

this is a global player original podcast good morning i'm pleased to be here in israel at this important time above all i'm here to express my solidarity with the israeli people you have suffered an unspeakable horrific act of terrorism and i want you to know that the united kingdom and i stand with you i'm looking forward to my meetings later today with the prime minister and president and i very much hope that they will be productive meetings thank you again another day another world leader pitches up at bengurion airport to speak to israeli leaders obviously this time rishi sunak with the distressing accompaniment in the background of an air raid siren going off presumably meaning incoming rockets from gaza but is this diplomatic maneuvering going anywhere there will be more world leaders who will converge on jerusalem but is this just a pause or is it going to affect what israel does next welcome to the news agents the news agents it's john and later in the podcast emily has done a most amazing interview with the author michael louis the author of moneyball the big short that sold squillions of books and he has written a new piece about sam bankman freed now he is the crypto billionaire that now finds himself on trial the guy that has gone from hero to zero in record short time and michael louis had been following bankman freed from when he was sort of just starting and becoming a phenomenon and has watched the arc as the courts moved in and the us justice department closed in on him and bankman freed's trial began at the start of this month with charges of wire fraud and conspiracy securities fraud it goes on and on and on and money laundering he's pleading not guilty but he could spend 115 years in prison that interview to come but we have to start of course with the situation in the middle east on this episode we want to look at whether anything is really changing in the calculus of israel about what it does next and whether to go into gaza room with what force following the explosion at the hospital we know that joe biden left having got an agreement with the israelis and the egyptians that the raffa crossing should open and as i speak to you now the delivery of aid is still on the border it hasn't got across into gaza to help the palestinians who so desperately need water and fuel and medicines after the period of siege that has been taking place since the hamas terrorist attack in israel 10 11 days ago rishi sunak is there and he's going to be touring the region and britain aren't the biggest players in this but we are a significant voice and presumably it is good at least that talking is taking place because we know that got cancelled yesterday following reports that the bombing of that hospital in gaza was as a result of israeli aircraft and maybe not as it now seems clearer the result of a misfiring palestinian rocket so what can we expect from the diplomacy that is coming up now i've been speaking to shashank joshi he is the defense editor of the economist magazine but a long-standing really distinguished scholar and historian of military strategy we've had the terrible incident of the hospital bombing and might come back to that do you think that's going to have any effect on the speed with which israel launches a land incursion into gaza indeed will it launch its land incursion into gaza i think it will i think it's inevitable if you talk to israeli commanders they talk about a ground invasion of gaza in terms of when not if and israel's political leadership i don't think it could survive a climb down from a ground invasion at this stage but the terrible attack on the hospital or the or the accident of the hospital we might say now given the evidence i think has complicated israel's calculus we've already seen that the episode has caused arab states who rushed to judgment i think very prematurely to cancel their summit with president biden in the last few days and i think that the outrage we see including that which we manifest tomorrow and friday on the west bank where there's already a lot of unrest and hundreds

of arrests just just today i think that is going to stretch israel's attention stretch israel's forces and it will increase diplomatic opposition and uh arab outrage in the face of a ground invasion more than would have even been the case previously so i think this will cause them to hesitate to be very cautious but no ultimately i still think israeli troops going into gaza and shashank the hospital explosion whatever it was there was an explosion terrible in terms of the death toll and appalling for all those gardens who were caught up in it but what happened around that i thought was some kind of illustrative of the 24 hour news cycle of the instant reaction and taking up of arms on social media which and i noticed that you yesterday a very distinguished defense analyst said on the balance of what i've seen so far this does look like it was a misfiring rocket from within gaza yes that's right i think what we thought was a rush to judgment based on limited evidence and i understand israel has been heavily bombing gaza so it isn't outlandish to suspect initially that a israeli airstrike may have hit a hospital we know hamas uses hospitals as bases we know that israel has struck medical facilities in the past we know that these things have happened so it is not wrong to ask that question but one has to be open to evidence as it comes in and one has to be inherently skeptical of press releases from hamas you wouldn't take a press release from you know the taliban on face value and i'd be similarly cautious about taking hamas on face value and what we saw from the images and then israeli claims and then more recently american intelligence based on satellites and voice intercepts is that the balance of evidence does point to this but i will say two things one is it shows why news gathering jonis you know very well it's becoming really interestingly reliant on having the expertise to analyze those images i don't have that expertise you know i rely on talking to a range of experts who tell me look that crater isn't consistent with an israeli bomb it's more consistent with a hamas failed rocket and i talk to a range of them to triangulate but secondly if the king of jordan is rushing to judgment on a cold evening and and blaming israel it's difficult to expect ordinary people watching the news to be more discriminating and i think arab states including those much closer to israel united arab emirates and others their position i think poisoned the well slightly that evening when the first news came in and you yourself when you tweeted what you tweeted yesterday i i would imagine you got considerable blowback because people wanted to believe what they wanted to believe and didn't want to be disabused of that yeah i think it's a sign isn't it a social medias we've seen over the years these people have always been there they would once have written letters to to you john wouldn't they in in in sort of uh said crazy in green ink in green ink and and those people now have access to you and me immediately and to indeed anyone they wish to contact and just to spray out their thoughts but it's not just that i think it's quite serious people you know you will find someone on social media who will compound your priors if you're not open to the evidence if you want to find some vague analyst who's saying actually i think it was you know white phosphorus munition and i've got some proof from yemen you know you'll find someone saying something that validates your view and so you open source evidence it's a free for all so it doesn't change the need for curation and judgment and i think on top of that it results in this sort of bilious poisonous vitriol indeed i think john you tweeted me yesterday and someone responded saying that they thought my name suggested i was jewish i was a

secret jew to which i can only say i'm delighted to be to be welcome to the tribe i'm very grateful and if anyone has the the phone number for the elders of zion please pass it on i understand we all get a copy i mean shashank that i saw that and i thought oh my god so the only reason shashank joshie who's spent his life as a serious journalist is saying that is because he's a jew which is not it is hard it is hard in these environments to hold back from judgment um but i think it's important that we scrutinize the claims of all sides in this conflict that does include israel that does include israel i don't blame people saying israel has in the past not been entirely straight with incidents you know we saw the shooting of a palestinian american journalist not long ago in which an israeli investigation was really misleading at first and then later acknowledged israeli forces had been responsible so it is important i saw israeli ambassador on both bbc and sky a few days ago and on both occasions on the first occasion she compared israeli's actions to those dresden which i thought was very unwise and then she on sky she denied there was a humanitarian catastrophe in gaza which i think is appalling so i am i'm really disappointed with the propensity of actors in this conflict the states involved to directly spread this kind of disinformation this isn't a bottom-up phenomenon alone we're seeing irresponsible acts by some of the most important officials who really ought to know better and we had joe biden in israel yesterday talking about you know it's his belief that it was not the israeli's it was a palestinian rocket and that based on american intelligence how seriously or how kind of credible should we take that i think that this is a really important point because when you read the words american intelligence there's a section of people who say whose brains turn to mush and they say ah but iraq 2003 wmd as if that sort of halts the conversation and is qed american intelligence is always wrong this is a catastrophic way of thinking about the world and people who held that worldview i will say got it very wrong in january february of 2022 when american and british intelligence said rush is going to invade ukraine we know that and other people said ah you're lying to us you always lie to us and people with that heuristic had egg on their face because the lesson is that yes intelligence agencies get it wrong and sometimes yes that intelligence is politicized when policy is at stake and i don't blame people for being skeptical to a degree about us claims which affect their close ally israel but on balance on balance american intelligence knows an awful lot in this case they saw probably the rocket launches using the infrared sensors on their satellites their cybers satellites which collect the heat plumes of rocket launches and they have incredible capabilities in the region because there's an aircraft carrier strike group in the coast of the med flying back and forth hoovering up every single radio wave an electronic emission that is coming out of gaza they are watching it like hawks and i think if you assume everything u.s intelligence says is wrong simply because they are you know biased or ideological i think you will end up making a lot of analytical mistakes along the way and i've seen that so many times in recent months and years shashank joshy thank you so

much for being with us thanks very much for having me again
after the break we'll be talking to the author michael lewis about his brilliant new book about sam bankman freed emily has been speaking to him about the rise and spectacular fall of a crypto billionaire this is the news agents
well join us now is michael lewis writer author you might know him from moneyball or the big short his books have inspired these huge blockbuster oscar winning films but we're going to be talking

to him today about sam bankman freed because his latest book tries to help us get to know the guy that was at one point michael i'm going to say destined to be the world's first trillionaire and is now in jail yeah yep now in jail now on trial right yeah you met him a lot of times i mean you sound in the book like you love him love is too strong i like him i like him i like him from the beginning i like him now and what i really liked was him as a character i mean i bumped into him accidentally i didn't go looking for to write a book about sam bankman freed someone asked me to meet him and evaluate him for them and i didn't know who he was when that happened but after a couple hours hearing his story i thought this person represents a literary opportunity he's gone from having no money to having 22 billion dollars in the space of 18 months the world is reshaping itself around his pile of money and this phenomenon of someone being able to get that rich that fast is a very contemporary phenomenon you'll find that happening 50 years ago do you think you were taken in by him no of course not i mean i don't write this book until january i have all the information the world has when i write the book i was able to understand him in some ways that the world does not bother to understand him and before we sort of go backwards

he's on trial for fraud but the actual charges are all kind of complicated and they're complicated this is something i didn't understand until recently and a prosecutor explained it to me he's charged by the federal government in federal there's no federal theft statute so you get charged with things like wire fraud and it's using communication systems to enable a fraud so they're five or six money laundering i mean these what he's really charged all comes back to one thing and it's taking the deposits of his customers on his crypto exchange and moving them in billions

of dollars onto his own private hedge fund so if this is just now starting to ring bells for you he's the ftx guy he's the guy that went bankrupt last november and then this huge sort of extraordinary story of the billions that he was making seem to collapse and he's now as we said languishing in jail will come on to the kind of end of the story at the end michael but you i mean you spent a lot of time with him do you get sam i do think i eventually get him he wasn't like anybody had ever known so it took me a while to get him but there was a collection of features that was just in the very beginning just interesting like for example he was seemingly born unendowed with natural human feeling that he says he never felt really loved he's never felt pride he doesn't feel empathy very open about it like i just can't feel what you feel like a color blindness you say he doesn't feel pleasure i don't feel pleasure you're right that's almost impossible to get your head around it is hard to get your head around he feels absolutely numb for example to any sort of art or nature totally denatured and his way of moving through life is math it's sort of like calculating trying to quantify the world around him and responding to those numbers and i've never really seen that to that extreme moneyball is like sort of that in sports like using numbers as opposed to everything else all the other information you're getting to evaluate an athlete and actually has some value and it does get you to different places sam was doing it in his life like making a decision based on numbers about whether to have children or get married or this or that or be your friend and he had a really odd childhood i mean in a way he was a very normal childhood but he i mean i love this line he was totally freaked by finding out that kids believed in santa claus or adults believed in god he was just like why are you so stupid so it tells you something about how isolated he was and how odd his parents were in the way they raised him you know that he's 10 years old before he realizes that people actually believe in god

but when he's eight years old some kids in school are talking about santa is about to come and he says what do you mean santa is about to come he'd heard about santa claus but he thought of his almost a tv character like a cartoon character he thought it was like bugs bunny and when he starts talking to these kids he realizes they really believe this story about the elves and the chimneys and the sleigh all that and he actually is disturbed he goes and thinks about it what does it mean that human beings actually believe this and he comes away with the view that well what i've just learned is a human property of human beings is that they're capable of mass delusion and this is one of many examples of sam begman free sort of decoding other people the way like a martian might

that is like how people work and mass delusion i guess is really important oh my telling the story of what he does next but he's sort of like it's of a piece with lots of the rest of him the fact that he doesn't make facial expressions doesn't know how to make so when you say something amusing

he eternalizes it is amusing but his face doesn't smile and it's not until he realizes some ambition in the world and he's older that he actually gets out a mirror and starts to try to manufacture facial expressions so other people can read him better i mean people would say sort of slightly glibly or trying to find an identity this is spectromy right yeah people say autism right and i never do partly because words are boxes you kind of put people a word on people and then everybody says oh that's that and i always felt with him that there was no box that fully contained him for example when you hear autism or spectromy you don't think oh that person's really good at reading other people and he was really good at reading other people like very astute about like who that person was and why so one of his kind of evangelisms if you like i mean he doesn't believe in god he doesn't believe in santa claus but he does believe in this really extraordinary kind of concept of effective altruism you call it ea yeah just talk us through that this is sure what it is i mean to precy he believes it's worth making huge quantities of money because you solve the world's problems like that more effectively this is i think the a single example in all of my work of you people doing weird things to us you english people this comes out of england normally it's americans dreaming up kooky things and inflicting it upon the british this is some oxford philosophers who extend essentially utilitarianism into the world in a practical way they say all right if at little cost to myself i can take a little bit of my salary this is how it starts and effectively give it away in africa so it saves a life this isn't just like a nice thing to do it's a duty and there's a philosopher at oxford writes paper estimating what the consequences of his taking half his salary for the rest of his life and giving it away effectively and he calculates that for example he can prevent blindness in 80 000 children in africa so you're better off being a banker that makes or a financier that makes a lot of money so this then they extend it takes a bit but the philosophy that sam begman freed collides with when he's in university is if you're thinking about how to maximize the lives you save if that's kind of what the goal is return your life purpose into a math problem and you have a choice of for example going and being a doctor in africa and saving lives there or if you're really good at finance you go on a wall street and you make millions of dollars you pay 20 doctors to go to africa which do you do and the argument is well the math says you go become a wall street person it's the bill gates model the basically solve malaria after you've done microsoft yes but bill gates didn't create microsoft to solve malaria he didn't make money in order to give it away he's giving it away this is a peculiar thing and if you anybody's written about wall street is kind of near wall

street would have been struck around 2013 14 by these reports of kids who are coming out of princeton harvard yale mit who were going to work on wall street explicitly to give all the money away and living very modest lives and that's not what people are going to wall street for historically they're going to mostly to make the money and keep it or give it away to their universities to have a building named after themselves it's a movement that is actually became kind of noticeable and sam begman free was in the early days of it so how did he go then from

being this kid who actually wants to save the world or do good or become the mega philanthropist to a guy who's in jail for fraud it's not that complicated the goals never changed so the other thing you need to know about the movement i think is actually kind of critical to understanding his development movement goes from oh let's save living children in africa to if you do the math and you're trying to maximize the number of lives you save which you really need to do is look at catastrophic risk to humanity things that might wipe out all human beings asteroid strikes or artificial intelligence or a really bad pandemic and if you accept that that's even possible or climate change that all people could be wiped out then all people be wiped out for all time and you can slightly reduce the risk of that happening the the expected number of lives you save is much greater if you attack those problems and if you attack living problems and so this movement jumps the shark and sam jumps the shark with it and they're suddenly looking at how do you

build a pandemic prevention system around the world so that next really deadly thing doesn't happen

and that requires not millions of dollars that requires hundreds of unlimited sums of infinite money so all of a sudden the financial ambitions start to get very very outlandish so one of the ways i thought of sandbagman freed is like one dystopic version of artificial intelligence if you tell an ai and this is one of the dystopic thing if you tell an ai program to do something but don't tell it how to do it or what it can't do in doing it you can get some perverse results say you want you say get me a reservation in my favorite restaurant you don't tell it anything else it finds your favorite restaurant that evening is fully booked and it just starts killing off the people who have reservations to get you a table this is sandbagman freed so it is how it's sort of like okay that's the goal and we're not going to put any guardrails on how this goal is accomplished now you also have to keep in mind he's doing this in crypto land this is not like he's not doing this in the city of london and at a regulated bank crypto land is the wild west i'm not totally sure that a lot of other crypto exchanges aren't structured much the way ftx was and in fact especially the asian ones if you talk to the chinese employees they see what happens that he's moved all the customer deposits into his private hedge fund they weren't shocked he did it and they or even surprised that he'd used some customer money they were just surprised by how much because they had come from other exchanges where they'd seen similar sort of stuff this suggests

there are more sandbagman freed yes question is are they within reach of the american legal system i mean what's odd about this is he's been pulled into the united states and tried in the united states he was mainly an offshore business but he is american and he was in the bahamas and he did have a u.s subsidiary but their exchanges whose names you've never heard of who are in china or in hong kong or no or stateless that the u.s is just can't reach but just to go back to this i mean how does a man who wants to be an effective altruist yes get accused of fraud i mean you think he

could go down for this right well your problem is you're thinking effective altruist just means simple good nice yeah being nice that's not what that means it means it goes back to your restaurant if i need to kill everyone in the restaurant to get my reservation that it's sort of or another way of thinking about it is that if you're doing the cost benefit analysis properly the ends can justify the means okay so that's an interesting one because at one point he tries to buy donald trump out of the presidency to save democracy right so this is a wrinkle that sam bankman freed adds to effective altruism the effective altruist became kind of other worldly they're dealing with not like living problems but i guess they're living problems but they're thinking about saving the life of humans a million years from now living on mars they aren't thinking they're kind of detached from reality and sam takes the view like all these problems we're trying to solve are not going to be solved if there isn't a functioning democracy especially in the united states this is the mechanism for solving the problems and donald trump is an existential threat to the democracy so we have to find a way to prevent him from being president again and they cook up this idea of paying donald trump not to run for president now how far they got with it is still unclear when i was talking to him about it they were sure it was legal like you could actually well it's deeply anti-democratic well it looks like it looks like a bribe right right it's like a but also i mean i put this to him he didn't have a good answer how enforceable is it if you give donald trump five billion dollars and that was the number he's gonna run anyway he said we could take the money and run that's what he does and so i just thought it was cuckoo but it was a funny very sam bankman freed approach to the problem it's like you've got billions we got this problem maybe you can just be paid not to do it but they did what was clear they clearly had a line into the trump operation because you could see things they were planting in the trump operation actually happening in trump world it was a real conversation how much donald trump was actually part of that conversation i don't know but his people were do you feel sorry for any of sam bankman freed's victims here the people who lost money well i'm a i'm a customer i had money on the u s you probably made it back on your book now yes i do i think there's an important fact it is going to have trouble getting itself into the courtroom but is useful if you're trying to evaluate this from outside the bankruptcy people have counted up the eight point six billion dollars of funds that were missing seemingly lost but they've also in june announced they found seven point three billion of the eight point six billion so whatever seven eighths of the money and it wasn't that they went and kind of clawed it back from people sam had given it to it was that it was in weird accounts in crypto land so in addition to that this is where it gets really odd sam invested some of this money in 200 different venture capital investments like startup companies one of his investments was a 500 million dollar investment in an ai company called anthropic which when the bankruptcy people and get this stuff you know a year ago they think oh this is like an example of sam bankman freed's insanity they gave 500 million dollars to this startup and it doesn't have anything but an idea this company has just been valued by amazon who's investing in it at 30 billion dollars and so sam's i don't know what else is i do know what else there's a whole bunch of other stuff in that pile of venture capital investments that valuable but it's an example of that stake alone together with what they found will pay everybody off so it's really not unlikely that you're going to be sitting here two years from now and sam bankman free will be in jail for life and the customers who you feel sorry for are going to get their money back so you think it could be jailed for life oh yeah oh my god yes your experience with your legal system does not prepare you for what he's on the other end of in our legal system

last year the federal government united states charged 77 000 people with crimes if you had to guess what percentage of those people actually get off what would you guess you'd probably guess like 10 percent 15 percent less than half of 1 percent so just for starters just to be on the receiving end of federal charges more than 99 and a half percent of the people either plead guilty or if they get to court are convicted so already his goose is cooked and then he's got three of his colleagues very persuasively testifying that he knew about the money and the being in the wrong place at least it as of june do you feel sorry for him do you worry about him in prison i actually and this is his psychiatrist would agree with me on this sam bankman fee would rather be in prison with internet access than in a 30 million dollar condo without it it isn't the prison the way he lives his life the prison is not going to bother him all that much it's going to be the being cut off from information and the rapid kind of distraction that the internet provides i think if they cut him off from that it's like torture to him do you think he has a kind of god complex i think he developed it i don't think he had it i don't think he had it when he was a kid he certainly didn't have it like we was in college what happened was something developed and the way it developed is interesting effective altruism is part of it right because what is effective altruism that's kind of a god we're going to save humanity right it's we're going to save humanity from existential risk so it isn't just sam the movement has this kind of flavor to it that we are superior beings who are going to save this species and he was the face of the movement so that's part of it but the other part of it is sam bank freed had nothing didn't think he had anything special about himself he knew he was bright right i mean he knew he was going to go to a good college and he was the best math student in his high school class best student in his high school class but he didn't have a sense that he was really special until he collides with wall street and what his mind does that he thinks is he can do better than almost anybody else isn't it revealed until he gets to wall street and it's not wall street generally it's specifically this modern incarnation high-frequency trading these firms which many people have never even heard of they actually now sit in the center of all financial markets they're the price setters of every financial security commodity and security and their names are you know citadel and vertu and jane street and jump trading it's not city group or jp morgan or goldman sachs or any of those they're the young turks the new guys the new guys are actually and the money they're making puts what the money that was made by previous generations to shame i mean it's like single traders making a hundred million dollars a year people who own the firms worth ten billion dollars you know that kind of money and they're looking for a kind of person who that they didn't used to look for there's like no social filter it's purely an intellectual filter and it's a mathy person these people coming out of math and physics departments at mit or harvard and when they find sam they subject him to a battery of tests like they subject all of the applicants to and they're really weird tests it's kind of a mixture of the way you describe it it's sort of gambling and decision-making it's gambling decision-making but it's very weird gambling and decision-making is gambling and decision-making where there's often not a perfect answer there's just a better answer and sam would say that i mean to put it in a more simple terms that if you play sam and chess or you put sam in a chess tournament oh he's good enough at chess he's good he's good but he's not good like a chess champion but if you change the game and you have to make a move every five seconds and you change the rules

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every two minutes so that queens or pawns or rooks or knights so that it's constantly it's unstable but it's not totally chaotic your brain can help you it just can't get you to the perfect answer that's like the financial markets are now and the way people are in financial markets and when sam discovers he has this he thinks he's really special and this has a knock-on effect so it speaks to the god complex it's like you couple that with the ea stuff and then you give him the capacity to create these chaotic environments in which he excels so you look at ftx and alameda he just tried to create an environment that was as unstable as a chess match where you have to make decisions every five seconds and the rules change all the time and everybody in the place is unhappy but he thinks that's what he's good at and so he creates the environment he's good at let me talk more broadly about the world that you kind of once inhabited now you write big finance the big short i'm gonna play you a clip you'll know very well from the end this is steve croyles character i have a feeling that in a few years people are going to be doing what they always do in the economy tanks they would be blaming immigrants and poor people but mark was wrong in the years that followed

congress had no choice but to break up the big banks and regulate the mortgage and derivatives industries

so i guess you had some hindsight which was the film was made six or seven years after financial crash but it was made just at the point where donald trump was coming into power or was in power right that whole line about blaming immigrants and poor people i wonder where you think we are

now because the financial markets are still doing what they do people are still finding ways to make money the poor are still getting blamed the populace is still rising you can be a sage about this stuff but still not stop anything right it's combustible it's combustible because the financial system at least in my country i don't know about this country is an extreme example of the industry having captured the regulatory process that you can't actually fix the problems that are leading to people essentially excessive returns in finance but it's symptomatic of a broader problem like the gears of government are just grinding very very poorly right now and if you think about one of the takeaways my takeaways from the sam bankman freed story and the elon musk story and the jeff bezos story and the mark zuckerberg story it's the relative power of individuals and institutions is way out of whack and if people were looking to sam as they were to like fix the world's problems it was because they'd given up on the existing institutions as a way to fix the world's problems like incredible frustration with it's not just financial regulations climate changes ai regulation now it's just can people always been frustrated with with the government isn't that the point yes people have always been frustrated but i think we know what they think their polls the levels of trust in the united states government have collapsed over the last 30 years so they're more frustrated now than they used to be and it's palpable you know you feel like it's just like we've gotten to the point where the government can't solve any problems you say the government i mean we've got two candidates potentially standing who i think the least poll was 70 percent of the american electorate don't want to see stand for either party Biden or trump right but you know it's worse than that it almost at this point doesn't matter who the president is because of the poisonous relationship between the people and the government just a lack of trust that collapse in trust and it's interesting to me to see how in that vacuum when there's a collapse in trust people like sam bankman free can walk in and in 18 months be the person people trust there's the one kind of grown up who was in his operation

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who was kind of crying after it all went bad he said something she said i wanted there to be a sam someone who would stand up and kind of do these things that we expect our government to do and i could tell you i promise you that that feeling was universal in that collection of people around sam bankman free the famous people who tom brady or the well i remember when people were talking about would mark zuckerberg run for the presidency i mean you know a million years ago

before face could you imagine i mean mark zuckerberg if he was sitting here he couldn't carry on a conversation with you and sam bankman free to apparently entertain some thoughts that maybe he would do that again like if people he'd stand for the presidency yeah came out in the trial he told his girlfriend this is all pillow talk so you know you have to take it with a grain of salt but that he thought he had a five percent chance of becoming president which is very sam like adding

probability to it but if sam has a five percent chance of being president i have a 20 percent chance of becoming president like he just like has no social ability but it is it's a byproduct of this collapse and trust in our government and a byproduct of cryptocurrency which was always meant to be the answer to bad government is now we know being used by hammers to raise millions as the wall street journal reporting yesterday you raise millions in crypto and the next thing you know you're creating a massacre that's right that's right the story of crypto this currency it's dreamed up in 2008 by someone who's still anonymous but who's calls himself satoshi nakamoto who says that he's creating this thing that can function as a currency that doesn't require banks or governments as in any kind of intermediary so you and i can just have our own financial system between the two of us without going through a bank or needing a government currency and he's doing this he says because you can no longer trust these institutions so the whole point of it is to get around your mistrust of the existing institutions and not need institutions and what the crypto world goes and does is rebuild all these institutions just in a worse form they build exchanges you're not even supposed to need a crypto exchange they build brokerage houses they have banks the problem is they're all unregulated and it's all going to be done in secret and there's no deposit insurance all the things that sort of like make you a little more safe in the financial system and leave you less needing to trust in the goodness of your fellow man that they never institute so the moral of the story could be we should all run headlong towards regulation and regulators and say thank god they're here or we should empower them i think this is right the problem with an unempowered regulator a semi-empowered regulator is it's not that they do nothing it's that they do the wrong things because they can't actually tackle really powerful interests if they were empowered to tackle powerful interests would all be better off and probably happier with them because they wouldn't do stupid things they do fewer stupid things i mean it's true that like regulation can be bad it can create perverse incentives it can create inefficiencies all the rest but you really don't have a functioning society without it and crypto is a space where occasionally people get punished they live in this world that they think they can do anything and then every now and then a hammer comes down on one of them and that's what's just

happened with sandbagman free michael is just brilliant to hear your thoughts thank you so much thanks for reading it

this is the news agents

before we go there'll be full coverage tomorrow of the by elections in mid bedfordshire and

[Transcript] The News Agents / The rise and fall of a crypto billionaire

tamworth and obviously the latest from the middle east i keep looking around expecting the door to open at any moment to the studio and louis to walk in because there's been some new delay to his honeymoon but remarkably it looks like he's actually going on his honeymoon who would have thought it before i go just to tell you what happened on my journey home last night from recording the news agents i was at lester square tube station and this woman smiles very warmly at me and goes oh it's you isn't it she was scottish even though you might not have been able to tell from the appalling accent and i smile and i kind of feel smug and self-important and kind of you know a beatific smile comes over my face and she goes she's with a bunch of students she turns to the students says oh look it's that bloke from coronation street it was a bloke from coronation street it was the person sitting next to me she didn't have a bloody clue who i was i was an absolute nobody and the guy from coronation street stands up poses for selfies with this bunch of students and i sat there feeling all right charlie we'll be back tomorrow bye bye the news agents with emily matress john sope and louis goodall this has been a global player original podcast and a person phonica production