



Episode 1,785: Debate: David Stockman v. Walter Block on Libertarian Electoral Strategy

Guest: David Stockman & Gene Epstein

WOODS: All right, so since we don't have a formal resolution we're debating, the way I think I'm going to do it is just have each of you talk for a few minutes. And I'm actually going to have David talk first, even though that really is unfair, and makes no sense, because David is actually criticizing Walter. You'd think I'd let Walter spell out his position first. But I'm going to let David start, because he actually had the stones to write an article called "Walter Block's Damn Nonsense," and I just feel like the sheer gall of that deserves something. And I know you guys have areas of agreement, but let's start off focusing on the areas of disagreement. So David Walter is an elder statesman of the libertarian movement. What in heaven's name could he have done to justify an article like that?

STOCKMAN: Well, by now, it's pretty academic.

WOODS: But that's half of what we talk about on *The Tom Woods Show*: academics.

STOCKMAN: Yeah, but my point was, and that was before the election, that the 2020 presidential election is not the last rodeo. We have a decade of crucial elections in front of us, where the future of liberty, constitutional government, capitalist prosperity will be won or lost. And that will depend on the recreation and resurrection of an honest, conservative opposition party that we don't have today and that Donald Trump has basically eliminated by what I call Trumpifying the Republican Party. We have two government parties today, a right-wing government party that Trump essentially created out of what was a failing Republican Party anyway, and of course the longstanding incumbent government party of the Democrats, the interventionists, the liberals, the progressives, and all the rest.

So my feeling was it really didn't matter in the short run how the 2020 election came out, because a Biden, Kamala Harris regency if it comes to that, will would not be significantly worse on the crucial matters of central bank policy and fiscal policy than would a Trump administration. And my point is that that's the heart of the matter. The danger to everything we believe in — personal liberty, capitalist prosperity, limited constitutional government — at the heart of the statism that threatens that is a central bank that just keeps printing money, that allows the politicians to keep spending and borrowing, because that's where the state expands.

And we're seeing that now in dramatic form, in the case of this whole fight against the COVID, so-called, the locked down nation, intervention in the economy. None of that would have happened. We can say it's a terrible thing. Individual rights are being cast aside. Property rights of small businesses are being destroyed. But none of that in my view would have

happened even under a Trump administration, had it not been so easy for the government to pump \$3 trillion worth of bailouts and compensation for lost jobs and incomes and cash flow to businesses because the Fed was standing ready, able, and eager to print the money to monetize all the debt.

So if you look at what Trump stands for, what he's done over the last four years, it was easier and easier and easier money. He out-Democrated any Democrat, including Obama. When it comes to the fiscal accounts, the spending record of Trump is the worst of any president by far in the last 50 or 60 years. He took the public debt from 19 to 27 trillion. That gain basically was the same as all the money borrowed by the first 43 presidents.

So the point is that those policies are the heart of the danger that we face, and until the Republican Party is purged of the idea that deficits don't matter and that the central bank can monetize unlimited amounts of public debt, until it is purged of that idea, I see no hope either way. It's just a matter of how fast you get to some kind of real catastrophe and fiscal and debt disaster in this country.

So to summarize, my theme was: this is not the last rodeo. What was at issue here was not the minor difference between Trump and Biden, which has now been resolved in favor of Biden, but the question of whether the Republican Party could be rescued from Trumpism, and from what I call right-wing statism, and be reconstituted along what I call the Taftian principles of sound money, fiscal rectitude, free markets, limited government, real federalism, and nonintervention abroad. I think the chances of that happening are quite small. It's pretty far gone. The Republican Party is dominated by the neocons, who are global statists, and by all kinds of interest groups that really don't care about the core issues of sound money and fiscal rectitude.

WOODS: But what specifically is it about Walter that you're unhappy with?

STOCKMAN: The only thing I was unhappy with is that he said the libertarians who didn't vote for Trump in the four states, Arizona, Georgia, Nevada, and Pennsylvania, that looked like would have made the difference at the time, put Biden in office. And my answer, my response was: so what? That wasn't the most important thing or even close to the important thing on the ballot in 2020. The important thing was getting rid of Trump and purging Trumpism from the Republican Party on the small chance that maybe someone like Rand Paul and a few of his hearty band in the Republican Party could bring us back to the Taftian path. I don't think it's very likely that it'll happen, but if it doesn't, we're at the end of the road. So at least, that's a small opportunity that we still have.

WOODS: All right, Walter, defend your honor, and then I want to interject myself.

EPSTEIN: David, is a rotten kid who dared to criticize me [laughing]. No, I'm kidding about that. Usually when I get into a debate with somebody, it's usually a commie or a socialist or a neocon, but I'm a big fan of David's, and I was a little shocked that he was so harsh with me. But I think it's fair to say that we agree on 99.3% of everything in political economy, and I'm not sure about the other .7. But I'm a big fan of his and it's an honor to be in this conversation. I'm glad you started off by saying it's not really a debate, more of a conversation, because we agree on so much. But there are minor difficulties. Let me just mention a few.

First of all, I disagree with David when he said Biden has won. He hasn't won as of today. Donald has not exercised all of his possible responses. And I had several bets of several people that Donald is going to be the next president, because it's not over until the fat lady sings. It's not over until all the courts decide, and I don't think the Supreme Court is going to say, well, Donald wins, Biden loses, but they might say, look, this election was so screwed up, and there was so much chicanery, and — what do you call it? The cemetery voting?

WOODS: Yeah.

EPSTEIN: That we're going to have the House of Representatives vote. And each state will get one vote, and there are more Republican states than Democrats, so I think it's entirely possible that Donald will win.

Secondly, here I agree. Certainly, Rand Paul would be — well, Ron Paul would be great, but Ron Paul isn't going to make it in '24. Rand Paul is pretty good. No, excellent. Excellent, exquisite, wonderful. But here again, I depart from David, because David is saying that he doesn't want Trump to win. If Trump doesn't win, he can run in '24 and maybe beat Rand Paul again, as he beat him in 2016. So I think David should favor Trump winning and not excoriate me for supporting Trump.

And then we have the problem of the — what do they call it? — the diamonds/water paradox? Which is more important, diamonds or water? And what we know from economics is you really can't say. It's a marginal, not a total thing. On the one hand, if all the diamonds disappear in the world, that won't be so bad. Diamonds are a girl's best friend, but she'll have rubies and emeralds. On the other hand, if all water disappears, we've had it, no more life. But this little cup of diamonds versus this little cup of water, obviously, the margin over diamond is worth more. So when David says central banking and fiscal policy is it, is the key, it sort of views in the direction of diamonds/water problems.

I sometimes think of myself as the advisor to Ron Paul. And if Ron Paul were president, I'd not only advise him, but predict: what would he do? I think the first thing he would do is not get rid of the Fed and address fiscal policy and central banking; he would pull all the troops home. Second thing I think he would do is give a pardon to every prisoner in jail for a nonviolent crime or a victimless crime. And the third thing I think he would do is what David is saying, is address fiscal, monetary policy, and the Fed, etc.

But here, again, I'm engaging in the same problem of the diamonds/water fallacy. You can't say what's the most important thing. Maybe education is the most important thing, because if people weren't so miseducated, we wouldn't be so screwed up in the first place and Ron Paul would have been president. So you really can't say, Well, this is the key, and everything else sort of goes by the wayside. And I think that Donald is way better than Biden or any neocon is on foreign policy, and foreign policy is pretty important.

It's true, he hired a whole bunch of advisors that were neocons, which was a big mistake on his part, slight mistake, or a gigantic mistake. But he has tendencies in that direction. Look, he's the only one that's said, *Look, we've been in Afghanistan 17 years. What's with that?* Nobody's ever said that, as far as I'm concerned, on the Democratic side — well, no. No, Bernie Sanders is pretty good on foreign policy.

But the point I'm trying to make is that if I had a libertarian-o-meter, and I had to rate people on libertarianism, I would rate David and Ron Paul and Rand Paul and Murray Rothbard and Tom at 99+. How would I rate Donald and Biden? Well, I'd rate Donald as a 10 and Biden as a 1. Namely, I think that Donald is better. Donald is better on the libertarian-o-meter on foreign policy. He's better on regulation. He's better on taxes. He's better on education. He's better on masks and lockdowns and inclusiveness and affirmative action, labor unions. I mean, Bernie Sanders might be the labor secretary, and we're not going to have a '\$15-an-hour minimum wage' we're going to have, I don't know, '\$1-million-an-hour minimum wage if they had their druthers, but they'll settle for 25 or 50. And then what's going to happen to the unemployment rate of unskilled black workers? And he wants to pack the court, and he wants to make Washington DC and Puerto Rico states and get rid of the filibuster on abortion. They're crazy, the Democrats.

So it's a whole panoply of things, and I think it's very clear that Donald is better from a libertarian point of view than Biden. And what I did, along with Ralph Raico and Doctor — I forget his name, I'm ashamed of myself. We started this thing called Libertarians for Trump. And the idea was, if you were in a red state or a blue state, either Donald doesn't need your vote or he's going to win anyway, so vote for Gary Johnson, the Libertarian. On the other hand, if you're in a purple state, like, as David mentioned, Pennsylvania, Nevada, Arizona, maybe Michigan, Georgia, whatever, well, then Donald needs your vote, so vote for him. And that's what I put in *The Wall Street Journal*, and then Donald lost it with me and said, *No, no, no, you're crazy. You're an imbecile* — [laughing] I forget what the word was, but he was a nasty fellow. But I don't see what I did so wrong. It seems to me that we want liberty. We have children, we have grandchildren, we want a better life for them. And a better life I think is Donald versus Sleepy Joe Biden.

WOODS: Okay, David, you take a couple minutes to reply to that, then I'll give Walter a chance, and then old Woods here has a word to say.

STOCKMAN: Okay, well, there's a lot there to reply to, but let me start by saying I had no intention of criticizing Walter Block. Okay, that wasn't my purpose. My purpose was defending the libertarian voters in those four purple states who view the world the same way I did, which was it's better at this juncture to stand for principle and hope the Republican Party can be reconstituted and reoriented in the decade ahead and in the elections ahead, because Trump at the end of the day is not going to get us anywhere.

Now, I would mention that when it comes to foreign policy, the Empire as I call it, I'm totally on the same wavelength, Walter, that you're on, and I've done plenty of preaching and writing and so forth about that. My disappointment with Trump is that basically he's all hat, no cattle, as they say in Texas. In other words, he models the right words when it comes to ending the forever wars. He has said the right things about what the hell are we doing in Syria, or why are we still in Afghanistan 19 years later, but he has been the commander in chief.

He's been the president of the United States for damn near four years, and he hired every one of the enemies who put us in all those positions in the first place. John Bolton is beyond the pale. He's a madman. He's a warmonger. He's the neocon godfather, if you want to use that word, and Trump didn't even have enough sense not to bring him right into the inner sanctum of the Oval Office and listen to him. He brought in Mattis. Today Mattis is dumping on him and saying, *Oh, thank heavens for Biden, and get rid of America first*. Well, these are the kind of

people he brought in. Pompeo is a screaming disaster. The man is an embarrassment. He ought to go back to his wheat farm in Kansas or wherever he came from. But I mean, he's the worst secretary of state we've ever had, from the point of view of warmongering, even going back to Woodrow Wilson's secretary of state in 1917, who was a shill for the Morgan interests and got us into World War I. That's how bad it is.

But beyond that — so talking one thing and doing the opposite — he basically stymied himself. He couldn't even get 900 troops out of Syria, because after he said we want to get out and tweeted we want to get out, they basically just ignored it. And now you have the special envoy for the Middle East or for Syria actually saying we sabotaged him all the way through, and he was Trump's pick.

Now, there's a bigger point on this, though, and that is the military industrial complex is so massive that I like to think of it as a self-licking ice cream cone. The more money you give them, the more money spills into the think-tanks and to the NGOs and to all the firms positioned along the Beltway who come up with reasons and missions and justifications and rationalizations for stupid, idiotic things like we're still in Germany a half a century after World War II ended and so forth.

And Trump's contribution on that score is terrible, because without any real analysis, without any real understanding what he was doing, he just gave the Pentagon a blank check. We're now at 750 billion of spending, up 150 billion from what he inherited. And we've got another 100 billion in foreign aid, national security, foreign operations, and all the rest of it. So there's an 850 billion machine, finding all kinds of reasons to keep us enmeshed in Empire around the world. And you get a president like Trump who tweets every now and then that it's not a good idea, and they simply laugh and walk away. So he accomplished nothing.

And that's the same thing I would say basically about the biggest single threat to liberty in our time, and I'm going all the way back to the 1960s when I was protesting the Vietnam War, and that is lockdown nation. That is what I call the virus control that has unleashed all these governors and mayors to basically regulate our very daily activity. And all of that I blame on Trump. Yes, in the last few weeks or months, he said he's not going to lock down the country again and so forth.

But here's the point. It was his taskforce, the White House coronavirus taskforce, headed by this idiot Fauci, Dr. Fauci and the scarf lady, Dr. Birx, and Redfield at the CDC, who created the whole rationale for this COVID hysteria that has gripped the country. They created the cover story with all of their recommendations and their rhetoric and their fear-mongering that unleashed the governors and mayors, including a lot of Republican governors. I mean, you look at Maryland today. Hogan there is as bad as the governor of New York and so on. All of this was unleashed by an operation that had Trump's sanction, imprimatur, and support. And even maybe when it became obvious to him that we were going off the deep end, he didn't have enough common sense and cajones, if I may say so, to fire Fauci and fire Birx and fire Redmond — or Redford, whatever his name is — and the whole rest of the virus patrol, and thereby begin to take control of this in terms of the narrative and allowing the people in this country to have some basis to stand up against their out-of-control governors and mayors. So again, all hat and no cattle.

And so on the good things that he might have tweeted, he basically undermined them by massive increases in defense spending and support of the war on the virus. And of course,

what he hasn't done on fiscal and monetary and his attacks at the Fed for being too tight when it was struggling to make small steps towards normalization. I think if you put all that together, there's nothing to be said that's a virtue. And he has just misled the whole Republican Party. For crying out loud, we just finished a year where we borrowed 50 cents on the dollar of what we spent. It is out of control fiscally, and you have a Republican Party that's basically been euthanized by this very bad leadership from the Oval Office.

So I say, good riddance. He wasn't doing enough good to compensate for the massive damage that his tenure brought about. And by getting rid of him, at least maybe there's a small opening to try to get the Republican Party back to these Taftian principles, which are the only way that what we believe in is going to survive in the decades ahead.

WOODS: All right, a few minutes, Walter, and then I'm dying to say something, so I have to do that. Go ahead.

EPSTEIN: First of all, I just wanted to mention that the third person in Libertarians for Trump was Dr. Donald Miller. I forgot his name and I apologize for that. He was very instrumental in doing this with me and Ralph.

When my kids were small, they would argue with each other and they'd say, Anything you do, I can do better. Well, I say to David: anything you say about Trump, I can do better with Biden. And you're condemned out of your own mouth, David. I'm now reading from your piece, "Shut Up, Man!" which was your analysis on Lew Rockwell right after the first debate. And you say, "Biden's calamitous embrace of the Green New Deal, the myth of systematic racism and white supremacy, the folly of more COVID lockdowns based on reported science, the final wreckage of the badly listing us health care system via nationalization, otherwise known as Medicare for All" — and then you go on about 47 months Donald has been in office and he's done less harm than Joe Biden in the past 47 years — of course, president is more important than senator or vice president.

So you're condemned out of your own mouth. Now, look, I'm a big fan of that book of yours where you excoriate Donald Trump, and you do a magnificent job and I love it. But anything you say about Donald, I can say worse about Biden. Let me tell you about a joke. I'm sure you've heard it. You're an economist. And Tom, you're your historian, you might not have heard of this joke, and maybe the audience didn't. An economist was asked: how is your wife? And the answer was: compared to what?

STOCKMAN: [laughing] Yeah.

EPSTEIN: Compared to what? Yes, yes, Donald is very bad. I'm reading from a *New York Times* column here by Gerard Baker. "Trump is terribly flawed, but the alternative is simply terrible." Yes. Sure, Trump is terribly flawed. He's only 10 out of 100 on the libertarian-o-meter. I'm giving Biden a 1. I should give him a negative number, but I'm only in positive numbers. Look, you say that the Trump is all hat and no cattle? You're absolutely right. But Biden doesn't even have a hat. At least Trump has got a hat. Biden doesn't have a hat. He did say that we've been in Afghanistan for 17 or 19 years. What's that? Biden would never say anything like that. He pulled troops out of here and he put them in Germany or something. Okay, look, I agree with you. Trump is no bargain. He's not very good. Although everyone says that he's — you say he's an obnoxious braggart and blowhard. And I agree, but it just so happens that I'm from Brooklyn and he's from Queens, and the two boroughs are next door to

each other, and we sort of have the same charm. And everyone in Brooklyn and Queens is an obnoxious braggart and blowhard. So I don't have Trump derangement syndrome over that.

And then you say we've got to make improvements in the Republican Party. Well, as I said before in my opening statement, if you're really serious about that, you should have favored Donald to win — and he still might. That's another issue — because if he doesn't win now, he can run in '24, and he could beat the Rand Paul again in '24 like he beat him in '16. So even from your own premises, from which I agree — not only agree, but enthusiastically support. Everything you say about Donald is correct. He's horrible. It's just the other guy's worse. And if you really want to cleanse — you know, it's a risk, he could come back in '24, and he could stay around as the ostensible leader. Whereas if he won this time, we'd get rid of him after four years, because he's not going for a third term.

So I agree with your premises, but your conclusions I find very problematic. And I think that you say, well, you were critical of my *Wall Street Journal* article, because I excoriated the libertarians who voted for Jo Jorgensen, who got more than 1%. And look at what's happening in Georgia now with the two elections. Perdue would have won, and the Republicans would have had 51 senators. Right now, they've got 50, and if the Republicans lose both seats in Georgia, guess who is going to be the deciding vote: your buddy and my buddy Kamala, who is even worse than Joe probably, because she's really bad. And Biden might not last out four years of the presidency, and if not, then we've got Kamala and Kamala is horrible. So I can't see how you can excoriate me for excoriating the libertarians, who didn't follow the advice of Libertarians for Trump, namely in a purple state like Georgia or Pennsylvania, give Donald a break because he's much better, much, much better than Biden.

And you're saying, *No, no, they were right, they were principled*, yak, yak, yak about principles and all that. No, look, I agree with you on the principles, obviously. But these people had no sense. They spoiled the election, as *The Wall Street Journal* article said. They spoiled it for Donald Trump, because it's possible — look, he might have lost anyway because of the ballot stuffing and the cemetery vote. But forgetting about that for a second, the libertarians got 1.2% of the vote. That might have pushed Donald over the over the hump, and now we would have had President-Elect Donald instead of possibly President-Elect Joe, although the major media is all saying that.

So to summarize my point, I agree with your premises. You do magnificent work in making the case against Donald. But anything you say about Donald, I can say about Biden and the health care business and regulations and taxes. And there's so many areas where he's worse. There are some areas where — on trade, maybe Donald is really bad on trade. I'll admit that. He's a protectionist. Biden might not be as much of protectionist. But if you look at all the dimensions of what a president does, you've got to give the nod to Donald.

WOODS: You know, normally when I've done these kind of debate episodes, I will interject with a question for each of the debaters. But I have a question really only for Dave at this time. And it basically runs like this. I get that for you and your writing and your concerns and your interests, the Fed and fiscal policy are just front and center. And I couldn't be more sympathetic. I think those things are extremely important. I've written a lot about them myself.

But I've come to the conclusion that there is just zero constituency for this. Just nobody cares. I mean, obviously, the left doesn't care. There's nobody on the left who also favors

fiscal rectitude, very, very few. And even the right wing, you can barely get them even to pay attention to you. And the Fed, forget about it. We've had the Fed for over 100 years. Yeah, we have some critics of it, but most people don't understand how it works. There's no way we could convince them to get rid of it. I mean, I'm not saying we don't try. I'm just saying it's highly, highly unlikely that any of that's going to happen.

But what is possible, the sorts of things that are within the realm of possibility to change, are the sorts of things where Trump sometimes was okay. Like, for example, there wasn't going to be a climate czar under Trump. There wasn't going to be critical — or at least Trump found out about critical race theory and moved against it. All the sorts of — try to think of one loathsome group who wasn't opposed to Trump. It's very hard. Every single group working to undermine every decent thing was against him.

Now, I have all the same problems with him that you guys have, but facts are facts. And yes, he mishandled the pandemic. That's true, because he trusted in the guy who every president has trusted in, Fauci. But if there'd been a Mitt Romney, even though Scott Atlas worked for Mitt Romney, there's no way Mitt Romney would have turned to Scott Atlas. He would have turned to Fauci. And there's no way Scott Atlas is going to have a microphone under a Joe Biden. Joe Biden means the return of the left-wing public health establishment. It means Fauci 24 hours a day. It means climate nonsense. It means every conceivable loathsome thing.

And Trump, there has to be a reason that every loathsome group in the country was working overtime to exaggerate, makeup stuff about Trump, and smear him to destroy him. There has to be. And he I think in some ways represented — yeah, we're not going to get reform of the Fed. We're not going to get abolition of the Fed. We're going to have terrible fiscal policy. But I happen to think those things are just baked into the cake. But what we did get was at least a guy who doesn't loathe the very sight of us and who was standing up to an absolute avalanche of evil. And I think, surely, he deserves some credit for that.

STOCKMAN: Well, I think there are two issues here. One is I realized there's zero constituency for sound money and fiscal rectitude, but I also think it's the heart of all the other evils you mentioned, and I'll go through that in a second. Secondly, when it comes to the difference — I don't think there's any point in debating the merits between Trump, where there are not many, and Biden, where there are none at all. Because that's kind of abstract. That's sort of a checklist of issue positions.

I was looking at this more dynamically from a political point of view, and my view is that notwithstanding the tough races that are happening in Georgia, the Republicans are still going to end up with controlling the Senate 52 to 48 or 51 to 49. Either way, they can't bust the filibuster. And if they don't bust the filibuster, you need 60 votes to get anything done of substance. And that's never going to happen. You're not going to get Manchin on all these kinds of crazy things, Medicare for All, or the Green New Deal, or adding DC and Puerto Rico to the Congress, and so forth.

So all of the bad stuff that Biden stands for and his progressive left allies believe in even more dangerously, I think, isn't going to pass through the 60% filibuster hurdle in the next four years. So therefore, the bad stuff in my view has very low odds of happening. But unless we can get the Republican Party back on its feet and back on its principle, we're not going to be any better off in '24, '28, or 2032, if anybody can see ahead that far.

Secondly, I would say to Walter, about the second Trump term: I didn't know Grover Cleveland, but I know that Donald Trump is no Grover Cleveland. Okay, Grover Cleveland stood for a lot of good things, like the gold standard and free trade and small government and balanced budgets. The real point, though, is that Trump is going to spend the next four years being chased from one end of the earth to the other by litigation from the states, the attorney in New York, private litigants. His empire is going to unwind. They've got hundreds of billions of debt coming due. I mean, this whole thing that Trump was some brilliant businessman never stood up. He was just a lucky guy who rode the bubble that the Fed created in real estate from the mid '80s to the time that he got into the political business. So my point is I'm not going to worry about the odds of Trump resurrecting in 2024. It's not going to happen.

So with the Biden, progressive left, Kamala Harris stopped by the filibuster and Trump out of business for the rest of his life, the issue is: how can we get from here to there over the coming decades? And the answer is: the bad stuff, Tom, that you laid out, all of it I think stems from bad money and fiscal incontinence, fiscal libertinism, if you want to use that term, because it all takes money. We still have an empire. We still have forces in all these countries. We still have all these wars that we can't seem to end, because it's so damn easy to finance \$850 billion worth of national security spending — really a trillion when you take the cost of veterans, who are just deferred costs of all these wars that we didn't need. It's so easy to finance that, because if push comes to shove on the margin, you borrow it and the Fed monetizes it and nobody objects in the short run — although in the long run, you're paving the way to perdition. Okay?

The same is true with the lockdown. We all agree probably the worst thing that's happened in terms of libertarian principles in the last decades that I can remember are these lockdowns and the closure without any due process, without any standards, without any appeal. Millions of businesses, the orders to citizens to basically obey, as Dr. Fauci said the other day. This is really terrible.

But I'll tell you — and I've made this argument and I'll keep writing about it in my daily posts if I have to — that wouldn't have happened if there wasn't back-to-back — that so-called 14-day temporary lockdown — 3.3 trillion worth of massive bailouts and walking around money and helicopter checks to 160 million people and unemployment benefits, state and federal combined that average 57,000 per year on an annual basis. Without all of that money, people would have been up in arms. They would have been hungry. They would have been angry. They would have been filing into Washington and into the state capitols and city halls in massive numbers. But it didn't happen because they were all bought off with this extreme fiscal largesse, which in turn went through the Republican Senate like green grass through a goose, because they all knew the Fed was going to print it. The Fed was saying when they passed it in late March that we're going to print the whole thing. So you could say that.

Socialized medicine. We have socialized medicine today; it's just a matter of degree, whether it's Obamacare heavy, which they talk about, Obamacare light which the Republicans wanted, or Obamacare, which we have. The whole thing is one big, bloody socialist mess, enormously expensive, and it's all on the margin made possible by the easy borrowing and fiscal largesse of the federal government.

So at the end of the day, I think the bad money and the fiscal excess are not simply very important issues in themselves; I think they're the key to everything else. And I don't think

liberty has a chance of surviving, I don't think we're going to, in the end, stop the progressive, woke left from doing all the damage that it wants to do, as long as there is an open checkbook for the federal government to hand out money and buy off the opposition that results. In other words, we've created a new entitlement. This is really bad, really dangerous.

And it's an entitlement to recompense, an entitlement for indemnification every time the government does something stupid and you lose your job or you lose your income or your business and you lose your cash flow. I mean, we put out \$525 billion in a couple of weeks to 5 million businesses, because they said, I'm hurt. Can you imagine that? Just all you do is raise your arm and say you're hurting because of something stupid the government did, and all of a sudden you get a big check. Well, what if they outlaw fossil fuels? You get a check because you lost your job. What if they outlaw gas combustion engines? You get a check because your car is illegal to put on the street.

We're in a really bad way, and none of this would have happened had it been not been so easy to borrow money because the Fed was there to monetize it. So that's the heart of why I think it's the Fed, the Fed, the Fed, and everything else that threatens what we believe in is put in danger as a result of the bad money and the fiscal excess that lies at the heart of the system.

EPSTEIN: I'd like to repeat what I said before, that, David, I think you're edging very close, if not committing the diamonds/water paradox fallacy. Yes, the Fed is important, and who could deny that monetary theory and financing is very important? But there are other things too. For example, the Supreme Court. Donald has done pretty well on the Supreme Court compared to what Biden will do. Judy Shelton, he tried to get Judy Shelton, who is not really as good as you and I and Tom on the gold standard, but at least she favors the gold standard a little bit, whereas Biden isn't going to do anything like that.

I could make a case that education is more important than the money, because education determines ideas of people. They say the pen is mightier than the sword, and you think, well, the pen is this big, and the sword is that big, and any debate between them, the sword is going to beat the pen. No, the pen will beat the sword because the pen determines in which direction the sword is pointed in the first place. Well, what's going on with education? Betsy DeVos, bless her – you know, I'm in a university now, and before her, if somebody complains about somebody, the burden of proof is on the accused to prove that he's innocent. She turned it around. She did very well. Donald is threatening to cut off money from Harvard because they're prejudiced against Asian people. Education is pretty important.

Now, look, I'm not committing the diamonds/water paradox fallacy. I'm not saying education is it and nothing else accounts. But I think I can make a decent case that education is maybe more important than the Fed. But again, it's a marginal thing, and I resist this notion of yours of focusing only on one small thing, and on that one small thing there's nothing to pick between the two.

So you have to go to other things, and in other things, as Tom was mentioning in his question to you, Biden is way better. Again, I return to my children. When they were five and the seven and they were having a debate and they would say, "Anything you can say, I can do better." Well, anything you can say about Donald – and you say it brilliantly and you say it voluminously and very well, and I'm a big fan of yours for saying that – I can say much more about Biden. So I can't understand why you have Trumped derangement syndrome, in effect.

Why not have Biden derangement syndrome? It's much easier to do. Trump picked his Supreme Court judges based on the Federalist Society. Well, the Federalist Society is, I don't know, two-thirds conservatives or one-third libertarians, or maybe three-quarters and one-quarter, I don't know. But I've given many lectures to them, and they're a pretty good group. Biden is going to pick a Supreme Court nomination, and Kamala Harris is going to — you know, anyone that the Federalist Society say, they'll eschew.

So again, I return to my *Wall Street Journal* article, and I say that the libertarians who voted for Jo Jorgensen instead of Donald were mistaken. They shouldn't have done that. And you talked about hat and cattle. At least he has a hat there. How about Romney? One of the senators is Romney. Romney's a RINO, Republican in name only. And you're relying on Manchin? Well, Manchin's got a pretty good Democratic voting record. Romney is a loose cannon as far as that's concerned, so what's really crucial about the vote in Georgia. And Perdue would now be the 51st senator, except for libertarians. What's his name? I forget the guy who ran, a very nice guy, a libertarian. He ran for senator and he got 2.1% of the vote. And in Georgia, in order to become a senator, you have that 50%, and he had like 49%. He would have he would have been in. Whereas if we lose two of those people, it's on the libertarians, the ones that you're defending and I'm attacking. I think they were excruciatingly long in not following the Libertarians for Trump analysis of when you are in a purple state, all bets are off. You've got to go for the better one.

Look, a lot of times people say you shouldn't vote at all and voting is evil. And this is esoteric libertarianism. And what do I say is look: suppose you're a slave and the master has two overseers, Overseer Goodie and Overseer Baddie. And Overseer Goodie will beat the crap out of you once a month, and Overseer Baddie will beat the crap out of you equally well once a day. So who should the slaves vote for? Overseer Goodie. And I can just see you saying, well, Overseer Goodie's a bad guy. Overseer Goodie shouldn't beat the crap out of you once a month. Well, yeah, you're right. He shouldn't beat the crap out of you once a month. But better to have the crap beat out of you once a month than to have the crap beat out of you every day. And you're on the side of being — you know, what are you, a masochist? You want to have the crap out of you every day? No, it should be once a month is better.

Donald Trump is better. So everything you say about Donald Trump, I agree, but you have to compare it. Remember the joke I told you — although I'm not a good joke teller, so it wasn't very funny, but I'll repeat the joke. The economist was asked, "How is your wife?" He said, "Compared to what?" Compared to what? You just can't keep going on and talking about how evil Trump is. Yes, I agree. He's evil. You've got to compare it with Biden, and Biden is more evil.

STOCKMAN: Well, okay, it reminds me of the other story about the economist I know who was at the bottom of a 30-foot hole? And his assistant asked him, "Well, how do you propose we get out of here?" And he answered, "Well, assume we have a ladder."

EPSTEIN: [laughing]

STOCKMAN: Now, my problem is you're assuming we have a ladder, that Trump would make any difference. I have a subtle point, Walter, that I think is important to say. I was defending the libertarian voters in Georgia and elsewhere who voted at the presidential line, and not the people who voted for the Senate candidate in Georgia. If I lived in Georgia, I would have voted for the presidential candidate on the libertarian line, but I would have voted for the

Republican candidate early and often, because my whole analysis is one of political realism and political, I guess you would say, prognostication, if you have to put it that way, over the next period. And I believe that if we maintain the Senate, and we will even with the RINOs and even with Manchin on the other side, they will not vote to end the filibuster. Crucial, critical, almost end of story, first point.

Second point: they will not vote to pack the Supreme Court. If that's the case, unless somebody gets hit by a bus, there's not likely to be that many vacancies over the next four years. So I applaud what Trump did in appointing the vacancies of the last four years. I don't think it's that important, but crucial going forward.

Thirdly, on the big bad stuff on the Democratic agenda, this isn't Trump versus Biden; this is just how much of this stuff is likely to get enacted in a Republican-controlled Senate over the next two years, because I think the off-year election is going to bring the House down on the left, progressive Democrats in the Biden administration in 2022. It's just a guess, but that's what I'm saying. In the interim, I don't think with a divided Senate there's any chance of Medicare for All. We may rejoin the Paris accord. That's just a lot of rhetoric and international arm waving. They're not going to pass real legislation that puts the frackers out of business or outlaws fossil fuel production and consumption anytime soon. So all the really bad stuff that everybody should be concerned about I think is a low risk of happening.

And therefore, we get to the fundamental thing of how do we get out of this 30-foot hole of massive financial bubbles? Debt is out of control not just at the government level, but in the whole society. I mean, we've got \$81 trillion worth of debt on the public and private economy now. The highest ratio to GDP — it's over 400% — in history. You're not going to grow when you're lugging around 80 trillion of debt, enabled by a Federal Reserve that has pushed interest rates to the zero bound, as they call it, but in real terms have made them negative. And as a result, you've got a massive abuse of the capitalist system in the financial markets. The financial markets today are just big gambling casinos, because the Fed is enabling gambling. They're not doing their job. They're basically liquidating equity capital, when the financial markets are supposed to be a source to raise equity capital. They're essentially loading up the business system with unproductive debt, when the financial markets are supposed to be a place where you raise money to fund productive investment.

So we could go on and on, but the point is we're not going to get out of this 30-foot hole, we're not going to get from here to there until we get a Republican Party that at least might begin to believe that sound money has to be reimposed. Now, you mentioned Judy Shelton. I can't imagine how Trump ever agreed to nominate her, because at least at one time in life, she was reasonably sound and did understand what the gold standard was and why it worked as well as it did. But my point about Judy Shelton is that you have a Republican Party today that's been so euthanized by easy-money rhetoric of the guy in the Oval Office and by so many years of pretending that the Fed was rescuing us from our own folly, that they couldn't even get her through on a 51-vote margin. And she's only sort of modestly and not one person out of 19 in the direction of sound money.

So to me, that's the problem. To me, the Republican Party is the problem. It's rotten pretty much to the core. It has to be purged. We have to make one more effort to get a Taftian, as I said it for shorthand, view of the world back in the center of its platform and of its policy agenda. And as long as Trump is there with his crazy, demented view of *Easy money and interest rates need to be zero because we're the best economy in the world, so we should*

have the lowest rate — I mean, what kind of nonsense, what kind of complete baloney is that? When you have the Oval Office saying that, when the bully pulpit is saying that, the Republican voters who mean well out there in flyover America are being totally confused and miseducated about what needs to be done, what policies will make a difference, what policies in the long run will improve their life.

Finally, on the matter of education, I would say it shouldn't matter who is the president on education, because education is not the job of the Oval Office. It's not the job of the federal government. Education is the job of state and local units. That's why we have 18,000 school districts. And frankly, again, going to my root of all evil — easy money, monetization of the debt, the root of all evil — we actually put out 100 billion a year of student loans, which makes the college system, if you will, uncompetitive because everybody has got free money from Uncle Sam. And as a result, they can peddle all this absolute leftist, progressive baloney that is at the core and center of college life and curriculums today, because they don't have to make the market test. If families had to raise this money, if you had to do like I did when I was a kid — you probably did too — work 25 hours a week while you're in school in order to pay the tuition and work in a factory two shifts in the summer in order to save up something, you wouldn't necessarily be wanting to turn over your hard-earned tuition money to schools that are doing the nonsense going on today.

So again, the federal government wouldn't be pumping out — and this is the honest to goodness number and truth — \$100 billion a year of walking around money to 15 or 18 million students — I forget the exact number — if there was a real market test for how you raise that money and how you finance that money. So it all goes back to the same starting point. It's not the Fed standing alone; it's the Fed as the center of a nexus that leads to a massive expansion and bloating of the state, which then in turn nurtures and fosters and finances all of these aberrations that we are so concerned about, including the whole mess today in higher education.

WOODS: All right, I'm going to let Walter have the last word here, because I think we have a sense of where you guys stand at this point. So I want to give Walter a chance to say one more thing, and then we'll call it a day.

EPSTEIN: Okay, well, I agree with the import of what Tom was saying, and that is we're not going to get rid of the Fed or we're not going to have monetary sense long term; therefore, we have to choose other things. And you can't tell me that Biden is going to be better on this than Trump. Each one is worse than the other. And if anything, Trump is a little better. At least he tried with Judy Shelton, which you acknowledged she's better than whoever Biden would pick.

Now, I agree with you — I'm glad that we agree that libertarians should not have voted on for the Libertarian candidate for the Senate in Georgia. I'm glad that we agree on that. But I think that the same principle applies to the president as well. You want Perdue instead of his opponent, [Ossoff] I think is his name, because we want to have the Senate as a bulwark against the crazy Democratic president if Biden does come in. But it's the same principle. I think you keep evading the point, that you keep saying Trump is no good, Trump is libertine on money. And I agree, but Biden isn't any better either.

Now, you say on education, you say I can make a point that education is more important than the Fed, because if everybody took Austrian economics, we wouldn't have the Fed because

we'd vote out the Fed or we'd vote in the politicians who would get rid of the Fed. Education is very important. Now, maybe I'm prejudiced in this since I'm in a university, but in my school Loyola University in New Orleans – and let me put in a plug: students come study with me. You'll get a free enterprise perspective on this. And I'm sure David would agree with that.

During the period when the students first come in, they're given an introduction to school, and the introduction of school is mainly wokeism. And then at Loyola, we now have a two-week seminar in January, and all it is is wokeism and politically correct nonsense. Now, you say, well, it shouldn't matter. But it does matter. It shouldn't matter, namely that the federal government shouldn't have any role in the university. But the federal government does have a role in the university.

Look, suppose there were two people, and Goodie was going to punch you and give you 500 bucks, and Baddie was going to punch you and give you no money. Who would you pick? The punches can't change. You're going to get punched. Well, this way, you get 500 bucks; that way, you get five cents and you get nothing. Well, you'd pick the 500. But you keep saying that being punched for 500 is very bad. Well, yeah, being punched for 500 is very bad, but you have to go *ceteris as paribus*. You have to say other things are equal. And now who's better?

Now, look, I agree with you entirely and enthusiastically that the crucial element in determining the future for our children and our grandchildren is: can the Republican Party gain some level of sanity? Not *gain*. It never had any good level of sanity? I mean, you go back for, I don't know, 50 years and there's nobody in the Republican Party except for Ron Paul and maybe Rand Paul who wants to end the Fed. But you're quite right. We should try to improve the Republican Party.

Now, the question is: what's the best way of doing it? Is the best way of improving the Republican Party having Biden? And by the way, there will be one more Supreme Court nomination. I forget who it is, but he's 82 or 83, and in four years will be 87 and he might retire. So there will be at least one person, and we're going to get a very different kind of jurist from Biden than from Trump. So to me, it's difficult to see how the Republican Party can be better improved, because Biden is in there and Biden is going to do all sorts of very bad things. And the Paris accord is not just frivolous. It's indicative of something. We're not going to have fracking, we're not going to have oil. Everyone's going to have to have an electronic car. CAFE standards, a lot of craziness that you keep ignoring.

And again, to summarize very quickly, yes, Biden is very bad. And you are to be congratulated, David, for showing in fine detail just how bad he is. But I have a homework assignment for you. Your next book should be how bad Biden is or how bad Hillary would have been. And you'll have a book twice as big. And, Tom, thanks for having this on your show. I greatly appreciate it.

WOODS: Well, I want to thank both you gentlemen. David, I know you have things you still want to say, but we'll carry it out in our respective online outlets, carry on this conversation. Speaking of online outlets, folks, check out DavidStockmansContraCorner.com. I'm linking to that at TomWoods.com/1785. And also WalterBlock.com. You'll see that over the years Walter's written an article or two that you might want to take a look at. So those will both be at TomWoods.com/1785. Thanks to you, gentlemen. I hope you have a happy Thanksgiving, and talk to you again soon.

EPSTEIN: Dave, it was pleasure. Tom, it was a pleasure.