hope I'm talking to you this time next year about *Drug Lord*, which is the next book in the series. The government steals it from him. Well, of course in our day-to-day lives, as we earn money the government steals about 40% or more from your income between social security taxes and income taxes and Medicare taxes and so forth. But here they take almost all of it from Charles.

But this is a morality tale, among other things. This is one of the reasons why I think people love *Casablanca* more than they do most other movies. Why movies that are made for teenage boys today that have lots of action and stuff blowing up, they're not going to be around in 10 or 20 years. The movies will still be there obviously, but nobody's going to go back and watch them. But people always go back and watch *Casablanca*, because it's a morality tale. It talks about what's right and what's wrong, what you should do, what you shouldn't do. And this novel's got a lot of that in it.

WOODS: The very fact that it's called *Speculator* is really kind of a middle finger to the world, because as you say, a speculator is not held up in particularly high regard in our society, and it calls to mind – the series of novels that you're contemplating calls to mind Walter Block's series of books, *Defending the Undefendable*, because of course, as you well know in being a speculator, people don't admire speculators. What is the merit of what a speculator does and of what Charles Knight does?

CASEY: Well, Tom, as you know, I'm a big fan of Walter Block's. In fact, we're going out to dinner tonight. I'm in New Orleans at the moment. But a speculator is one that takes advantage of perceived distortions in the marketplace, and people don't like speculators, not just because they don't like George Soros – there's all kinds of reasons to not like George Soros, of course. But a speculator capitalizes on disasters very often, and many of these disasters are caused by the government, which creates distortions in the market, and if you understand economics and position yourself in advance, it's possible to make a lot of money. Unfortunately for most people, all they see is that the market's very low, and therefore perhaps farmers are going bankrupt. So that evil speculator walks in and buys assets cheap, or maybe the prices are very

high, like oil prices, and he's selling things at "extortionate" profits to the marketplace. So this is why everybody thinks they hate speculators. But if we lived in a free market world, there'd be many, many fewer opportunities for speculators.

But I'm trying to show that a speculator can be a good and moral guy, and what he does is when people want to sell and nobody wants to provide a bid, he's there to provide a bid. And same thing when they want to buy. So you're absolutely right. It forms the moral occupation of that, like what Walter said in his book *Defending the Undefendable*. There's a lot of that in this book, as well.

WOODS: But as we talk about this, it's hard for me to stay on the book, and I know I want to talk about the book, but the book of course brings up a lot of themes in your own life, and I know in previous interviews you've talked about the fact that it's perhaps inescapable in one's first novel to have some autobiographical element to it. So for instance, a lot of this book takes place in Africa, and Doug Casey has been talking a lot about Africa for a lot of reasons. You've talked about it on my show. And one of them being I don't want to be on a level playing field with other people. I don't want to be a small fish in a big pond; I want to be a big fish in a small pond. I want to go to a country where within two weeks I can be having a meeting with the president, that sort of thing. Can you talk about that aspect of your life and of the book?

CASEY: Yes, absolutely. And you are correct. They say that everybody's first novel is autobiographical, and there's a lot of truth to that in the case of this book too. And I would also say that if we're talking — sort of anybody no matter what age you are, but ideally if you're a young person in their 20s or their 30s certainly, and you're wondering how to get a leg up in the world and make a fortune if you want, I would direct you to Africa. I would urge listeners that are interested in improving their financial situation not to stay where they are, to be rooted like a plant, which isn't a very good survival strategy for a human, I'd say. Don't act like a medieval serf and be afraid to go to the next village because you've heard there might be dragons. Nobody goes to Africa. Well, maybe they'll go on a safari in South Africa or Kenya, but that's about the extent of it. Nobody goes there other than that. And that's exactly why you should go there. And I suggest, for instance, not going to college. It's a misallocation of four years of time and a huge amount of money. It was in my case, anyway. I wish that I had read this book when I was in my 20s, and I would have done that.

WOODS: What did you study in college, and where did you study?

CASEY: Well, I'm not sure I studied, to start with.

WOODS: (laughing) Okay.

CASEY: But I went to Georgetown, because why? Because at that time everybody from my high school was going to college, and it was just like the thing that you did. And it was a foolish, foolish mistake, actually, but I had not bad counsel, but I had no counsel in high school. It was just expected in my milieu that you went off to college. So what did I study when I went there? That was the second mistake. Instead of taking a hard science, chemistry or engineering or math or something like that, I just signed up for English or history, and these are things that you should just learn yourself in your own time. Worse than that — it wasn't as bad then as it is now. Georgetown's now one of

the most politically correct universities in the country. But the professors will clutter your mind up with all kinds of phony and false concepts that you have unlearn, so it's worse than a waste of time.

WOODS: Yeah, which is why I used to be glad I had — I can think of the example of Roger Garrison. I love this story. He's a retired professor now over at Auburn, and he says that in the old days the kids would show up and their heads would be filled with fallacies, and he'd spend the first week refuting the fallacies. He said today it's so bad, they show up and they don't even know the fallacies, so I have to teach them the fallacies and then the fallacies. Which just reminds me that I would really rather be dealing with a classroom of students who had no exposure whatsoever to any previous college-level training in history or economics. I would much, much rather have people who just have a boatload of common sense. I think I would get a lot farther with them. I'd have a lot less fighting to do with them.

So let's get back to Africa. So don't waste your time getting a non-hard science degree is part of the package. And what else? I mean, it seems like there are a lot of different places I could go in Africa, and I can't treat it as a homogenous blob. There must be some parts I wouldn't want to enter with a ten-foot pole and others that are more inviting.

CASEY: Well, I'm not sure you want to go to an active war zone, but on the other hand, the first time I went to Zimbabwe it was called Rhodesia, and I went there at the absolute height of the war. I promise you I was about the only tourist there that wasn't heavily armed. And I went all over Rhodesia at that time. It was amazing. It was really rather stupid taking buses where there was an actual danger of being ambushed and all this type of thing, and even when you flew into Salisbury in those days you had to pull the window shades down because they were afraid of small arms fire in the capital. It was a fascinating time to be there. That was the worst place to be in Africa at the time. Well, you could go to — you know, I went to the Congo a few years ago between their wars, and it was still pretty sketchy.

But no, you can go any place, quite frankly. I think it's fine. In fact, the weirder and wilder and sketchier the place you go to the less other foreigners you'll find, therefore the more of an oddity you are and the more the locals are going to want to talk to you and higher you can climb in their hierarchy for that very reason, because you're going to have lots of experiences and knowledge and thoughts and ways of thinking that are alien to them and therefore make you much more valuable. So no, I'd go anywhere. I would throw a dart at a map almost.

WOODS: But I'm paying quite a premium to do that in the form of being more or less cut off from my friends, from everything that's familiar to me; I'd have to have a great appetite for adventure. I mean, of course if you want to make great money you do have to make great sacrifices. I suppose maybe that's the answer.

CASEY: Mm, well, you know, the more a person cocoons himself and stays with the familiar, the less valuable to either himself or other people. So I understand, and you're quite correct. It's inconvenient. Sometimes it's unpleasant. It's hard to pull your roots up, but after you come back you'll be way ahead of the game. In fact, you'll be way ahead of the game if you just make the trip, spend some time, make some

connections. You'll be way ahead of the game when you go back home, because you'll have had experiences that the locals where you come from don't have. So it works both ways. I think travel in and of itself is much more broadening than any kind of a formal education.

WOODS: Wow, we could definitely do an episode on that. Let's get back to *Speculator*, though. I want to make sure we get people wanting to read this thing. You were saying that you can learn a lot by reading this book, because it covers a lot of topics that people are going to learn about incidentally as they're reading, but in terms of how people look at the world, how would you like that to be different after they've read *Speculator*?

CASEY: Hmm. There are so many ways of doing it. I mean, in this book I have my hero, Charles Knight, who's a high school dropout, totally a self-made man starting with nothing becoming wealthy, starting with no experience having lots of experience. Anybody can do that. And it's a pity when they don't. You know, I'll give you an example. I'm the godfather to a few people, and one of my godsons when he turned 21 – and maybe I wasn't such a good godfather, because I didn't spend as much time as I could have or should have talking to him and counseling him. And I said, look, you're 21, I'm going to give you a birthday present. I'll give you a choice: \$5,000 or I'll pay all your expenses if you go to a country or countries in South America – this was some years ago – for a year. And he took the \$5,000 and spent it on a car. Well, showed that I wasn't a good godfather, because if I'd spent adequate time with him he would have made the other choice, which would have changed his life for the better. And of course now the car's probably a piece of junk. So that's one of the themes of the book. It's about making choices.

WOODS: How about the way people will look at what it means to be productive or add value, what the state is, whatever, corruption? What other sorts of things might they learn?

CASEY: Well, I have a chance to talk a lot about what these African governments are like, what they do, what the people are like who run these governments. And a lot of comments in the book about NGOs, which are one of the great plagues afflicting the world today. There are thousands of nongovernmental organizations that in many cases are treated with the same respect as governments themselves, which is odd, since governments don't deserve any respect. But it's a lot of on-the-ground stuff, where Charles sees what it's actually like driving through the boondocks in Africa and the other foreigners that he finds there that are working for NGOs and government agencies and so forth. So there's a lot of stuff like that too. I mean, most people are just totally unfamiliar with Africa in today's world, and I think this novel is going to bring a lot of people up to speed about what it's like and give them some idea of the opportunities available, which are tremendous. But most people are just afraid to take advantage of them. Or perhaps they're just too unknowledgeable to even know that they exist, and I'm trying to point that out too. Because I think a lot of libertarians are going to love this book in particular, and so I think it's going to give libertarians a foot up.

WOODS: Do you think it's the kind of book that can change somebody's worldview, which no doubt was what Rand's goal was with her books?

CASEY: Well, you know, everybody wants to change the world. Unfortunately the people that seem to be succeeding in changing the world are these horrible people like Kissinger and Soros.

WOODS: Well, I mean in terms of worldview, like somebody's ideology might be changed by reading this book.

CASEY: Yes, and I think it actually can, because, look, when I read Rand myself, I remember, Tom, the first book I read by her was *The Virtue of Selfishness*, and when I read the first page – I remember very specifically where I was, everything. After I read the first page I actually had to put the book down, because I was shocked that somebody had managed to crystalize thoughts that were just bouncing around in my head in an inchoate manner for years. So I tore through that book and then all the rest of her books. So to answer – I guess to speak to what you just said, yeah, a lot of people won't read Rand's books because they've heard such terrible things about her from their professors and that, so I hope to reach a new audience and do some good, because we all want to do good. I mean, I guess even horrible people like Henry Kissinger and all these people in the upper rungs of government, even Stalin and Hitler, I think they all thought they were doing good. But so I want to take a shot at it too, but in a genuinely good way.

WOODS: Well, I think you've largely succeeded in this book. I guess we should probably though say a word about your coauthor. Tell us who John Hunt is.

CASEY: Well, I was introduced to John by Jeffrey Tucker, and John is an MD, he's about 45, and like a lot of MDs he doesn't want to practice medicine anymore, because it's just too bureaucratic. So it's a hobby for him, as it's a hobby for me, getting into the novel-writing business, because unless you reach the very top of the pyramid, it's like being in the rock and roll business. Nobody makes any money in rock and roll unless you're right at the top of the pyramid. It's the same with writing novels. So I needed a coauthor, and I asked John to construct a Christmas tree according to the specs I laid down, and then I would hang ornaments on the Christmas tree. So I'm very happy with John. And he's also spent time in Africa, which made it a richer mélange.

WOODS: Well, the book is of course *Speculator*. We're going to link to it at TomWoods.com/770. I'll also be linking to other things that Doug Casey does. We'll talk about Casey research there; we'll have previous episodes that he's been on. It's going to be a Doug Casey smorgasbord at TomWoods.com/770. Well, tell Walter Block hello when you see him tonight, and thanks so much for being here today.

CASEY: Tom, it's always a pleasure.