

**My Interview with Michael Farris and Dave Collum on Coffee and a Mike:
"Venezuela: Regime Changes Rarely Work"**



This week, I joined Michael Farris and Dave Collum on Coffee and a Mike. We discussed (with timestamps):

- 01:43 – Weekend shock in Venezuela: what happened and why official narratives don't add up
- 02:09 – The military operation: long planned, clean execution, no resistance, no U.S. casualties — obviously an inside job
- 04:28 – Venezuela's long economic slide: Chávez → Maduro and the collapse of the system
- 05:53 – Inflation reality check: why Venezuela now has the world's highest inflation rate (~923%/yr)
- 06:13 – How I measure inflation daily in Venezuela: PPP, exchange rates, and black-market data
- 09:06 – Sanctions vs. blockades: why sanctions usually fail and often entrench regimes
- 10:02 – The core paradox: Maduro removed, but the regime itself remains intact
- 14:15 – Police state dynamics: repression, exile, rigged elections, and opposition imprisonment
- 17:43 – Regime change history: why these operations almost never work
- 19:06 – Legality debate: U.S. constitutional precedent vs. international law
- 27:54 – The oil myth exposed: why Venezuela's vast reserves are effectively worthless
- 50:41 – The real deal: U.S.–military negotiations, market reactions, and what comes next

[Click here to see my interview with Michael Farris and Dave Collum](#)

My Interview with Iliya Valkov on the Bulgarian National Radio: "Prof. Steve Hanke: Introduce a debt brake in the Constitution!"



This week, I was interviewed by Iliya Valkov on the Bulgarian National Radio. We discussed:

- Adopting the euro was a mistake: Bulgarian politicians were wrong to abandon the currency board and surrender monetary sovereignty.
- The currency board was Bulgaria's most successful institution. I introduced it in 1997 when I was President Petar Stoyanov's economic advisor. It immediately crushed hyperinflation, enforced fiscal discipline, reduced debt, and operated with no corruption.
- Euro adoption removes fiscal restraint: The currency board acted as a "straitjacket" on politicians; without it, government spending and debt will rise.
- Bulgaria's fiscal position will deteriorate: Increased deficits and debt will ultimately be paid for by ordinary Bulgarians.
- Constitutional safeguards are now essential: Bulgaria needs a debt brake and a constitutional rule limiting government spending growth to the rate of Bulgaria's economic growth.
- The euro was imposed without popular consent: Bulgarians were never given a direct vote, and EU accession did not specify a binding date for adopting the euro.
- Political instability and populism will rise: Ignoring the public will fuel unrest and strengthen populist movements.
- Inflation will now track eurozone conditions, as it has done with the currency board since the currency board made the lev a clone of its anchor, the euro.
- The eurozone faces serious structural problems: Low productivity, weak growth, deteriorating fiscal positions, and unstable political leadership—especially in the EU's most important countries like France and Germany.
- U.S.–EU relations are likely to worsen: Transatlantic tensions are expected to continue increasing.

[Click here to read/listen to my interview on the Bulgarian National Radio](#)

My Interview on BeInCrypto with Brian McGleenon, Luís De Magalhães, and Camila Grigera Naón on Venezuela, Markets, and International Law



This week, I joined Brian McGleenon, Luís De Magalhães, and Camila Grigera Naón on BeInCrypto. We discussed:

- The U.S. operation in Venezuela is legal under U.S. law due to long-standing precedent (Monroe Doctrine + Roosevelt Corollary), but clearly illegal under international law—a sign we are entering a more lawless, post-rules-based global order
- Venezuela's economic collapse is extreme: inflation ~923%/yr, GDP per capita down 63% since 2008, and institutions are effectively shattered
- Despite having the world's largest oil reserves, PDVSA's depletion rate is ~0.1%/yr, making those reserves economically worthless at current exploitation rates
- Markets are pricing in regime change: Venezuelan sovereign debt surged ~25%, PDVSA debt ~39%, and Chevron stock jumped ~8.5% following Maduro's capture
- The real challenge begins after Maduro: rebuilding Venezuela resembles post-Soviet transitions, where success depends on privatization and institutional reform
- Dollarization is the fastest and cleanest path to stabilization—the bolívar should be scrapped entirely, along with the central bank
- China's main concern is getting repaid (~\$10bn owed); Venezuelan oil is no longer strategically critical to Beijing
- Trump is effectively advancing a "Trump Corollary" to the Monroe Doctrine—territorial and geopolitical actions throughout the world justified under "national security"
- Commodities are the clear winners in 2026: bullish on gold, silver, copper, platinum; bearish on oil due to excess global supply
- U.S. equities are clearly in bubble territory, fueled by AI optimism, loose monetary policy. Bubbles usually pop when monetary policy begins to tighten. At present, tightening doesn't seem to be in the cards in the USA. In fact, the Fed, in December, switched from quantitative tightening to quantitative easing

[Click here to listen to my interview on BeInCrypto](#)

My Interview with Janet Alvarez on The Business Briefing (SiriusXM)



This week, I joined Janet Alvarez on The Business Briefing (SiriusXM). We discussed:

- International law is ignored by great powers: What happened in Venezuela is illegal under international law, but history shows major powers apply international law only when it suits them.
- Strong U.S. precedent for intervention: From the Monroe Doctrine through the Roosevelt Corollary, U.S. intervention in Latin America has deep legal and historical precedent.
- This was a failed regime-change operation: Leadership was decapitated, but the Chavista regime remains. Regime change efforts almost never succeed and often worsen instability.
- Venezuela is not Panama (the arrest of Manuel Noriega in 1989): It's vastly larger, more ideological, and more militarized, making Panama comparisons misleading.
- The real deal was between Trump and the generals, not the political opposition. The U.S. reached an understanding with Venezuela's military—preserving the regime and sidelining the opposition.
- Markets are betting on regime survival: Venezuelan sovereign and PDVSA bonds surged, and Chevron stock jumped—investors are pricing continuity, not democracy.
- Venezuela's oil reserves are effectively worthless under PDVSA: With an extraordinarily low depletion rate, the reserves have little present value at any realistic discount rate.
- Bottom line: History is clear—regime-change operations are disasters, and Venezuela fits the pattern.

[Click here to listen to my interview with Janet Alvarez](#)

Clark Johnson's Review of My Book, Co-Authored with Matt Sekerke, in the Journal of Economics and Political Economy, *Making Money Work: How to Rewrite the Rules of Our Financial System*



Below are the abstract and keywords from Clark Johnson's book review of *Making Money Work: How to Rewrite the Rules of Our Financial System*.

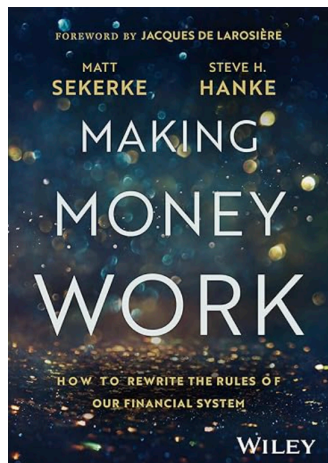
Abstract. MMW starts with the unique role of commercial banks in creating money, and deplores the way this critical function has become a compliance exercise. A different concept of commercial banks' central role can change the way we understand competition in banking, while also energizing the role of investment banks, private equity and venture capital. A more efficient banking system will boost economic

growth. The authors revisit Basel capital and liquidity rules, the Dodd-Frank Act, and management of universal banks. They introduce a new concept of "monetary neutrality." They then provide discussions of deposit insurance, of monetary consequences of real estate tax distortions, and of post-GFC QE and LSAP's. They offer a critique of "old monetarism," then show how Divisia metrics can aid monetary management.

Keywords. Basel Capital and Liquidity Rules; Bank Money Creation; Competition in Banking; Pricing in Banking; Divisia; Quantity Theory of Money; Dodd-Frank Act; Gramm-Leach-Bliley Act; Glass-Steagall Act; Universal Banking; Georgist Land Taxes; Comprehensive Capital Analysis and Review; Monetary Neutrality; Bank Risk-Return Modeling; Deposit Insurance; Quantitative Easing; Large-Scale Asset Purchases; Federal Reserve Operating Models.

[Click here to read the book review](#)

My Two Most Recent Books: *Making Money Work* and *Capital, Interest, and Waiting*

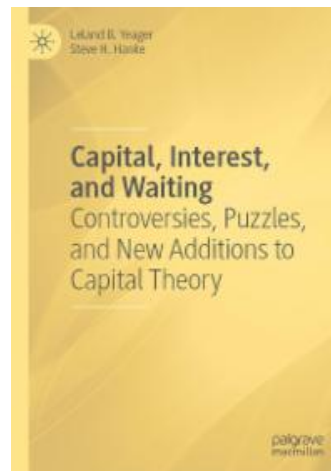


"What is worth praising in this properly extraordinary book is the combination of monetary theory and the business-related imperative of making money. I have never seen (except perhaps in reading Keynes) such a skillful association."

—**From the Preface by Jacques de Larosière, former Managing Director of the International Monetary Fund (1978-1987) and former Governor of the Banque de France (1987-1993)**

"This book provides a timely, comprehensive, and integrated analysis of monetary policy. It addresses a range of issues, including bank regulation, cryptocurrencies, and fiscal policy. It is a valuable source for people who want to have a more professional, objective and in-depth understanding of these important issues."

—**David M. Walker, former Comptroller General of the United States**



"Read this respected examination of the economic function of waiting in human economic betterment."

—**Vernon L. Smith, Chapman University, author of Adam Smith's Theory of Society, and 2002 Nobel Laureate in Economics**

"Capital theory has long presented an impenetrable morass to economists. Many economists have entered that morass, invariably failing to chart a clear path through it despite the prolixity of their efforts. In the 19th century, Eugen von Böhm-Bawerk devoted over a thousand pages to creating *The Theory of Capital and Interest*. About a century later, Don Patinkin invested over 700 pages in seeking to integrate a theory of Money, Interest, and Prices. And numerous other economists contributed their thoughts without any sense of conceptual coherence coming into existence. Now, the authors have shown how the elemental concept of waiting can, when deftly employed by theorists, provide coherence to cover nearly all past tergiversations over capital theory. To be sure, Yeager died in April 2018 his manuscript considerably unfinished, I can testify from a conversation with Yeager a few years before his death. Steve Hanke assembled the final manuscript, for which he deserves applause from all economists with interest in capital theory because the

Yeager-Hanke volume is a graceful and compelling read.”

—Richard E. Wagner, Holbert Harris
Professor of Economics, Emeritus,
George Mason University and author of
Macroeconomics as Systems Theory

[Click here to purchase my newest book: Making Money Work](#)

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