



WOODS: Let's say a little something about, of course, what's going on — I just read this morning, so when this comes out, it'll have been a day's delay, but the Republicans have issued a statement, a 123-page statement summarizing their position that the President has not committed impeachable offenses. And I had a chance to glance at that, and I have to say, I'm surprised at how punchy it is. I thought, frankly, it might be somewhat lackluster. But they are making a case that, look, the President has a very outside-the-Beltway approach to foreign policy and views about foreign policy and foreign aid and the United States' role in the world, and this is really irritating people in the bureaucracy, and that's really what's happening. I was very surprised they took that tack, but they did. So I don't know. I think there's something to their position on this. And I've been following your commentary on it, and you could not possibly be accused of being a Trump partisan after all the stuff you've written, but I gather that you are unimpressed by the Democrats' case.

STOCKMAN: Yeah, absolutely. Nowadays, there's very little I agree with in terms of Republicans, but on this issue they're right. Democrats have got this upside down. It's a classic case of the pot calling the kettle black. If anybody interfered in the 2016 election, it was the Ukrainians. The ambassador to the United States in the Ukraine wrote an op-ed in one of the Capitol Hill rags, I think it was Roll Call or one of them, denouncing Trump, saying that he would be a terrible president, would be awful for the Ukraine, and that his election should be stopped. This is totally inappropriate for an ambassador, and there it is in black and white. I don't know how more explicit you can get.

And then, of course, the real intervention occurred when the government leaked the so-called "black ledger" that laid out all of the payments that have been made to Paul Manafort by the Ukrainian government. They were all legitimate payments. I mean, everybody in Washington's got a shingle out representing some country or another of 190 countries in the world. But this all was deliberately orchestrated, linked in the dear *New York Times* in August. That caused a whole crisis. The next thing you know, Trump was absent a campaign manager and chairman, when he had finally gotten a pro in there that had brought some order to what was otherwise his chaotic campaign. So we could go on about that, but the point is, that's where the meddling came from. It came from the Ukrainians.

Now, the bigger picture, the real issue is that the deep state, the Beltway consensus, whatever you want to call it, has demonized Russia, turned it into some terrible national security threat, and has made Ukraine an unwitting ally in that quest for an enemy to justify all of the massive waste that goes into the military industrial surveillance complex today. The real meddling happened in 2014 when the legitimately elected government of the Ukraine was overthrown in the coup on the streets of Kiev, February 2014. It was funded, encouraged, instigated, shepherded through, and instantly recognized by Washington. This is a matter of public record. It's hard to dispute.

And so the reason we're in the middle of this whole mess and the reason the next thing you knew after February 2014, that Joe Biden was appointed to be the point man in Ukraine policy and we were suddenly pumping hundreds of millions of dollars of aid in there, was that it had been drafted as a proxy to confront Russia, to create tension on its very doorstep, its border, as part of this demonization-of-Putin-and-Russia campaign that was led by the neo-cons and adopted by the deep state, because they always need an enemy in order to keep the

money and the fiscal resources flowing. So you've got a double issue here. We're the aggressor, not Russia when it comes to the Ukraine. And second, when it comes to the meddling if there was any in the 2016 election, it came from the Ukraine, not Russia. And here we have the Democrats pursuing this utterly ridiculous impeachment process on exactly the wrong issue.

But what ought to be investigated, and Trump is doing this — the Justice Department anyway, the Durham investigation — is the meddling that occurred by the CIA and other elements, rogue elements of the national security community in the 2016 election. I mean, the whole investigation of the Trump campaign, the presentations that were made to the FISA courts, all of this really constitutes blatant, dangerous intervention in the democratic election process by a small handful of rogue national security officials at the very top of a structure led by John Brennan, that, in a way that we've never seen before, attempted to undermine and reverse the 2016 elections. That's what we ought to be focused on. If there's anything to impeach or at least bring to justice, it ought of the rogue Democrats, the rogue officials, but they're Democrats, deep state officials who were involved in the anti-Trump coup of 2016.

WOODS: Do you think he wants to testify, really? And if so, is it because he thinks he knows all this stuff and it would be an interesting spectacle for him to, like a bazooka, let one bullet point after another hit these people in the eye?

STOCKMAN: Yeah, he's incorrigible in some ways. He's feeling his oats, in a way, that I think is pretty dangerous on many issues like the nonsense of trade and the fiscal situation that's out of control. But on this issue, I think it would be wonderful if he would go up there and testify and just have at it with them. He's a brawler. There's no doubt about it, that what he does in the Twitter account every morning is basically a glorified form of street brawling. And this is exactly what needs to happen right now. This is such a farce. This is a hoax, this entire impeachment investigation, that I would like to see him go up there and take them on toe to toe.

And I'm sure it would cause a huge split and debate from end, coast to coast in the country, at every dinner table around the nation. But good. That needs to happen, because we're in danger here of losing what remains of any democratic accountability to our government. When you read these stories about all of these cats who came up there to testify from the National Security Council and the State Department, I think the gist of it was Russia is the enemy because we say, number one. The foreign policy is designed to provoke, contain, irritate Russia on its border to the military and economic aid to the hostile Ukrainian government. That's the policy of the United States, and if the President thinks otherwise or has a different view of the matter, well, somehow he's not allowed to do that. And in fact, it can be twisted into an impeachable offense. Now, that's pretty dangerous. I mean, at the end of the day, that's what all these testimonies have been about. He's undermining our policy, and who does he think he is? We're in charge of this country, not the mere elected President who won fair and square, the Electoral College in 2016.

WOODS: Let me talk about the Democratic candidates, and have you been watching any of the debates?

STOCKMAN: Yeah, yeah. Yes, I have.

WOODS: All right, now, you're somebody who — and this amazed me, that we got to have a conversation about this one time — you participated in preparing Reagan for the debates, because you stood in in the mock debates. You stood in as — am I right to say you stood in as both Carter and then later Mondale?

STOCKMAN: Yes, and also, it started in the 1980 debates. His first debate was with the independent candidate John Anderson, who was a Republican congressman —

WOODS: That's right.

STOCKMAN: He was very fluid orator and statesman. I'd worked for him for five years. That's how I got my start at Capitol Hill, and then I was elected to Congress, and then I went on to work for Mondale, so I know a little bit about this. Of course, those were real debates, one-on-one, a question and then some serious answers. But this is a gong show, when you have 10 or 12 people on the stage and they bounce around one issue to another with almost superficial tawdry.

WOODS: Right, right, so let's try to compare it to the actual one-Democrat-versus-one-Republican debates that we generally get. Do you think there's anything different as compared to today with in those days? Do you think they're more superficial now, or are they more focus-group-aimed? Obviously Reagan was prepped, but was he really prepped with focus group results, and you better use this phrase rather than that one, and so on?

STOCKMAN: Yeah, well, in some ways, he was a consummate actor. He understood how he would come across to the audience from all those years of being in that business. And so therefore, he did work on his phraseology; he worked on his timing. The one that I'll never forget in my entire life was the phrase that actually won the debate in Cleveland against Jimmy Carter, and therefore, made him president, and that was, when Carter went on the attack, he kind of paused, looked in a very thoughtful statesman-like pose, and then said, "There you go again, Mr. President." And that phrase, that gesture sort of crystallized the debate, and at the end of the day, even the pundits, who are totally against him, had to conclude he'd won the election. So, yeah, there was a lot of that.

And in those days, there was a tremendous focus as well on the issues. One of the help mates I had in beating Carter —you know, I was a pretty conservative, free market, gold standard Republican back in those days, so to beat Jimmy Carter took a little bit of mental gymnastics in transition. But the help I had was that someone pilfered Jimmy Carter's entire debate rehearsal briefing book. And the reason I bring this up — it was later revealed that we had it — but the thing was like 800 or 900 pages long. It was like two binders of, all indexed, issue after issue with all the facts and questions and suggested answers. That's what they did in those days. I don't see much evidence of it now.

WOODS: Well, I realize this is water under the bridge at this point, but I feel compelled to ask now that you've brought that part of it up. What, if anything, are the ethical difficulties involved in that situation?

STOCKMAN: Oh, you mean getting the pilfered briefing book?

WOODS: [laughing] Yeah.

STOCKMAN: Well, I —

WOODS: I mean, it was delivered to your door, wasn't it?

STOCKMAN: Yeah, it was put on the doorstep. It was in a brown envelope. I didn't know where it came from. I assumed it wasn't sent to me by the Carter campaign, but you know, there's a lot of dirty tricks that go on in the campaign. This was on public issues. There was nothing secret. There was nothing in it that affected national security or anything else. And I don't think there was any big issue, but there is an interesting little side anecdote that goes with it, because later, a few weeks later, I found out that it had been delivered to my house by one of the key foreign policy aides in the Reagan campaign. His name was Stef Halper. And I don't know if you recognize that name or not, but he's the guy who spent the next 40 years as a FBI and CIA agent teaching in London and then showed up in the Russiagate investigation as the guy who tried to entrap Papadopoulos and the other guys as part of this whole Russiagate scam. Funny thing, that's where it came from at the time. And the reason it came from him, I guess, is that his father-in-law was deputy director of the CIA, so I guess he had access to it. I didn't know any of this at the time, but that's the background.

WOODS: Oh, that's a story and a half. All right, let's get back to 2019. We just had Mike Bloomberg jump into the race. My assessment of that is that yes, it's true he did get elected mayor of New York, so he can get elected to something. But it's like he's become even less charismatic than he was then, which is a feat in itself. He's less charismatic than Hillary Clinton, likewise a feat. He has no warmth whatsoever. He connects with nobody. Nobody says, "I love Mike Bloomberg. I would walk over hot coals for Mike Bloomberg." I think he's going to spend a lot of money and have nothing to show for it, because it will go to show that money is not everything. If you have no connection and you're just obviously an automaton, really, who's passionate only about taking freedoms away — that really is the thing that makes him happy — I don't think that even with the jaded American public that doesn't seem to be upset about losing freedoms, that still just rubs people the wrong way. Do you think he's going to make a splash of any kind?

STOCKMAN: Well, I think you've got it right. He will have one impact on the campaign that will be decisive, but not in the way he intends. He is going to be plowing right into what I call the Joe Biden lane, the kind of so-called centrist, big-government, Washington-consensus, quasi-neocon-foreign-policy "we've got to do something for health care, but let's make it Obamacare, not Medicare for All," that whole line of policy and political positioning, he's the only person who can really damage in the Super Tuesday primary, which he's starting, he's not even going into the early tests in Iowa and New Hampshire or South Carolina or Nevada. He's coming right into Super Tuesday in March, in all of those primaries including California. And I think if Biden's still on two legs — and that's debatable whether he'll last that long, but if he is, that's where the damage will be done, and it'll run down to the benefit of Senator Elizabeth Warren.

In my view, she's going to be the nominee. It's hers to lose because Biden is just flailing and he's got so much baggage from 40 years of his maneuvering in politics and his open-mouth mistakes, that I think it's hers to win. These others are falling by the wayside, and that will make for a real contest in the fall of 2020, because she has lit on something that's a terrible policy idea, the wealth tax, but I think it'll sell politically in a country that realizes that 1% are winning and everybody else is struggling. I don't think that's because of capitalism. That's because of the Fed destroying capitalism.

But it's created an environment where someone who comes in and says that we're going to pass billionaires at 3%, well, there's 600 billionaires in America. Not many. We're going to tax multi-millionaires, people with 50 million in net worth at 2%. Well, there's only 80,000 households in America that have net worth million above 50 million. So she's figured out how to narrow this attack to a very tiny fraction of the population. And I think in those states where Trump carried the day, what I would call the burned-out Rust Belt counties of Wisconsin and Michigan, parts of Ohio, Western Pennsylvania, I think the Elizabeth Warren wealth tax gospel will carry the day, or could carry the day.

So as that shapes up, if it's Trump versus Warren, and if the market falters at all, which I don't think this bubble is going to last much longer, and you have a collapsing or an unsteady stock market as a backdrop, I think there's a decent chance that not only she'll win the nomination, that she could be elected. But as that prospect becomes more probable, let's say or more real realistic in terms of the polls, the market will correct before we even get to November 3rd, 2020. As one of the hedge fund guys going around on TV all the time said, if the prospects are that she's likely to win, the market will dump by 30% faster than you can see it coming. So 2020 is going to be one politically, financially, economically, the likes of which I don't think we've seen in decades and decades, if ever.

WOODS: I want to cycle back to something you said about Joe Biden. When he first announced, I thought it was really bold when any commentator would doubt that he would win the nomination. Well, that's a prediction, you've got to really be sure of yourself when you say something like that. And then as it's gone on — and I think most people in their heart

of hearts knew he was a mediocrity, but I don't think they realized how inept he is, at least in his advanced age.

And then maybe you saw this item about the campaign bus saying "No malarkey" on the side? Now, I made fun of him on Twitter for that. I did. I said, "Joe's getting hipper all the time. I'm always hearing those young people nowadays saying 'malarkey.'" So I was making fun of him. But then I thought about it. I mentioned this a couple days ago on the podcast. I thought about it, and I thought, wait a minute. I think what's going on here, this is not just a dumb mistake. I think what's happening is he's written off the youth vote, which is correct. No young person is going to vote for — only young people who still read physical newspapers, which is nobody, is going to vote for — there's no way they're voting for Joe Biden. And they don't vote anyway. Who cares if he writes them off? The oldsters vote, and the oldsters may still say "malarkey," or they recognize the word. And that is a subtle way —

STOCKMAN: Yeah, we used that word in the 1950s and 1960s.

WOODS: Right. So that's a subtle way of him conveying to them, Look, I'm one of you. I'm a comforting old guy who's just like you. I think that's why he did it.

STOCKMAN: Yeah. Well, whatever reason, I think the Democrats have thrown him under the bus, the House Democrats inadvertently or otherwise, because the more they dig into this Ukraine thing, and if they're stupid enough to pass the impeachment resolution — which I think they're so far down the road on this, they have to — and they send it over to the Senate, and the Senate Republicans get enough backbone to have a proper, orderly trial, where all the evidence is presented, they will be in a position to demonstrate that Trump had a legitimate interest of state in pursuing what went on with Hunter Biden and his two or three friends, including the fact that Devon Archer, who was his partner in this, was very close to Biden, and that another guy who got hired by the Ukrainian coup government immediately after it was installed by Washington, was the former staff director for John Kerry, who was then Secretary of State. I mean, this thing stinks to high heaven, and they're going to bring all this out. And if there's any life left in the Biden campaign, I think that'll just be another blow to his viability.

WOODS: I want to follow up now on something you said about what really is causing the problems that people are facing, because obviously you and Elizabeth Warren have very different diagnoses of this. But the trouble is, it's easy for people to at least think they see a causal relationship when she describes what's going on. You have this billionaire class, and they don't care about you, and they are keeping your wages down, or they're doing whatever. I mean, at least it's an easily identifiable villain, and it's a villain you can hate because they have a lot of things you don't have, and they probably treat you with contempt and whatever. So she's got them focused on these people they're supposed to hate.

Whereas you're thinking about the Federal Reserve, well, good luck conveying that to the general public, because nobody even understands what the Fed is, does, or whatever. Is there a way that you can take your critique of what the Fed has been doing and explain it for a dumb guy? Let me just put it that way. Explain it for a guy who thinks Elizabeth Warren is really smart. And by the way, she is smart in her own way, but man, she's very good at coming across at basically making really low-level arguments, *low-level* arguments, that they reach the low-level people she's going for, frankly. Can you do the same?

STOCKMAN: Well, I mean, I think you could try. I think you could point out that there's Main Street and there's Wall Street. We've now gone 11 years since the crisis in 2008. We can look at the outcome, and we can then ask in whose interest was the Fed serving. I look at mainstream industrial production or mainstream manufacturing output, and today, the latter is 2% lower than it was on the eve of the crisis. I look at Wall Street, by contrast, the NASDAQ 100, which is the leading edge of this huge bubble with all the crazy valuations for Amazon and Netflix and the rest of them, it's up 200% even after adjusting for inflation. So if Main Street has gone nowhere in a decade in which the Fed the system with fiat money pumping, and Wall Street has inflated to this massive degree, it's pretty obvious who the Fed serves.

And then if you look at who benefits from this massive 200% bubble on Wall Street, well, the answer is the 1% owns 40% of all the stock, and the top 10% owns 85 or 90%. So the wealth is going to the top. It's not because capitalism has changed. It's no different than it was in the '80s and '70s and '60s when we had a real broad-based prosperity in America. It wasn't even because the tax code has become more favorable, actually since 1986, when the great Reagan flat tax reform went through and the top rate was put at 28% of everything — you know, capital gains, earned income, and forth — rates have gone up. They're over 40% today on the top level of earned income.

So you can't blame that on nefarious tax policy. You can't play it on capitalism. The only thing that's different is that we had Volcker then, and we've had three Fed chairmen since then who basically have had the view that they can cause full employment and prosperity on Main Street by pumping money into Wall Street like there's no tomorrow. Well, it hasn't worked, and I think the people in flyover America, as I call it, pretty well understand it. They can look around, and the malls are barely alive or limping forward. The factories, have of them have closed. The towns are struggling. Households are living paycheck to paycheck. They can see that, and then they can look at the stock market that reaches new record highs every day. And they have to ask the question: is something linked here? There's something wrong here. There's something that doesn't add up.

And if someone carries on a hard-hitting full-bore campaign against the Fed, sort of outlining what I've just described, and also pointing out that savers have been absolutely savaged for the last 10, 12 years, a lot of people out there in this age group who are nearing retirement or retired, should know exactly what it means to get practically nothing on a savings account, when you can also attack the 2% inflation target. What has that done for wages? Real wages are no higher than they were 30 years ago, but nominal wages have gone way up, and that has caused jobs to go to Mexico and China and other places around the world.

So the Fed has been the enemy of the working man. The Fed has been the destroyer of savings. The Fed has done nothing for prosperity on Main Street, and it's created a historically aberrant, unprecedented bubble on Wall Street that's benefited a very small fraction of the population. So I think that's the case for that. Unfortunately, the Republicans are so damn stupid that they don't even understand that their enemy number one, enemy number two, and enemy number three is the Fed, and they ought to be attacking it. But the only few decent Republicans, the only thing they come up with is, well, we better adopt some kind of rule-based monetary policy rather than ask, do we need activist, interventionist monetary central planning from the Fed at all.

So they've missed the boat, and that's why the fiscal situation is failing. When you create such low cost of carry on debt, the politicians lose their fear of deficits and the national debt. And so we're heading for a fiscal catastrophe, because everyone in Washington, both parties have been euthanized by the cheap money and financial-repression, interest rate repression policies of the Fed.

WOODS: David, I want to urge people to check out DavidStockmansContraCorner.com, which I will link to at TomWoods.com/1548, because you're going to get briefings from the person you've been listening to for the past half hour, who's been around a while, who knows everybody and frankly everything when it comes to these sorts of topics. And I would say, David, you are one of the handful of people when something's going on — like for example, when the impeachment things started to gain steam or issues like this, you're one of the handful of people I say I genuinely wonder what such-and-such person thinks and what his evidence for it is. And I always want to know, what does David thinking about this and that. And you don't just get a little puff piece article here and there. You get really in-depth material from David on a very, very regular basis, delivered to you when you subscribe to David Stockman's Contra Corner.

And yes, it's true, you pay for it. But you can get a lot of free stuff when you go around the internet and some really good free stuff, but I haven't seen any free stuff that comes anywhere near giving you the absolute bulletproof material you need to walk into a lion's den, which frankly is your place of work, your neighborhood, wherever, where there are people who disagree with you completely. You can walk in there fearless, because you have been prepped and briefed by David Stockman. Now, how's that for a pitch, David?

STOCKMAN: [laughing] I think that's terrific, probably far more than it deserves. But the idea is every day is something brewing at the headline level that is misleading, to say the least, and probably a lie in many cases, and it needs to be taken apart. And we need to get over our recency bias. The world didn't start last week or last year. We need history. We need context. We need to understand fundamental principles like sound money, fiscal rectitude, what free markets are and what they're not, what trade is about, and also an unbiased non-Keynesian view of the economic facts. I mean, most of the economic facts that come out get spun so quickly by the Keynesian business press and the Wall Street stock peddlers, that people don't really understand we're heading for some real trouble, notwithstanding all of these so-called fabulous, awesome headlines. The rot underneath the system is pretty deep and severe, and you can lay it out. We can show the facts that we do, and that's really what Contra Corner does five days a week.

WOODS: Well, again, the link is DavidStockmansContraCorner.com, and I'll have it up at TomWoods.com/1548. Well, thanks for your time, David. Always appreciate it.

STOCKMAN: Okay, great to be with you.