



AxisofEasy #5 Salon: Will “The Great Opt-Out” be able to scale?

Mark Jeftovic, Jesse Hirsh, and Charles Hugh Smith

Mark Jeftovic:

To say *spy vs spy* perpetuated inequality because the white spy won more often than the black spy and it was like, this is unfair and perpetuates inequality.

Charles Hugh Smith:

Yeah, I had a near nervous breakdown when I read that *Mad Magazine* was ceasing production essentially. We’ve lost, you know, something more important than *60 minutes* and *Time Magazine* and all that other crap.

[Theme Song]

Jesse Hirsh

We were just discussing *Mad Magazine* and how their important satirical role is necessary in serious times such as the pandemic; and while we may take for granted that satire is of great abundance in the era of the internet, I think none are able to live up to both the quality and tone provided by *Mad Magazine* and that might be why we lament their absence so greatly.

Mark Jeftovic:

Yeah, that’s brilliant.

Charles Hugh Smith:

I would just add that *Mad [magazine]* was a take no prisoners across the spectrum which is why we value them so much. They would take down any sacred cow, you know? Left, right – anything.

Mark Jeftovic:

I remember this one cartoon that they had where they were ridiculing non-conformists; and so, they got a crowd of people standing over on the left and over on the right, there’s a guy holding a sign saying “I’m a non conformist”. And of course, you know, one by one

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people ran over to the non-conformist side until everybody was standing under the I-am-non-conformist sign and that was the new conformity.

Jesse Hirsh:

That was one of my favorites. I remember that. That’s why I call myself a Groucho Marxist. I will never join any club that will have me.

Mark Jeftovic:

They did an absolutely brilliant take down or analysis of advertising. This pre-dated – Do you remember the movie Richard E. Grant “*How to Get Ahead in Advertising*”? You know – sell them fear? Well, *Mad Magazine* anticipated that by like 15, 20 years. It was like, created a need by instilling a fear that doesn’t exist.

I remember the example they used was: “Do you have ear odor?” They had a picture of an ear with a stink bomb coming out of it and people running away – screaming. It was like “use this product!!”.

It was amazing! They were so far ahead of their time. Well, not ahead of their time, they were right in the pocket. They understood. This is what the world is, you morons. This is what’s going on around you. So they weren’t ahead of their time, they were just bang-on their time.

Jesse Hirsh:

One, and I think they’re part of the genre that included *National Lampoon* both in terms of the original *National Lampoon* magazine. But then, all the things that spun off from *National Lampoon* which included *Saturday Night Live*. *National Lampoon* kind of overlapped with *The Second City* out of Chicago. So I kind of feel that the state of satire today owes a huge debt to *Mad Magazine* and *National Lampoon*. And, you know, to Charles’ point, because it was equally critical of everybody. It fostered a culture of satire and satiricism. That we need to be revisiting and rekindling and refreshing as we head further into the kind of dark tunnel that we seem to be headed.

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Mark Jeftovic:

Yeah because today, satire is basically offside of the lines of decorum. It's going to - Everything satirical is going to offend somebody, so you can't do it.

Jesse Hirsh:

And furthermore, satire is partisan. That you almost had to choose sides when doing satire, which is tragic.

Charles Hugh Smith:

Yeah we're left with the *Not the Onion!* headline on *Zerohedge*. It's pretty much one of the last sort-of reservoirs of satire.

Mark Jeftovic:

Babylon Bee is good. They're like Born Again Christians or whatever but they're very, very funny. But going to your point about partisanship, who's that Australian comic---

[short clip plays]

Jim Jeffries, short clip:

Now, before I start saying this, I want to say this, alright? I believe in your right as Americans to have guns. I'm not trying to stop you from having guns. All I'm saying is, this is my personal belief on the opinion. My opinion on the bel---- ah, it doesn't matter. I don't like guns.

Mark Jeftovic:

You know what? Let's not waste a lot of time on it cause I'm not going to remember it. I just remember that his anti-gun skit is one of the funniest comedic skits in today's era. And I'm not an anti-gun guy, but the ability to laugh at something even if it attacks your own sacred cows or your own ideology is a lost art these days. And some types – was it *Reason Magazine* or something? There's this guy who used to do this *What to get your libertarian friends for Christmas?*

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[short clip plays]

Andrew Heaton, short clip:

Someone on your naughty list? Give ‘em a lump of coal. Someone on your nice list? Give ‘em a stocking full of coal!

Mark Jeftovic:

And it’s just absolutely hysterical takedown of libertarianism in all its forms and it’s just across the board hilarious. But again, it’s a rare art to be able to laugh at yourself these days or to laugh at your own sort of camps.

Jesse Hirsh:

I think we’re losing Mark a little.

Mark Jeftovic:

I thought I was losing you guys. What’s happening with the audio here? You know what? Give me one sec –

Jesse Hirsh:

This may be a good way to roll into the show.

Mark Jeftovic:

I thought we were into the show – but hang on, I’m going to come off the VPN for a second to see if that improves.

[short break]

Mark Jeftovic:

How’s this, guys?

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Jesse Hirsh:

Feels better. My point was just -- this should be included in the show. Because one thing I'd like to talk about this week is the state of the internet and in particular the state of rural internet given where I live. But I also think that, you know, given both the way in which we have these conversations and the way in which most people are living, I think it's important to acknowledge the precarity of internet access for many people because I don't think that that's going to get any better. I think having these glitches is part of the show. It's the kind of honesty that's worth sharing.

Charles Hugh Smith:

Hey now, here's an idea: we don't edit that out.

Mark Jeftovic:

No, we'll keep it in. Yeah, for sure.

Jesse Hirsh:

I also wanted to respond to your point, Mark, about satire transcending ideology. That I've always believed that the path to an open mind is via the stomach; and that's either because you fed somebody and their stomach is full so they're willing to listen to you, OR because you made them laugh. Because I feel that as soon as you get that belly laugh, that's when someone's mind opens up just enough that whatever you say after that belly laugh, they're going to listen to. And they're going to contemplate. And that's why I think John Stewart and Steven Colbert originally had the ability they did.

But I think the next challenge is to transcend the partisan – to transcend ideology and see the rise of new comics. If you're able to communicate to people rather than have to hide or cower within their own tribe or within their own political affiliation.

Charles Hugh Smith:

Well, we're going to have a crowded show because I want to speak to Jesse's point about the possible overload of the immune system of democracy; and to Mark's point about the potential for soaring inequality beyond the soaring inequality we already have –

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essentially the institutionalization of extreme inequality. And for myself, I want to talk about how the pandemic is giving everybody this freedom to bail out on what they really hated but didn't understand how much they hated it until they had a couple of weeks away from it.

Mark Jeftovic:

You reminded me of an old cartoon because we're talking about *Mad Magazine* and all that; and I saw a really old cartoon once and it was these black and white – these two sort of like *Mad Men* type of guys suits who are at a bar, kind of hunched over their drinks and one of them says to the other “I think the best gift I could get for Christmas is to somehow hang on to my lousy job”. And it was in the middle of a recession and and it was just --- it looked -- anyway, but nowadays people don't maybe see that their lousy job has been taken away from them by edict. or their lousy job continues but they're working under different circumstances which make it not so lousy. For a lot of people, what makes their job lousy is the two-hour commute either direction. And a lot of companies now are saying - *You know what? We've kept the wheels turning for everybody working at home, maybe you could continue to do that. So...*

Jesse Hirsh:

Mhmm-hmm. I agree and that's where people can find optimism amidst this uncertainty. I mean, I kind of feel that the past week since we last talked, one of the big news stories has been the reopening. And I think this is happening right across the continent, and to the lesser extent – across the world. And I think that on the one hand is meant to give people hope? Is meant to sort of give them a breather amidst what I assume is going to be a second lockdown? But I agree with this idea that this is a moment of reinvention. This is a moment in which people can go, you know: *I really didn't like that commute I had or I really didn't like my job or you know I really didn't like the way in which climate or in which surveillance or in which all sorts of public policy issues were handled.*

So I think that this is a real opportunity in terms that of reassessment. The question is how does that match up with our collective cynicism in terms of the state and the state's ability to be responsive or lack thereof. And the potential for repression both to crush any people's attempt to pivot or reinvent themselves because there's so much in the status quo that is threatened by that -- you know airline industry in particular. I think a lot of companies are going: *why are we spending so much on travel when internet collaboration*

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seems to be accomplishing the same thing? I think there are a lot of those choices currently being made that are going to have a huge impact on our economy moving forward.

Charles Hugh Smith:

Yeah. Mark, can I go first?

Mark Jeftovic:

Go ahead, yeah. Absolutely.

Charles Hugh Smith:

I totally agree with your conception of it and the interplay between the individual’s choices and the state’s attempt to coerce them. To return to a past which is no longer viable; and so I used the term “opt-out” – Mark knows this – from our previous conversations and it goes back to the Roman Empire and I think it would probably be true in the Mayan Empire and every empire – the Tang Dynasty. When things started unraveling, people individually decide: *I’m out of here*. And they find some other way to live that they would’ve previously thought was impossible. So in Rome, when the taxes – of course – were never paid by the super wealthy, they ended up being on the small farmers and tradespeople. And they became crushing so people left and they joined the monastery. Not as a monk but just as one of the hangers-on around the monastery which was a self-sufficient economic unit. So they got out. They got out and opted out. And they might not have made that choice, but it turned out to be when push comes to shove, well, that was the better choice for them.

And so now we have this thing- as Jesse commented on – we’re pushed to keep borrowing and spending. And I saw CNN which is sort of a comedy channel in it of it. So...unintended satire maybe? I don’t know, it’s like, well, now we’re in a crisis because Americans are saving again. They’re hoarding cash. And it was just like the 1980s. And I wrote about it because I was like: wait a minute, the 1980s were a widespread boom and it’s because people were saving! Not because they were hoarding. And the only thing you control is your savings. You know, your labor and your savings. That’s the security you control. And now that’s in – demonized -- to Jesse’s point. So now we can see all this coming to fruition, right? You’ll be demonized if you stop flying. You’ll be demonized if you stop going to a bunch of doctor’s appointments and taking your twelve handfuls of medications everyday. If you start opting out of all this stuff, it makes corporations miss

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profits. Then you're threatening the whole system. And that's not even talking about what you might not comply with in terms of state authority.

Jesse Hirsh:

And I find compliance particularly relevant because I feel, you know, explicit state coercion - I don't think that's viable. I think the extent to which multiple generations, certainly North America have grown up believing in their own agency even if it's a myth; believing in their own liberty even if it's elusive.

I think part of the challenge that the state has faced in this crisis is old school coercion is not possible. But indirect coercion, in the form of system compliance, that's something we're all used to, right? We're all used to having to comply with conditions for work, we're used to having to comply with conditions to do things like be in a mall, or be able to travel. I think the way in which whether it's compliance around how you behave in a store, compliance around how you are in an airport. Or in particular I think most people are anticipating is compliance to leave your house. And that's where I kind of feel that this current “reopening” is a little misleading because it is chaotic, right? It is just: *okaaaay you are all isolated, now go out*. And I don't think that's going to work. I think it is going to result in a second wave of infections that are pretty severe. And then I think the real reopening that follows after that is going to be very systematized. It's going to involve different layers of systems that we're starting to see in terms of things like fever checks, contact tracing, and other location-based surveillance comes out. It could be done in terms of where you travelled or who you've been exposed to.

But this constant compliance keeps coming back to me, because it strikes me as the path to coercion that is still viable. That if the state says you can't do x, people are going to do x. But if a system says you can't do x, then that's where the people say *okay, I can't do x*. I abstractly think that this is video game culture but it's also social media culture. People know if there are certain things they can do on social media, and certain things they can't. And so compliance with the system when it's done at an unconscious level, I think is viable – vs when it's conscious. When they tell you don't do this, they will. And I'm not being as articulate as I might want but I'm trying to imagine the type of coercive system that we're entering into because I think it is going to take advantage of [inaudible 16:52] introduce perpetually and slowly, it will be harder for people to rebel.

Mark Jeftovic:

I got chills down my spine as you're describing this because this is, I believe, exactly where we're headed. But to your point – they won't say *you can't do x* but the system will say – you know, it won't be the government vs the system saying *you can't do x*. The

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government will understand they can't say that because suddenly, you have militia men downtown with pick-ups and machine guns. But, first, if a system that has been in place says that in order to do x, you must be y. Then people are going to go *oooh okaaay hang on, where's my immunity passport and do I have my mask with me?* And all of that stuff. And so it sorts of like almost gammafies society with the compliance baked in. Like a friend of mine who's absolutely convinced that when they finally have what they call a vaccine – he disputes that there will ever successfully be a vaccine – he says that we've never had a coronavirus vaccine, we've never actually successfully done one. If we did, we'd get rid of the common cold.

Anyhow, they're not going to make it a mandatory vaccine. It will be – well, without the vaccine, your kids can't get back in school. Without the vaccine, you can't get on a plane. Without the vaccine, you can't go into COSTCO. And so, it won't be mandatory. It won't be the government saying that it's got to be like this, but then everyone will just point at this system – in this, you know, ubiquitous system and say *woah, what can we do? It's coded into the system, there's nothing we can do. Unless when we scan your phone, we can get this little check mark on our screen that everything's okay.* And people will sit still for that, I think. A lot of them will. A lot of them won't, I hope, but...

Charles Hugh Smith:

Jesse, go ahead.

Jesse Hirsh:

I mean as you know Mark, I believe in the science of vaccination and some of the takes in vaccines a lot. And I also agree with what your friend was saying, which is I'm not sure we're going to get a vaccine. But, to your point, I think we could get a short term vaccine. A vaccine that lasts 6 months or 9 months – the way we get an annual flu shot. And I don't think it's going to be mandatory but I think your point is fair; that in many circumstances, it will be a requirement for participation. You want to be able to go to the baseball game? Well then the baseball game requires proof that you either have immunity in terms of your antibodies or you've taken the vaccine and you're not a public health's risk. I think the logistics of that would be difficult but I think that it's very much possible.

But I don't feel to pivot the conversation. I don't feel that it addresses Charles' larger argument that the greater threat – the greater virus – is the disappearing of demand. That

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if people start realizing that they don't need to buy all the useless stuff that they used to buy; or even better, if they realize that by baking their own bread, or sourcing their own meat, or finding their own needs on a more sustainable model from local farmers or local producers, that THAT is the real threat to the system. And that's where I – to be dystopian, can see this notion of this system compliance coming in.

Yeah I've been thinking a lot about loyal marketing but imagine a scenario of you can't go to the baseball game unless you shop at this grocery store regularly, or that if you subscribe to this mobile carrier. That they could translate loyalty marketing into a similar type of compliance as a way of reinforcing the artificial demand and the artificial consumption that existed in a previous system but I think we all agreed that it may not continue to wherever we're headed.

Charles Hugh Smith:

Well that's a great info for where I want to take this which is to kind of integrate that with Mark's point about the potential for the institutionalization of extreme inequality. So, I'm gonna talk about sort of a three-part model here.

The Opt-Out model is going to be the renegade sort of approach to this, which is: *I'm poor, so I can't buy my way out of the compliance but I can abandon it. So I don't go to baseball games or go to the farmer's market anymore and I just don't fly – that's over, you know? I'm driving everywhere and I know where the checkpoints are going to be so I can avoid those. We're going to make our own softball games in Kevin Costner's cornfield and we're going to invite our friends and there's no compliance. That's the lower level, right? I'm not going to go to the farmer's market, I'm going to get my buddy to drop me a box at my house and I'll swap him with something – whether it's cash or some other products.*

So I can see this whole huge culture of work-arounds to avoid this. Of course, we all know this is how illegal poker games, and cockfights – I mean, there's a whole underground world anyway. If you want to buy guns and ammo without having to register them, you go to these tradeshows and so on. That culture, the underground or black market economies are already in existence so that could expand and that could be the relief valve for people who refuse, right? Those who want to work around it.

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On the other end, you have your private aircrafts, right? Where you buy a seat for \$12,000. Guess what? They don't care about your vaccine passport; or, you got the money? You're golden, right? And so we see these things already, right? Where some media figure puts out a video about how you have to stay at home and be safe and there are people going to their hairdresser or whatever – normal. I think we're going to see this maybe tri-part society/economy.

Jesse Hirsh:

I agree. And I think the danger of that... I mean on the one hand, I feel encouraged by your narrative of the Opt-Out. I think, you know to me, that's a much more reasonable way to both exercise descent and build a new society. Build a new social structure because people are doing it themselves. But my concern is that it further bifurcates – further divides the society. As they diverge, it makes it harder and harder to straddle both.

And I say this as someone who – my professional career has often been straddling cultures because I'm kind of a translator. Part of it was that I would translate the world of technology to the world of business. And I benefited from there being a gap between those two worlds because that allowed me to bring value as a connector – as a translator. But I always recognize that that gap had to be breachable. That if it reached a certain point of divergence in which those worlds literally lived in two different realities, then there would no longer be any value for me, you know. Maybe if I evolved to become a conflict mediator – but there was certainly no value in terms of an actual translation.

That's my current worry right now when it comes to those of us who believe in medical science and who understand that this virus is real and it's a threat and there are precautions necessary; and the people who, at least locally in my region, they refer to people who wear masks as cowards. That they're scared. That they're so scared, they shouldn't leave their house because they don't believe this science and they don't believe the medicine and they don't believe the virus is a threat. They think it's a huge hoax. My worry is that as those viewpoints start to diverge, there's no way to bounce them. So, unless you have literally isolated the parts of society where on the one hand the virus flourishes but people are okay with that; and on the other hand where the virus is controlled because people require that for their health. It becomes very difficult to manage these two divergent constituents.

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Mark Jeftovic:

Right. I mean, this raises two points with me that are in kind of two separate directions. The tail-end of what you said brings us back to conversations we’ve had in the past of *How do you even know what truth is anymore?* Because there’s so many conflicting narratives that it’s very very difficult to try and rationally sort your way through it. And it makes it harder when anyone who comes up with whatever reason-based counter narrative just get de-platformed or dismissed as a conspiracy theorist or whatever. So that’s one aspect which I wasn’t intending to go into but you did raise the point.

Do you ever think that I’ve been wondering listening to both of you talk is: Will the great Opt-Out scale? That’s my big question right now because I agree. I think opting out is going to be a going movement over the next years. Can it scale? Can everybody in GTA source their food from a local farmer and nearby freshwater well and stuff? And I think whatever reasons why we have industrial farming, supermarkets and processed food is because it can’t, right? We all can’t move to the Ottawa Valley and raise goats and chickens, right? So.. even that –

Jesse Hirsh:

We’ll all move to Canada.

Mark Jeftovic:

What’s that?

Jesse Hirsh:

I’ll let you finish. Sorry. I’m saying there is a lot of land in Canada.

Mark Jeftovic:

There is. There is. One of the lowest population density-to-area in the world. I think it’s two people per square mile or per square kilometer. It’s very low. Anyhow, just as I talk it through, I’m like, is this going to lead to another stratification of the people who have the social capital - to Charles’ point - and the intellectual tools? Even it takes a bit of money to opt-out on that scale. Is that going to create another stratification of people who opt-out because they can opt-out; but a lot of people who are trapped in their apartments in the middle of the city because it’s not really a viable option for them.

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Did we lose Charles?

Charles Hugh Smith:

No, no. I’m just waiting for Jesse to respond.

Jesse Hirsh:

Okay, I’m happy to refer to you but it appeared you’re referring to me.

I mean, growing up as a young child, my parents had this book that fascinated me. It’s called *The Whole Earth Catalog*. The Whole Earth Catalog produced by Stewart Brand in part was a fascinating kind of order of everything you need to be self sustainable - to be in a hippier free commune and living off the land. As a child, it fascinated me because it made me believe that everything you could need was available out there. And a lot of stuff in *The Whole Earth Catalog* was pretty funky. Now of course, *The Whole Earth Catalog* allowed to become the whole earth electronic link AKA *weld.com* which was one of the first PBSs and online communities on the internet. And now that I am living back in the country, I think about The Whole Earth Catalog quite a bit because it’s nothing compared to the internet, right? The amount of information out there on the internet to do anything you want to do is ludacris.

So I think the opt-out can scale if the internet is part of it, right? If the internet is part of the opt-out – the internet is the central nervous system that enables that opt-out. And while I understand – Mark your point kind of true city liver-s and the nature of the urban environment being kind of dependent upon industrial scale production, I don’t think that’s necessary. I actually think that there are ways in which both cooperatives, and neighborhood association in cities could maintain relationships directly with farmers, directly with wholesale suppliers, and actually be able to start opting out of those systems. And that we definitely do not need industrial agriculture which is the agriculture at scale. Industrial scaled agriculture is the easiest, but it may not be the most environmentally responsible nor economically efficient because most industrial farms produce cash crops. Not actual food! So it wouldn’t take much to actually reconfigure the industry based on stability. A lot of it comes down to political will but it also comes down to the individual’s knowledge and that’s where we maybe need an updated *The Whole Earth Catalog* - but one that captures the internet potential rather than the funky book.

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Charles Hugh Smith:

Yeah, I'd like to jump in here because I totally get what you're saying, Jesse. I would say – just add on a few things which is: I often refer to history to like being, 1900. In other words, there was train travel, there was steam ships, the telephone was coming in, we had electricity and indoor plumbing. I mean, all of the benefits of civilization already existed, right? But we were using much less energy and most of the food that came into London or Paris or New York City was growing within 10 miles or within 16 kilometers of the city because beyond that point, the cost of transportation mooted the value of food; and so clearly, this model is possible because it existed less than a century ago. And of course, what it means is – to Jesse's point – regulatory structure has to allow this or the black market has to ignore the regulations which have to be so obtuse and convoluted and expensive that no one can enforce them.

So, you got backyard chicken coops, you have small rooftop gardens, you got all these things instead of 10 farms producing food for a million people, you have 10,000 people producing some small amount, right? And that model, we could restore that model if the incentives were in place. The other thing that I wanted to mention was to Mark's point about the people who are dependent on the savior state, which is a topic we've talked about in the past – they don't have the social capital or the financial capital. Possibly, the value system needed to be self-sufficient, right? Because that's been eroded by the dependence on the savior state. So, they're going to need some other kind of structure that they can join because starting stuff from scratch is a very high level thing, right? That just being able to be an entrepreneur is something that is really difficult. We – all three of us – just take it kind of like, for granted – that's the water we swim in. But for other people, it's the goal that they cannot possibly leap because they're impoverished in terms of social capital and the value system, the knowledge base, and on and on, right? So, that's where my climb system was an attempt to come up with a structure that could be localized, right? And flexible. But it would allow people to join something where they could say: *Look at us. I really want to pursue this but I can't invent it on my own.*

Jesse Hirsh:

And very briefly, that was really the point I wanted to make about internet access, especially in rural communities because this is a scenario I've been writing about. I've been studying it in the last 6 months, and it's frustrating that the overwhelming response from people is either to assume that only business can run internet and that further, the role of government is to cajole big business to provide them with internet. And it never occurs to them that they need neither. That the internet could actually be provided by

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local companies and local communities. And part of the reason that doesn't happen is bad regulations. And that all you need to do is change the regulatory environment to empower those small companies – to empower those community internet providers, and they'd be able to get way better, way cheaper internet in their communities in a way that would blow people's minds. But to your point Charles, psychologically, they just can't conceive it yet. They just assume that telecom is inherently the demand of monopoly or oligopoly and it never occurs to them that it could be the exact opposite; and that the exact opposite is cheaper, more efficient and more affordable.

Mark Jeftovic:

You know I think if we're going to do something about this, we should start with your locality because you've got the crappiest internet on this call right now and we've got an easier time with Charles than you, and he's in Hawaii. And although Charles' video did kind of wig out at the moment.

As we were talking through that whole issue of “Will the great Opt-Out scale?”, it did occur to me that it may adapt in ways that we don't really anticipate in a linear fashion. I'm remembering a book but I can't remember the title of it and I can't remember the author of it but he sent me a copy in before the global financial crisis like 2004/2005 and he said: *you know, after the next financial crisis, there's going to be a big de-urbanization trend.* He wasn't entirely correct about that because he might have been off by one financial crisis but he theorized that after a financial breakdown, in kind of like what we take to be normal, one of the after effects of that would be people would start to come out of urban centers when they could, and go back to not necessarily suburbia but rural villages and towns and sort of re-establish themselves there.

I've even seen a TV show, I can't remember what it's called, but it's about first time homeowners, they kind of leave New York City and they go buy a place in Nebraska and they fix it up – they buy a house for like \$32,000 or something and they renovate it. It's just unheard of prices and that's just a foreshadowing of what I think may happen. And then of course when people empty out of the cities, that could leave a lot of empty places where you could do experimental farming techniques – kind of like what Charles is talking about – inside the city like vertical farming, hydroponics and things like that. So it could go on a number of different directions that could scale as it sort of picks up momentum.

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Jesse Hirsh:

Well I -

Charles Hugh Smith:

Well I like – oh, go ahead Jesse.

Jesse Hirsh:

No, no. Please.

Charles Hugh Smith:

No, no. I was just going to say that I like the idea of non-linear add up take and all that. I think that’s a very good sort of like model that we can look for. And all I was going say is that I was going take it another direction and we could just live as a cul-de-sac and this is one of the biggest differences between China and the US. The vast majority of people that are living in cities in China still have a home village where their grandparents live, or they have relatives and family roots where the rootless cosmopolitan to use linen sprays. That described so much of the developed west. And so these people have no connection to anything other than this rootless cosmopolitan lifestyle where you’re moved around by your corporation or your job defines where you live and you have no connections and so to re-establish those connections is a big deal. It’s really hard. And so, that’s part of the resistance to the whole thing.

Jesse Hirsh:

That’s where I think there’s an opportunity for smaller communities and smaller municipalities who recognize either the demographic challenge they face in terms of having an aging community which many of them do, or the economic challenges in terms of an eroded tax base and a depressed local economy. That the opportunity is, in my view, to invest in internet infrastructure so they can market themselves to younger professionals, they can market themselves to people who can work on the internet, and say: *I’ll move here! I have great internet and a cheaper quality of life, and an improved quality of life”.*

I think there’s really an economic opportunity for communities who are willing to do that because it’s not that difficult when they are open to integrating to those communities. To make relationships. To literally start a new life. To a certain extent, what my family has

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done here in eastern Ontario, But Mark, you and I have been influenced by *Snow Crash* and Neil Stephenson’s sort of vision of a post-nation state, post-apocalyptic cyber-punk world and what I remember – one of the things I remember from that book was the voluntary migrations. The way in which whether in RVs or another means, people just started – you know – the way in which there were like urban environments created on the sides of the highways, right? Very thin, long stretches. Urban in a sense that you can walk from one place to the next, but not urban enough where they were literally just on the side of the road or just on very narrow transportation corridors.

So I think there are all sorts of ways in which the urban environment will evolve. Both that it maintains its density, it maintains its economic efficiency in terms of aggregating supply and demand, but that it modifies to be both more self-sufficient and closer so its food source. I think pre-pandemic, we saw that – in how the restaurant industry was evolving because the farm-to-table and the whole animal movement was really profitable for a lot of restaurant operators. And now that the restaurant industry has been decimated, I suspect that given the opportunity to return, they’ll double down on that. They’re the ones who will source and eat sustainable food. They’re the ones who will find a work-around or to use Charles’ language, to opt-out of the industrial scale of food production. And I think that’s where we should be thinking about how this type of innovation and resilience happens. Because I think the bias that all three of us share is that it’s not big business. That it’s smaller, decentralized entities whether medium-sized or even small-sized businesses that have the motivation and capability to do this innovation and that’s why, Charles, I really appreciate the way you frame it as a regulatory shift. That currently, our regulatory environment was set up by and for big businesses. It benefits them ridiculously so. And what we need is a reconfiguration so that the regulatory environment would be by and for medium-sized businesses. That’s where we’re going to get the adaptation. Go ahead, Mark.

Mark Jeftovic:

It’s not just the regulatory environment that’s biased against small and independent businesses. It’s the entire monetary system as well. It’s the whole financial system because a mom-and-pop restaurant that wants to do farm-to-table has to compete on a lease in an inflation area environment against some chain like Hardees or something. So, a small and independent business has to turn profit by definition. This is a long-standing rant of mine so sorry if it sounds like I’m doing material but you’re competing against big financialized business who don’t have to make their money on normal course operations. They make their money on financial events like secondary offerings like IPOs, venture

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capital funding rounds, and that’s straight back to the financial system. That gets us back to too big too fail, and we can’t let anybody go out of business and so – I really want the independent mom-and-pop and even the small and medium-sized businesses to be able to take a serious share of the market in this go forward world. And I think we might. I mean I think it’s possibly one of the great spots coming out of this. That’s the final scenario in my *jackpot chronicles* which I’ve been writing about which is coming out next is the de-globalization scenario and that’s when we realize – I was floored because I didn’t notice to discover that practically all the meat in the supermarkets maybe comes out of 4 super processing places in the US.

Jesse Hirsh:

3? I think 3.

Mark Jeftovic:

Yeah and I was like, really? I had no idea. I source my meat from a couple of brothers who are second generation butchers and their – my meat comes from Mennonite farms north of Toronto. I’m kind of, I suppose, living in a bubble in a sense that is also what we’re talking about – sourcing your food closer to home from independent farms.

Jesse Hirsh:

But maybe you’re not living in a bubble. Maybe everyone else is in the bubble. You’re ahead of the curve.

Mark Jeftovic:

Maybe, maybe. So, one of the optimistic takeaways is that people will realize that this isn’t entirely sustainable. If one chain in this just-in-time supply chain goes, then it’s chaos. It’s 9 meals to anarchy – the old adage, right? So, and I hope that even the big companies start thinking *well you know what? Maybe we shouldn’t be sourcing all of our parts from China. Maybe we should have a small armada of independent 3D printers scattered across the country here that we’re just putting – if we still want to keep it just in time, we’ll*

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just put it orders to the local 3D printers to just – we need 500 of these by tomorrow and just of wring everything back to the localities.

Charles Hugh Smith:

Right. And I would add just to kind of bring in Jesse’s point about necessity of broadband internet to facilitate the sharing of these models globally. And I want to bring out a model that... we could look at Japan. Because Japan is ahead of the curve of the rest of the west in being... having stagnated for decades already; and demographically losing population and they have lost the financial mojo. They just kept their stagnant zombie economy alive but it’s not thriving except at a local level, right?

So the same thing that Jesse was speaking about where these villages and towns have been depopulated because all the young people went to the urban course for jobs and now people are drifting back so there’s this model called half farmer half x. Meaning that you live in a rural environment and you are doing something to raise food in a local economy but you also work as a designer or something part time on the internet. I think that model is viable and Japan has sort of proven that as viable. I think that regulatory reform is an interesting thing because on the one hand, if you move to some rural place, as long as you do have broadband, there’s no structure to enforce all these absurd regulations that Mark was referring to – that favor the giant corporations because the state doesn’t really exist there. I mean there might be a county sheriff or something but there’s no regulatory structure to follow and impose all this stuff. But the public has to defend its rights. And if the public is not willing to defend it, then we get back to Jesse’s point that the auto-immune system of the democracy has failed and is breaking down. If the public is not willing to defend their rights to do things. For instance, start a new business and have the ability work around this corporate dominance.

Jesse Hirsh:

And I think that’s why the pandemic is such a difficult way in which to deal with an economic crisis. I mean if the economic crisis had happened on its own, which I suspect we all believed it would’ve eventually, given the house of cards that our economy had become. The difficulty with the pandemic is I think it does demoralize what would have

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been an otherwise engaged problem. I think that’s the danger to me of this false reopening is that it’s fostering false hope and that once the inevitable lockdown returns, it’ll further depress and marginalize people because that’s in my own writing about kind of our democratic future, it requires an active citizenry and that’s kind of the brilliance about this particular pandemic. It’s the ultimate divide and conquer. It’s a divide and conquer whether it’s in relation to the illness itself, it’s a divide and conquer whether in relation to how we reconceive or reconfigure the economy...but it’s also an easy way to marginalize people and that’s partly why I keep focusing on the internet because the internet is the one place in which people could be active, right? You literally could not have protests on the streets right now so what would be the digital equivalent? What is the way in which people can express that desire for their rights or desire for economic self determination? But then you get the other problem which is our digital publics are Facebook and twitter, right? The extent to which there isn’t an actual digital public square, is just a better built mousetrap. It makes it really difficult for any of these democratic sentiment to be expressed. And I think that’s why we are, to a certain extent, a little concerned about where we’re headed in the future.

Mark Jeftovic:

But if we’re correct about what we’re theorizing or hoping could happen on the urban scale in the real world, the same is true in the online world – in Facebook, in Youtube, in Twitter – those are the megacities and if what we’re talking about is going to manifest in the on-line world, there’s going to be a de-urbanization there which really looks like de-centralization. Anyone who ever asks me, you know, because they might have read my book: What do I do? I’m like, well, don’t be on Youtube getting all your viewers there. Don’t be on twitter building up your followers there. I mean, sure, you’re going to be out there as a kind of tendril but what you should be doing is building up on your own domain, on your own entity, on your own platform. You build your own platform. Then so again, that brings us back to our mantra – almost – of protocols vs platforms. The best way to keep in touch with like-minded people nowadays is e-mail. Because we are seen not only as real world demonstrations and assembly – we are literally prohibited right now – but online, you have people in Youtube saying that anything that doesn’t agree with CDC or World Health Organization directives is by definition, misinformation and will be de-platformed from the system. It’s the same sort of dynamic and so, I really do hope that the one possible optimistic takeaway I’m getting from all of this involves the real world and the online world is maybe people are seeing where some of these save-your-state ideologies or promises are getting them, you know? All these rationalizations like universal basic income, and modern monetary theory and experts know the best, is sort

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of leading them into this place of like: *Hey, wait a minute. We're living in a dystopia right now and this is where our best and brightest ideological ideas have gotten us and maybe, this is a hard, rough part we have to go through now for people to just sort of realize that to improve things, it has to start locally.* It has to start with themselves and people have to start taking their agency back and rights back and they have to make it happen for themselves. It's not going to be just be a \$1200 cheque being mailed to you every month by the government to solve all your problems.

Charles Hugh Smith:

Jesse, go ahead.

Jesse Hirsh:

I was going to say that it's a good point to end on?

Mark Jeftovic:

It is for me. Anything else from you guys?

Charles Hugh Smith:

Well, I would just build on that. And I would just talk about – again, we have historical models where if you overlay broadband access and - to Jesse's point - the global *Whole Earth Catalog* of best practices and innovations that you could borrow from other people. If we have a model and it goes back to the village town structure of the old world – and I happen to know more about France because I've visited there more often – but I'm sure the same could be said to Italy, Belgium, and many other European locales. The village life is suffering there. The same kind of degradation here in North America right now. Depopulation, dominance of big egg and all that stuff. But there still is a structure. You know, my brother? And that's why I've lived in a village for decades in the south of France and there's a little farmer's market and young people have moved back and actually took over the political system. Because they needed to save the school and so they elected themselves, maybe, and I think there's some home in there too. That even in the local level, the smallest political unit, if new leadership arises, then change is possible. You

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can start encouraging things that we’re talking about. That were not possible because as Jesse said earlier, people just couldn’t conceive of it. The old school. They’re kind of wired in the old models; and so new blood moves in to new opportunities? Hey, there you go.

Jesse Hirsh:

And I think that’s a great point to end on because democracy really is locale. I think democracy always had difficulties when it scales up. And if we’re talking about reinvigorating it, if we’re talking about defending it, then I think it does happen at the locale, and increasingly I think it happens in the rural locale. Because certainly in North America, both in Canada and the United States, rural voters count more, right? If you’re a voter in South Dakota, you’re electing a senator whose vote counts the same as any other senator but the amount of votes that that senator needs to win is a fraction of the amount of votes that the senator of California needs to win. And the same thing happens here in Canada. That the votes that rural politicians are able to get have far greater influence on the decisions the government makes. So I think if more people were to opt-out of the city and to find a smaller community to make a home, to make a new career, then that in it of itself might be one of the best things for democracy because you’re reinforcing that locale democracy but also diversifying the voices that comprise our federal democracy. I think that could go a long way towards allowing us to pivot and choose the future we desire which hopefully this crisis gives.

And I will add one thing about your point, Mark, about the digital equivalent of people leaving the megacities. I was reading this morning about the latest Silicon Valley “it” thing, which is a social network called *Clubhouse*. And part of what makes clubhouse so exclusive is that it’s the Silicon Valley of the elite. So they’re the ones who are fleeing the megacity, right? It’s when the elite leaves the city. That’s when you need to really take notice and I think it mirrors the way in which Silicon Valley executives often universally do not allow their children to use digital devices or to join social media. Because they understand the impact of the products they create. Now they’re creating their own private social networks as a way to kind of flee the urban core and create their own suburban paradises. So while I agree with you Mark in terms of that exodus, we should be careful as to the political and economic implications of it because while we might imagine our own scenario in which that occurs, when the elite starts to opt-out into their own even more unaccountable and inaccessible communities, that can be the warning sign for the type of authoritarianism or the type of system compliance that we collectively are concerned about.

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Mark Jeftovic:

Yeah I think I read a book like that called *Atlas Shrugged* where that’s what happened before the wheels completely came off society but –

Jesse Hirsh:

Woah. And as usual that’s the mainframe for many of these Silicon Valley types, right? So...

Mark Jeftovic:

Right.

Jesse Hirsh:

As *Adam Curtis* has often told us.

Mark Jeftovic:

Yes.

Well guys, it’s been great talking, we’ll do it again next week and thanks for everyone for joining us and let me just see what we got here.

[closing theme]

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