



Episode 1,757: The COVID Economy, and the COVID Restrictions: Present and Future

Guest: Gene Epstein

EPSTEIN: Tom, it's nice to be back, especially since we both had big parties last night. I had 20 guests, and you had 100 guests. And so we both have to catch up on the great parties that we've been throwing. And so how did yours go?

WOODS: Yes, all right, pretty good. I don't know the exact number, but it's somewhere in the 100+ range. So I'm very pleased, first of all, that it happened at all. I had a number of special guests at the event. I'll get to that in a minute. But even if I hadn't had any of those, a lot of the people who came, these are all members of my Supporting Listeners program. Some of them are coming from states where they really have not been able to do much of anything for a long time, and I think just standing around talking to other libertarians, even talking to anybody alone made it worthwhile for so many of them.

EPSTEIN: Yes, indeed. It's a glass of cold iced water after a long trek in the hot desert, absolutely. My *Reason* colleague, so to speak, John Osterholt, who does technical support for the Soho Forum – we just did it Soho Forum, by the way, which we recorded and which we send out a live stream. So John was working on it and told me that he drove the two hours – he's down in Florida. He drove it two hours to get you home.

WOODS: I remember him. Yeah, I took him up – a few people got a little private tour of the office where I'm broadcasting from now, and he was one of them. So yeah, I told him that, of course, I know a certain Jim Epstein over at *Reason TV*. But anyway, it was a wonderful time. When people came in, I had all the name tags laid out, alphabetized, and a little sign that said, "Welcome to the old normal," as they came in. So it was a lot of fun.

And basically what we did was we had some people speak. We had people spread out all through the house and an outside area. I had dozens of bottles of wine. Those were all gone. I had a ton of food, and everybody just had a wonderful time. And then in addition to Eric July, who came and spoke and mingled with everybody for five hours, I also had Mark and Jo Ann Skousen, who put on Freedom Fest in Las Vegas every year. Then I had Cliff Maloney, president of Young Americans for Liberty. And I had Pete Quinones, our friend who hosts the *Free Man Beyond the Wall* podcast. C.J. Kilmer hosts the *Dangerous History* podcast, I had him. And then Eric Brakey, the former Maine state senator who just ran for the GOP nomination for US Congress this year. So I had some folks who have – and Mike Maharrey from the Tenth Amendment Center. So I had a really good group of special guests and just well-wishers and supporters, all of whom had a great time. And it was a taste of what normal human life is like, and I think it was a good thing.

EPSTEIN: I saw photos, and apparently masks were optional, and so I didn't see anybody wearing them. Is that what happened?

WOODS: That's right. That's right. I remember talking to Thad Russell about this and saying, why is the left going for all this so much? And he said, well, in terms of the masks, he said, I have a feeling maybe, whether they realize it or not, I have a feeling it's the egalitarian aesthetic of the whole thing. We're all masked together. So yeah, no, we didn't – again, we're willing to take the infinitesimal risk involved, given that people had a much, much greater risk of having something happen to them driving to my house, which is a little bit in the sticks. In fact, that was the first thing Mark Skousen said when he came through the door: "Man, you live in the sticks." [laughing] I'm sorry.

EPSTEIN: Exactly. Well, yeah, that actually does remind me of the old point that it's much more dangerous driving to the airport than taking the plane –

WOODS: Yes.

EPSTEIN: And similarly, much more dangerous driving to Tom Woods' house than it is to be in his house without a mask on. In my case, it was a delicate balance since I had 20 people over and we were all maskless. But I do have neighbors, and one of my neighbors was over this morning for the meeting, and so I wore a mask because he wanted me to wear one.

WOODS: Yeah.

EPSTEIN: So I've got to do that. But the 20 people who came were a little less fearful, and honestly, the mask is a kind of an impediment. You had a great session on masks in your recent interview. And, of course, you were both agreeing with your guest that a mask is not really that much of an annoyance, but really, sometimes it sort of is, and if you can be in the company of people who don't want to wear masks, then that's a great opportunity.

And that's of course what I liked when I had my 20 people over. We watched – I do movie night. I've got a ten-foot screen. It's not a movie unless it's larger than life. And I bought recently a laser projector, not an old-fashioned bulb projector, but a laser that fits right onto the wall. And we watched a movie called *Philomena*, which I highly recommend, with Judi Dench giving one of the best performances, a very appropriate performance for her, much better than some of the stuff she's most famous for, as queens. She plays an ordinary woman. And there was lots of stuff to laugh at during the movie, and even a few things to sort of get a little teary-eyed at. So my 20 guests were actually making little audible noises of laughter, and sometimes a little bit of upset, and this was the experience of actually seeing a movie with an audience, an audience of 20, where you could be in the company of other people appreciating the film. So that, once again, was just a long drink of water after a long session on the desert.

And so it was a great evening, and I'm going to have more than – I did have, my first one was a few weeks ago, and we watched a movie called *Mr. Jones*, which I also highly recommend, recently made. And it is about a character named Gareth Jones, based on a true story, this journalist named Gareth Jones, who went to the Soviet Union in the 1930s and uncovered the scandal of the starvation of the Ukrainians by Joseph Stalin, and is a character brilliantly played by Swedish Peter Sarsgaard playing Walter Duranty, *The New York Times* journalist

who won a Pulitzer Prize for lying about what Stalin was doing. So again, giving your audience two very good movie picks, although I am recommending that they at least watch it in the company of 19 other people without masks in order to really enjoy the movie.

WOODS: Yes, absolutely. Well, I'll remind folks that what I did over this past weekend –

EPSTEIN: Yeah, John told me what you got – you know, I said we're all curious about Tom and how he lives, and John said, yeah, it's a kind of a big house and it's yellow. It's a yellow house that you picked?

WOODS: Well, because it's like a Key West style, the architecture of it. So yeah, the exterior is yellow. But it's got palm trees on either side, so the green and – the combination works. It looks, again, a sort of Key West or maybe oddly Caribbean style. But it is a big house, but remember, there are a lot of people who live in it, so that's the other side of that [laughing].

EPSTEIN: You just have to have room for five daughters.

WOODS: Yes, right. Right, right. And the old man here has to have his own office.

EPSTEIN: Your own office and everything else, sure. And I guess now that you've been there, done that, you tried Kansas, and now it's Florida, Tom, you're a bit of a drifter. And so is Florida working out for you better than Kansas did?

WOODS: Well, I like the people a lot better. There's a lot more to do. There's much more life here. I just found Topeka to be so deadening and soul crushing and awful. And not to mention, the ideological spectrum there went from Huckabee to Bernie Sanders. Or it wasn't really a spectrum. You were Huckabee or you were Bernie Sanders. Not a lot for a Ron Paul guy to choose from [laughing].

EPSTEIN: And then on top of it, it's odd. Recently, I was reading a tweet from somebody who said that there are no admirable politicians. Come on. And then I hear *The Tom Woods Show*, you had an interview with Jennifer Cabrera, I guess is her name.

WOODS: Yes, she's so great.

EPSTEIN: And you're both agreeing that the governor of Florida deserves like four out of five stars for being semi heroic. You're finally admiring a politician. And I think that was appropriate.

WOODS: Well, look, that's what 2020 has reduced me to, Gene. A lot of things are happening in 2020 we didn't think what happened. That's one of them. Let me add, by the way, that what happened at my house over this weekend was an unannounced bonus of being a member of my Supporting Listeners program, because if you go to SupportingListeners.com, it does not say periodically you can come to my house. It does not say that. But every now and then, I do something that's a bonus that surprises people. So I would be remiss not to plug SupportingListeners.com. I mean, these people support me and they're really generous and I couldn't be happier about them, and also, what a wonderfully diverse group of people they are, and they know so many different things, and they have so many different areas of expertise, and just wonderful, great people to get to know. But I mean, look, I spent

thousands of dollars on this event, as a way of saying thank you to these folks and doing something that we all needed. I mean, it's October and they're still trying to run a dystopia, and they've still got half the country believing in it and cowering in their houses. Well, somebody needed to do something, and so old Woods here threw this bash.

EPSTEIN: Well, indeed, and I've been reflecting on something. We had our eighth Zoom-supported Soho Forum. Again, as I've mentioned a number of times, our last Soho Forum in a physical space was on March 11th. And we did scramble. I'm sort of proud of my operations person, Jane Menton, who's my chief collaborator, that we picked ourselves off the floor, and we decided we've got to do something online, do Zoom, and we learned about it. We're learning from John Osterholt how to do it well.

But we've learned a few things. When we did our physical Soho Forum, when we did at the Subculture Theater, mainly, we decided not to have any livestream presence, because we were selling out every event, more than 200 tickets sold to every event, people coming from miles around. Probably, of course, the chief inducement was that if you say "Tom Woods" at the bar, you get a free drink. And that, of course, induced Tom Woods to come.

WOODS: [laughing]

EPSTEIN: And then I had people coming from Chicago, from elsewhere, and I didn't bother with live streaming, because we never had enough time to deal with all the questions from the audience during the Q&A. And so then we launched Zoom, and I figured Jane and I actually naively think, well, here's one advantage: you don't have to schlep hundreds of miles. You don't even have to come out of the house. Just turn on your computer and hit the link, and you can watch from California. We'll get more signups than ever before. We're charging you \$5 to go to do it, and it's free for our Soho Forum inner circle. And then we find, somewhat to our dismay, that people would sort of just as soon wait for the video and the podcast to come out. And so we've been averaging about 100 tickets per event.

In other words, we do at most half as well as we did when we were asking people to schlep and go to the trouble of coming. And of course, the key difference is that when you have it in a live theater, when you have it with a bar, and when you can say "Tom Woods" and get a free drink, that's the experience, the experience of being with other people, of the theatricality of it happening on stage. We've even had very first-class people, debaters who say that I won't do a debate on Zoom. You probably know a couple of those people, Tom.

WOODS: I am one of those people.

EPSTEIN: [laughing] I know you are. I was about to add — I know, Tom, I was going to ask you about it, and oh, Tom's going to say, "What'd you say that for?" Yes, you're one of those people, and we've had a couple of others who've said I won't do a debate on Zoom. And Tom has promised that he will do a debate on our stage. He'll schlep to that, but he will not do it on Zoom. And I respect that choice, Tom, even though it's too bad. You actually couldn't — although, look, we've got a much better debater. Our most successful debate was a three-way debate — it's had 46,000 YouTube views — in which a libertarian comes out for the Libertarians' candidate. And I did invite Tom to participate. Tom declined, but I did much better with Angela McArdle.

WOODS: But I would have — I had originally agreed to do that if it had been an in-person thing, and when the pandemic thing happened — but I'm glad Angela did it. Angela's great. She did fantastic. And she won.

EPSTEIN: Yeah, she won.

WOODS: Quite decisively.

EPSTEIN: Exactly. So we did much better than our first option, Tom Woods. And so that's done well, but what we've learned is that there is nothing that — what is the intangible thing that we're running? I was at least aware — I didn't even know that you used to be — I was a high school and college actor, Tom. That's probably why we both love life. I didn't even know until recently that you had done some acting as well when you were in college, was it, or high school? I forget.

WOODS: Actually, middle school, and then I was in a play during the very months that I was working on my book *Meltdown*. I was in *The Odd Couple* in the Auburn area community theater in Alabama. And I miss it a lot. It's so fun.

EPSTEIN: Yeah, that's right, and you played a role that nobody could play — but what did you play, Tom?

WOODS: No, I was one of the minor characters. I played Vinnie, and I really wanted to be Oscar, but then it was right around that time that I decided I would write *Meltdown*, and I realized that the silver lining was, if I had gotten a role as big as Oscar, there's no way I could have written *Meltdown*, and I think *Meltdown* was more important.

EPSTEIN: You're talking about the stage version of the of *The Odd Couple*?

WOODS: Yes, yeah, the Neil Simon play, before it became a TV show.

EPSTEIN: Well, Vinnie is a pretty big part. I mean, it's not —

WOODS: It was okay. Well, no, I'll tell you why it was a big part. Because there was another guy — I mean, they really mean *community* theater. Like anybody can come and try out. And there was a guy, I won't mention his name, he played one of the other minor characters. And for the life of this guy, he could not remember his lines. So each night he'd forget something different. Never did we have a smooth show, ever. He always forgot something. And I was always the one who bailed him out. Every single night, I kept that show going, because I knew what his lines were and I would just smooth it over. No one else ever came to help. I would bail the show out. No thanks, no nothing. So yeah, I had to be really on my toes for that thing.

EPSTEIN: Okay, this trained you to do *The Tom Woods Show*, so you're a great ad libber ads labor, I see.

WOODS: Yeah, no matter what somebody throws at me on *The Tom Woods Show*, I am ready to bounce back.

EPSTEIN: And that's why perhaps your favorite stage plays is *The Play That Goes Wrong*.

WOODS: *The Play That Goes Wrong*, that's right.

EPSTEIN: Of course, Tom, I actually include you in the invitees every time I send out an invitation for my movie nights, and of course, I know that I probably won't induce you to come unless we can do a live Soho Forum with you or hopefully with Scott Horton and Bill Kristol. And Cliff Maloney, whom I've never met, but he was going to host Bill Kristol and Scott at the Young Americans for Liberty, and of course that got ultimately cancelled anyway. But of course, Scott was going to do it, and Bill Kristol, 61 years old, didn't want to schlep to Dallas and take the risks, and we didn't blame him for that. So we're hoping to get that off the ground in one way or the other. I actually read at least in *The New York Times* that *Saturday Night Live* in New York City has managed to get a live audience, because technically they pay the audience and the audience are technically working for the show.

WOODS: Oh.

EPSTEIN: So we may even resort to doing that in order to have the Soho Forum in —

WOODS: Fascinating.

EPSTEIN: — in February or March. I mean, the only saving grace is that our debates are now much less expensive. We pay people — the honorarium is lower. We don't have to pay them for travel and hotel. So I've just got to do it. I mean, of course, the only question, half the time I write you a tweet or whatever, and then somebody fills says, "When the heck are you going to do that Scott Horton-Bill Kristol debate?"

WOODS: Yeah. Oh, we so wanted that.

EPSTEIN: So that's hanging over my head. In that case, of course, we had barely been promoting it and we'd sold 660 tickets to it, and we were originally going to have it at the New School with a capacity of 800, and even then, we knew that we were going to more than sell out. And so we've had that pending, as well.

Speaking of Mark Skousen, just to segue into something else, of course I know Mark was basically sort of a neighbor of mine, although he and Jo Ann have moved to California, although I think that's from New York. I tell Mark that's sort of like from the frying pan into the fire, but that was their decision, they moved. But Mark, I've been thinking of him in this sense. He and I are among the few people who would certainly regard ourselves as Austrian economists who are a little bit outside the mainstream who do actually occasionally go along with the stock market. And so that's been recently — you of course had me on debating David Stockman, and so I —

WOODS: By the way, by the way, I envisioned that as a friendly discussion with David Stockman, and then you came on and were saying, *David, in 2016 on CNN, you said such-and-such and that turned out to be totally false*. And I thought, oh, no, Gene, no. Call off the attack dogs, Gene. No [laughing].

EPSTEIN: Well, I guess Tom won't invite me back to have another debate —

WOODS: [laughing] Well, I thought I don't even need to say anything to Stockman, because he knows Gene. Like, that's just – you know [laughing].

EPSTEIN: Tom, honestly, look. A number of people have commented on that, and I even made it worse with David. Honestly, Tom, ever since 2012, David has been forecasting a recession every year since 2012. That's just the facts. By the way, that's also true of Peter, and you know who Peter is. And so I, by the way, I mentioned my own gaffe. I said that I knew it was the housing bubble that burst, but I didn't think it was going to bring about a recession. I made a mistake, too. But Tom, if you've been forecasting the same thing year after year after year and it doesn't happen, isn't that sort of relevant? Isn't that chastened? Isn't that the old line about doing the same thing over and over and over again and it keeps failing, maybe that's a sign of a little nuttiness, you know? So Tom, I have to say that people told me that I guess it was relevant for you to raise that point. Again, I was honest about my own problems as a forecaster. But in all honesty, Tom, don't you think that's relevant when people are discussing –

WOODS: It is, it is, but I think hosting and directing the Soho Forum all these many months now, I think when you're in a discussion with a third person, I think it's impossible for you to think other than in an Oxford-style setting [laughing].

EPSTEIN: You see, a debate about the future – honestly, Tom, I have basically three categories of debate. One is a debate about the future, and that's forecasting the economy, and that's sort of like an exchange. In that case, you do have to bring up how you've been doing, what are your calls, what inclinations do you have? And so I honestly confess to my own gaffe, which was a colossal one. I could go over that again. I knew that the bubble would burst. Of course I could mention Ron Paul. Ron Paul was saying there will be a housing bubble. It is a housing bubble. It will burst. He didn't put a timer on it, because he couldn't time it. But again, it's relevant.

I mean, of course, the other kind of category of debate is something like abortion or a debate, even the one you had with Bob Murphy on the Contra Cruise about nonviolence, where reasonable people could disagree. It's stimulating because hearing both sides could still move you in different ways, but it's not quite as decisive as the kind of debate I really prefer, which is the debate I had just now, for example, with Bjorn Lomborg who debated a guy named Jeff Nesbit, which is: is it really rational to abolish fossil fuel use within the next 20 years? That has some forecasting to it, but it's basically very fact-based about what we know about fossil fuels and what we know about the alternatives. I get into that disquisition.

But in any case, Tom, you seemingly have forgiven me for my rudeness to David for having pointed out that, again, he's forecasting the same thing over and over again. And I do think there's a lesson in that, Tom. The lesson in that is that there is something – and that's why I mentioned Mark Skousen – that the real situation with respect to understanding Austrian business cycle theory is a little bit different from David's statement that unless the economy goes to hell, then the theories are all screwed up. Well, no. The fact of the matter is that the US economy always has healthy and unhealthy aspects, because it is semi-capitalist. There is a market. There are entrepreneurs. And so it's much more difficult to forecast where the US economy is going once you take into account those two contradictory factors, that it simply is never the case that if the Federal Reserve does outrageous things, that's going to kill the economy within 12 months.

And that's basically the lesson – perhaps I wasn't able to draw that out in my discussion with David, because I remember I listened to the debate again, and that's when David said that my theory then must be wrong if this isn't going to happen. Well, no, the theory is right, but there is entrepreneurship. I mean, you asked me a good question. It was a question you'd asked me before, which is that, given all the uncertainty that government is introducing into the economy, can you really hope that entrepreneurs will continue to try to take risks with the economy? And I guess I should have pointed to the fact that in my neighborhood, the restaurants are open. They're trying to do business. Those nutty entrepreneurs just will never quit. And that's more or less what's been happening.

And so I do predict – and I mentioned Mark Skousen, because Mark Skousen is another sort of lone voice who does believe in Austrian business cycle theory but who does buy the stock market every once in a while, who does see the prospects for expansion, and was not saying in 2012-2013, you should sell all your stocks. And what David was doing, David announced he was putting basically all his money into treasuries and earning a fraction of 1% on them. Probably David could do that because he's got a lot of money accumulated, but not everybody could. So no, I do just repeat where I stand.

Also, by the way, I have a little exchange with Jeff Deist. I correctly tell – I don't believe that this is a V-shaped recovery. I wrote an article called "The Great Suppression" in early April, in which I said that it won't be a V-shaped recovery. I, by the way, am sort of flabbergasted that there are forecasters who sort of are betting the ranch on that, are dying on that silly hill about the idea of a V-shaped recovery, meaning of course that you collapse straight down, which is pretty much what's happened, and then you rise straight up, forming a V. I think that's silly to think. There's way too much wobbliness in the economy to imagine that. But we are climbing out. All the numbers show that.

And Jeff thought that I was forecasting a V-shaped recovery. I said just read my article from early April. And I said, of course, that this is not – I quoted Murray Rothbard and said that Rothbard allowed for the possibility that you frequently can have a downturn that's not classic business cycle theory, a plague or the king does something crazy. Well, this time the king did something crazy. They unleashed a great suppression. And so when that suppression is lifted, we're going to climb out. Of course, there are other nuances to it. It does uncover certain malinvestment. That's true too.

Recently, I had an exchange with Peter Schiff, who is also, by the way, a bit of stopped clock. Every year, there's going to be a collapse. Now, Peter latched upon the fact that index of industrial production had fallen by .6 of 1% in September, and so this is the beginning of the end. Well, again, it lacks nuance. Half of the reason for the decline was the fluctuation in utility production having to do with the temperature, having to do with the weather. So actually had a small decline in manufacturing production. And then if you look at the trends, it's never straight up. When manufacturing production is expanding, it always retrenches a little bit. Uptrends have always been accompanied by decreases; downtrends have been accompanied by increases. So again, he's latching upon that number to indicate that we're collapsing, when in fact, manufacturing production is still way up. Anyway, all the numbers are up. And I want to now segue into another point having to do now with the COVID situation.

WOODS: Actually, before you do that, I want to correct something that I said to you in a previous episode, where I was predicting – I was asking you: aren't you afraid that there'll be

some kind of long-term suppression of the entrepreneurial instinct because of fear of arbitrary shutdowns, arbitrary restrictions that could come up at a moment's notice that don't seem to be tied to anything in reality? Who would want to start a business under these conditions? And I suppose you've probably seen – I don't have the numbers offhand, but I've seen charts showing new businesses being started. And it's actually been the opposite of what I predicted. It's through the roof, Gene. So even the old man here will admit when he's wrong.

EPSTEIN: Yes, indeed, Tom. And of course, every time a 48-year-old guy calls himself "the old man" –

WOODS: I did that just for you, Gene. That was just for you.

EPSTEIN: [laughing] That's cruel, Tom. In fact, that causes me to segue into the point about COVID, because of course what you said, by the way, is absolutely right, and I was even a little bit surprised that those crazy entrepreneurs just will not quit. And that of course is why I guess I want to emblazon over and over again the framework of saying that if you measure in terms of conventional GDP, which I know is a little problematic, but that a healthy economy, unencumbered by government, by the Federal Reserve, should be doubling every ten years, should be increasing by 7% a year, every once a while you can see a 7%. And so that's the framework. That's what we start with.

And then so why are we crawling along at only 2%? Because of all of the awful ways in which the government punishes entrepreneurs. And so I have a 5 percentage point haircut against that 7%, so that's the framework within which I start. If you start with a different framework, and use say that, well, the economy is just getting whipped by government, then you're always in the hole and you're always forecasting a recession. But again, Tom, thank you for that show of character and conceding that you made a little bit of a mistake, and you learned from your mistake, and that shows real growth, Tom.

And getting to COVID, I do think that, because we've mostly achieved herd immunity in the US and that the lockdowns are going to continue to be lifted, I will even go into kind of a possible scenario which I heard just the other night from one of my guests at movie night, is that is that there's going to be a November 3rd – or 4th or whenever the presidential election is resolved – that if Biden wins, then the progressives are going to back off. And by the way, what's funny – I mentioned this to you in an email, Tom – I don't know if you read the transcript of the phone conversation that Governor Cuomo of New York state –

WOODS: Oh, I did.

EPSTEIN: Yeah. And that was in – *The Wall Street Journal* editorial reprinted it. Cuomo is having a conversation over the phone with a bunch of Jewish leaders in the Hasidic community – which, by the way, they had a bonfire, but they actually burned face masks. Those crazy Jews. Anyway, so it's just a ritual burning of face masks. So he's having a conversation with him about why he will not let them pursue their own religion and go to shul. The official reason is that they're scoring something like a 4% to 5% positive rate on the virus.

And people were asking: are they really signing up to get tested? I don't know where they got this data from. But let's assume it's 4 to 5% positivity rate. And, of course, we're not looking at

deaths, the real metric. We're not looking at hospitalizations. We're just looking at this cockamamie result about tests. But everybody's supposed to believe that it is 4 to 5%, and then these Hasidic Jews are going to be spreading it to everybody else. And so that was the official reason for preventing them from being able to go to their synagogue and celebrate succahs, and this was getting them very angry.

So Cuomo of course wants to make nice with them, so he calls them up, and he's having a conversation with them and they're apparently recording it. And what Cuomo is telling them – he's not giving them any of the BS about the testing; he just keep repeating over and over again, that *Just everybody's fearful, you know, that the test numbers were – and so people are fearful. I've just got to deal with all those fears.* And so that's all he's saying to these people. He's basically admitting to them that it's all BS about the testing.

And why do I latch upon that? Because maybe Cuomo, even Cuomo knows that it's all BS and maybe they are indeed, to some great degree, trying to make trouble for Trump. And if Trump loses, then they'll lift it. And then alternatively, even if Trump wins, if Trump's going to be in power for another four years, they'll probably fade out and lift it as well. So maybe there could be good things coming out of November. That's just putting a little bit of spark in the idea that the lockdowns will probably continue to be lifted.

We're getting to age, Tom, and a personal basis, and I want to say a few things about COVID more generally. That's that I still I'm still alive of 75, and I'm going to be getting my kicks at 76. I'm turning 76 in November. And from my perspective, I want to spend these years living life to the full. And I know that I have no comorbidities and that even if I caught it, which is unlikely, even if I caught COVID, I'd survive. My risks of dying of COVID are no greater than the risk from other things. And then, again, especially because I'm 75, I want as much as Tom Woods wants. I want to live life to the fullest. And so that's the kind of life I'm choosing to live.

But I wanted to mention one of the things about COVID because I jotted that down. I wrote about it recently. It's difficult to completely understand the other side about this, about why they're so crazy, why they believe in lockdowns. Again, of course I recommend Tom's interview with the guy who wrote *Price of Panic*, Jay Richards. I highly recommend Tom's lecture on Jekyll Island about what the lockdowns have cost us. So that's a real dose of sanity from Tom and from Jay Richards in the book *The Price of Panic*. Great book.

But I want to at least acknowledge one thing, that when you say to people that the lockdowns seem to have done nothing, and then you have to say to them, well, the only explanation really is herd immunity for why the curves have turned down, why COVID in most of the US, certainly in the northeast is no longer a health issue, because of herd immunity. And then you say prescriptively that the only real solution is herd immunity for a pandemic. It's not going to go away if you try to prevent it. It will just come back. So you need herd immunity. You need to protect the frail and the elderly. I'm elderly, but I'm not frail, so you don't need to protect me. You need to protect them. But then you need to let it happen. Here's the brutal part: you need to let it happen with the rest of the population. That sounds like you're heartless. That sounds like you're condemning of these a few young people to dying, to suffering. And there is some truth in that. And that's where I understand how people get a little shocked and upset.

Because on top of everything else, of course, you then have to add that we cannot wait for the cavalry to arrive in the form of a vaccine. We don't know if the vaccine will work. We

don't know if it'll do harm. But on top of that, it's going to take months for sure before we can even conceivably have anything safe. And meanwhile, people are dying because of the lockdowns. And so you're left with something rather grim, which is herd immunity. And you only have to point out to them then that yes, you're right, that dealing with epidemics in terms of herd immunity isn't totally pleasant. The vast majority of young people are going to be fine, but there will be some suffering. So that is true. But consider the alternative, the alternative of course being continued lockdowns where even more people die, even more young people become suicidal, and where you do far more harm than good.

And I think it has an interesting analogy in the Austrian prescription for what happens when a bust occurs. When a bust occurs, you don't bring the cavalry in terms of the Federal Reserve cutting interest rates. You don't bring the government in terms of these massive fiscal deficits. You let it happen. You let the bankruptcies occur. And that too sounds like you're heartless, but of course, you then have to point out to them that that is sort of analogous with herd immunity. People are going to go bust. Malinvestment is going to suffer, and innocent people will suffer. But consider the alternative. So those subtle points and the direct analogy between herd immunity, that sort of Hayekian effect, that itself is a difficult message for us to get across, but it's a very important one.

WOODS: All right, let me run through a few of the things you said. Now, going back to starting businesses, one of the themes that I've raised on one of my email lists is that if you are an employee, let's say, and you're in the type of business that could be closed or arbitrarily restricted or whatever, that maybe it's time to think about something that you create on the side that has an anti-Fauci barrier around it. So it could be an e-commerce store, or whatever it is, you could do that. And so I wonder if at least some of these businesses were started with that in mind. You know, I'd better start something that is going to generate income for me that's unshutdownable in some ways. So I wonder qualitatively about the nature of some of the businesses. I mean, that may be true of only 10% of them, but still, it would be interesting.

Second thing, I want to quote exactly what Cuomo said in that telephone call because it's quite revealing. So he says this: "This is not a highly nuanced, sophisticated response. This is" — By the way, bear in mind, there are people in New York even who have said of Cuomo that he's handled this brilliantly, he's done everything just right, it's been great. So those very people now he's just thrown out of the bus, because he's now admitted: actually, no.

He himself says, "This is not a highly nuanced, sophisticated response. This is a fear-driven response. You know, this is not a policy being written by a scalpel. This is a policy being cut by a hatchet. It's just very blunt. I didn't propose this. It was proposed by the mayor in the city. I'm trying to sharpen it and make it better, but it's out of fear. People see the numbers going up. Close everything, close everything. It's not the best way to do it, but it's a fear-driven response. The virus scares people. Hopefully, if we get the numbers down in the zip codes, the anxiety comes down, and then we can have a smarter, more tailored approach. Your point is right. Why close every school? Why don't you test the schools and close the ones that have a problem? I know." And then he goes on and on.

So he's saying, if people would in effect be more rational, we could then have a smarter, more tailored approach. So for all the people who've said, *Oh, he couldn't have done anything any better. He's been absolutely brilliant*, he himself disagrees with you. He himself is saying

that we should have a smarter, more tailored approach. So nice going, sycophants. You have egg on your face.

Then finally, I just want to clarify for people who think you may be jumping the gun in saying that, at least parts of the US have achieved herd immunity, Gene, I assume that you are – well, I don't have to assume, but I know that you're of the school that believes that it's not 60% that you have to reach for herd immunity in this case, but that obviously in place after place after place, something seems to happen once you hit 15% to 20%. Something seems to happen. And there has been speculation as to what this could be. Is it because there's T-cell immunity? Is it because of people who have had exposure to other coronaviruses?

EPSTEIN: Cross-herd immunity.

WOODS: Exactly. And this could explain why in places like Japan and elsewhere, they've done so much better. I mean, there are people who want to claim that the difference can be entirely accounted for by differences in government policy, but that's just silly. The policy responses in Asia have been so dramatically different from each other that there's no way that can be it. Everybody wants it to be – especially the left progressives because they think government can solve everything. Just everything must be explainable by differences in government policy. It doesn't occur to them that there's some things government just can't do. Government just has to sit there and observe. So anyway, just clarifying those points.

EPSTEIN: Yes. Well, that's a great question. And indeed, I do regard it as sort of a striking analogy with monetary and fiscal policy that – of course, our friend Bob Murphy is best at this – it's almost analogous to say, as we can read in great detail in *The Price of Panic* by Jay Richards, where if you look at the curves in different states, the curves up and the curves down in deaths or in hospitalizations, different states and in different countries, then try to guess which country you're looking at, when the intervention was made, whether there was an intervention of a lockdown or not, and you'll get it completely wrong. And so that's the most obvious, common sensical test.

The fact is there's no way to explain the ways in which these curves from the pandemic have gone up and then gone down by putting in the knowledge that you have of when the government might or might not have imposed a lockdown. It's all over the map. You might end up choosing a country where it looks very good which had virtually no lock down, like Japan or Sweden. And so that's analogous with the same point you could make about monitoring fiscal policy. Try to choose one when the government intervened and then see how the recovery was involved. And so that's really the kind of thing that I think that is explained very well by Jay Richards.

And by the way, I wrote about this, and I said it might be counterintuitive to think that a lockdown couldn't even flatten the curve. You know, flattening the curve means that you don't minimize the number of deaths or hospitalizations; it only means that while you're imposing the lockdown you delay them. Why the lockdown and you flatten the curve? Of course, because you don't want to overwhelm the hospitals, which we all know was only briefly a problem in New York City, and even then, we don't even know if it really was, because they were opening up field hospitals and other backups. But so that's flattening the curve. That's not really abolishing all the deaths. That's just delaying them.

But in fact, it didn't happen. There's no evidence that the flattening the curve helped once you look at all states in the Union where different lockdowns were imposed and once you look at different countries. No way to correlate or connect it with what actually happened to the curves. But then when you get into why that's the case, there too I can understand that people regard it as counterintuitive. One of the things that they mentioned in *The Price of Panic* is that what could have happened, perversely, was that when a lot of people were told to stay inside, that they infect each other even more.

But then the one point that I think Jay Richards didn't make in that book, the other point about lockouts is that there are always huge numbers of people who are essential workers, who are venturing out, who do have to go out. There was no such thing as quarantining the entire population, so there might have been a connection here. They were having to go to work, to the hospitals, to the supermarkets, to truck in food, to basically keep us all alive. And maybe they were infecting those people, people who were herded inside. I think that there's at least two potential explanations as to why you would think that all this quarantining must do something, and yet it doesn't. And so we're left at least then with the overwhelming evidence that there is herd immunity.

And getting to your point about the T-cells and the cross immunity, I'd like to tell the classic story of how the smallpox vaccine was invented because of cow pox, that milkmaids who were having contact with cows and contracting cow pox, which didn't bother human beings, were not catching smallpox. And so that was the original – and of course, that's what vaccines are, essentially, at least the really good vaccines, a vaccine that actually infects you with something and gives you immunity. And so that was the classic cross immunity. You catch cow pox, and you were going to be immune to smallpox. And so it's very old human knowledge about crossing immunity and about T-cells. And certainly, those people who insist that we've got to infect 60% to 70% of the population are seemingly just insistently ignoring that fact.

But every once in a while, as I mentioned earlier, I think that they regard even 20% to 25% as horrifying, as very upsetting. And I see their point. It is indeed upsetting to hear somebody say that we've got to open the schools and we've got to let young people do their thing, partly of course because it's killing them not to, but partly because they are going to develop herd immunity. That sounds like we're sacrificing a few lives, and there is some element of truth in that, which we have to acknowledge. And I think that's why it's difficult for people to put their minds around that as the only ultimate solution. Because you think of the alternatives, the vaccine or the lockdowns. The vaccine is extremely iffy, could do harm. The lockdowns are far, far worse.

WOODS: Well, Gene, I think we're going to leave it there. When this first hit, I did a bunch of episodes on it. And then I started to say, listen, everybody, I cannot make this into the COVID report. There are other topics in libertarianism we need to hit, and so I would go out of my way to do that. And I will have some of those topics this very week. But then I realized that a lot of people want to hear this, actually. Like this is the most important issue right now, and there are many different angles from which to examine it. So for example, I've talked to Gret Glycer about the effects on the developing world of this. I've talked to Peter Klein and Joe Salerno about the economic effects of what's going on.

I talked to Martin Kulldorff of Harvard – and by the way, Kulldorff, he's an infectious disease epidemiologist. He says we cannot at this stage know what exactly it would take to reach

herd immunity. We can't really give numbers here. But then I said to him, how do we account for the fact that, no matter what we do, the curve seems to more or less do the same thing? That we got the spike in the Sunbelt, and then it just went away, even though, I mean, there were different policies in different states, but I can say certainly for Florida and Georgia as well, there really weren't any changes that we made during that spike. We just kind of endured it, and then it went away. Now, that shouldn't have happened, according to the lockdown orthodoxy. That shouldn't have happened. How do you explain that? What exactly is going on? And his answer was something along the lines of: there is clearly substantial immunity in these communities. So that's not the same thing as saying they've achieved herd immunity, but he is saying that the word *immunity* has to be used to account for why we're not getting the cartoonish "no lockdown, therefore millions of deaths" result that the media would lead us to expect.

EPSTEIN: Yes. First of all, I want to thank you, by the way. You actually inadvertently made the introduction for me to Martin Kulldorff. I saw your tweet and I invited Martin Kulldorff to possibly do a Soho Forum debate. Because of scheduling problems, it's going to be December 16th. Martin is going to basically defend the Great Barrington declaration about what we should actually do. Tom, what's the phrase again, do you remember, that they used – I forget offhand –

WOODS: How they describe their position?

EPSTEIN: It's a two-word phrase.

WOODS: Focused protection.

EPSTEIN: Focused protection, yeah, exactly. So Martin Kulldorff is going to do a debate, and happily, I've got a guy named Andrew Noymer from University of California to debate him on basically, essentially, Martin is going to defend the Great Barrington declaration. So certainly, I've had two debates – similar to you, Tom, I have the same dilemma. Do people want to hear a COVID debate every month? I've had two debates on COVID already, and so now I'm having a third one, happily, with Martin on December 16th.

And getting back to your point about how you were prodding Martin Kulldorff a little bit, indeed, as I think we both learned, herd immunity is kind of along a spectrum. There are degrees of it. Certainly all it really means is that if two people can infect each other and they're in a room, if there were five people between them who have developed immunity, they're less likely to meet each other. Or if there's a vulnerable person, I should say, on the other side of the room, and an infectious person on one side, then those people in the way are just going to prevent the infection from happening. And so that's one degree. Now assume that almost everybody's immune in the room, or there's only one person who can infect and they're all immune. So therefore, Martin Kulldorff, of course, was correct to say that there is immunity. Herd immunity is the term, a term of art. Some people like to say community immunity. But it does mean that there are degrees of it.

And for the most part, then, I certainly think New York City is probably one of the safest places to be, because they did have obviously a lot of a lot of infections, a high percentage – partly, of course, because it's dense living, and all the numbers are down. And that 4% in the Hasidic community is a joke, obviously. So there are degrees of it.

And that, of course, is a valid point to make, that you could have some outcroppings, you could have – it's not perfect. You could have some infections here and there. But by and large, you have a situation in which the safety factor is about on a par with everything else. My chances of dying or catching something or getting run over or getting murdered and all the rest of the risks that I face as a 75-year-old who decides to get out of bed in the morning, the COVID-19 is more or less in that category and maybe even less of a risk than the other risks that I face.

WOODS: Well, Gene, let me just jump in and say this, because I know that we're running low on time. I really am looking forward to the day when I make another trip to New York. I mean, I saw you. You were the last sign of life in New York that I saw.

EPSTEIN: Yes.

WOODS: Because it was early March. It was just when things were about to go crazy that we had that lunch with Hisako. And I miss it. I used to come to New York, as you remember, once every month or two. And I would see shows and everything. And with all that shut down, I almost can't justify it. But on the other hand, if you had a house event and I could find one or two other things to do as it opens up a little bit, well, maybe I could come back. But I don't know.

EPSTEIN: Well, yeah, you've got to press the flash with a few people, me of course. And I'd love to mooch another meal off you had Five Napkins burger place, which was delightful. And I remember having maneuvered you into picking up the check, Tom, and that was great. And then of course you could see people, and so at least there's some excuse, although they're not going to be playing *The Play That Goes Wrong*. But hopefully –

WOODS: Yeah, but I'd have to quarantine, I think, from Florida, wouldn't I?

EPSTEIN: Is that right? Well, okay –

WOODS: I don't know what your crazy laws in New York are, these laws that you're voting for, Gene.

EPSTEIN: [laughing] Right. I know two people quite well. I won't mention their names. One of them came in from another state and did quarantine – actually, I know two people. The quarantine laws, Tom, I guess you want to center this, but they're fairly easily evaded, Tom.

WOODS: Ooh, I don't know what you're suggesting here, Gene [laughing].

EPSTEIN: You could be a keynote. That's all I've got to do. Pete Quinones was a guest in my home. We've got a comfy guest room. We've got two fully equipped bathrooms, Tom, so if I'm using one, you can use the other. And then, of course, we've got our movie nights. I've got a ten-foot screen and laser projector, so you could just say I'm quarantining at Gene Epstein's, and I could take the fall for whether you're really doing it or not. So there's a loophole for you, Tom. The invitation is open, and so I hope you make it.

WOODS: Well, thankfully, we know that none of the tens of thousands of people listening to us right now will alert the authorities to our scheme.

EPSTEIN: Yeah.

WOODS: [laughing] Loose lips sink ships, everybody. Keep your mouth shut. Gene, thanks so much. TheSohoForum.org is where people should go, because the debates are still happening, even if virtually, but we're going to have some in person and we're going to have one down here in Florida in the Villages in February. What's the date on that?

EPSTEIN: Well, I'm sorry. We're going to do what, Tom? What did you say we're going to do?

WOODS: Aren't you having a Soho Forum debate here in Florida in February?

EPSTEIN: Oh, yes. Oh, yes, indeed. Yeah, it'll be another debate on socialism, so maybe people have been tired of hearing that. My debate on socialism with Richard Wolff has gotten now nearly 1.5 million YouTube views, and so clearly there is a lot of interest in that. Ben Burgess, who's been around, he's a very nice guy, he's a socialist, and so I'm going to be debating Ben in Florida. I forget the specific location, but watch for it. This will be in February. An enthralling, young entrepreneur, Tom, the people you love and admire, he's organizing it. He's only 17 years old, and he's organizing it in this hall. It's a retirement community. I wish I knew the exact address. I don't know about Florida, but that's I guess almost definitely going to happen because Florida is a pretty open place.

WOODS: Well, I'll promote it on my mailing list. And I know everybody listening, of course you're all on my mailing list, so go to WrongAboutLockdown.com and get my mailing list. I'll send it. And the person putting it on, the 17-year-old guy, he was at my party this weekend. All the people doing anything in Florida are with old Woods here.

EPSTEIN: I should have come, Tom. Look, I was having my own party.

WOODS: Oh, yeah, look, none of us said that Gene Epstein is a bum for not flying down here. Not one person said that.

EPSTEIN: I wasn't missed. Okay, I'm good with that.

WOODS: You were missed, but you were not blamed. Let's put it that way.

EPSTEIN: I had a good excuse. I was having my own movie – But just one final vital little plug. Follow me on Twitter @GeneSohoForum. That's pretty – Soho Forum is practically my last name. @GeneSohoForum is my Twitter handle, so follow me there as well.

WOODS: All right, I'm going to put that and the link to the Soho Forum at TomWoods.com/1757. All right, Gene, thank you so much for doing this. I really appreciate it.

EPSTEIN: My pleasure.