



## Episode 1,192: A Novel Way to Help the Poor, and Other Libertarian Solutions

Guest: Murray Sabrin

**WOODS:** We had an opportunity to talk to you very briefly on the most recent episode of *Contra Krugman*, and now I want to have a little bit more time with you. And one of the questions I asked you there I'd like to repeat, actually, but I'm going to phrase it a little bit differently. You've been a professor of finance for over 30 years, and what I want to know is, as a professor of finance, what knowledge do you have that your opponents do not have that is relevant to the American public when it comes time to choosing a senator?

**SABRIN:** Well, I've been teaching Corporate Finance I, Securities & Investments, and my new course, Financial History of the United States — which, by the way, I've been using all the Austrian school material of, from your article about the Continentals to Bob Murphy to Rothbard to Salerno, and students get a real appreciation of the evolution of money and banking in the United States. And why that's important is because we live in the post-gold standard world. President Nixon got rid of the gold standard in 1971, so we're living in this fiat world, and the recessions and the business cycles have gotten worse and worse because of that.

So I bring to the campaign to the United States Senate an appreciation of the underlying causes of the ups and downs of the economy, which caused so much pain in parts of the country. It's devastated the Mideast, it's destabilized businesses, it's led to incredible distortions in the economy, and people are anxious, even though we supposedly have a good economy where the stock market's near an all-time high, where the housing market is just booming, there's a shortage of workers according to reports — there are more jobs available than people looking for work, which shows you the tremendous economic boom that's underway. But the question is: are these really good, sustainable jobs, or is it just because of the easy money that we've had since 2008 when the financial crisis hit? So what I can bring to the table is explain to people that the Federal Reserve has been manipulating interest rates since it was created, and therefore it destabilizes the economy rather than having a free market, which gives us sustainable prosperity.

**WOODS:** What's your personal background, and how does it help to account for who you are today?

**SABRIN:** Well, I was an undergraduate history major with a geography minor, plus a concentration in social studies education, because I sought to be a social studies teacher in the New York City school system. But after a couple of years, I realized this was not going to be my future, because there was no really intellectual stimulation at the intermediate school in New York City. So I got my master's in social studies education while I was teaching, and

then I applied to Rutgers and got into the PhD program in the geography department, because my goal was to be a geography professor. And lo and behold, I came across the Austrian school in the early 1970s when I read Murray Rothbard's 1971 essay criticizing President Nixon's wage price controls.

And I was really curious about how this was going to impact the U.S. economy, and so when I got to graduate school, I originally was going to write a dissertation on how transportation in urban areas were affected by the price structure of fares, but I found that pretty boring. And then I came across the whole literature on how money diffuses through the economy, which the Austrians explained beautifully in *What Has Government Done to Our Money?* and Mises explained it in *The Theory of Money and Credit*. And I said this would be an interesting topic: how does money enter the system through the Federal Reserve, through the banking system, and then affect local economies in terms of prices of production? And I invited Murray Rothbard to be an outside member of my dissertation committee, and I got my dissertation in 1981.

And in 1985 I started teaching finance and economics and solely finance for the last 30 years, and it's been a great experience to train people not only in basic corporate finance, but explain to them how the business cycle will affect businesses and that they should be prepared for the downturn that is inevitable once we have this unsustainable boom.

So my journey has been a wonderful journey from curious undergraduate to a college professor, and now I'm running for the U.S. Senate on the Libertarian ticket, which I did in 1997 as governor when we made political history by raising enough funds to get matching grants from the state government, because that was the process back then. And the goal was to be in the debates, which I did three debates with Governor Whitman and Jim McGreevey, and a lot of things that we did during that campaign came into law, like the 65 speed limit, like auto insurance deregulation, which happened under a Democratic administration, by the way.

And the other thing that I did, which is now part of case law in the state of New Jersey, is I was in violation of a code in my town which said you could not put political signs in your own lawn, a violation of property rights and free speech, so we went to court. And the judge immediately dropped the ordinance, so now it's part of case law in New Jersey that a homeowner can put a political sign on their own lawn. So even though we didn't win, we had an impact on public policy in New Jersey which saved drivers hundreds of millions of dollars in no fines and lower auto insurance premiums.

So even though you don't have to win to have a real effect on public policy, but this year I think we're going to have a major impact because, if we raise sufficient funds, we will be recognized by the media as a competitor with the two major parties, and that will get us into the debates and we'll be in the polling, and we can make the case of how we can make America a much better economy, a stronger economy by getting rid of the military industrial complex, by the welfare state, phase that out, and point out to people that the best way to handle problems is at the local level.

So one of my initiatives, which by the way is being embraced by people across the political spectrum as I go around the state explaining to people that if we have 100% tax credit for contributions to nonprofits, including houses of worship, which do great social welfare programs, we can phase out the welfare state, and this would allow people in

the community to become financially independent. And I think that's what everybody wants for themselves, for their family, that they don't have to rely on the government, which means the taxpayers, to get their basic necessities of life. And we have more opportunity as we deregulate the economy and cut taxes.

And the missing piece of this whole puzzle is we've got to reduce spending, and my tax proposal will start the ball rolling, I believe, by cutting spending, because the federal government will no longer have to give these grants to hospitals and other nonprofits because that money will have to be raised locally as these organizations show that they're doing good work for people in the community, who then will take their tax dollars, instead of having to pay Uncle Sam, they keep those tax dollars in Florida or New Jersey or Texas or wherever they're living and help promotes financial independence and help people get on their two feet if they're down on their luck. And that's what America was all about prior to the Great Depression. It was the mutual aid societies that helped people when they had tough circumstances.

So I think that message is resonating, the libertarian message of stop this domestic spying, stop the endless wars, stop the high taxation. And I think people appreciate it because I'm presenting it in a way that's practical, that if we want good results, here's how you get good results.

**WOODS:** Let me go back just a minute. Do I understand you correctly, that Rothbard was on your dissertation committee?

**SABRIN:** Yes. I'm the only — There are two people where — Murray served on Robert Bradley's dissertation committee and Murray Rothbard. I met him in 1974 when I was going to invite him to be on my dissertation committee, because at Rutgers, you're allowed to bring in one outside member of the university. So I wrote him, I met him at Brooklyn Polytech where he was teaching, and he was thrilled that there was an Austrian economic geographer in the universe, and so he got me an invitation to the first Austrian economics conference in South Royalton. I roomed with Joe Salerno, who I knew before that, and we were both at Rutgers at the same time, and Joe has become one of the great Austrian economists of all time, and I've learned so much from Joe and other people who I've met over the years: Walter Block, Hans Hoppe, Robert Murphy. You just go on down the list. And of course Mises and Rothbard and Hazlitt and Hayek. I think I'm the only Austrian economic geographer in the country.

**WOODS:** You know, there are a lot of people, Murray, who say: I'm not interested in politics as a way of spreading liberty; I'm more interested in education. But your career has been very much in both. I mean, first of all, literally in education because you have been a college professor for quite some time, but also you've made documentaries; you have a lecture series at Ramapo College; you speak all over the place; you make media appearances. So you're always educating people in one way or another, but you also have the political angle here. How do you make the case to — and maybe you don't have to make the case, because there aren't that many, frankly — there are a lot of people in our circles who feel this way, but in terms of the general public, not that many who think that just being involved in the political process is some kind of a sell-out of principle. How do you hit back on that?

**SABRIN:** Well, I don't sell out on principle. I tell people what I believe in. And what I explain, Tom, to people is I'm not imposing my personal views on people, because if that were the case, I would ban smoking. I don't like smoking. I don't like to be around smokers. But I'm

not imposing my personal views on them. The point I make is what should the law be regarding issue A, B, C, or D. And of course the issue is freedom. The issue is liberty. The issue is choice in terms of education, housing, medical care. All the things that make life worth living involve people making choices unencumbered by government restrictions and barriers to trade and to other things and to businesses.

And this is why that message is resonating: because government stifles young people. One way it's stifling young people is by the student debt situation, which by the way is a big, big issues, as we all know, and it's really shameful that the government says you cannot discharge your student debt in bankruptcy. That's the only debt you cannot discharge. So that to me is a gross violation of equal protection under the law, that if you're having a difficult time paying your student debt, you should be able to discharge it during a bankruptcy proceeding.

In addition, I just came across information about Medicare that no one wants to talk about, namely the explosion in Medicare premiums that's going to hit retirees and beneficiaries of the Medicare system over the next 20 years because premiums are scheduled to increase at a much greater rate than of inflation that's projected over the next 20 years. So there's going to be an explosion of premiums that middle and upper-income people are going to have to pay. No one's talking about it. I will be talking about it during this campaign.

So my goal is to point out the government policies – and we use a wonderful term to describe government policies: they're counterproductive. They don't achieve the goals that the government thinks it can achieve with intervention, whether it's high taxes, regulation, spending, you name it. Everything that the government does doesn't achieve its goals. So therefore, what do we need to do? We need to rethink our view of the world regarding government action and talk about what the Misesians talk about: human action. Free human action will address issues that will make life better for everyone, except the people who want to live off the government, namely the taxpayer.

**WOODS:** I'm curious about how it is that, today, the Murray Sabrin – I guess the Murray Sabrin I've always known – is somebody who's opposed to both the welfare and the warfare state, but yet let's say back in the '60s it would have been hard to find that many people who took that view. You'd find Rothbard; you'd find Leonard Liggio, a handful of others, but the conservative movement by and large was supporting the war in Vietnam and the Cold War. But Rothbard took a pretty hardline, anti-interventionist position. And even in the 1990s after the Cold War, you still see most of the conservative movement favoring foreign intervention. Were you always a dual opponent of the welfare-warfare state, or did you start being anti-welfare and you came around? What was the intellectual evolution of Murray Sabrin in that regard?

**SABRIN:** Very simple. I grew up in a Democratic household. My father was a blue-collar worker. He was a big fan of Adlai Stevenson. And in fact, he told me he made a donation of \$5 to Adlai Stevenson's presidential campaign in 1956 because he thought he was an intellect, a statesman, and my father was not an educated man in terms of schooling, but he was a very smart man.

And so I grew up in the culture of New York City, which is basically left-wing or liberal, and so I embraced a mild welfare state. Remember, Medicare and Medicaid didn't come in until 1965. That's after I finished my first year of college, and we were promised by Johnson this would be a very minor-cost program and it would solve a lot of problems of the health care

for the elderly and for the poor. And of course it's exploded in cost, and therefore, it's counterproductive. The Vietnam War, Johnson said the Communists are coming; we'd better make sure that we're in there to fight the Communists. And initially, I was a mild proponent of the war, but by 1966, it was a disaster.

And so in the late '60s, after reading Rand, I started reading Friedman in *Newsweek* about economics, I realized that the whole welfare-warfare state was a total disaster. And that's why I was in support of the Mises Institute when it was founded in 1982 and other free-market organizations, the Foundation for Economic Education, Jacob Hornberger's organization, the Future of Freedom Foundation. These organizations that do great work to educate the public about the counterproductive policies of the welfare-warfare state. And I was a signatory to an ad that Lew Rockwell put together for *The New York Times* in 1991, I think it was, against the First Gulf War. I was happy to do it because I called my congressman for the Second Gulf War, and I told my congressman, "Please don't vote for authorization, because the intervention in Iraq is going to be a disaster." He voted for the authorization. It turned out to be a disaster, and I think about four or five years after he voted for the authorization, he wrote an op-ed in the local paper saying, "I was wrong. I made a mistake by voting for this authorization."

So again, you point out to people, whether they're public officials or media people or editorial writers, economics is very simple. The law of supply and demand has to operate. We absolutely have to have free trade, because that's the lifeblood of the world economy. We have to have sound money and not have the Federal Reserve manipulating interest rates. We need to have our civil liberties protected. This last week was the 59th anniversary of me becoming a U.S. citizen. I took an oath when I was 12 and a half, and I promised and swore to uphold the Constitution, particularly the Bill of Rights, all of the Bill of Rights, especially the Second Amendment given my family's background. My father was a partisan commander during World War II in his native Poland. He was the only one who survived World War II. Same thing with my mother. She was the only one who survived in her family. And so the right of self-defense to me is a fundamental human right. I don't even talk about the Second Amendment anymore; I just say the right of self-defense is a fundamental human right. And when you speak to liberals about this on talk shows and on panels, they tend to agree with me. In fact, one former county prosecutor said if everyone was a responsible gun owner as Murray Sabrin, he'd favor concealed carry in New Jersey.

**WOODS:** Ah, how about that? Let me ask you about the specifics of your campaign, because most of us don't live in New Jersey, for better or worse, and so we don't know who the other candidates are. Now, the temptation — I know you can go on forever and ever about these people. Give us the short, punchy, why-your-opponents-are-particularly-crummy speech.

**SABRIN:** Well, yeah, Bob Menendez, a two-term incumbent, who is a neocon Democrat, who's wrong on all the issues, who's a federal lawbreaker according to the Senate Ethics Committee's four-page letter, after there was a hung jury and the feds couldn't nail him for all of his transgressions. So we have Bob Menendez, who barely won his primary against a candidate who had no money whatsoever. And the Republican is a former big pharma CEO, who basically has no platform. In fact, he's trying to plagiarize my platform by asking his stock broker from New Jersey, who called Bob Wenzel to ask him what are Murray's three or four major issues so Bob Hugin, who's the CEO, would adopt them so Murray could drop out of the race.

So I have two very weak candidates, and Republicans are coming out of the woodwork to endorse me, because they realize this guy is another Democrat, because Bob Hugin six years ago donated to Bob Menendez, the neocon Democrat. So I've got two Bobs. There's no difference between them. So I'm running against really two candidates that represent the same ideology: big government. I don't know where Hugin stands on war-and-peace issues, but that's the nitty-gritty of it, that I am the alternative to Bob Menendez, the logical, rational alternative to a big-government Democrat who is bad on all the issues and who basically is a career politician who's unethical. I mean, this is a dream race for a Libertarian to run in, and that's why I hope people rally around my campaign in New Jersey and around the country.

**WOODS:** Let me just be completely frank, then. I'm going to ask the question that's on everybody's mind, and that is: when you run as a Libertarian, you can't possibly win, so what's the point of doing it? Now, I know that you can challenge the premise of that. That's true. So if you want to challenge the premise, feel free to do that. But even if you don't challenge the premise — regardless of how you answer this, I want to hear both aspects of the question addressed, because there can be good reasons to run, even if the prospects for winning are not good. I mean, it's still good to get the message out and that sort of thing. Or it could be a good thing to run just to get a certain percentage, because then that gets attention and then next time you start at a higher threshold or whatever. What is your strategic thinking about all of this?

**SABRIN:** Great question, Tom. And in order to win in a three-way race, obviously, the mathematics says the minimum you need is 34%. Because, 34% to the winner, 33% each for the second and third place runner-ups. So that means 34% of the vote. That's a big call for a Libertarian candidate. But in this race, you've got two very weak candidates, in my opinion, because the Republican has abandoned the conservative base of the Republican Party — the fiscal conservatives, the pro-lifers, the pro-Second Amendment people — so they're coming to our side. The Democrat speaks for himself. He's a federal lawbreaker. So do the people of New Jersey want to send to the Congress, again the United States Senate, a federal lawbreaker?

So how do we win this thing? There's really one path to victory, and that is if we raise enough funds, the media will take notes, and they'll write the narrative that it's a three-way race. Then the pollsters will include me in the polls, and then the sponsors of the debates in the fall will include me in the debates. Once I'm in the debates, that's when I point out the flaws in Bob Menendez and Bob Hugin. And when people see the flaws of both these candidates, they'll say, "Let's try something new."

And I'm going to call for diversity. We have diversity all across the board. That's the big mantra in the United States: diversity, diversity, diversity. Let's have the first Libertarian-elected U.S. Senator. And besides, everyone talks about bipartisanship. Bipartisanship? Let's have tri-partisanship. Let's have Republicans and Democrats and all Libertarians to really hammer out the issues and come to a consensus that we need to go to what my campaign slogan is: peace, liberty, prosperity. Now, everyone can agree with peace. Everyone can agree with prosperity. The question is, how do you get there? And people want their civil liberties protected, so we get the civil liberties people on our side. So we're building this coalition of libertarians, conservatives, pro-lifers, pro-Second Amendment people, fiscal conservatives. So I think there's an opportunity here to do what we need to win an election, is to build coalitions like Ron Paul said. On every issue, who are the people that are in favor of

that issue? Let's go to them. Let's work with them and achieve that goal. That's what we're doing in this campaign. So I'm hoping that people will get this message and they'll be able to rally around us in New Jersey and around the country.

**WOODS:** You, I assume, are probably trying to stay above any of the drama that's currently unfolding within the Libertarian Party?

**SABRIN:** Well, yeah. I mean, I really don't know the players. I'm just here trying to promote my candidacy and let the internal politics of the LP take care of itself. But my goal is to win the support of libertarians around the country like we did in 1997, when we did a mailer two weeks before we had to apply for our matching funds and 150,000 came in in two weeks, which allowed us to get the matching funds, which required me to be in the debates. So we had a very robust campaign for six weeks in 1997.

So this year, I'm trying to get support from libertarians across the country like we did in '97, and if we do that, Tom, we have thresholds that we're trying to meet, the \$500,000, \$1 million, and \$2 million, over the next two, three months, and if we achieve that, we will get the free media exposure. And as you know, that's valuable for a political candidate to be written about in every story, which will be virtually every day in September, about the campaign. And that's how you convince people: I am the best alternative to Bob Menendez. And if we can achieve that objective, then anything is possible if the public perceives you as an alternative to Menendez, the incumbent, as opposed to just a gadfly candidate. And that's really how you have to approach this race. You have to consider yourself a serious candidate, and that's where the resources come in, because then the media will come in and say, yes, there's something happening. Given Trump's victory, people got fed up and then they voted for him. And look what happened in New York City, where this 28-year-old who's outspent 18 to 1 defeated a ten-term incumbent. Who would have bet money on that race? And the polls had her down by 35%, and she won by 13. So anything is possible in politics, as we've seen, Tom, because the voters are maybe not telling the pollsters the truth about how they feel, and therefore, there's a really subterranean vote out there that we were trying to tap into in New York City.

**WOODS:** Let me say one thing here, Murray, on your behalf. I've known you for quite a while. In fact, back in probably I guess it was 2008, ten years ago, I donated the Macs to your campaign and I flew — I was living in Auburn, Alabama at that time. I flew up to New York to do a rally for you and then came back the same day to be back with the family. So I know Murray Sabrin, okay? Murray Sabrin is a friend of mine, that sort of thing.

**SABRIN:** [laughing]

**WOODS:** Let me tell you something about Murray, and in telling you that, I want to tell you something about my policy on this show. For a long time, I didn't have office seekers on the show at all, of any sort, and I would just say, sorry, I just don't do that. I would have maybe incumbents like Ron Paul. I'm not going to not have Ron Paul on the show. But then I did modify this a bit. First of all, I was afraid every office seeker in the world would want to come on my show, and then that's not interesting for people.

So then I made my policy: I will occasionally have an office seeker on if it's somebody I know personally, somebody I can vouch for, because I don't want some shyster coming on the show trying to get support for his campaign and he turns out to be a bum. But I know — for crying

out loud, I did not know until today you had Murray Rothbard on your dissertation committee [laughing]. I daresay, given that we know there are only two such people and the other one's Robert Bradley of the Institute for Energy Research, you are the only politician in history who can say that.

So I can tell you I have supported Murray both financially and in other ways, in advocacy, and so if you support Murray, you know it's going to a good cause. It's going to a good man, who will spend it wisely, who will be spreading our message, who's uncompromising, and who's just all around an extremely sweet and unflappable guy. I have never seen Murray snap at anybody. I've never seen him lose control of his emotions or get angry. He has a very, very good image to the public. He's very, very much the kind of guy you want. So I would urge people to check out — and again, noting that I'm very stingy about this sort of thing. I don't just go around with political endorsements. But Sabrin for Senate is the site. It's not the number four; it's SabrinForSenate.com. He definitely has the Tom Woods 100% seal of approval.

Now, I daresay, Murray, that I don't think even you can top that, but say what you will.

**SABRIN:** Well, Tom, I really appreciate it, because I've been working on this literally all my adult life since I was I guess in my mid-20s. In 1976, I had a letter posted in *The New York Times* about Mises and Hayek and the gold standard, and it was the first letter on the editorial page with its own cartoon. And so I'm very proud of that, because I explained the Mises-Hayek theory of the business cycle in a letter to the editor with its own cartoon, where the dollar was carved in what looked like gold. So I've been working at this because I appreciate what the Austrians have promulgated over the — what? Almost 150 years since Menger's 1870 book, *Principles of Economics*.

And I really appreciate those kind words. My wife, I'd like to say that also, because in August we'll be married 50 years, so she knows who I am; she's stuck with me through thick and thin for 50 years, and I really appreciate those words, because going to the United States Senate, Tom, I can tell you could be a game-changer not for me personally — it's not about me; this is about the country and the young people that I've been teaching for the last 30 years. So if people rallied behind my campaign, if we meet those thresholds, we will have the most competitive Libertarian congressional campaign in history. And if lightning should strike on November 5th and I win, then I think we'll have a game-changer, because then good Libertarian candidates will step forward in 2020, and goodness knows what could happen after that.

So I see this race — not for me personally, because my academic career will continue if I don't make it. But the point is this is an opportunity for the people of the United States to really stand up and say: we think we're in the wrong direction; we want someone to be a voice for our concerns; we want to have peace; we want to have liberty; we want to have prosperity; we want to have a world where nuclear weapons are no longer a threat. That's why I applaud Trump's denuclearization effort. I say let's do it for the rest of the world, not just the Korean Peninsula.

And so everything I've learned from Rothbard and from Mises, from Ron Paul, from Woods, from Hayek, from Salerno, these are the people who've influenced my life for the past 45 years, and if we all work together, we can achieve something that people think is an impossible dream. But I don't think it's an impossible dream if we get the resources that would



propel me to the same tier as the Republicans and Democrats. And that's what this is all about: to get a message out of peace and harmony and to make sure that we work together as human beings and not have this identity politics, which is dividing us left and right. And let's talk about immigration in a way that we can have a civil discussion. As an immigrant, I have some very not strong views, I would say, but common-sense views about immigration that should appeal to everybody.

So I think if we had the support I think we could get in this campaign like the Libertarians did in 1970, I think we will achieve something, Tom, that will make politics hopefully take the backseat to building this country up again the way it should be, because when I look at the history of America, it was all about voluntarism. It was about individual initiative. It was about entrepreneurship. It was about all of the things that the Austrians have been talking about since the 19th century. And that's what I've internalized for nearly 50 years, and that's why in the political arena, when you present common-sense views to people, they rally around it rather than the rhetoric that you see from both Republicans and Democrats.

**WOODS:** Well, with that, Murray, we're going to let you get back to the convention. SabrinForSenate.com is the website. We all wish you the best of luck, and we appreciate that you're out there talking about the issues nobody will talk about and filling in a very, very important gap, which is exactly what Ron Paul did, bringing up exactly the issues you're talking about. So thanks so much.

**SABRIN:** Thank you, Tom. Appreciate it and best to the family.