



WOODS: Now, I understand that you are — are you retired from, or as of the end of this year, retired from Ramapo College?

SABRIN: July 1st, I'll be finishing my 35th year and entering my next 35-year career.

WOODS: All right, well, I can't wait to see what you get done in the next 35 years. But I'll tell you, it seems a bit anticlimactic, unfortunately, for you to have to end like this with the students all of a sudden gone and you teaching online.

SABRIN: I tell you, it was a fairly steep learning curve the first week trying to get a handle on WebEx. I've been using WebEx, and it's basically like being in the classroom. If the students have their webcams on, you can see them. And some of them are very relaxed in their room or living room, wherever they're taking the course from. But it's strange to teach online. You have to get really used to it. But as I told my dean and the convener of the finance program, I would love to continue teaching the financial history of the United States online in the spring of 2021, because we have a strange rule, I think it's a statewide rule in New Jersey that, once you retire, you cannot teach for one semester after you retire, which is really a bizarre rule. But anyway, teaching financial history of the United States would be a wonderful thing, given the era that we're living in, plus the 200 years of financial history that we discuss. In fact, you're one of the stars of the course. The students just saw your video on the Forgotten Depression that you gave at the Mises Institute a few years ago.

WOODS: Oh, how about that? Very nice. That's 1920.

SABRIN: The Forgotten Depression. Students are totally clueless about what happened in the first part of the 20th century. They don't know anything about the Forgotten Depression, and I showed them Murray Rothbard's video on the founding of the Federal Reserve, which talks about the politics, the economics, the intrigue that created the Federal Reserve. And then I try to show them as many videos as possible, because they're all out there, and they present a concise history of that period. And so teaching this course is a real eye-opener for students, because I start off the course by going over "I, Pencil" and how a market economy functions, and then we take it from the basic economics and finance, *What Has Government Done to Our Money?* about the evolution of money.

So students get something they do not get in any economics and finance course. It's the integration of economics, money, banking. I go over *The Mystery of Banking* with students that Rothbard wrote back in the early '80s. And so I think what I'm doing in the course is bringing to students' attention how the economy actually works and how the intrigue of politics and the economy have been integrated over the decades, in fact, over the centuries. And I think students really have a wonderful appreciation that what we see today is just a culmination of how the political financial elites use the government for their own self-aggrandizement, whether its financial aggrandizement or political power.

WOODS: Well, that is a pretty important thing for them to learn at a moment like this, I would say I have not read or listen to you on this yet on the subject of our current situation, namely, what's been going on with the virus, the policy response the economy. So I'm going into this blind, but not entirely blind because I've known Murray Sabrin a number of years, and if he has an opinion different from the one I suspect he holds, I don't know what

that next 35-year career is going to hold [laughing]. Let's talk about that. Give me your impressions about where we stand as we're recording this in early April 2020.

SABRIN: Well, here the amazing thing is, this is the first time that I can recollect not only in my lifetime, but reading American financial history and American economic history, that this is the first time we've had a government-induced shutdown of the economy. I've never seen anything like this. I don't think we even had this during the heyday of the Vietnam War and the two major recessions, the double-digit inflation we saw in the 1970s. This is really unprecedented. So we're in uncharted waters. So to make a prediction about what's going to happen is kind of iffy. As Niels Bohr, the Nobel Prize-winning physicist says, prediction is hard, especially about the future.

But I think the insights of the Austrian School will give us, I think, a better roadmap as to what's going to happen, and we see this in what the financial markets are telling us. The financial markets are going up and down like a yo-yo that we've never seen before. In fact, two years ago, even before the concept of a pandemic was on the horizon, I said to students, given the everything bubble that we're in since the Great Recession, I said, we probably will see thousand-point up days and thousand-point down days. And of course, we've seen that. And we saw nearly a 3,000-point decline a few weeks ago, which is really mind-boggling. What was it, about 11% decline in one day? Which shows you the tremendous volatility that we're seeing in the financial markets, as investors, as money managers are trying to figure out what the future is going to bring. Remember, the stock market's a discounting mechanism, so everybody is trying to figure out what should they be discounting to determine what values prices of stocks should be today?

Well, having said that, this is a downturn that we're seeing that's totally the responsibility of the federal government by shutting things down. I mean, I live in Bergen County, 900,000 people tightly compacted in northeast New Jersey, and virtually everything is shut down. Paramus, which is not far from me, is sort of the mall capital of the United States, with all the malls that we have here, and there's nothing going on. The traffic has been very sparse in the county. So we're seeing a tremendous drop in economic activity. However, people are still using Amazon and other online websites to purchase things that they need. People are still going to the grocery stores. They're still going to other places. The restaurants have basically shut down except for the takeout.

So again, I'm not an expert on health care or medical care, even though I'm currently writing a book on medical care and how to create a universal care system without government intervention. That's the challenge of the book, but I think I'm going to be able to pull it off, showing how the free market can deliver medical services to low-income people who can't afford insurance or working people. And as you know, the goal tragedy in the medical care system is that medical care has been tied to work with the insurance that came about because of World War II wage price controls.

So anyway, what we're seeing I think, Tom, today is a total breakdown of the welfare state. What amazes me as a citizen and as a finance professor is how many people are looking to Washington for guidance for this pandemic. And you have the governor of New Jersey, the governor of New York on TV every single day, the President of the United States on TV every day. We don't see epidemiologists and CEOs of hospitals talking about what's going on. They have deferred to the politicians on medical issues. Now, of course, the governors and the President have medical advisors, but that doesn't mean that they know exactly what to do or what protocols we should follow.

And so as a citizen, one thing I learned a long time ago is don't depend so much on other people for your own well-being. Really depend upon yourself, your family, the local people in your network, and your community. Instead, the amazing thing is the American people have essentially outsourced their well-being, especially medical care, to the government. That I find astonishing. And I think it comes from this whole notion — in fact, this morning I heard

former Governor Kaine, a Republican, say that medical care is a right. So we have Republicans saying medical care is a right. They've all bought into Bernie Sanders' notion that we should have either a single-payer system or we should have some sort of system where the government is directly paying, which means taxpayers have to pony up money to provide medical care for everyone.

And this is I think the great tragedy in America today, is that people don't stop and think and say, hey, we want to depend upon the government, but who are the people in government? Where did they come from? They come from the private sector. So if they work in the private sector, according to Bernie Sanders and all the other leftists in America, somehow they're tainted, they're greedy, but if they go work for government, they become saints. And this is the strange thing about social psychology, that somehow people who go to Washington and become bureaucrats or presidents or members of Congress, somehow they become so altruistic that they have the American people's best interests at heart.

And we know that's a total myth. Again, having been around a long time, having lived through the Vietnam War, having been one of the libertarians who opposed the wars in the Middle East — I don't know if you recall, you were a young lad at the time, but Lew Rockwell got libertarians together to sponsor an ad in *The New York Times* opposed to the first Gulf War back in 1990. And we've been opposing war constantly. And so what we see today is now we have a war on the virus, just as Nixon proclaimed we have a war on cancer, we have a war on drugs. And so we should know that whenever the government decides to go to war, whether it's an actual shooting war or a war on any type of element that affects the American people, they're going to really make things worse than it was before. And as Trump said, to his credit, we should not have the cure worse than the disease. I think he's itching to open up the economy as much as possible, but I think his advisors are saying you better make sure that, by opening up the economy, you don't create more problems in the pandemic.

But I think this thing is petering out. It looks like the data is showing that the so-called curve is bending. And I think I'd like to get back to normal. I'd like to go to wherever we go, to the mall, that we go to entertainment places, the movies, the theater, restaurants. I mean, life is going to change in America, and so the question is, how is it going to change?

And this is why we as libertarians, as devotees of the Austrian School have to get out there and explain to the American people that what we're seeing now is a complete failure of the welfare state. It's a total failure from top to bottom. And I think we owe the American people the best advice we can give them through your show and other podcasts and websites that are out there that have been describing this. Unfortunately, the mass media block us as much as possible, because it's very hard to get attention from the major cable shows. I've been doing my part by getting op-eds in the local paper about the economy and the stock market and how this economy is fragile.

That's one of the things that I think, Tom, is missing from the whole discussion about what's happening right now. The fact that the government shut down the economy, what it is exposing is how fragile the economy is, because so many people don't have enough savings to get them through one or two or three months of life without trauma, and how many small companies, small businesses don't have enough resources to get them through a month or two of shutdown. And I think this reflects the distortions created by Federal Reserve policy where people haven't been saving. And we've been taught you don't have to save, because we're going to take care of you with Social Security, Medicare, Medicaid, public education. And so the American people have, unfortunately, been so used to the notion that "we're from the government, and we're here to help you," which I think is being exposed as the great myth. And unfortunately, Trump is taking a lot of arrows, because so many people are looking to government.

So I think what we have to do is roll up our sleeves and really try to get into the mass media, because that's where we can reach literally tens of millions of people with the alternatives to

the welfare state. And so that's one of the things I want to do in my post-Ramapo teaching career, is be as active as possible. I just signed contracts to write two books for a major business publisher, so that will be published hopefully over the next two years, and then write as many op-eds as possible in the local press and hopefully the major press like *USA Today*. And we know there have been some libertarians writing in *USA Today*, which gets us a major audience. But the thing is to get to the people through the mass media, because that is what's going to change people's attitude, I think. And so we have a major challenge in front of us.

WOODS: Okay, let's take a quick break. And then I want to grill you slightly on this.

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All right, here's the way I look at it. I believe in spreading our message as much as anybody, and I don't believe in watering it down, but I do believe in being strategic about it. I myself was not ready for the full libertarian message even as a college student. I was ready to embrace a sense of it, 90% of it. And like even today when I meet somebody, I know what's going to work with a particular person, what's going to resonate with that person and what isn't. And I bring them in with the things that resonate, and then on their own almost they realize that the objections that they still have gradually fall away.

So where I'm going with this is it seems to me that right now, when we're in a period of greater uncertainty than ever before in the lifetimes of virtually anyone, and we don't know what the future holds in terms of our health, in terms of the way society is going to be organized, people's economic well-being, what's going to happen with their jobs, we don't know anything. This seems like the worst possible time to sit down and have a philosophical discussion about the welfare state. That just seems to me to be a loser from the beginning. Why am I wrong?

SABRIN: Well, the way I approach it is I've been writing about the stock market and the economy, which affects everybody. Everyone can understand their 401K going down in value, and I explain why we have these bubbles. That's why I wrote the book *Why the Federal Reserve Sucks* and I'm constantly writing op-eds for the local paper, which they've been publishing every several months. So when you explain to people that the Federal Reserve and the federal government are "destabilizing the economy," that it's making things worse, that we're not getting the promise of what they said they're going to do, give us sustainable prosperity, you at least bring them into the conversation, saying I'm trying to understand why the economy is not doing as well as it is, and I point that it's because of intervention.

And so once they accept the premise that intervention in the stock market and the economy is counterproductive, then we can get into other areas, which is the difficult one: medical care, education, housing, transportation. Those are tough ones. So you want to bring it down to a very practical level rather than a philosophical level, saying this thing is not working.

Because what we are seeing, Tom, is we're going to see the most massive increase in budget deficits in US history. We're going to have probably a \$3 to \$4 trillion budget deficit this year. And people can understand that, that they can't run huge deficits to run their lives. Businesses can't do it. So how can the government do it? Well, they have something called a printing press, and if they continue to buy the debt of the federal government, then you explain to them how this can cause massive inflation, which will cause a greater drop in their living standards. So again, you have to use the knowledge that we have to explain how their lives will be adversely affected by the welfare state. Rather than giving a philosophical discussion, I think you have to go right to the pocketbook issues, because most people can understand if their pocketbook is going to be worse off and their income is going to be worse off and their job security is going to be worse off, then they have to reconsider the notion that the government is there as a major safety net for them.

WOODS: How do you handle the situation that we're in right now, where it really is uncharted territory, and we've got medical experts telling us what economic policy we ought to pursue,

and indeed telling us that so-called non-essential businesses need to be closed? That is an economic policy, and they're telling us that we need to do that, with the implication being that if you are not an epidemiologist, you really are not entitled to an opinion on anything here. You need to shut up and listen to the experts. How do you as a finance professor break through that, when it's like you shouldn't even be speaking about it? Whereas, by the way, nobody seems to feel this way when it comes to the economy. Everybody's entitled to an opinion about that.

SABRIN: Right, right. The example I use in my classroom to talk about how the experts can be so wrong on a topic that they should know about is the example of Dr. Barry Marshall. Dr. Barry Marshall is a gastroenterologist, and I think 30 years ago he spoke before a gathering of his fellow gastroenterologists, and he said we really have to think about the cause of ulcers. I don't think it's caused by stress, which has been the conventional thinking up until then. He said it's caused by H. pylori bacteria. And they booed him off the stage. He then injected himself with H. pylori bacteria, got ill, took antibiotics, and he won the Nobel Prize in Medicine for his breakthrough that ulcers are caused by bacteria as opposed to stress.

So we may be seeing the same thing right now. There are people out there who are treating coronavirus patients with an anti-malaria drug. This is not what Fauci is saying when he's asked about this. This is not what other people saying. But we've got to be openminded and flexible when it comes to these issues, especially people's health and well-being. And there are great people out there who are writing about this, like Bill Sardi on LewRockwell.com and Dr. David Brownstein and other people who have credentials, who have a different point of view than conventional thinking. And so I say to people: hear what people are saying. They're the ones that have decades of experience in the health and medical field.

So maybe the so-called experts are not reliable in terms of what they believe, because we know when it comes to health and medicine, there are various opinions on what's causing the problem. And we now have a doctor who just did a YouTube presentation that points out that ventilators may be causing more harm than good for coronavirus patients. So I think this is what science is all about, is you have a hypothesis, you test it, and you see the results. And so people are now saying maybe the ventilators are not such a good idea. Maybe staying in a house is not such a good idea, because you're not getting vitamin D, you're not getting exercise, you're not getting all the things that promote good well-being. And so we've got to challenge the conventional thinking. That's what breakthroughs are all about.

WOODS: One thing I'm seeing from a lot of critics is, okay, you libertarians know everything that's wrong with the way we as a society are responding to this, particularly when it comes to economic policy. We hear you. You don't like it, and you don't like what the government's doing, and you think it's going to have unintended consequences. Fine. We hear that. But what we want to hear from you is right now not, *Well, I wouldn't have shut down the economy in the first place* – we hear that. But if you were in this current situation right now, if you were in Donald Trump's shoes, what would you propose be done? I mean, yeah, it's not ideal that we're sending \$1,200 checks to a lot of people, but we've basically taken away their ability to make a living in many cases. I mean, a libertarian response to that is not doable.

SABRIN: Well, here's what's happening in the co-op that I live in. For listeners who are not familiar with co-op living, a co-op is basically a private corporation where the residents own shares in the building. We elect the board of directors. I'm on the board of directors here in the co-op. We have a lot of people over 65, we have a lot of shareholders over 80 and 90. So what did we do to make a decision about the coronavirus? We shut down the gym. We shut down the community room. We hired a nurse who takes our temperature when we come into the building. It's not an ideal situation. She's here from nine to five, seven days a week. So the staff is wiping down all the doors and knobs and things like that to make sure that this thing doesn't spread. So far, knock on wood, as they say, it seems to be working, because as far as we know, we don't have anyone with coronavirus in the building.

And so the point is private property and the owners of that private property would be responsible for how the building should be open or how the mall should be open. And you don't have to lock it down. You could have guidelines, which we got from the CDC and other organizations, here's what we should do, so as private property owners and with a board of directors, the mall owner should do the same thing. They could do what we do. They could have people come to the mall. They could set a limit on how many people could go at one time. And we don't have to shut down the whole economy. Now, a lot of people would not go to the mall anyway for fear of getting the virus, but people who will determine what risks they want to take by going in public and mingling with people, they would make those determinations.

So again, what we would say is, listen, we live in a world where there's a flu around us all the time during this time of year. People have colds, they may have walking pneumonia and not even know it. And so let people make the decision as to how much risk they want to incur. Now, for some people, that would be a nonstarter, but I think for other people, they will say, well, colleges can go online pretty easily. And we did that. I think most people most faculty members at Ramapo are online successfully and I think around the country. So we can do that to mitigate the problems of close quarters at a college. Well, we can do the same thing at malls. We can have people line up, like we were at a grocery store the other day and my wife and I waited in line. It went through quickly. We were separated by the people in the store to line up to go to the cash register. It worked beautifully. We were in and out in a half hour to get all the things that we needed. So again, we have to trust people that they will have guidelines on their property to make sure the tenants, the patrons are following some sort of good protocols so we don't spread the virus.

WOODS: Then another thing I guess I want to pick your brain about would be what happens, let's imagine that the economy reopens and let's imagine the virus goes away — which is a big if, because why would it? But let's just imagine that. The issue is: can the economy just come right back? Can people just go right back to work and so on and so forth? Now, I guess in a way, by assuming away the virus, I'm kind of assuming away the problem, because the problem is largely that there could well be changes in consumer preferences now, because maybe some consumers want more experiences where they're not in as close physical contact with a lot of people as before. And so the private sector is going to have to figure out how to cater to that stuff. But is it a reasonable analogy to think back to World War II, when you had a huge portion of the economy fitted for military production and toward the war, and some economists predicting that once that ends, there's going to be an economic disaster? When in fact, the economy retooled and we went about our business as before. Is that what is likely to happen here?

SABRIN: Probably, with a basic caveat there. There are some people, as you know, who are germophobes or who don't like to mingle in public. And one of the things that could happen that could be really dangerous for people in public: what if you have a cough or a sneeze in public after this is all over? People are going to be really, really upset that you may either have the virus or you have something similar? And so people are going to have to be very careful when they go out in public, that if they have a cough or a sneeze, that someone doesn't pounce on them, because that's what's happened, according to reports. In the subway or a bus, someone sneezes or someone has a cough, and then people get very upset, and people have been attacked because of that.

So I think what's going to happen is people who have any sort of the slightest ailment are going to stay at home. And I think, hopefully, we will go back to as much normal consumer behavior as possible, because unfortunately, what's going to happen is a lot of small businesses will not be able to survive, especially in the restaurant field. But with the federal government throwing so much money at these businesses, we'll see how that happens.

But I think life is going to be changed in America forever. I think we're going to see more online teaching, something I predicted in my farewell address last October. I didn't think it was going to happen because of a virus. I think online teaching hopefully will reduce the cost of college education. Now, for public schools it's going to be fascinating to see if parents will want to keep their children at home and we'll have more homeschooling, which would be a great thing, I think, because they'll be hopefully getting a better education.

One of the things I think we're going to see, Tom, is that the government is going to encourage not using cash. And I think that will fall into this whole notion of what Bob Higgs wrote about in his great book *Crisis and Leviathan*, every time we get a crisis in America, we don't get back to normal, we always get a ratcheting up of government intrusion and violation of civil liberties. I think that is the great danger we're facing in the future, plus more restrictions on international trade.

I think we'll see interest rates, because of Fed money printing, stay down for a longer period of time. And with the inflation accelerating, which we should expect from this, I think we may see what Paul Krugman just tweeted the other day, we may see price controls coming down the pike. Remember, price controls were instituted in my lifetime with a Republican president, Richard Nixon, nearly 50 years ago in 1971. So I think we may see a movement, as Hayek wrote nearly 80 years ago, we're traveling down the road to serfdom because of these crises. And unfortunately, I think Republicans will go join Democrats in saying, hey, we have a crisis situation; therefore, we have to have more controls on the economy, on business, on trade.

And I think that's the danger we're facing, even though we may go back to more "normalcy" in the future. With the Fed being more heavily involved in the economy, we may see the Fed really take a lead in this economy, by buying corporate bonds, by buying stocks, by the government taking stakes in the airlines and other companies. So this is the danger we're facing, that this crisis may lead to even bigger government than we could even contemplate before this crisis occurred.

WOODS: Right, obviously, that is the main thing we have to keep an eye on. By the way, your description of what might happen when you cough or sneeze reminds me of the other day I was at the grocery store, and just in case anybody wants to report me, I'm allowed to go to the grocery store in my jurisdiction. This is not considered something that you go to prison for at this point.

So I was there, and doggone it, Murray, for a solid 15 minutes, I needed to sneeze in there, and I was terrified to do it. I was terrified to sneeze in front of these people. And now of course, I should have found the restroom and just sneezed in there now that I think about it, but at the time, I could not think of any solution to this, other than: somehow stop yourself from sneezing. And I thought to myself, when I get out to that parking lot, I'm going to have the most satisfying sneeze in my life. And I got there, and it had passed. I couldn't somehow summon the sneeze back up again. So I wound up not sneezing. But you're right, I thought, how weird. What a dystopia this has become, that something as simple as — I used to enjoy having a good sneeze. You know, it was satisfying. You can't do that now.

SABRIN: Well, the thing is we're coming into allergy season, so people are going to be sneezing all over the place in public. And this is why we cannot allow the government to determine what medical care we should be following. Again, having observed this now for, what, 60 years, since I was a youngster in the 1950s, this has been sort of a bad move we're living in, where the government just keeps on getting bigger and bigger and bigger. And I think in the next few years, we have to have a serious national conversation about what do we want the government to do or not to do in our lives. Not from a philosophical point of view, but a very practical point of view. Is the government our savior, to put it in those terms? Is the government there to protect us? Does the government have our back?

And listen, they're not experts in this. Now, they have advisors in the medical field, but who's to say they're right, as Dr. Barry Marshall's peers said he was wrong, and yet he was right. He was a lone voice regarding what was causing ulcers in the American people. So again, we just have to point out, just because someone has credentials, that doesn't mean they're right or right half the time or right three quarters of the time. And so we just have to keep on probing and probing and probing and ask people: make the case to why you're right. And so anecdotal evidence is evidence. I mean, just the fact that it's not been "scientifically proven," it doesn't mean that it's not a viable approach toward the coronavirus. So as Trump said, hopefully the cure will not be worse than the disease. And with you and other people: I think we just have to keep on talking about truth to power, that the people in charge don't have the answers. If they did, we'd be living in a utopia and not on the verge of a dystopia.

WOODS: Murray, if people want to follow you, what's the easiest way for them to do that?

SABRIN: Yeah, my website is MurraySabrin.com. Unfortunately, I don't have much time to write original stuff. I just post a lot of good stuff from Lew Rockwell and other websites, Robert Wenzel, some of the local websites that I go to. Zero Hedge has some great stuff. And then my book *Why the Federal Reserve Sucks* is coming out in a Kindle edition very soon, so people should go to Amazon and check it out, because I know a lot of people love Kindle editions instead of a paperback edition.

But again, I would love to, with you and other people, be the voice of reason, because having been taught by Rothbard and others in the Austrian tradition for the last 50 years, it's gratifying to know that our ideas are getting out there. Young people are embracing it. People in the media, the editors are starting to allow us to get in print. And I think this is the exciting part of it. We can turn things around. I think the American people now see what it's like to live in a centrally planned economy. I think we have to make that point. What we're seeing now is what we would have if we had a single-payer system, where the government would literally control all of our medical decisions.

WOODS: Well, Murray, I'm going to recommend that to folks, because even if it is just you collecting articles, well, I like to read some of the things that you send out, so MurraySabrin.com. And yeah, *Why the Federal Reserve Sucks* is actually a really good book, because it gives you the kind of arguments that the average person can get, and it gives them to you quickly and effectively. So I'll link to this stuff at TomWoods.com/1628. And thanks, Murray. Best of luck with your next 35 years.

SABRIN: Well, if things work out, Tom, we're going to be neighbors, because we're looking seriously to move to Florida at the end of this year.

WOODS: Ah, how about that? Yeah, well, I mean, the last time I saw you in these past number of years was when you were down in Florida, so that would be very nice.

SABRIN: It would be terrific to get away from these terrible winters and these oppressive taxes here in the state of New Jersey.

WOODS: Yeah, no kidding. So I will welcome you with open arms, you and Florence down here. Thanks a lot, Murray.

SABRIN: Thank you, Tom. Good luck.