

**Lex Fridman Podcast #453 - Javier Milei: President of Argentina - Freedom,
Economics, and Corruption**

Published - November 19, 2024

Transcribed by - thepodtranscripts.com

Lex Fridman

The following is a conversation with Javier Milei, the president of Argentina. He is a libertarian, anarcho-capitalist, and economist, who campaigned with a chainsaw that symbolized his promise to slash the corrupt bureaucracy of the state. He stepped into the presidency one year ago, with a country on the brink of hyperinflation, deepened debt and suffering from mass unemployment and poverty. He took this crisis head on, transforming one of Latin America's largest economies through pure free market principles. In just a few months in office, he already achieved Argentina's first fiscal surplus in 16 years, and not just avoided the hyperinflation but brought inflation down to its lowest in three years. We discuss all of this in detail, both the successes and the challenges. His depth of knowledge of economic principles, metrics and data was truly impressive and refreshing to hear from a world leader. But even bigger than the economic transformation of Argentina, Javier represents the universal fight against government corruption and the fight for freedom, economic freedom, political freedom, and freedom of speech. He has many critics, many of whom are a part of the corrupt establishment he's seeking to dismantle, but many are simply Argentinian citizens, scared of the pain his radical policies may bring, at least in the short term. But whether one disagrees with his methods or not, no one can deny that his presidency marks one of the most ambitious attempts at economic transformation in modern history, and that Javier Milei is truly a force of nature, combining the rigor of an economist with the passion of a revolutionary in the fight for freedom of a nation he loves. Argentina is one of my favorite countries, so I sincerely hope he succeeds. This interview was conducted with the President speaking Spanish and me speaking English with an interpreter simultaneously translating. We make the episode available overdubbed and subtitled in both English and Spanish, thanks to our great friends at ElevenLabs. If you're watching on YouTube, you can switch between English and Spanish by clicking the gear icon, selecting the audio track, and then choosing the language. Same with the captions. If you're watching on X, I'll post both Spanish and English versions separately. If you're watching on Spotify or listening elsewhere, I'll probably only post the English version. This is the first time for me doing something like this in a foreign language. It was challenging, but illuminating. I hope to talk to many world leaders for two to three hours in this way, including Volodymyr Zelenskyy, Vladimir Putin, Narendra Modi, and Xi Jinping. I want to explore who they are, how they think, and how they hope to help their country and humanity flourish. This is the Lex Fridman Podcast. To support it, please check out our sponsors in the description. And now, dear friends, here's Javier Milei. When did you first understand the value of freedom, especially economic freedom?

Javier Milei

Well, actually, I came to understand the ideas of freedom as an economic growth specialist back in the years of 2013 to 2014. I could see that per capita GDP statistics over the last 2,000 years of the Christian era essentially looked like a hockey stick, indicating that per capita GDP remained almost constant until around 1800, after which it accelerated sharply. In the same context of that phenomenal increase in productivity and per capita GDP, the

population had multiplied sevenfold over the preceding 200 years. So basically, in economics, that means you get increasing returns, and the presence of increasing returns implies the existence of monopolies, concentrated structures, and according to traditional neoclassical economic theory, the presence of monopolies and concentrated structures is not a good thing. But at the same time, one could see that living standards had increased tremendously and that middle-income people ended up living far better than emperors did in the Roman era, and the population had gone from having 95% of people in extreme poverty to less than 10%. And in that context, the question was, how it could be that something that had lifted so many people out of poverty, that had improved human conditions so much, could be something bad for economic theory, meaning something was not right. So in that context, I remember that one of the people who worked on my team suggested I read an article by Murray Newton Rothbard called Monopoly and Competition. I remember reading it like it was today, and after reading it carefully, I said, "Everything I've taught about market structure in the last 20 years in courses on microeconomics is wrong." This caused a very strong internal commotion in me. So I called this person who used to work with me, and they recommended a place to buy Austrian School of Economics books, and I remember I bought at least 20 or 30 books, which I went to pick up one Saturday afternoon. And when I visited the bookstore, I was fascinated by all the stuff they had there. So I went back the next day and I started calculating how much money I needed to pay for my dog's food. That's my four-legged child, and how much I needed to spend on the taxi fare and food. And then with what I have left, I spent all of it on more books. And then I started to read very intensively, and I remember for example, the experience of reading Human Action by Mises, and this was a book that I didn't know about. And I remember that on the following weekend, I started to read this book right from the first page, and I didn't stop until I finished it, and that was a true revolution in my head. And having the chance to read Austrian authors like Rothbard, Mises, Hayek, Hoppe and Jesus Huerta de Soto, or others like Juan Ramon Rallo, Philipp Bagus and Walter Block, for example. That was very inspirational, and at one point I got the opportunity to read related to the works of Alberto Benegas Lynch [foreign language 00:07:38], and I also had the pleasure and honor to meet him. And today we are actually friends. So that paved the way for me to approach the ideas of freedom. And another book that was a very significant influence and impact on me was the Principles of Political Economics by Menger. It was truly eye-opening, or let's say, for reading Eugen von Böhm-Bawerk, these were things that really challenged all of my former thinking. I had a vague idea and poor about the Austrian School. The only thing I had read about the Austrian School until then had been Money and Time, a very good book by Garrison. But now that I understand a little bit more about Austrian economics, I know that it was rather poor. This doesn't mean that the book isn't good, but there were a whole lot of things to read that ended up being truly fascinating.

Lex Fridman

So from that, what is now, today, and maybe you can talk about the evolution of your philosophy - economics philosophy. You've described yourself as an anarcho-capitalist,

market anarchist, libertarian. That's the ideal, and then maybe in practice and reality, you've said that you're more of a minarchist. So lay it all out. What's your economics philosophy today?

Javier Milei

Strictly speaking, I am an anarcho-capitalist. I despise the state government. I despise violence. Let us suppose we take the definition of liberalism. I usually use the definition of liberalism given by Alberto Benegas Lynch [foreign language 00:09:37], which is very much in line with the definition of John Locke, which essentially matches the definition by Alberto Benegas Lynch, Jr., who said that liberalism is the unrestricted respect for the life project of others based on the principle of non-aggression and in defense of the right to life, liberty, and property. So I frame all of the discussions within those terms. And the fact is that when you get to that notion, I would dare say that you become an anarcho-capitalist de facto. And what that describes, it is an idea which represents my ideal world. I mean, that is the ideal world. Now, real life poses a whole lot of restraints, and some of those you can lift, and those restrictions and others you can't. So in real life, I am a minarchist. I advocate for minimizing state size. I try to remove as many regulations as possible. In fact, that is what I used to say during my campaign, and let's say, that is what I'm now carrying out. We have just carried out the largest structural reform in Argentine history. It is a structural reform that is eight times larger than Menem's, which had been the largest structural reform in history. And we did that with 15% of the representatives and 10% of the senators. Furthermore, we have a deregulation ministry where basically every day we eliminate between one and five regulations. On the other hand, we have 3,200 additional structural reforms pending, to the point that the day we finish all these reforms, we will be the freest country on the planet, with the consequences they have in terms of well-being. Think about this, when Ireland started market reforms just over 40 years ago, it was the poorest country in Europe. Today, its GDP per capita is 50% higher than that of the United States. So I have a current situation, and what I am constantly looking for, whether from my academic works and my outreach notes and books, is the world we have today, that every day we are closer, that every day we gain more freedom because there are some very interesting things here. First, I would like to quote Milton Friedman. There is a moment when they do an interview with Milton Friedman and they ask him about liberals, and then he says that there are three types of liberals. There are the classical liberals where, for example, Adam Smith or Milton Friedman himself could fit. Some say that Hayek could fit into that category. For me, Hayek is a minarchist. Then you have the minarchists where you could clearly find in that place Mises, Hayek. One could find in philosophical terms Nozick and basically Ayn Rand. And at one point, Milton Friedman, based on his own son, he says, "But if you look closely, there are some who are anarchists." Let's say, probably from my point of view, the person who has been the greatest inspiration in my life is essentially Murray Newton Rothbard. So therefore, there are two dimensions. One is where I want to go, and the topic is where I stand. So the most important thing is to try each day to advance further toward that ideal of anarcho-capitalism. In that sense, sometimes we face strong and harsh criticism regarding

that ideal vision. I think that's the nirvana fallacy. If you compare yourself against paradise, everything is horrible and miserable, but you don't live in paradise. You live on earth. Basically, what you need to understand is something called the state conditions. Let's suppose that you don't like rectangular tables. You prefer circular tables. Now the reality is, I have only a few hours until I go and catch my flight and the table is rectangular. You like a circular table, a round one, but there isn't one. What you have is a rectangular table. So either we do the interview here or we just can't do it. So what do you do? You adapt to the current conditions. This is what there is now. So then you have some restrictions that you can change and others that you cannot. The idea is to modify all the ones that can be changed in the short term, and start working on those that can be modified in the medium or long-term. For example, if you really like round tables, perhaps the next interview we may do at a round table. We're going to try and solve it, but today it's something that we couldn't possibly solve. So that's basically the idea, right? Let's say it's about understanding that some restrictions you can change, others you can, and there are institutional restrictions too. There are many anarcho-capitalists who are dedicated to criticizing, and incredibly, they do so with more violence towards liberals, and many of them actually criticize me, which truly make no sense because it is precisely the nirvana fallacy but the reality is that... Look, in Argentina, for example, the most popular sport is soccer. When you go to watch an Argentina match, it is beautiful. The stands are full, and they're all painted with sky blue and white colors. There is a lot of joy. People sing songs that are very fun, that are very distinctive. It's very much part of Argentine folklore, so to speak. But you see that beautiful show is external. That is to say it does not determine the outcome. You place the ball in the middle of the field, and no matter how much people shout, the ball doesn't move. The one who moves the ball and scores the goals is Messi. So what do I mean? If you don't get involved and don't get into it, no, you don't do anything. So what do I know is that there are many liberals, libertarians and anarcho-capitalists who are really useless because all they do is criticize, let's say, those of us who want to lead the world toward the ideas of freedom. And what they don't realize is that power is a zero-sum game, and if we don't have it, then the left will have it. Therefore, if you level your harshest criticism at those in your own ranks, you end up being subservient to socialism probably. And also, for instance, you have cases of strong hypocrisy, let's say. I have seen cases of agorists. It's the anarcho-capitalists who criticize Rothbard because he said that you have to get into politics, otherwise the socialists will advance. And it's interesting because some of them, I have seen them criticizing, proposing agorism, and I remember one of them, one day the police showed up and honestly, he was peeing himself. So it's very easy to criticize, propose, and suggest, but if he was truly such an agonist, he should have been willing to endure going to jail. However, when it was time to face the consequences of the idea he was promoting, he froze, wet his pants and ended up, let's say, accepting all the restrictions because clearly it was better to be out of jail than in jail. But in doing so, he sold out his ideas. So it seems to me that no, not taking into account the restrictions of the situation, only serves to be functional to socialism because all it does is strike against one's own.

Lex Fridman

So you became president 11 months ago. Can you, again, describe some of the actions you took? For example, you cut half the number of government ministries, layoffs, removed price controls. It'll be interesting to lay out the first steps and what's next.

Javier Milei

If you allow me, I will first give you a description of the situation we received, and based on that, I will tell you each of the things we did. When we first took office, basically what we found was that in the first week of December, inflation was rising at the rate of 1% per day, which means 3,700% annually. In the first half of December, it had accelerated to 7,500% annually. When you look at wholesale inflation in December of last year, it was 54%, which if annualized would equate to an inflation rate of 17,000% per year. And in addition, Argentina for the previous 10 years had not been growing, with a drop in GDP per capita of approximately 15%. And the reality was that nearly 50% were living in poverty. Now, later I will get deeper into that discussion, and the reality is that we had a fiscal deficit, which amounted to 15% of GDP. Five points were in the Treasury, 10 points were in the Central Bank, which was endogenous monetary issuance. And the reality is that we also had interest-bearing liabilities at the Central Bank, equivalent to four monetary bases maturing in one day, meaning we could have quintupled the amount of money in one day. We had peso-denominated maturities, amounting to the equivalent of \$90 billion. The Central Bank had negative net currency foreign reserves, minus \$12 billion. We had commercial debts in the Central Bank equivalent to \$50 billion. There were company dividends held back amounting to \$10 billion. Therefore, if we had instantly opened up... You see, I say we are liberal libertarians. We are not liberal fools. That's what some anarchist liberals suggested, meaning that we basically open everything on the first day. So in that context, of course, if we had done that, we would've encountered hyperinflation. Therefore, that would have led to the number of poor people being around 95% and probably, and by December, the Peronist party would have organized supermarket's lootings, and would've done all sorts of things, and would've probably been ousted. And by the first part of the year, the Peronists would've gone back to office. So to us, it was crucial to end fiscal deficit. One of the things we promised during the campaign had been to reduce the number of ministries, and indeed we reduced to less than half the number of ministries because we went to nine ministries, today we have eight. We have also laid off a large number of civil employees. Today, I can say that we've already dismissed about 50,000 of them, and we practically don't renew any contracts unless the positions are absolutely necessary. At the same time, we have stopped public works and we have eliminated discretionary transfers to the provinces. We have also diluted public sector wages. Also, we have eliminated economic subsidies by restoring utility rates to the right levels. And in that, let's say, in this context, we achieved fiscal balance as far as the Treasury is concerned. This is very important because in the last 123 years, Argentina had a deficit for 113 of them, and in the 10 years it did not have a deficit because it was not paying the debt. So that was absolutely false, and they told us it would be impossible to do that. We had planned to do so within a year, and they said it wasn't

possible to adjust by more than one percentage point, and we achieved fiscal balance in the month of January. That is the first month of administration. At the same time, we also cut social plans linked to intermediation. This is very important because we knew we were going to make a very tough adjustment, and we knew that this was going to have a court in social terms, and we knew that we had to offer support during the first month, I mean, the first quarter and second quarter in office. One of the things we did was to eliminate what are known as poverty managers. That is intermediaries. Basically, people have a guard through which they receive assistance, but it happens that they had to provide a counter service, and that counter service was verified by a group called the piqueteros. So in that context, when they were going to sign, the counter service took away half of the money. So by removing that payoff, they stopped extorting them, stopped stealing their money, and with the same amount of money, they received double the resources. And of course, we also provided an additional boost. So let's say that this is related to the five adjustment points in the Treasury. Now, what happens, as we began to achieve fiscal balance and no longer needed to issue money to finance ourselves, and as we also met interest payments and some capital repayments, one of the things that happened is that the debt market began to be recreated. So we were able to take debt out of the Central Bank and transfer it to the Treasury where it should have always been, and that meant an adjustment of approximately 10% of GDP. Everyone said this would be impossible and couldn't be fixed. Essentially, what we did was implement a fiscal adjustment at the Central Bank, amounting to 10% of GDP. So if you ask me, it's clear that we have not only made the biggest fiscal adjustment in the history of humanity, because we made a fiscal adjustment of 15 points of the GDP, but also most of that went back to the people as less seigniorage, as a lower inflation rate. It's true that we temporarily raised the country tax, but we lowered it in September, and now in December, we're going to eliminate it. Today, for example, we also announced that in December we are eliminating import taxes. In fact, in that regard, what you have is that we return to the people 13 and a half points of GDP because the real tax burden is the size of the state. So while back in December we were discussing hyperinflation, today we are discussing 30-year loans. In other words, all those resources that the national government used to take are now back in the private sector. And that's what has allowed it to be very dynamic. And this has two very strong impacts. The first one is that if you look at wholesale inflation, it went down from 54% to 2%. So it went down by 27 times. It was divided into 27. So we had inflation at the rate of 17,000% annually, and it's now close to about 28% a year, but it's not only that. You could consider consumer inflation, the latest consumer inflation rate was 2.7%. Now, it happens that we essentially, due to a matter that is related to the Central Bank's balance sheets and also due to the debt stocks, we still have controls in place and we are eliminating restrictions, day by day. Now, the interesting thing is that we have a 2% monthly devaluation standard, and there's international inflation of course, which means that you then have to subtract two and a half points from the inflation observed by the consumer. This indicates that inflation in Argentina, the true inflation, not the induced one, but the actual monetary inflation is 0.2% per month. At 0.2% per month, this equates to 2.4% annually. What I'm saying is, the

original discussion was about whether inflation could reach 17,000%. Now we are bringing inflation down to levels of 2.5% annually, and that is amazing. And we achieved this by considering a number of factors. The first one is that we did not experience a previous hyperinflation, which would've simplified the process of implementing a stabilization program. Typically, when hyperinflation occurs, monetary assets are diluted, leading to a natural restoration of demand. And besides, we did not resort to any expropriation. For example, before the Convertibility plan, which was the most successful program in Argentina's history, Argentina experienced two instances of hyperinflation. During Alfonsín's administration, inflation reached 5,000%, and under Menem was 1,200%. Additionally, there was the BONEX plan, under which debt was exchanged on a compulsory basis. In other words, what we did instead was clean up the Central Bank balance sheet. So with that, we cleaned up the Central Bank's balance sheet. We cleared a loss of \$45 billion, all voluntarily. And the most amazing thing is that we did it in just six months, and at the same time, we have not controlled prices. And at the same time, we have not controlled prices nor have we fixed the exchange rate. And this is very important. All previous stabilization programs in an effort to show quick results used to do this. What they would do is, before announcing the plan, they would adjust the rates. And once the rates were adjusted, they would launch the plan. But in our case, we couldn't afford that luxury, so we had to implement it on the go. And also over the past few months, that is to say companies brought in rates that covered only about 10%, whereas today they cover 80% so you get the picture. Just imagine the adjustment we are making. And in that sense, it is also incredible what we have achieved because if we were to work with the inflation we have in our country today, considering the exchange rate situation, the figures are even better than during the convertibility program, which was the most successful economic program in Argentina's history. And in fact, there is an article called Passing the Buck, which is by Gerardo della Paolera, Bózzoli, and Irigoin that demonstrates that Menem's first government was the best government in history. And basically, it argues two things in the success of the stabilization of the convertibility program. So if you take a closer look, when you examine it carefully, when you account for all these factors, our disinflation process is actually much more genuine. And not only that, it's also much deeper. We are restored freedoms to Argentinians while simultaneously implementing a structural reform eight times larger. And we accomplished this with only with 15% of the representatives, 10% of the senators, and within the first six months of government. In other words, our deregulation agenda continues daily and we still have 3,200 structural reforms pending. This will ultimately make Argentina the freest country in the world. Moreover, to have a sense of magnitude, the reforms that we already have made with the executive order 7023, and with the basis law, we have actually jumped 90 places in terms of economic freedom. What this means is that today, Argentina has institutions similar to those of Germany, France, Italy, and we obviously want this to continue. And let's say we are going to surpass, no doubt the levels of economic freedom that Ireland reached in its best moment. And not only that, we're going to exceed the levels of economic freedom of Australia, New Zealand, and Switzerland. We are undoubtedly going to be the freest country in the world. And this means that thanks to

what we've done today, we are on a path that allows us to multiply our per capita GDP by 2.5 times when you apply the relevant correction. And this of course is something very interesting because it implies a huge increase in well-being. And furthermore, today the Argentinian economy is already strongly and amazingly recovering. And we can say analysts' hypotheses were suggesting that next year we will be growing between five and 6%. Today, JP Morgan has now corrected or let's say revised the projections upwards. And besides, when we normalized the price situation, the true poverty rate came up and it was 57% in January. Today it is at 46%, meaning we lowered poverty by 11 percentage points. Let's say, I mean, it seems truly like a miracle. And not only that, but actually not a single job was lost in the process. When it comes to all of this inflation reduction process, people said that our economy and economic activity would collapse. And actually when you look at the deseasonalized data, you see that in August there was a recovery that took us back to December levels, to December levels. That means that in the year, we made the largest fiscal adjustment in the history of humanity. We will end up with less inflation, fewer poor people, better real wages, and additionally, a GDP higher than what we started with. And if you look at it in dollars, I can assure you that the numbers are phenomenal because basically today the dollar is below the levels we had when we took office. So the reality is that in all of this, when you take my popularity levels and the government's acceptance levels, today they are above the moment. We assumed office if you know that the moment of maximum popularity is when you take office. Therefore this means that far from resting on our laurels with this, we're going for more reforms. We're going to deepen the reforms. And I tell you, we won't stop until Argentina is the freest country in the world. Furthermore, a recent work by an Argentinian economist named Juan Pablo Nicolini was presented at the central bank's monetary meetings and he works at the Federal Reserve. And it's interesting because he shows that only on the basis of what we have done in fiscal matters it ensures that in the span of 10 years we can double the GDP per capita, meaning that Argentina could grow at rates of 7% annually, which is very much, very much, and that has strong consequences in terms of improving quality of life, reducing poverty, reducing indigence. Therefore, if during the worst moment our image didn't suffer and we stayed strong in our ideas, now that everything is working much better, why should we change? On the contrary, we are ready to redouble the bet, to redouble our efforts because we've done things that no one else has done. I will give you an example. There's something that seems trivial, but there's what's called the single paper ballot. Argentina used to vote with huge ballots, which were above all very costly. And that reform, it never... Let's say it wasn't done because it always harmed the ruling party. So everyone talked about going to the single paper ballot, but no one did it when they were in power. They didn't want to implement it because they preferred to commit fraud or use some kind of trickery to avoid applying that rule that makes the election more competitive. Well, what's interesting, we sent that law and it was approved. What's more? Now we are finishing with the open, simultaneous and mandatory primaries because it was a mechanism by which politics was also stealing. We are eliminating the financing of political parties. If you look, we have reduced the fiscal pressure by 15 points to the Argentinians. We are restoring freedoms with a deep set of

structural and regulatory reforms that I think that any sensible liberal could perceive. We are already delivering a wonderful government. In fact, it's the best government in the history of Argentina. If the best had been that of Menem, we've already outpaced him.

Lex Fridman

Maybe you can explain to me the metrics of poverty and unemployment. As you said, unemployment went down, real unemployment went down, real poverty went down. But even that aside, what have been the most painful impacts of these radical reforms and how many of them are required in the short term to have a big positive impact in the long term?

Javier Milei

Let's take it step by step, all right? That is in fact, we started to do things right, therefore we did not create poverty. The poverty was an inherited poverty. The point is that what we did was to reveal it. I'll try to explain it with an example that I think clarifies what's happening in Argentina. Argentina was an economy that had total price controls. It had a fiscal deficit which was financed through money printing. Just for you to give you an idea, in the last year, Argentina financed 13 points of the gross domestic product with money printing. In other words, a real disaster. So that situation provoked this artificial demand and put pressure on prices. The issue is that price controls are applied additionally over the prices that they enter the price index with which inflation was... I'm not saying they were lying about it. It was distorted. And since Argentina measures poverty and indigence by income line, then what happens? That distorted the true levels of poverty, of course. But that's not the only effect. I mean, let's say the real poverty levels were higher, quite a bit higher than those shown by the previous government, which showed them at 41% and also did so on a six-monthly basis. So if you, let's say, have a growing trend, they are actually leaving you a bomb and you don't see it because let's say basically the indicator was measured with a delayed form. But not only that, imagine that you are also given... You are in the middle of an island alone and they give you \$1 million. What can you do with that? You cannot do anything because you cannot buy anything. It is the same as if someone tells you that the price of glasses is \$10, but when you want to buy it, it's not available. Actually, there's a joke told by an Argentinian professor named Juan Carlos de Pablo, who says that a man goes to a bazaar and asks for a vase. Then he says to him, "Well, I want that vase. How much would you charge me?" Then he says, "\$5,000." "Oh, okay, \$5,000. But why \$5,000 if across the street it's 1,000?" He says, "Well, go buy it across the street for 1,000." "Ah, there's none for 1,000." "Well then, here when there's more, it'll also cost 1,000." In other words, prices at which they are available. So what happens? When you are faced with that situation, the supermarket shelves were empty. So what was the point of having a price at which you couldn't buy anything? You left those prices. The shelves were empty. So the statistics showed that you were much better, but the reality is you couldn't buy anything. You couldn't make it happen. So if you left the situation as it was, people were going to starve because they couldn't buy anything. Yes, they had a certain amount of money that could supposedly buy certain goods, but those goods were not available. What is the only thing you can do to save

people? Make the prices transparent and allow products to reappear. Well, when you make the prices transparent, you also make transparent the cost of the basic food basket and the total basic basket, meaning the poverty line... Sorry, the indigence line and the poverty line respectively. And when you do that, clearly you will see a jump in poverty. That brought poverty up to 57%. Now, Argentina found its activity floor in the month of April. From that moment, Argentina began to invent a cyclical recovery. Real wages have been growing every month above inflation. Therefore, nominal wages are beating inflation. In fact, we are already at a level similar to those we had in November. The same goes for pensions. Moreover, also, let's say there is a rebound in activity due to the recovery of the stock cycle. Therefore, this is also contributing to more and better-paid jobs. In fact, this is so strong and evident that the wages growing the most are in the informal sector. This means that poverty and extreme poverty are decreasing much faster than we imagined. But not only that, by eliminating inflation, you remove the inflationary tax, but the real burden is the fiscal deficit, which was 15 points of the GDP. Okay, we temporarily raised the country tax, now we lower it, but we return that to the Argentinians. We gave back 15 points of the GDP. Not only that, but also when you eliminate inflation, you remove the distortion of relative prices. Therefore, the allocation of resources is much better. Not only that, but also with the strong fiscal adjustment we made, we have reduced the country's risk from 3000 basis points to 770. Today, Fitch raised Argentina's rating to CCC. So what do I mean? That translates into a lower country risk and interest rates. And that generates an increase in investment, also generates an increase in consumption. In other words, the Argentinian economy is currently in an absolutely flourishing moment. And how is that sustained in the long term? With structural reforms which we implement daily, deregulating the economy and introducing new laws that free Argentinians from the many oppressive measures that have burdened it over the past 100 years.

Lex Fridman

You've spoken about the caste, the corrupt political establishment. So there's a lot of powerful people and groups that are against your ideas. What does it take to fight when so much power is against you?

Javier Milei

Look, we have fought against corruption like never before in Argentina. In fact, when we took office for example, there were about 900 roadblocks per year. That is people who made a habit of blocking the streets. They prevented free movement. And besides, they were given social plans and they were given a lot of money. If you remember when I started by explaining the cuts, one of the things I said was that we removed the middlemen of poverty. In other words, the managers of poverty, those who lived by stealing from the poor. Well, that is a huge source of corruption. In fact, when we did that, two days later, one of the most renowned and influential Piqueteros called for a demonstration. He claimed that 50,000 people would attend because he was actually expecting 100,000. So he wanted to showcase it as a success. And so then let's say with the decision made in human capital to

cut their funding, the anti-blockade protocol was also enacted, where those who blocked the streets wouldn't receive welfare benefits. And those who broke the law would go to jail. All of that. And also we were informing this through transportation channels. Well, in that march, they expected to have 100,000 people there. And actually it turned out to be 3,000 people. And from that point on, they didn't block the streets anymore. We also evidently put an end to that corruption. One of the things that also generated a lot of corruption was public works. Another thing that led to significant acts of corruption were the discretionary transfers to provinces. In general, these transfers were made to the provinces with accounting as obscure as possible. So the national government, in collusion with the governors let's say, the money ended up being used for other things. Not only that, with which we have already done many things. Furthermore, the ministry of human capital is always filing complaints in court. Not in the media, in court. Acts of corruption like never before in Argentine history. Not only that, but also in terms of condemning corruption. That is, we have done, for example, two days ago, it was condemned, Cristina Fernández de Kirchner got a sentence for corruption, I mean, due to corruption. And the next day, that is yesterday, we took away their privileged pensions. At the same time, we are, for example, we have discovered that Kirchnerism used disability pensions for acts of corruption. For example, there is a city that has more disability pensions than people. In other words, to give you an idea of the things being done in Argentina. And also in Argentina, we have restored freedom to the judiciary. We do not pressure the judiciary. And this is so true that during my government, not only was Cristina Fernández de Kirchner convicted, but also the two terrorist attacks carried out by Iran were condemned. So if there is a government that is truly fighting against corruption, it is us. Not only that, but also with each deregulation, it is a privilege that we take away either from a politician, a prebendary company, or a power group. That is also very powerful. No one in Argentina has ever fought against corruption the way we have. In fact, I will move on to something that is deeply corrupt and one of my great battles, the corruption of the media and social media. That is to say, I removed the official advertising. That's why you will see that even though we generate wonderful news, every week in large quantity, the media speak terribly. In other words, they demand to have a monopoly on the microphone. That is they are entitled to insult, hurt, offend, and they don't want anyone to bother them, and they expect me not to even respond. That's why a large part of journalism in Argentina hates the X Network. And that's why the liberal libertarians love the X network, because we can all say what we want. However, let's say these supposed journalists who defend freedom of expression, actually what they want is to censor the ideas they don't like. And of course, because they are leftists, because they are wokes, because they can't stand the competition, because if they had to fight face-to-face, hand to hand, on a level playing field, when it comes to ideas, they would lose because they were a failure in the economic, social, and cultural aspects. And also, we must not forget that those murderers called socialists killed 150 million people. So they clearly cannot fight on equal terms. Therefore, they demand that social networks have censorship and that the truth cannot be told to them. Because when you tell a socialist the truth, they cry, claiming it's hate speech. No, it's not hate speech. It's that you are useless people who have ruined

the planet. They have made the planet much worse. And fortunately today, thanks to social media, especially due to the enormous and brave work of Elon Musk and the role of Twitter, today X, allows information to flow, which makes it possible, let's say, to expose politicians and also expose the media. And that's why journalists in Argentina are so violent. Why? Because before they could, for instance, a journalist went and for example, he would go to a person and he would throw a folder at them and say, "If you don't give me X amount of money, I am going to publish all of this and tarnish your reputation." And I know for a fact a case of a journalist who carried out this extortion twice to a businessman, that businessman told him that he wasn't going to pay. And evidently the journalist did it. Obviously they went to court, there was a trial, and that journalist lost both times. But that process is very slow. And in the meantime, they smeared. So since the justice system takes a long time, so what is the problem? The problem is that in the meantime, your life got dirtied. So why can't journalists do all this? Well, that's why they dislike X. They dislike social media. They dislike the new form of communication because it took away their monopoly over the microphone. And by taking away the monopoly over the microphone, it removed the economic benefits of extortion. So clearly, that's another battle I'm fighting. You read a newspaper in Argentina, and 85% of what you read is a lie. That is to say the fundamental characteristic of most journalists, not all, but the vast majority of journalists in Argentina with some honorable exceptions, is that they are liars, slanderers, and defamers. And if the monopoly they demand were still in place that they want to reign again, I have no doubt that they will demand money in exchange for silence, because that's what they are. They are extortionists, they are thieves, they are corrupt. And then of course, obviously when you take away a privilege from a sector, they get upset. Well, welcome to freedom.

Lex Fridman

So you're not only fighting for economic freedom, you're fighting for freedom of speech?

Javier Milei

Exactly. I fight for freedom in all aspects of life. That is to say, one of the things that seems most interesting to me is that when the Berlin Wall fell, it's true that officially it fell in the year 1989. But the reality is that the wall or socialism fell in the year 1961 when they had to build the wall. I mean, they built it because people were leaving Communist Germany for capitalist Germany. They realized that those on the western side were much better off. And of course, to prevent people from leaving. They put in a wonderful system, right? So I mean, they had to trap people. They couldn't let them go. I mean, these are such wonderful ideas that they had to apply them at gunpoint. Well, it's no coincidence that they killed 150 million human beings. So what happened then? The official fall of the wall in the year 1989 made it clear that socialism had failed. In that context, the socialists, they moved the discussion of class struggle in economics and took it to other areas. So for example, socialism or what is of the 21st century or cultural Marxism or post-Marxism, whatever definition you want, is to take class struggle to different aspects of life. For example, one of the aspects of life where you, let's say, have this is in gender ideology. I mean, it's incredible because the first ones to

defend equality before the law were the liberals. The first to defend women's rights were the liberals. Jeremy Bentham in the year 1750 was the first to demand equality before the law for women. I mean the cause of equality, equality before the law for women and equality of rights. The first ones who advocated for this were the liberals, did you know? However, what does the left do? They just go on to radicalize it. And then it moves to what is called female chauvinism. Female chauvinism is, let's say, the fight against males. And then, I mean, how do they do it? They do it by assigning rights. But when you assign a right, someone has to pay for it. And that has consequences. And in general, let's say this always happens, the consequences are that the results are worse than what you had before. I mean, in any state intervention, the subsequent result is often worse than what you originally had. So that's one thing. And not only that, but the other side of this is the environmental agenda, which sets man against nature involving all aspects of environmentalism and everything related to climate change. In other words, they can't stand any serious discussion. Therefore, all environmental policies are nothing more than an excuse to collect taxes so that a group of parasitic bureaucrats can live at the expense of others and finance sinister ideas, where the most sinister idea of all is that there is no room for everyone on planet earth. That is an idea that failed with Malthus at the beginning of the 19th century, a murderous idea that was also applied by the Egyptians against the Jews. And this is famously recorded in the Book of Shemot or Exodus. Or for example, another thing is Black Lives matter, that is Black people against white people or indigenous people against the established communities, or I mean everything related to LGBT agendas. Definitely, these are some of the ways in which socialism extended the class struggle into other aspects of society, creating divisions and fostering deceit with the sole purpose of absorbing taxes. I mean, what was the ministry of women in Argentina doing? Did it manage to reduce a single femicide? No, none at all. The number of femicides exploded just the same. In fact, the most feminist president in Argentine history, Mr. Alberto Fernández, used to beat his wife. That is such a strange feminist. I mean, well... So within the ranks of feminists, let's say, you will essentially find the largest number of rapists and women beaters. And it's quite interesting what they do. Their hypocrisy is truly striking. It's not just about that though. I mean, the battle is on three fronts. You have the economic front, which is free enterprise capitalism. Then we have the political level. Currently, the system that the world has designed is a Republican liberal democracy with checks and balances. And I mean, at the cultural battle level, notice that socialism has been very successful in the cultural battle. It has been very successful politically because it was able to translate that political battle in winning many elections. But why is it falling apart? Why? Because it produces misery and because the economic system is a disaster, so people eventually realize that it is making things worse for them. Liberal, libertarians are very good when it comes to economics. Yes. And those good economic results can actually lead to the generation of solid political processes. But what happened? The liberals neglected the cultural battle. Much of the blame was placed on Fukuyama when he said, "This is the end of history." No, it was not the end of history because the following year, in 1990, the socialists gathered at the São Paulo Forum, and based on the ideas of Gramsci, designed a strategy to infiltrate the media, culture, and

education, which ended up changing the entire discourse. And they established that what they said was politically correct and that any- ... was politically correct and that any idea outside of it was to be considered reactionary and had to be censored or even persecuted, and they claimed to be the ones defending freedom even though they were the ones persecuting people. It's the same with journalists who get upset with Twitter. They say they defend freedom but can't stand it when those who think differently speak. Is that freedom? Yes, for them, but not for those who think differently. That's not freedom. That's fascism. Then, what do we say? Then we must fight on the economic front. And I believe we are implementing an extremely successful economic program that is being recognized worldwide. In fact, the other night, the president-elect, Donald Trump, indeed gave recognition for the achievements we are having in Argentina and the speed at which we have done it. At the same time, you have to fight the political battle because, well, soccer matches are not won by shouting from the stands, they are won by playing on the field. But that alone is not enough because you have to, let's say you need to convey to society the values of capitalism, the free market, what liberalism is, the value of freedom, right? And when you succeed in that, then we will indeed be able to advance steadily. If you don't fight the cultural battle, what happened in Chile will happen to you. They had economic success. It was, let's say sustained over time, but at some point it collapsed. Why did it collapse? Because they hadn't fought the cultural battle. Then socialism, little by little, took control of institutions in education and the media. So, they took over the media and culture and on that basis, they attacked and broke up the system. And then they found themselves with increasing doses of socialism and the only thing socialism generates is poverty. Therefore, what you must keep in mind is that you have to fight the battles on all fronts. And if you don't keep that in mind, I can tell you are headed towards collapse.

Lex Fridman

Like you said, in this fight against corruption, you are challenging some very powerful people, a powerful establishment. Are you ever afraid for your life? Potential assassinations?

Javier Milei

No. Tell me what good is it to live life, I mean, in slavery? Look, there is a song by a Spanish singer called Nino Bravo. Just to be clear, he has already left this earth, so we can say he has passed onto the beyond. The song is called Libre, and the song, it tells the story of Peter Fetcher, an 18-year-old boy who when the separation was made, and I mean the construction of the Berlin Wall begins. His family ends up on the western side and he accidentally ends up on the eastern side. And for a whole year, he plans his escape to the western side. And in that context, when he tries to escape, he gets murdered. So really, what is the point of life if it's not in freedom, right? I mean what is the point of living without fighting for your values? If I am willing to give my life for my values, then what is the point of living without freedom? Look, can I tell you something interesting that happened to me here in the United States? Let's say back in the year 1998, I came to the United States to take a

series of courses to improve my English, which I never use in formal terms because as president, as you can imagine, if I make a mistake, I can create a serious situation. Fortunately, I have an interpreter who is a superstar, and if I make a mistake even in Spanish, he corrects me in the version of the other language. And so back then, in that year, I went to San Francisco and I visited Alcatraz. You are young, but I mean the visit was an audio tour. You got a Walkman and you would choose the different tracks and listen to the story. The most interesting thing is that the Alcatraz story ended in the recreation yard where the basketball court, exercise area, and all recreational facilities were located. So anyone would have thought that this was the best part of Alcatraz. And yet, what they said in the guide was that that was the hardest part for the inmates. Why? Because I mean that recreation area in particular is built in front of the San Francisco Bay. So, the inmates could all see how San Francisco continued to build up and evolve and develop every day while they were locked up in there. They couldn't take part in that. They were confined in that prison. And that made them fully aware of the value of freedom. So, in my experience for me, the fight for freedom is relentless, okay? I mean my greatest hero in all of human history is Moses. The feat of Moses is like one person alone with his brother, Aaron, both confronting the combined forces of the United States, China, and Russia together. And it was Moses who said to Ramesses, "Let my people go." Well, Ramesses resisted and the forces of heaven ran him over. But what I mean is I don't see any other possible way to live other than with freedom. And I would always fight for full freedom and I would be at the forefront of this cause. I mean it's a cause that I'm going to die with my boots on. I mean I'm not going to make do with living any other way other than with freedom. I will fight everything. I'm going to fight as much as it takes. At least that's the way I feel. So, what good is it to be alive if you're confined? What good is it to be alive if you're not free? It's no good. What good was it for Peter Fetcher to be alive in communist Germany? Well, at least he had a moment of happiness while he tried to escape.

Lex Fridman

Another guy who fights for freedom, freedom of speech in this case, is your new friend, Elon Musk. What do you admire and what have you learned from your interactions with Elon?

Javier Milei

I have a huge admiration for Elon Musk. He is an absolutely unconventional person. He's a great fighter for the ideas of freedom. What he has done on Twitter, now known as X, and how he is helping the world nowadays to wake up once and for all and become aware of the socialist virus, the woke virus, that in itself makes him a hero in the history of humanity. But it's not just that. One of the things that happened to me is that when I went to first talk to him, I thought I was going to meet a successful businessman and that I would have a typical successful businessman conversation who understands business and that some of his businesses, some of his business is slightly more exotic, but that's the kind of talk you would expect to have. And business people are truly admirable, right? Because they are true

benefactors of society, but they're usually very much focused on their own business. And one of the things that really, really shocked me when I met Elon Musk, we had scheduled a meeting for no more than 50 minutes, the first time we were in the meeting for a little over 45 minutes because he was about to miss his flight. So obviously, if someone as important as him doesn't fly as planned, it has to be rescheduled and he loses a lot of hours. Imagine, every minute is very valuable. And one of the things that happened was that basically he brought up the topic of demography and we started discussing demographics and growth. I never imagined that I would end up discussing demographics and growth with him. And another very fun thing was that something funny he said to me was that since we shared our vision regarding demographic issues and the need to populate the planet, he asked me, "Now, what about you? When are you going to move in that direction?" I said, "Oh, look, I have five children." And he said, "Well, the four-legged ones don't count." That was the first meeting I had with Elon Musk. The second meeting was when, here at the universities, we started seeing anti-Semitic demonstrations where basically Palestinian flags were displayed and Jews were harassed and persecuted. And at that moment when we had that second meeting, he showed himself to be very deeply involved with that and brought up the issue of the cultural battle. So, I mean it's not quite conventional, even in the political field. During our last talk, which lasted for about two and a half hours, one of the things we talked about was freedom and what was at stake for the United States in this election. Therefore, he is a person, honestly. I can say he's well above average. I mean a person of unconventional intelligence and also he's very charming. So, I mean, again, I have a great admiration for him and I really interact very closely with him. He's very interested in what our Ministry of Deregulation is doing, which seeks to remove regulations. But at the same time, he works with another person who is also interested in the chainsaw approach, and so I'm very pleased because they are going to try and replicate the model we are implementing in Argentina. And also, Donald Trump himself is very enthusiastic about this and anything in the way of reducing regulations and cutting public spending and taking the government out of the equation means more freedom for the people. So, I'm very pleased with what's going on. And with Trump's victory, because the United States will be better off, Argentina is going to be better too and the whole world is going to be better off. Today, the world is a much better place than it was just a few days ago.

Lex Fridman

Like you said, Elon and Vivek Ramaswamy are heading the DOGE, Department of Government Efficiency. So from your experience this year as president of Argentina and every chainsaw economic policies that you've implemented, what advice would you give to Elon and Vivek about how to do it in the United States?

Javier Milei

Just cut to the chase. Cut to the chase. Simple as that. I'll tell you a story and you're going to love it. Currently in Argentina, due to the political balance we've achieved, we have had certain powers delegated from Congress to the executive branch, and therefore we can

resolve it by decree that the deregulation minister, Federico Sturzenegger, in his ministry shows a counter that displays in front of everyone there. He displays the number of days, all right, during which the delegated powers will continue to be valid. Therefore, he has a whole deregulation division, also a public spending cut division, and government structure reduction division, and he also has an elite corps that's cleaning up all of the laws that hinder the economic system and progress. And every day, he removes between one and five economic restrictions. So, my advice would be for them to go all the way, to push it to the very limit, and do not give up. Do not let down their guard. Furthermore, that agenda does not have political purpose because at the end of the day, you are removing privileges. Of course, there will be people complaining, but those are people who are losing privileges, so they will have to explain society why they are keeping those privileges, and that is quite uncomfortable.

Lex Fridman

You've spoken with Donald Trump, allegedly he called you his favorite president. What did you discuss? And maybe, again, what do you admire about President Trump and what do you learn from him?

Javier Milei

There are several things that I admire about President Trump. The first is that he probably... I think he's provided ample proof of this in his first presidency. He understands the nature of the cultural battle. He has openly confronted socialism, his speeches openly target socialism, he perfectly understands the woke virus, and that is of great value because it means understanding what it's all about. Another thing I truly admire about him is his courage. In fact, thankfully, thank goodness he didn't get assassinated or killed, but it was by a small chance occurrence that could have killed him just because he moved at the right moment. And yet, that didn't intimidate him and he went on. And in fact, during his first campaign, and in this one as well, in the second one and third one, they criticized him, insulted him, offended him, said awful things about him, made up all sorts of horrible stories about him. In that respect, I can say I deeply relate because probably no one in our history has had such a negative campaign from all the media like they did to me. But let's say they were quite similar. This is why it's so interesting, and I was so deeply moved when last night I also got to meet Sylvester Stallone, because Sylvester Stallone talks about, well, how important is that no matter how hard they hit you and keep on hitting you all the time, despite all that, you keep going on and on and on. What I'm trying to say is that so many of Sylvester Stallone's approaches are truly inspirational, don't you think? So imagine, I'm about to give the speech and I see Sylvester Stallone and Sylvester Stallone knows me. It was truly insane. I had to pinch myself. I mean this can't be true. And besides, well, the people were wonderful with me last night. They've been wonderful today. I've taken hundreds of selfies. I mean it's truly been... I would say it's been my break, let me say, after almost a year in office and having to face all sorts of media torture because the journalists who have vested interests and are corrupt are professional torturers. Yes, because they

invade your personal life, your family, and your privacy. Let me tell you something to show you the kind of garbage the media in Argentina can do. They send three drones to spy on me at my presidential residence, to spy on me. Do you think that's right?

Lex Fridman

No.

Javier Milei

Exactly. But that kind of thing happens in Argentina, not to mention the many lies and horrible things they say. I, for instance, remember that time when my father was hospitalized. My father is a man of a really strong character who has had two heart surgeries, all right? And one day, a journalist was saying all sorts of lies about my father. My father was hospitalized and he almost died of a heart attack. So that kind of thing is what journalism and the press do in Argentina. So they start to attack your private life, your mother, your father, your sister. Even my dogs that I absolutely adore, they are the most wonderful beings in the universe, they even target my four-legged children. So, imagine that I've been in office for nearly a year, a year as president, and since they can't criticize my management except by lying and distorting the numbers, they meddle with all these things, things they have been doing all the time since the year 2021 when I officially entered politics. And I've seen what they've done to Trump. So, that also makes me relate a lot to him because he's a true warrior. He's a Viking, he's a Viking, he's literally a Viking. I mean he's someone I admire for how he has kept fighting in the face of adversity, even against all odds. And still he managed to win. Amazing. And that's why I can relate that much. And I've also seen how he's been unfairly criticized, like when he was accused of protectionism or when he wanted to discuss some matters within the context of public debate regarding the design of monetary policy as regards to Fed. And basically, they have accused him of things. I mean isn't he entitled to give an opinion as a president? I mean any citizen could give their opinion, even more so a president.

Lex Fridman

Why is it important to you that Argentina has a close relationship with the United States?

Javier Milei

Well, to us, that is truly important, okay? Because we've decided to be geopolitical allies of the United States ever since our campaign, we have decided that our allies will be the United States and Israel because they basically represent the ideas of the western world, they represent the free world. That is to say, what we would call today, let's say, a liberal democracy by confronting the autocrats. And in that sense, that is the geopolitical alignment. Moreover, in our campaign, we were very, very clear on three main points. One, the economic pillar. We talked about cutting public spending and I would make my appearances with a chainsaw. We talked about economic freedom, deregulation, that is, and I talked about a competition of currencies, and people obviously were interested in the

dollar. So, it was obvious that the economic policy was clear, all right? And not only was it clear, but we are also fulfilling it. That is the first point. Second was our policy on security. The idea being to fight crime, I mean relentlessly as well as security, no mercy, right? And in fact, in Argentina, there are no more roadblocks, which they said were impossible to end. Not only that, we have strengthened the security forces and also our armed forces, and we are waging a tough battle against drug trafficking and narcoterrorism. Therefore, we are also strongly fulfilling that. Notice that these two points, which were the main concerns, they were the biggest concerns of Argentinians when we took office, are now in fifth and sixth place. Today, the problem for Argentinians is corruption, whether there is unemployment, if there is poverty, but they don't mention inflation and insecurity anymore. And besides, a third point that I made clear was that I would align with the United States and Israel internationally, and at my campaign rallies, there would be groups that would come along with flags of Israel. So, it's clear that our international policy approach was always very clear and this is something I state during my speeches when I talk about the values of the west and the civilization of the west. In fact, yesterday, and even more so today during my speeches, I talked about how the different Greek groups or tribes go together to confront the Persians. That is to say it seemed that from that time, 500 years before Christ until today, that struggle continues, right? But well, so of course we're all in. We are betting on the United States becoming, once again a leader in the West. We needed someone to come back to make America great again. And as part of that process, being a commercial ally is also a great idea. So, we would really like to move forward and deepen our trade ties and our investment ties. And well, we would also like to be part of NATO as well.

Lex Fridman

Do you think it's still possible... One of the radical ideas you had as you were running for president was to dollarize the Argentine economy. Do you think that's still a good idea? Are you still thinking about that?

Javier Milei

Let's see, let's break it down. Let's say, if you review all my statements, I talk about currency competition. I'm not strictly talking about dollarization, I'm talking about currency competition and eliminating the central bank. If people later decide to embrace the dollar, that is their choice. Ultimately, in the model I propose, what happens is the formation of a currency basket tailored to the needs of individuals. But I won't avoid the discussion. Today, there is currency competition. If, for instance, today in Argentina, you want to make transactions in any currency, you can do it and it's allowed. Today there is currency competition. The other thing we talk about is the concept of, let's suppose we were discussing dollarization. We talk about endogenous dollarization. The first point is that you need to clean up the central bank. We had to deal with the issue of the CIRA. That is the central bank's commercial debt, which was \$50 billion. We still have to resolve the dividend problem of \$10 billion. And in the meantime, we did a write-off and cleaned up the central bank's balance sheet by \$45 billion. So, you can't just close the central bank if it is bankrupt,

because you need to redeem the whole central bank debt, which is about the issuing of money and the interest-bearing liabilities. So once we finish with the interest-bearing liabilities, it'll leave us with the monetary base. Therefore, today we have a regime where the amount of money is fixed, the monetary base is not growing, and as demand for money increases, since people can use dollars, they don't need to go and sell the dollars and make the peso appreciate, but they can do transactions in dollars. So as the economy grows, you will have a greater share of dollars relative to pesos. And at some point, the amount of pesos compared to the dollars will be so huge relatively that closing down the central bank will be done easily, which means this is working. Of course, if you were to give me the money right now, I would go ahead and dollarize. I'd have no problem with that. For example, I did have a proposal for this, and this could have worked, because the largest creditor of the Argentine treasury is the central bank, but central bank bonds were trading at 20 cents. If I had sold those bonds at 20 cents and nowadays they are trading between 60 and 70. With the whole bunch of Neanderthals that are the opposition, who besides being ignorant in economics, also have bad intentions, I would be in jail today.

Lex Fridman

Let me ask you a very important, difficult question. I'm a huge fan, have been my whole life, of Diego Maradona and Messi. So who, to you, is the greatest football player of all time?

Javier Milei

The way I see it, I have seen Maradona play, all right? I saw Maradona play in the past, I used to watch him, and I saw him during his last year at Argentinos Juniors before Boca Juniors in the year 1980, and I saw him in '81. Playing for Boca, I saw him play in the youth selection in Japan in 1979. I truly have immensely enjoyed the talent of Maradona, but without a doubt, the best soccer player of all time, not just from Argentina, of all time, even better than Pelé, is Messi, of course. There is an article, which is quite old already now, titled Messi is Impossible. And it looks at all of the positions a soccer player plays in, that is all positions a soccer player can play in from midfield forward. And the most incredible thing is that Messi is the best in each of those positions. You can be the best in one or two positions. You see Cristiano Ronaldo, for example, was very good in two areas of the game. So much so that he was almost like Messi, but he didn't take part in the rest. However, Messi is the best one in all respects. But at that time, of course. Nowadays, he's an older player, right? He is an older player, right? And I'm not sure whether he can still keep that performance on all fronts, but honestly, I have never in my life seen a player like Messi. I have never seen no one like him, for real. Considering the goal average in the days of Pelé compared to Messi's golden era and his career now, the number of equivalent goals is much greater than that of Pelé, therefore, without a doubt, Messi is the greatest soccer player of all time. No one compares to him.

Lex Fridman

But it's not just the numbers or the World Cup win, it's the moments of genius on the field. Messi is unlike any other in that way.

Javier Milei

Messi does things that seem technically impossible, they seem physically impossible. The moves he makes don't respect human logic. It's like watching Usain Bolt run. It doesn't feel possible. He moves in a way that doesn't respect human logic, am I right?

Lex Fridman

Did you watch the 1986 World Cup with Maradona, with the hand of God, with the game against England? What was that like?

Javier Milei

Oh, yes, I do remember that very well. We watched it in the home of my godfather and saw how he did his gambit and dodged the England team. It was absolutely indescribable. There's no way to put it into words. It's as if I asked you to describe for me the love you have for your partner. You can't do that, right? It's something wonderful. You can't describe it, you cannot put it into words. There are things where words just seem to fail, am I right? I really think that there are times when humans, or some humans, not all of them, actually. Some humans have the privilege of being able to vibrate closer to God. Some Puccini arias, for example, when you listen to them, when you listen to the famous aria from La Rondine, or the famous aria from Gianni Schicchi, you get the feeling that he was getting sat dictated by God. How can you put that into words? You can't. There's no way you do that. Those moments where we humans, that we have the privilege, I say it as human beings, because I'm speaking from that perspective. I say this only as an admirer. Some human beings have the ability to vibrate so close to God that you can't describe it, you can only enjoy it. This is why, in Judaism, they don't use the name of God, of the Creator, because how could you put in words something like that? And I believe those are times when us humans connect closer to the Creator and create unique things, you cannot describe them. There are no words to describe that. The only thing you can do is enjoy it and be thankful that you can witness it.

Lex Fridman

You were a great footballer yourself in your youth. You were a goalkeeper. Many people would say that's the toughest and the most important position in football. Maybe you could speak about that experience and, in general, what's harder; being a goalkeeper or president?

Javier Milei

Lovely question. Well, indeed, I used to be a goalkeeper, but I'm not so sure about whether I was any good. But the experience of having been a goalkeeper is very valuable. First, the goalkeeper is the only player that can use their hands, in a certain sector of the pitch in the

area. The other thing is that he's also the only player who dresses differently. Moreover, their training is a solitary one. And the most important, it is the very climax, the goal, right? When the goal is called by their team, everyone is celebrating on the other side and the goalkeeper is on his own. And at the same time, he's the one who suffers the most when a goal is scored, because he gets the direct impact. In fact, when the goalkeeper makes a mistake, it's an own goal. Imagine a teammate scores a wonderful goal like the one Maradona did. It's marvelous. And that's just one goal. And imagine the goalkeeper picks up the ball, and then, if they bring it into the area wrongly, it's like two goals, it's a complete lack of proportion. So, therefore, and this, in my opinion, makes goalkeepers have a very strong temperament. They're used to being alone, and power is precisely that. Because when you make decisions, you are on your own. And not just that, but also when you have a responsibility, like that of a president, when you make a decision, it has an impact on millions of people. So just like goalkeepers, if you make a mistake and score an own goal, and in this context it's negative consequences for millions of people. Therefore, that has been part of the university of life that has given me the tools to be president today. That is my training in economics, my training in liberalism, having been a goalkeeper, and also having had a very tough childhood.

Lex Fridman

How hard is it? What's been the personal toll of carrying the hope of a nation on your shoulders?

Javier Milei

Well, being defamed, insulted, and attacked every single day, but again, there's no point in life if it's not with freedom. So, like Sylvester Stallone once said, "The secret to life is to carry on in spite of the blows you get, the punches you take." And fortunately, we have been able to carry on in spite of the blows, both coming at us from in front and from behind our backs, because it have been more honest if we had been attacked directly. But well, in Argentina politics and the mass media, they do love to attack behind your back.

Lex Fridman

What role has God played in your life? And who is God?

Javier Milei

Well, faith, I'd say, has been a very fundamental element. And especially in recent times, during which I've become actively involved, particularly in the teachings of Judaism and in the study of the Torah. This has given me, let's say, a huge background to face the many adversities which I've encountered and had to overcome in the last few years. And as to who God is, He's the Creator, the Maker. I call Him, The One.

Lex Fridman

What is a better guide for humanity; the invisible hand of the market or the hand of God?

Javier Milei

They're perfectly in sync.

Lex Fridman

Well enough. Again, going back to your youth, you were a lead singer in a rock band. Who's the greatest rock star of all time?

Javier Milei

Okay. Well, the way I see it, the most amazing rock singer in the history of mankind was definitely Elvis Presley. And my favorite band is the Rolling Stones. So I also greatly admire Mick Jagger, and I still have this dream of getting to meet him in person.

Lex Fridman

How fun would it be to play together with the Stones?

Javier Milei

That would be a big, big dream. Don't get my hopes up, because I set goals and then I go and achieve them.

Lex Fridman

Well, I'm close friends with a band that opens for the Stones, so I would love to see this happen.

Javier Milei

Oh, well, that would be great. Or we could also watch the whole concert from the stage. I can't keep ruining the Rolling Stones' music. I already had a tribute band and did quite a lot of damage to their music.

Lex Fridman

How much does your rockstar roots define your approach to politics, to life? Do you see yourself as a showman in part?

Javier Milei

Of course. Absolutely. My idea is that, when you attend one of our events, it feels like going to a Rolling Stones concert. In fact, in one of my most recent performances at Luna Park, I even had the pleasure of singing in front of 10,000 people. It's on YouTube. No, sorry, not on YouTube, it's on my Instagram feed. At that event, I sang a song called Panic Show, and the song starts by saying, "Hi, everybody. I am the lion."

Lex Fridman

Your intensity and passion have earned you the nickname El Loco, the madman. Do you think some madness is necessary to challenge the powerful establishment?

Javier Milei

Well, maybe it's a matter of perspective. It could be the other way around, that everyone else is crazy by living in a way contrary to the ideas of freedom. And so, maybe the sane person who wants to fix that is then considered a madman. Anyway, the nickname doesn't bother me at all. In fact, I even enjoy it, because I've been called like that since I was 10 years old, so it's not something that particularly bothers me, because it's a nickname that... Well, it has been used for many years, but actually, if I present to you the case of San Martin, when he said he was going to cross the Andes to liberate not only Argentina, not only our country, but also Chile and Peru, and people called him crazy. Imagine if you had tried and spoken with, I don't know, Michelangelo, you would have called him crazy too. Or if you had talked to, I don't know, hundreds of people who have changed the world, surely they would have thought that Einstein was crazy and so on, the list would be infinite. So, what is the difference between a madman and a genius? Success.

Lex Fridman

Let me ask you about the market. It's so interesting, from your view of the world, how powerful the market is at figuring out what's best for society. Why do you think the market works so well as a guide for humanity?

Javier Milei

One must first understand what the market is. Simply put, the market is a process of voluntary exchange, where individuals cooperate through the transfer of property rights, in which private property is upheld. This is the system that drives the allocation of resources. In essence, socialism, and this is what Mises condemns in his book, *Socialism*, shows that without private property, prices cease to exist and therefore resources are diverted. Why don't you think it's the same to make a road of asphalt or gold? Why not make it of gold? Because you have an understanding of economic calculation, you have an idea of prices in your mind. So, in this context, if there is no private property, there are no prices, and as a result, the free market capitalism is the best mechanism ever developed by humankind for resource allocation. This also implies that markets must be free. Free from state intervention, because when the state intervenes, it creates interference. And markets need to allow free entry and exit, what we call competition. However, it's better to understand competition in the sense described by Israel Gerstner, one of the foremost figures of the Austrian school. Or in the neoclassical framework as William Baumel understood it, which was the concept of free entry and exit in so-called contestable markets. And also, let's talk about what pertains to the division of labor and social cooperation. The most wonderful thing about capitalism is that you can only be successful by serving others with better quality goods at a better price. If you are successful in free market capitalism, you are a hero, you are a social benefactor, you are a prosperity machine. So the better you do, the better it is for society. This is very important. I remember when I had my first meeting with Elon Musk, and this made me admire him greatly, and this is something my sister commented on too. Elon Musk told me something he does every day. He wakes up every

morning thinking about what problem he could fix for humanity. That's amazing. Of course, what is the counterpart? Being successful. Therefore, in that sense, and moreover in my view on how the system works, on how the market works, market failures do not exist. That is to say, that is a problem. A problem for neoclassical economies because of the mathematical tools they've used to develop economic analysis. But actually, it's not a real issue in everyday life, it's a problem in the minds of economists. In fact, my latest book called Capitalism, Socialism, and the Neoclassical Trap deals precisely with this issue.

Lex Fridman

Yeah, you've outlined these ideas in Capitalism, Socialism, and the Neoclassical Trap. So the trap is that there's no such thing as a middle ground. It's either capitalism, socialism, and every middle ground ends up in a state of socialism.

Javier Milei

Well, actually, that is what Mises said. He said that there are only two systems; free enterprise capitalism and socialism. And he also pointed out, and this is proven in Hayek's book, the Road to Serfdom, that any middle ground solution is unstable in terms of capitalism, meaning it tends towards socialism. So when you implement an intervention, it causes government failure, which then triggers further intervention, setting up a trap that results in more and more intervention. And in this context, the neoclassicals, with their market failure theory, are in fact dealing with problems that are fundamentally mathematical. Rather than making the world a better place, they have, if you will, been instrumental in increasing the levels of intervention. Let me tell you something. Well, I have an economist as chairman of the President's Advisory Council, Dr. Demian Reidel, who studied here at Harvard University and completed his PhD, was mentored by Kenneth Rogoff, the American economist. And Rogoff has said that Dr. Reidel was his best student. Nowadays, we're actually working with Dr. Reidel specifically on all these issues that arise from the interventions proposed by the mainstream, such as the so-called correction of market failures. And a few days ago, he conducted a survey of search algorithms and policy recommendations, and that resulted in a map painted from red to blue. And well, the redder it was, the more it was linked to socialism, there was an intermediate thing that was yellow, and blue was free market ideas. And one of the things he discovered, as part of that graph or chart, was that the largest number of policy recommendations, scandalously, are actually left-leaning. So that is the empirical evidence of what I pointed out in the book, Capitalism, Socialism, and the Neoclassical Trap.

Lex Fridman

You mentioned your four-legged children. What have you learned about life from your dogs?

Javier Milei

Well, from my four-legged children, I have learned unconditional love. In fact, well, my name in Hebrew means loyal friend, faithful friend, and on the Chinese horoscope, I am dog. And if

there's one thing that defines me is loyalty, being decent. And those virtues, you can find them in those wonderful beings that dogs are, who love unconditionally. In fact, they are superior beings, spiritually speaking in my case, because I don't forget or forgive those who have harmed me. That is to say, all those who have insulted, defamed me, and criticized me, I remember each one of them, but I don't have the greatness needed to forgive them.

Lex Fridman

On the topic of loyalty in politics, I'm sure there's been a lot of people, some people, who have betrayed you. Does that hurt your heart?

Javier Milei

It depends, because you sometimes think that you can expect some people to be loyal, and if they betray you, of course that hurts. But some people, you actually don't expect anything from them, so if there's betrayal, you won't be annoyed or feel bad, because you owe it to someone who didn't share your values. But politics does have that. Sometimes, many of the people you may come across don't have the values you advocate for, but it's cost benefit. You need to let the ship sail on. Or would you rather let it sink? That's not my case. I fight until the end. There are traitors, but that's part of politics. And that's not my line, but of course, they do exist.

Lex Fridman

There are a lot of people who admire your revolutionary spirit. What advice would you give them, maybe young people, on how to live a life like yours and have an impact on the world, like you have begun to do?

Javier Milei

I didn't do this thinking about having an impact on the world. I have defined what makes me happy and I live according to that. I live consistently by that. And most importantly, I would say never give up. Moreover, and above all, never be half-hearted. I would rather cry because I failed, rather than not crying because I never tried. I'm a perfectionist, so when I do err, of course, I have a bad time. But still, I prefer to go and get things done. If it goes wrong, it's part of life, but I will never have to regret not having done what I thought needed to be done at that moment.

Lex Fridman

What gives you hope about the future of Argentina and the future of humanity?

Javier Milei

Well, the fact that, thanks to social media and to the whole tech revolution going on, every day, more and more people are becoming aware of how important freedom is to live. To live in peace and prosperity. And I believe, even though bureaucrats and the elites fight

untiringly to enslave us, a wave of freedom has been unleashed, which, if we do wage the fight, we'll have a much better world.

Lex Fridman

What does your famous words of viva la libertad... How did that come about and what does it mean to you?

Javier Milei

Long live freedom, dammit. That first started while I was giving my book presentations. At the end of my presentation, I would say, "Viva la libertad, carajo," and that really stuck with me since then. Without thinking about it, throughout my life, it was going to continue being present. In fact, today, my presentations, all of my speeches end with, "May God bless the Argentinians. May the forces of heaven be with us. And viva la libertad, carajo." The first phrase reflects my faith in God, fervently, and that I'm deeply thankful to the Creator for the wonderful things He has bestowed upon me daily. The second one has to do with a quote from the book of Maccabees 3:19, which says that "victory in battle doesn't depend on the size of the army, but on the forces of heaven." This has to do with the victory of the Jewish people, the Maccabeans, against the Greeks and how they recovered the temple. And the last one, well, is my war cry.

Lex Fridman

Well, there's no better way to end it. Thank you for being a warrior for freedom, and thank you for talking today.

Javier Milei

Thank you very much indeed for your interview. And thank you for being so well-educated, because very often interviewers are not like that. And you did have windows to play foul and you didn't, and I recognize that and I thank you for that.

Lex Fridman

Thank you. Thanks for listening to this conversation with Javier Milei. To support this podcast, please check out our sponsors in the description. And now, let me leave you with some words from George Orwell. "In a time of deceit, telling the truth is a revolutionary act." Thank you for listening and hope to see you next time.