



Episode 1,246: Stefan Molyneux and His Critics

Guest: Stefan Molyneux

WOODS: All right, so I thought what might be fun would be for me to play a little devil's advocate here and throw at you some of the criticisms that some of your critics have put forth over the past few years. I know this is probably coming as a complete surprise to you, by the way. You probably weren't even aware you had critics.

MOLYNEUX: Well, the funny thing is there was a great quote about me the other day that I thought was really delightful. It says, "If you ever want to rebut Stefan Molyneux in the present, just play a recording of Stefan Molyneux six months ago." I'm like, all right, that's good. That is a tasty bit of intellectual sophistry, but it is actually quite enjoyable. So yes, I have heard not just from the collectivists and the socialists and the communists and the leftist, who you would expect to be negative towards a rabid individualist. But even among my libertarian friends, there have been some criticisms, which is great, you know? I mean, we all are trying to polish this thing called the truth, and it's a diamond with many facets. So, yeah, let's get it on.

WOODS: Well, I want to point out, first of all, that there are people who think I'm a bad person because I talk to you. I mean, that's it. I talk to you and maybe one or two other people, and that makes me somebody to be ignored. And I feel like I want that kind of person to ignore me. I really do. Somebody who is that delicate I really don't — and I'm not saying this to grandstand. I really don't want to have to cater to somebody like that. I talk to all kinds of people. And you know what? I'm going to continue talking to anybody I darn well please, whether or perhaps especially because it offends certain people. I mean, the word "offend" should just be expunged from the English language, right?

MOLYNEUX: Or it should just be a confession of defeat, you know? "I'm offended" means I concede. It's like the Latin word for giving up on a chess match. "I'm offended." *Okay, well, it was fun playing you, I guess. You've admitted defeat.* And the funny thing too is — because I was just down in St. Louis last weekend, doing a speech actually on the first temptations of Christ, believe it or not. But anyway, what happens with me — and I think this is because philosophy is so essential, so elemental and so powerful. It is really the base operating system of our minds and hearts. So what happens is, you know, I spend hours when I go to speeches with people coming up afterwards, you know, like, *Oh, philosophy has done so much for me. I thank you so much. It's been so good. It's been so positive, and so on.* Like, when I was in New York at A Night for Freedom, I was there for four hours and had like 500 people coming up, hugging, you know, talking about philosophy, how much it's done for them.

So there's a lot of love for philosophy. That seems to come with a pendulum swing to the other side. So I don't want to say, like, I'm loved, because it's philosophy really that people are responding to, but there is a real love-hate relationship with what I do, and I know that there's a certain amount of that with what you do. And for those who don't follow Tom's great Twitter account — I'm sure if you're listening to this on his channel, you do — just watch him get into these debates. It is absolutely fantastic. I've been watching with great enjoyment your debates recently. And so when people get it, when you get into the deepest, most powerful ideas, you get a lot of love and you get a little bit of hate. And that's natural, and that simply means that you're doing the right thing. You know, if you're an oncologist and the cancer isn't bothered by what you're doing, you're not a very good oncologist.

WOODS: Yeah, it's true. Yeah, it's absolutely true. And, you know, I think I need to personally get over the idea that I've had since I was a kid that, as long as I sincerely put my beliefs forward, people will listen to them respectfully. I don't know why there's a part of me that still clings to that idea — or at least they'll acknowledge I'm a decent guy, or whatever. So it's true that you do get both and overwhelmingly — as you know, it's overwhelmingly positive. It's unbelievable that you can travel the world and go to major cities around the world and get a big turnout of people you've never heard of, spoken to, corresponded with, who love what you're doing and support you. And so the price you have to pay for that is, you know, the occasional person is giving you a hard time. You have to learn to tune it out, as I'm sure you have.

But I will just say one thing, and then I want to start throwing some objections at you. Most of the people — I know this sounds self-serving, but most of the people who give me a hard time are complete losers.

MOLYNEUX: [laughing]

WOODS: And by losers, I just mean they do nothing, that I can see. I mean, I helped to create an entire K through 12 homeschool curriculum for libertarian parents. Okay, I mean, even if that was all I did, that would be, you know, an accomplishment, right? I made hundreds of videos on history to help people learn. Where is their K through 12 homeschool curriculum? There never will be one. I could give them 58 lifetimes. There never will be one. So they exist to warn libertarians about Stefan Molyneux and Tom Woods. Okay, but I kind of think making hundreds of videos for homeschoolers is, you know, that much more important than what you're doing.

MOLYNEUX: You are an extraordinarily hardworking person. Just for those who don't know —

WOODS: Come on, you are not allowed to say — I appreciate that, but what are you, on Episode 800 — like, you have to write your episode numbers in scientific notation.

MOLYNEUX: At least I have time to shave once in a while [laughing].

WOODS: [laughing]

MOLYNEUX: No, you're a really hardworking person.

WOODS: You don't get to bag on me. Didn't you have a beard at one time?

MOLYNEUX: I actually like the beard. I think it's great. And just, you know, change is tough for me. But no, it is one of these things where you can either criticize other people or you can get things done yourself. And, you know, there's a balance. I mean, some of what we do is criticize other people, but we criticize other people for doing stuff. So yeah, my first question when somebody starts crabbing, you know, *Stef, you should be doing this. Your shows are too long. You do this* — it's like, look, if you're such an expert, go beat me. Go do a show. For heaven's sake, sit down in front of a webcam and show me. Don't just tell me everything you can do better. Just show me that. That's all.

WOODS: All right, let's get into it. So the first thing would be — and in fact, let's get into a big one. Like the big, overarching one is: the Molyneux of today is not the Molyneux I got to know years ago. And so I guess really, in a way, that's going to be the overarching theme of everything that follows. So for example, one thing would be you used to be very anti-politics, they'll say, whereas in this day and age, you are pro-Trump and probably even in favor of voting for Trump. So how do you justify that? Or would you say the earlier Molyneux was wrong? Or is it that more information has come to light or changes have occurred? How do you account for that shift?

MOLYNEUX: Well, that's a great question. And fundamentally, it's two things. So the first thing is that I just didn't have the information that I have now. You know, when you have new information — you know, if you think you're going the right way in the car, and you're like, I'm confident I'm going to go east and get to Las Vegas, then you flip on the GPS and it says you've got to go south, well, are you changing your mind? No, your goal is still to get to Las Vegas. So my goal has always been to get to a free society.

Now, my first arguments, which occurred now — I mean, they were developed decades ago, but I first started talking about in 2005, 2006 was, okay, we have to reason and evidence we've got to bring people — but people have already been doing that. For like thousands of years, people have tried the reason-and-evidence thing, and massive historical shifts just came crashing around and nobody seems to listen, and you get religious warfare, and then you get the warfare between the communists and the Nazis, and then you get — It doesn't seem to work that well. So my question is: okay, what do we need to change to get a different outcome? Just look at the history of classical liberalism. Like 150 years it's been going. The government has gotten bigger. Wars have gotten worse. Debts and unfunded liabilities have escalated. Stranglehold over education has increased. So whatever they've been doing for 150 years, you need to do something different.

Now, those who have a problem with this kind of nimble responsiveness and critique of existing solutions, I'm going to go out on a limb Tom and I'm going to say they've never been an entrepreneur. Because when you're an entrepreneur — and this is a lesson pounded into me by 15 years as a software executive and a software entrepreneur. If what you're doing ain't working, you have like less than a quarter to change what you're doing; otherwise, you're going to go out of business. So this nimble responsiveness is like, you know, hey, I thought this was going to sell really well in this market, it doesn't. Then you have to change the product, you have to change the market, and you have to do it quickly. So I just learned, when you get new information, to change quickly.

So my original plan and goal was to say, okay, maybe it's got something to do with how we're raised. So I started talking about peaceful parenting, about not yelling, not using aggression against your children, and keeping them out of toxic environments like government schools,

because I thought, okay, well, we can at least have a generation where we can raise children, it's going to look really great. And this is on the infinite timeline hypothesis, that we've got a fair amount of time to change society. And I viewed all those people who were running around doing politics as missing the point, that politics have been tried for 150 years, further than that. I mean, Plato in ancient Athens tried getting his hand into politics and getting into politics. The guy ended up almost being sold into slavery. So he had a big problem trying to make the political solution work. So at a time when, much though I respect Ron Paul in his ideas, his ideology, and so on, the guy wasn't going to become president. And so there was no particular viable option in politics to effect that kind of change.

And so what I focused on was personal life. Can you spread ideas and liberty in your personal life by really taking a stand for them? Can you be a peaceful parent and raise your children without aggression? Because if you raise your children violently or aggressively or hitting them, then they get used to the idea that you need a violent authority in charge of your life; otherwise, it's going to be terrible. That translates to the idea of government in the long run.

So I was chugging along that for a ways, and then what happened — well, two things happened. Number one, libertarians didn't really like that so much, for reasons we could perhaps talk about at some point. But libertarians responded with indifference, contempt, hostility, and so on to that. And it's like —

WOODS: Well, some support that. I mean, I still hear people talk about peaceful parenting.

MOLYNEUX: That's true, that's true. But as far — like, relative to the movement for political power, it was relatively small.

WOODS: Sure.

MOLYNEUX: Small. And to me, that was really frustrating, because to me, it's like, I've given you an argument and a case — I wrote the whole, you know, the case against spanking and all of the reasonable arguments, the moral arguments, the empirical scientific arguments, and so on. And it's like, here is an opportunity for you to spread the nonaggression principle, in a practical way, in your own life. Because we can't do much about the Fed, but if we've got a brother who hits as kids, we can sit down and talk. You can spread the nonaggression principle in a very practical, positive way in your own life. And I felt that was going to be a very, very good cause for liberty, more important than political action, because as I said, there were no real options.

So then what happened was I began to read about demographics. And I began to see the massive, largely covered-up mass migration of people from the Third World into the West. And this in particular, was chilling, when I saw the birth rates. I still remember this very vividly, talking about the demographic winter and looking this up, seeing the birth rates among Europeans, like white Europeans in Europe, versus the birth rates are people from the Third World. And then it's like, ooh, well, that's not good. That's not good at all, because the reason why the left is importing all of these people is because they lost the argument from history, from morality, from economics — from you name it, right? They've just completely lost the empirical and rational and moral argument, so now they're just stuffing the ballot with people from collectivist societies who are going to vote for the left.

And you can see this with like Linda Sarsour saying, you don't have to like the Democrats; just vote Democrats. You can see the Muslim imams in England and other places ordering their congregation to vote for the left, to vote for labor. So they're just bringing in people who are collectivist. You can see that the Hispanics, who come in whether legal or illegal into America, overwhelmingly support the left, and almost none of them have any libertarian bends whatsoever.

There are also the IQ issues, which I've talked about in other places, where it takes a higher IQ to support something like free speech. It's very, very clear: the higher your IQ, the more you are likely to support free speech. So if you're bringing people in from generally low-IQ areas of the world, who have no history of the separation of church and state, who have no history of appreciation of the free market, who have no history of the value of free speech, and so on, you don't have time.

And so this idea that we just had this infinite future hypothesis, that we can — at the very beginning of the show, you can hear me say this is a multi-generational problem that we have to solve, and the best way to do it is with parenting and this and that. When you start to see the demographics, you say, well, we don't have generations. We don't have generations in which to do it. And that coincided with the rise of populism, with Brexit, with the rise of Trump, and so on. So then it's like, okay, so demographics means that — so the rejection of peaceful parenting as a larger movement within libertarianism means that's not going to be a very great path to the solution, combined with the demographics and the changes that were occurring throughout the West meant — and the rise of Trump — it's like, okay, well, you have to shift gears, because my goal has always been a free society. And when facts dictate that what you're doing doesn't have time to work and doesn't have the popular traction to work, then you have to start looking for other solutions. And that's where Brexit and Trump became important for me.

WOODS: Let me throw in here the name Peter Bauer. He was an economist, probably died sometime within the past ten years or so, but he was an economist of development economics. So he was interested in the Third World and why some places developed successfully and why others stagnated. And he thought that the consensus in the West about this was all wrong. And he was right that it was all wrong. They thought: they just don't have enough money, and so if the West infuses money into these places, that will solve it. And he said, look, there are a lot of reasons that that's not going to work. The money will just make these regimes continue with their bad economic policies and not make them feel the pain. The money will then also in societies where there's a lot of ethnic strife, the money just becomes a reason for the ethnicities to fight each other all the harder to grab a portion of the spoils. And he just gave example after example of this.

He became Lord Peter Bauer by the time of his death. He was vindicated. He was laughed at, at the time, because all the sophisticated economists knew that they've done some equations, and they know that it's just a matter of sending them some money. And he said this is not so, but he also said there is a cultural angle that is being completely overlooked by other Western economists. He said, if you in your society do not have a culture that will foster entrepreneurship, then all the money in the world is not going to foster entrepreneurship. And he says there are cultures around the world that are actively hostile to entrepreneurship.

Now, this is a guy who, he won the Milton Friedman Prize from the Cato Institute. I mean, very mainstream libertarian-type economist. But his point was that, if your culture, let's say, teaches you that the most important thing is to enrich your relatives, that's the most important thing. And there are societies in the world where that's considered to be the most important thing: enrich your relatives. All right, so what kind of entrepreneurship is going to develop in that society, right? Or suppose you have a family member that does well. The rest of the relatives want to just come take the loot. There's no way you can build anything. So this is a disaster. So he's saying you have to get them out of those ideas. All the money in the world isn't going to solve the problem.

So the way this relates to what it sounds like you're saying is that, if that kind of idea that's bred into the way people think, it's part of the, shall we say, warp and woof of society, if that is present in a society, then it would also be present in a bunch of those people coming to another society. If they bring anti-entrepreneurial ideas with them, these are the very ideas that are retarding economic development where they are. Why would these ideas magically change simply because they've moved to another physical territory?

MOLYNEUX: Well, so yeah, that's a great point, Tom. So there's one or two possibilities. Either the people coming to the West are entrepreneurial, or they're not. Now, if they are entrepreneurial and they're coming from a non- or anti-entrepreneurial culture, that means that the home country they're leaving now has less people who are entrepreneurial, fewer people who can affect and change the culture and bring more receptivity and positivity towards entrepreneurial activities. So if they are entrepreneurial, you gain something in the West, but you lose something in the host country, which means their economy gets worse, which means more people want to flee, and it just becomes a never-ending, accelerating magic pathway to the west. If they're not entrepreneurial, then the home country doesn't lose that much, but the host country that they're coming to ends up with them on welfare, ends up with them kind of sitting around, and all of that.

There's a lot of cultures, too, where — and I do think this has something to do with IQ, but it's certainly not exclusively to do with that. There are some cultures where, if you get a lot of money, for instance, in a lot of third world cultures, you're supposed to put on a big feast. You're supposed to be the big man of the village. You're supposed to buy everyone a car, like you have to spread it around. You can't save it, you can't concentrate it, you can't invest it in capital improvements, and worker productivity, and all the stuff that makes an economy actually move forward and upward. And so if you give a bunch of money, you just end up with a bunch of showy stuff, a bunch of consumer stuff.

And the other thing, too, is that in Western societies, increased wealth leads to decreased birth rates. And that's because, you know, you don't have to have replacement kids, and you invest a lot into your kids in terms of education and personal time. So when you have a rich or relatively affluent, sophisticated society, higher wealth results in low birth rates. And we can see this in Sub-Saharan Africa and other places, that when you pour money into a society, people just have more kids. They have more kids, they have more kids, they have more kids, and they're converting their additional wealth not into savings and investment, but into just more and more people. And that is not particularly good.

So, you know, there are a lot of challenges with regards to cultural compatibility. And if it is just an IQ thing — like I mean, India has like an average IQ in the mid 80s. But there are so many brilliant Indians out there just because of the bell curve, that the smart Indians want to

get to the West, because they can put their intelligence to more use in a more free-market, more individualistic, less collectivist, less tribalistic, less mystical kind of society. And I completely understand that. I mean, if I was in India, I'd want to do the same thing.

The problem, of course, is the brain drain, which we've talked about for a long time, and which America benefited from I think at Europe's expense, to some degree, hundreds of years ago. The brain drain is important. If the top 5% of smart people leave India to come to the West, then the Indian economy doesn't have the benefit of those people who are incredibly important for the economy. I mean, just look at someone like Steve Jobs or Bill Gates or Carnegie, whoever it is like this. There are a few smart people who are responsible for such enormous amounts of economic growth. If you siphon them off from the Third World and they come to the West, that means that the Third World economies do even worse, which means that the next 5% smart people want to get out, which means they do even — it's a death spiral. And at each individual level, I understand the decision making, but at a collective level, it's never going to stop, and it is going to result in the collapse of both sides of the equation.

WOODS: All right, well, what about people who listen to what you've just said, and say, well, that's racism? And by the way, that's the entirety of the argument, that word.

MOLYNEUX: Sure.

WOODS: It's a magic word. There's no need to reckon with anything you've said. Or they'll say, *Oh, look, come on, people from different groups get along just fine, and this won't be a problem. They get along just fine. And people will adopt Enlightenment views once they settle.* I mean, maybe some of them try to make that argument, but usually they just say "racism." So how do you respond to people —

MOLYNEUX: Yeah, to deal with the racist issue, I mean, it's funny, because yeah, you get called a racist and a white supremacist for talking about IQ differences among ethnicities, which is — and the phrase these days is called scientific racism, which is a complete oxymoron, because if it's scientific, it's proven and it's a fact and therefore it can't be racist, because racist is an irrational prejudice or a negative judgment, right? And so there's no such thing as scientific racism. That's like saying scientific magic. It doesn't make any sense. If it's science, it ain't magic; if it's magic, it ain't science. So that is foundational.

The idea that there's white supremacy involved in an analysis of ethnic differences in IQ, boy, that's really terrible white supremacy, because whites are kind of in the middle of the IQ curve, right? I mean, there the Ashkenazi Jews and then the East Asians and then the whites and then the Hispanics and then the blacks. If you're a supremacist, why would you follow the scientific facts that put your particular group right in the middle rather than at the top. So that doesn't make any sense. So just saying racism, racism, racism, doesn't make any sense.

Now, the idea that different groups can get along is very, very interesting. Now, you can look at places like Lebanon and Yugoslavia and other places where different ethnic tensions have resulted in a huge amount of conflict. You can look at Israel and the West Bank. But you know, closer to home, where are all the free market advocates peacefully coexisting with all of the Marxist economists in higher education, you know? I mean, the leftists only hire leftists. They don't hire people who aren't leftist, which is why in psychology, there's like 4%

of psychologists and social workers are Republicans, but Republicans are almost 50% of the entire population.

So in terms of groups getting along, and the left says, "Well, all these groups can get along," my question is: well, then why do you only hire leftists and not other people? If you want diversity, if you believe it's enriching, then why are you only hiring people who believe what you believe? Why are you living in an echo chamber? And why do steadfastly reject, attack, and keep out anybody who disagrees with you? And if groups get along, why would you call people citing long-established scientific data as racist? That is a way of not listening to people who have a different opinion. So the opposition to the idea that we can all get along is embedded in the very hostility of people who even question that.

And the scientific studies are very clear. There's a guy named Robert Putnam who did studies on diversity, and he sat on these studies for years and years, because he was just horrified at the outcome. And diversity, it destroys social trust; it destroys communities; it destroys not only social trust between groups, but even within groups. It leads to cocooning. There's a reason why kids don't play outside anymore. It's because there are other cultures, other languages. It's confusing; it's complicated; it's hard to navigate; it's hard to negotiate.

And you've got the left, of course, importing lots of different groups and then saying white people are racist, white people are prejudiced, there's male privilege, there's white privilege, it's bigoted, it's a nasty society. And it's like, well, I'd love to see the experiment of people living together without the left continually race baiting against white people, but we don't have that experiment because that's what the left continually does. So until people stop race baiting, I don't think it's a great idea to keep mixing races, because right now, you know, it's dry wood, they're sitting there with a match, pouring gasoline on, and then saying, "Wow, I guess it just burned because white people are bad." So that would sort of be my general answer to those oppositions.

WOODS: All right, so let me ask you this, just flat out. Would you describe yourself as a white nationalist?

MOLYNEUX: No. No, no, not at all. Because being of any different ethnicity is not a violation of the nonaggression principle. Obviously, right? The nonaggression principle says you should not initiate force against others. So being black, being white, being East Asian, being in — it's not a violation of the nonaggression principle to be of a different race. So, no, I would not call myself a white nationalist in any way. Now, of course, as an anarchocapitalist, it's almost like the biggest problem is nation right than ethnicity. But right now, of course, we do have nations, and individualism is better than collectivism, and populism or nationalism is better than globalism, because globalism is the ultimate collectivism. So I do recognize the need for borders, and I do recognize the need for controls over immigration, but certainly would never describe myself as a white nationalist.

WOODS: All right, well, so here's where a lot of libertarians are going to have a problem, and that is the actual enforcement of immigration restrictions. Because their view is that if somebody is crossing over a border, and in most of these cases, of course, political borders are more or less arbitrary, drawn up by politicians under murky circumstances. And it seems to them that these borders are just invalid. So if somebody merely passes from one place into another, that this itself is not the commission of aggression. So why should that peaceful act be met with aggression?

MOLYNEUX: And that is a very good and excellent point, and many years ago, I did describe immigration as moving. So I fully understand that objection and that argument. And the morality of it, if you just say, well, there's some imaginary line and you get to beat up people for crossing it, well, you know, this is the old, you know, draw a line in the sand. You know, on a beach, you're having some fisticuffs or you're having some problems with some guy: *I'm going to draw a line in the sand. If you cross this line, I get to hit you.* It's like, no, you don't. So I absolutely understand that from a purely abstract and moral argument.

But here's the problem. We have a current system, as everybody knows, where the country is funded by taxpayers. Taxpayers own the country, because the government is paid for by the taxpayers — not voluntarily. I accept all of that. But it is the taxpayers who pay for the roads, the education, the health care, the infrastructure, the border enforcement. That is all — in a sense, the whole country is private property owned by the taxpayers. Now, if we understand that — and I don't agree with that formulation, but you have to deal with the world as it is, rather than the ideal world that you want to bring into being. You can't get somewhere unless you know explicitly where you are at the moment.

So right now — and this is not a new argument. This goes all the way back to Milton Friedman, who said, you know, you can have a welfare state, or you can have open borders. You can't have both. Why? Because it's not the crossing of the borders that is the problem, it is the crossing of the border and then the application for welfare. It is the crossing of the border and the application for food stamps. It is the crossing the border and then putting your kids into government schools that are forcibly paid for by the taxpayer. It is the crossing of the border and then it is the using of the roads. You understand all of this, right? So it is not the crossing of the border. That's the least consequential part of the equation. The important thing is that people who've never paid into a system are crossing the border and using government force to extract money from that system. And that is a net loss to the system. It is the use of force to take taxpayers' money and give it to immigrants.

WOODS: Okay, then why wouldn't we deport all native-born Americans who use welfare, because they're also a drain on the system?

MOLYNEUX: That is a fair point. First of all, they are Americans, and you can't deport Americans, right? So there's a legal —

WOODS: I'm saying, in principle, if the problem is that they're parasites, there are a lot of parasites. Why wouldn't — well, how about this? Would you be willing to accept — and again, I'm just trying to be the best devil's advocate that I can.

MOLYNEUX: Yeah, yeah, go for it.

WOODS: Would you be willing to accept a system where we would maintain the existing welfare state, which is probably not going anywhere, but anybody who immigrates is automatically ineligible for all these programs?

MOLYNEUX: Well, that certainly is one solution. Another solution, which I think would be more just — and again, for everyone who says, "Violation of the NAP," I get it. I get it. This is triage. This is not ideal medicine. This is a battlefield. So another solution is the old, original American solution, the Founding Fathers' solution, which basically say, you have to be a net

contributor to the tax system in order to have a vote. So if you want to vote, you just come and bring in your tax return. If there's a plus, you get to vote. If there's a minus, you don't get to vote. Because people who are dependent upon the welfare state cannot objectively vote on the welfare state, right? So the people who are paying for the welfare state should be the ones who determine its value. So one possibility, which would have nothing to do with immigration in particular, would be to say, if you are a net contributor to the economy, then you get to vote on how the economic fruits and goods get divvied up. Because otherwise there's a huge conflict of interest. You're not voting based on principle; you're voting based upon need and greed and the unjust acquisition of —

WOODS: Yeah, that's true. And I mean, I'm very attracted to that idea, too, and then I think about Wall Street, and I think about the fact that they obviously want to influence, for example, Fed policy and the direction of monetary policy, maybe even fiscal policy. And I think they vote with their material interest in mind, or having politicians who will be likely to bail them out. So would we take the vote away from them? Then it becomes very murky, how to move forward. If it's just going to be food stamps, that's one thing, but then it becomes kind of murky. Now, that's fine with me. If there were three people voting, if that's what we're left with, you know, it couldn't be worse. Couldn't be worse than what we have now.

MOLYNEUX: But okay, so the Wall Street example, there are very, very few people relative to the general population who work on Wall Street. And the general population, they kind of hate Wall Street. I mean, they really do. And after, what was it, this \$7 trillion bailout? Or I can't even remember. It was 700 billion, and then it grew and it swelled and it shifted around. I mean, the people in general, especially the people who lost their houses in the '07, '08 crash and all that and then saw all of the people on Wall Street, all the bank executives and all of the trading house executives get hundreds of billions or trillions of dollars of their hard-earned money — yeah, I think that there's a lot that people want to hear about the predations Wall Street. And I share their particular opinion.

I don't blame the person on welfare. I don't blame the person who takes government money. I don't blame the person who makes a phone call and gets some preferential tariff slapped on a competitor's product. I don't care about any of that stuff, because they're just working the system as it is, right? But how do we change the system as it is? Education, and we've got to reduce conflict of interest.

And, you know, here's another — just to sort of circle back for a second. I'll keep this short. The question of whether groups can live together or not. So the housing crash. There's a very, very strong argument which says that the housing crash was brought about by forced diversity mandates. So the government, there was this report — I think it came out from the New York Fed — that said blacks and Hispanics are underrepresented in terms of homeownership. And so the report was not correct, even though it didn't even account for IQ and educational achievement, criminal record, and so on.

But what happened was the government then said to the banks: you've got to lend to minorities; you've got to lend to blacks and Hispanics. And then the banks did, because they were threatened by the government. And then the banks knew that, at some point, there was going to be an interest rate ship upwards, and then the people who had been given these, what they call liar's loans, just write down whatever you want, weren't going to be able to pay. So one of the reasons why there was a housing boom and bust was because of this forced diversity, which wouldn't occur in a mono-ethnic society. And again, can people get along

together? Well, when you end up with 10% of U.S. housing being empty and 40% of the wealth being wiped out because of diversity initiatives, I think that's questionable. I'd love to see how we all get along without a government playing favorites, but we don't have that system at the moment.

WOODS: One way you can know that there wasn't discrimination going on, of course, is the key figure, which is the default rate. If the races are all defaulting at the same rate, then that means they're all being treated equally, again, taking into account their net worth, their ability to repay the loan. If members of other groups are being held to an artificially high standard, then they should have a lower default rate. They all had exactly the same default rate. And as usual, these studies come out, they immediately act on them, and then after all the damage is done, they say, "Oh, geez, how could we have known this study was flawed?" Yeah, I don't know. All of us who were waving for all these different years?

All right, how about Trump himself? Now, you were a big booster of Trump and people are — but at the same time, when the Syria strike took place, you were very tough on him. I was berserkly — I was insane-angry about that. I thought that was just a betrayal of what he said he was going to do. But you know, as Pat Buchanan says, he hasn't started any new wars. Yeah, he keeps the old ones going, but —

MOLYNEUX: I don't think either of us were a big fan of the last budget deal, either.

WOODS: Yeah, right, exactly. But I mean, given the last two presidents, believe it or not, we're reduced to: at least he hasn't started any new wars.

MOLYNEUX: Right.

WOODS: But so people want to know — they say Trump is not an anti-state figure. He's not somebody who thinks the state is our enemy. He thinks the state is an instrument to be used to benefit my people. Now, I think people have been misled about this, because they've heard Republicans give speeches about limited government, but they don't mean a word of that. They don't. They also think of the state as an institution they're going to use to reward their friends. So they would say: why would you flock to him instead of, no matter how lowly it gets, just holding aloft that libertarian banner, come what may?

MOLYNEUX: Well, I mean, there's a couple of reasons. First of all, he is reducing the size and power of the state to some degree. And I'm simply talking about regulations. He didn't go into TPP, in the Pacific Partnership and all of that, and kept America out of the Paris Climate Accord. So there has been a reduction in the expansion in certain areas of the government. Yeah, spending is way up. But the president doesn't have as much control over spending as we like to think, right? I mean, there's no line-item veto, and so much of the spending in the government is mandated by law and isn't even open too much budging from Congress. So I would say that he's reducing regulation. The economy is doing better. My goal with Trump was a couple-pronged approach.

Number one, he discredited the media, and the more we can do to discredit the media, the better off we'll all be, because there are so many people who are eating that pabulum of the mainstream media and just have no connection to reality whatsoever. So I liked the fact that I was early on saying Trump was going to win. I liked the fact that it helps build up my

credibility and it helps destroy the credibility of the mainstream media, who just are going mental trying to oppose Trump. And anybody with half a brain knew that that was going to happen, knew that Trump was going to get in, knew that the mainstream media was going to go insane, knew that the Democrats were going completely insane but this whole Mueller witch hunt, and denying the legitimacy of the election and anxiety disorders and like the Trump derangement syndrome. I mean, I'm not delighted to watch it, but it certainly does reveal how crazy some people have become. So I think that's great.

You know, when you switch on a light, it's not because you want to look at the light; it's because you want to see what the light shows. And Trump being in the presidency is showing a lot of dysfunction in society that was formerly masked by the Republicans and the Democrats being kind of the uniparty. So I think that's great.

His desire to do something about immigration is essential. Look, whether you like it or not, the facts are very clear. It is white people who support free markets. It is white people who support free speech. It is white people who support limited government — as a whole. Again, lots of wonderful libertarians from Brazil. I mean, there's wonderful black economists, like of course Walter Thomas Sowell and Walter Williams and so on. Lots of — but as a whole, in general, if you've got to put your money on the table, you're going to put it on white people. And you know, we can say it's culture, it's history, Judeo-Christian, Greco-Roman. It doesn't fundamentally matter, because that's where we are at the moment. And when you replace white people with Third World people, you replace the free market with collectivism. You replace individualism with socialism. You replace smaller government with larger government. That's just the way it works.

And so the fact that he wants to do something to control this absolutely insane immigration policy that is the exact opposite of what was promised, right — Ted Kennedy in 1965, he said, oh, it's not going to change the demographics of America; we're just evening things out a bit. And we went from the vast majority of immigrants being, you know, white people from Europe, who were Christians with the same kind of general philosophical background, Greco-Roman and Judeo-Christian values to, you know, people coming in from Somalia to the point where, in the top U.S. cities, almost half the population doesn't speak English at home. Well, English is where most of the free market books are written, and where this is generally communicated, so you just have a giant problem and somebody needs to put a brake on this. I mean, tens and tens of millions of people who've come into America who don't share the traditional values of Americans. And you might have some chance to, "reeducate" them or educate them, except that the primary schools, the kindergartens, the junior high schools, the high schools, and the universities have all been taken over almost exclusively by leftists, who are taking these people and, instead of bringing them into the free market, bringing them into individualism, bringing them into all of that stuff, are further pushing them towards the left and basically weaponizing collectivist cultures against individualistic culture.

And so Trump was talking about immigration. I believe that the first term that he's got is about the economy and that the second time is going to be about immigration, but you know, the vast majority of people in Canada, in America, in Europe, who are certainly the white people, desperately want immigration slowed or even brought to a complete stop. And Trump was the first person to listen to that. And I understand why people are so desperate for that.

WOODS: You know, I listen to this, and I follow what you're saying, and yet there's this part of me that thinks, you know, after decolonization in Africa, where do these African leaders go to

learn how they should run their countries, they went to Western universities, where they learned Marxism. You know, so when I look at Antifa, I see mostly white people. When I look at the people in the universities, I see mostly white people, in terms of who are the crazy people who are causing the problems. So it's true that that immigrants can bring a lot of numbers and that that's what counts in elections. But in terms of being the driving force behind really, really bad, bad ideas, well, unfortunately, you know, Marx is as much a part of Western civilization as John Locke is.

MOLYNEUX: Well, that's certainly true. And I would not want anyone to even remotely drift away from this conversation with me thinking that whites are right and everybody who's not white is wrong. Of course not. I mean, most of the people I get into debates with are whites just because of demographics. And a lot of the people who taught me all of this leftist crap in college were whites, and a lot of the people who were swallowing it up were white, as well. So it is a very general position. I mean, I'm sure you've seen the maps, the electoral map as much as I have, Tom, that if you sort of look at white males, you know, it's overwhelmingly Trump. If you look at other ethnicities, even if you look at unmarried white females, it's overwhelmingly towards Hillary and towards the left. So there are gender breakdowns, there are educational breakdowns there are "are you working or are you not working" breakdowns. But again, if you have to cast the net as wide as possible, which you kind of have to do when you're talking about a culture and a country, there is that general position that I think is important and is something we have to recognize and work with. So tons of exceptions, I absolutely agree with you, but there is still this general tendency towards wanting smaller government and wanting free speech and all of these kinds of things.

And this is why, with all of the power that the left has — I mean, man, are they ever a giant monolith. I feel like an ant around the toes of Caesar sometimes when it comes to looking at the monolithic power of the left, because they have the media, they have television, they have newspapers, they have magazines, they have public schools, they have — like, you name it. And it's a lot of power to fight against. And, you know, that's why you have to just be more rigorous, more right, and for me, at least, not hold on to positions that can't be sustained, according to the evidence.

WOODS: I'm curious after — I don't know how many episodes you've done, but I'm curious about, if you were to cast your mind back across the vast expanse of them, could you pick out a couple, maybe a handful of people who changed your mind? That they weren't just an interesting guest, but you listened to them — or let's say, not even necessarily that they changed your mind. You learned something shockingly new, and at the end of that interview, you thought: wow, I'm really glad I had this conversation. Now, I will be generous and not make this awkward for you. I will exempt myself as a possible answer to that question.

MOLYNEUX: Oh, no, listen your books have —

WOODS: [laughing]

MOLYNEUX: I had actually a full head of hair before I started reading your books, but the intellectual gale of great arguments and evidence just blew my eyebrows completely back over to the point where I don't have a forehead now; have an eight head. But no, so you've been done some amazing work, and I really just want to strongly recommend anybody who's listening to this outside of Tom's show: read his books. They're wonderful.

But, so yeah, I mean, the conversation that you and I had about the history of the Church and the history of Catholicism in the founding of science and Western civilization: mind-blowing. Now, what's interesting is that sometimes my mind gets blown, and I desperately did not want the information. Like I did an interview with a guy who was talking about how ISIS is infiltrating South America. It's like, oh good. Excellent. Couldn't be happier. What a wonderful thing [laughing].

So yeah, the demographic arguments have been very, very powerful for me. Charles Murray, huge influence. I was fortunate enough to have a chat with him once. A confusing influence, though. A confusing influence, because Charles Murray was the guy who really broke wide the race and IQ stuff in the early '90s with the bell curve with Richard Herrnstein and Richard Lynn and other people who've been working on it beforehand. But he was the guy who broke it wide open, so he fully understands ethnicity and IQ, and he seems to be very, very pro-immigration. And it's like, hmm, I cannot square this circle, my master. I cannot — sensei, tell me what's going on. It's like Cato: yeah, I'm really into free markets, so let's open borders so we can bring in a whole bunch of people who have no interest in the free market and simply view the government as a way to enrich their clan. These things don't really make sense to me at all.

WOODS: Well, Murray was put in a rather awkward spot, because Herrnstein, who was a professor at Harvard actually when I was an undergraduate there — but you know, I wasn't in that field at all, but I knew he was there. And as you know, he died almost immediately after that book came out.

MOLYNEUX: I think just before.

WOODS: No, you're right, just before. And so Herrnstein was the expert in this area. I mean, nobody wanted to take him on. And his view, I remember hearing him say that he felt like if responsible people don't talk about his findings, then you're just going to leave it to terrible people to talk about his findings. And he would rather have it be decent, responsible people. That was his attitude. And then here he is the world expert, and then he dies and Charles Murray — who's a bright guy and everything, but he doesn't have a PhD in any of these fields — was left kind of holding the bag to go around, running around defending the most controversial book of the 1990s, it's safe to say.

MOLYNEUX: Well, I mean, he got hit hard. And it's one thing to get hit hard if you have a booming companion with you, you know, feeding you shields and arrows and so on. But if it's just like alone on an asteroid as more asteroids come pounding in, I mean, I sympathize with Dr. Murray. It's a hard position to be put in. And I think there was this big warning that Dr. Murray received, which is, you know, if you talk about this again — you know, one time may be okay. You talk about this again and you're toast. And Dr. Jordan Peterson was talking about this race and IQ stuff, and he said, "I don't really want to get into it, because people get killed for talking about it." And I mean, I don't actually think they do, but, you know, it can be an alarming thing to talk about. But it is essential.

You know, one of the things, Tom, that I am very concerned about — because people say: well, why are you so interested in this topic? It's like, well, first of all, I really, really want racial tensions to deescalate. Because right now, you know, I do videos on this stuff. I can see the tension in the comments. I can see the tension. I can see this escalation of, you know,

hatred against white people, white privilege, and then the resulting resentment and anger. And I mean, it's really not going in a good place at all.

And this is partly a communist tactic, to weaponize ethnicities against each other. If you start talking about race and IQ, what you can do is you can diffuse the explanation of the argument, which is that all group disparities are due to white racism, white bigotry, white sexism, or male sexism or whatever it is. Because it's not just blacks and whites. It's you know, blacks and East Asians, Hispanics and Ashkenazi Jews; it's women who are young and not having children and women who are having children. It's a lot of group disparities, which are all explained in the leftist, monochromatic, ridiculous answer of: well, the reason there's a wage gap between men and women is because men are sexist, and that's it. That's the answer, and if you bring any other facts in, you're a sexist too. And it's like, that's retarded. Like, that is so stupid, because these things are big and complicated, and saying, well, the only reason why blacks earn less money than East Asians is because of white racism. It's like, that's not even — like what Dawkins would say: it's not even wrong, because it's not even coherent enough to make any sense at all.

And if we can start talking about some of these issues, maybe there's things that we can do. If we can't even acknowledge the problem of racial disparities and IQ, we can't even bring any solutions to bear. And so the only solution is always: white racism, white bigotry, white privilege, like we all just wake up and hate everyone else, except, of course, for the East Asians and the Ashkenazi Jews, who make more than white people do. That is not an answer. And it is going to escalate and escalate to the point where there could be outright race warfare. Because when you have the wrong answer, you generally tend to escalate. You see this with communism. They have the wrong answer about economics, because they can't solve the price problem, so they just escalate violence over and over again. And if you have the wrong answer about race relations, that your answer is just bigotry, racism, white blah, blah, blah, things are going to escalate until either you get the right answer, or there's nobody left standing at all.

WOODS: Thomas Sowell, whom you mentioned, has done a lot of work on racial and ethnic disparities in, let's say, educational achievement, income, things like that. And he did not employ IQ and seems to not have been persuaded that that was the way to go. He would say things like, for example, let's compare Japanese Americans and Mexican Americans, and we'll look at their differences in income. And what we notice is that the Japanese Americans earn more than the Mexican Americans, but what we also note is that — I forget the exact statistic now, but it was Mexican Americans were something like three to four to five times as likely to have been to be married by age 18 as compared to Japanese American women. So just we look at the women. And he says, now, look, that one factor alone is going to change the entire trajectory of the lives of these people. So just with that one factor, why would you think there was any possibility that those two groups of people who've had just one major difference in their lives, but it is a life-forming difference, how could you think they were going to have the same income or the same number of years of education.

Or he'll say: look at the Poles versus the Puerto Ricans. The Poles are 25 years older, on average. Well, when you're 25 years older, you have 25 years more net worth, more experience. He says it turns out that, in many cases, all you have to do is, if you if you equalize the age, the geographic location, the education, if you're actually comparing apples with apples, you come a lot closer — not exactly, but you come a lot closer to finding that,

you know what? There are equal outcomes after all; we're just never comparing the right fruit. It's always apple to orange.

MOLYNEUX: And that's fantastic. And this is what I mean by: its complex. I don't want to be the single answer. It's all IQ, no matter — everything, it's — it's complex. There's a lot of factors going on. Now, as far as Hispanic women getting married much younger than East Asian women, Japanese women, I think he was saying, okay, there could be an answer that involves IQ, which is that for Hispanics, the average IQ is in the high 80s. For the Japanese, the average IQ is like 104, 105, 106, right? So for a Hispanic woman, it may make the most sense to have kids young, because it's not like if you've got an IQ in the high 80s, it's not like you have a great deal of opportunity to become a surgeon or an economist or anything like that. So maybe having kids would make more sense. For a Japanese woman, she may end up having a great career., and therefore, maybe we want to have kids later, because she has a lot more opportunities because of the higher IQ. And again, I really want to emphasize: never judge any individual by any of this, right? Never judge any individual. These are all collective averages and have no relevance to any individual. It's sort of like saying women are on average shorter than men, but you can't judge any individual woman as being shorter than the average man, because women's heights vary enormously. So this is just big zoom-out things.

And yeah, Dr. Sowell has said, because the one of the arguments for the genetics of racial IQ differences is that people who are half-black and half-white kind of end up in the midpoint between blacks and whites when it comes to IQ, educational achievement, and all these other things. And he would say, well, but in the past, if you were a white slave owner and you raped — since you can't really have consensual sex with a slave — you raped your slave and the child is half yours, you're going to invest more into that child than you would if it was just some black kid from a slave. And you know, that's a good argument. That's very interesting. That's very complex. But I think the first thing to do is to normalize by IQ, and then you can look at all of these other differences. But people don't even normalize by anything these days. They just say, "Oh, there's a gap. It's bigotry, and we need a big giant government program to fix it." And it's like that will never end except in collapse.

WOODS: Well, there's a lot more to say about this, but we have come to the end of the time for this episode.

MOLYNEUX: No! No!

WOODS: I know, I know the time flies. But Stef, it's always fun —

MOLYNEUX: Can I just do one little thing at the end here? I'll keep it brief.

WOODS: Please, yeah.

MOLYNEUX: I really, really want everyone to get along better. I really want ethnicities, and cultures and races to coexist as best as humanly possible, which means we've got to start getting rid of this, "everything is bigotry, everything is racism, everything is horrible," because that's not answering anything. And it sure as hell isn't helping us get along. I actually want to solve problems, which means we have to start with the facts. The IQ bell curve is not just relevant to race and gender and so on. It's one of the fundamental things about the whole free market, because I'm sure you've heard of this principle, that the square root of the

workers in any given organization produces half the value. So you've got a company with 10,000 people. 100 of them are producing half the value. And if you go down again, the square root of 100 is 10, so you've got — like 10 people out of 10,000 are producing 25% the value of the entire company.

Now, that has a lot to do with where you land on the IQ curve. It's not exclusive, but it's a lot to do with it. And so if we understand IQ and distribution, we can also explain why there's a concentration of wealth in a free market and why allowing resources to accumulate to the most economically productive people, which has a lot to do with IQ, is the only way to grow the economy. So it's not just about race. It's not just about gender. It's about the economy and human life as a whole. And I do believe that there's things that we can do to change culture and to change environment to help improve people's capacities. It's why I have a whole philosophy show and bring reason and evidence to people as much as possible.

But if you are interested in the free market, if you're interested in wealth distribution, and you completely ignore IQ, you're missing a great explanation, because of course, what do the left say? The left and the Marxists, they say, "Well, if some people are richer, it's because they've exploited everyone else," in the same way, people say, "Well, white people are richer because they exploited the Third World," and, "Men are richer because they exploited women." It's like, that's not much of an answer. It's not supported by the evidence. People are richer in general in a free market because they produce more of value, and some of that is earned, and some of that is just innate. So not only does it answer questions, which hitherto are explained only with the voodoo of bigotry and racism and sexism, but it also breeds a certain amount of humility on the part of the people who are extraordinary in their gifts and abilities and say, okay, I just lucked out a little bit, so maybe I should put my gifts to the service of humanity and not think that it's all just me and my magic, wonderful will that has earned all these things.

WOODS: All right, and with that, that will be our final word. FreedomainRadio.com is the website, so you can follow Stef. I don't know how he's gotten — I mean, it's just — I remember when I first started reading you on — you were a columnist. You wrote more articles than you did video. And I thought, *Boy, this guy's really persistent. He really writes a lot of articles.* And then you were writing books, and then recordings and podcasts. And now to have almost a half a billion views, I can't even comprehend that. But anyway, definitely congratulations on that. I mentioned a homeschool program that I did, and I did not give the website, and doggone it, it's my show and I'm going to give the website.

MOLYNEUX: Please do.

WOODS: It's RonPaulHomeschool.com. RonPaulHomeschool.com is my site where I'll tell you all about that program. It's self-taught, so it means not a whole lot of work for you parents. You can reclaim your mental health and give your kids an excellent education.

And then one final thing: I have a free eBook called *Bernie Sanders Is Wrong*, and it nails him on everything. And I even bought the domain name, BernielsWrong.com. Don't let that beauty go to waste. Go over there and grab that book. It doesn't cost you anything. It's 150 pages, answers all the arguments. You can download it immediately at BernielsWrong.com. And then finally, make sure and subscribe to *The Tom Woods Show*, which you can do very easily at TomWoods.com/iTunes, and I'll see you tomorrow.

MOLYNEUX: Thanks, Tom, a great pleasure.