



Episode 612: We're Already in Recession

Guest: Peter Schiff

WOODS: Whenever I have you on I always solicit questions. People want to ask you things, and I'm going to be the conduit to get you those questions. The first thing I would ask you is probably what everybody asks. Now that we're in March, you're probably not getting it asked as much, but in January, everybody wants to know what's your forecast for the year. I just saw a link, it was the top headline on Drudge last week, that Jim Rogers was saying in the next 365 days there's a 100% chance for recession. But on the other hand, you say, well, you know, I've heard Jim Rogers say that before, so what's your take on that?

SCHIFF: I think we're already in a recession, so I would have to agree with Jim Rogers, but I think it began last year in the fourth quarter — although I believe we've been in a recession for the entirety of the recovery. I never believed that this was a legitimate recovery. I thought it's all been sleight of hand. I think the government has been understating the amount of inflation, and therefore they overstate the amount of growth. But I think that game is over, because I think the economy was so weak in the fourth quarter that by the time they redo the numbers later in the year, they're going to be back and revise that 1% GDP growth into negative territory, and I think there's a pretty good chance that we're already going to have another negative GDP for the first quarter of this year.

And you know, remember, even though all the experts, including the Fed, say there's no recession anywhere in sight, that's exactly what they were saying in early 2008 when we were already in the worst recession since the Great Depression. And so if we could be in the worst recession since the Great Depression and nobody at the Fed knew it, then obviously we could certainly be in another recession now, and they still don't know it.

WOODS: What about all those great unemployment figures?

SCHIFF: Well, there are no great unemployment figures. I mean, take the numbers we got on Friday, which surprised everybody by beating the expectation for the number of jobs created, and the president of course wasted no time in taking a victory lap and doing a press conference about all these jobs. But again, look beneath the surface, and the picture is very different. 88% of those jobs were part-time jobs. 88%. So you're talking about 12%. That's not very many full-time jobs.

WOODS: Well, that is – I did not hear that statistic.

SCHIFF: Well, they don't talk about it, but it was released in the household survey, which comes out at the same time, but nobody pays attention to that. And then also, about 80% of the jobs were in the service sector. We lost 16,000 manufacturing jobs, we lost jobs in mining and in logging, and as far as information technology, we didn't gain many. Actually in transportation, I think logistics, we lost jobs. We gained jobs in healthcare, in education, in retail services, in waiters and waitresses, bartenders.

And the thing is, Americans are not eating in lots of restaurants now compared to the past. People might wonder why have we added millions of waiters to the payrolls. Do we have so many more restaurants now than we used to have? No. The reason is because each waiter is holding down two or three jobs, because they're not working for the same employer, because so many employers have transitioned from full-time work to part-time work that everybody gets two or three jobs. And so Obama can take credit for all those jobs, but meanwhile the full-time jobs are being destroyed so that we can create these low-paying part-time jobs.

But also, another number that wasn't talked about was that average hourly earnings dropped by a percent, which rarely happens. I think there's only been six times in the last 10 years where we've seen that happen. But in addition to that, average hourly weeks – hours worked went down. So Americans work less per hour and work fewer hours, so when you combine that and look at weekly average earnings, they were down by .7%. That is the biggest decline in what Americans earn in a typical week in history, or at least as far back as they've been keeping the statistics.

WOODS: All right, let's shift gears, because, as I said, I've got a bunch of listener questions. And a lot of people want to know about negative interest rates. We heard about the Bank of Japan policy. And I think the average person hears "negative interest rates" and doesn't even understand what that would mean. Can you explain that for a layman? What's going on here? What does it mean, in terms of what's going to be the outcome of this?

SCHIFF: Look, talk about following the rabbit down the rabbit hole. This is a sublime of the ridiculous. It shows that they are completely out of options. When they get down to zero and it still doesn't work, instead of concluding that maybe these artificially low interest rates are part of the problem, their solution is to go negative. Their only solution to a problem is to cut rates. Even if their rates are zero, they still want to cut them. Instead of saying, how can the problem be that rates aren't low enough when they're now at zero but we still have problems, but they're going to try to go negative – but that's backfiring in Japan; it's backfiring in Europe. It is not going to do anything. It's just going to create additional problems.

And you know, think about it. I mean, you're an economist. You understand that interest rates are supposed to signify something. It's supposed to talk about the time preference, because people want things today rather than tomorrow, and in order to wait, in order to postpone your gratification or your consumption, we have an interest

rate, and that is basically going to determine, you know, whether I'm going to consume today, am I going to consume tomorrow, am I going to wait. But when you have negative interest rates, you turn that economic concept on its head, because now you're basically telling people having something today is cheaper than having it tomorrow, and so we're going to pay you to indulge yourself now rather than to hold off on that indulgence until some future date. And of course the minute you do that, I mean, an economy can't function with that kind of upside down law.

WOODS: So all right, so that's what's going on. There's been talk about this all over the world. We saw this announcement by the Bank of Japan. But in the U.S., we saw rates creep up slightly. And isn't it odd, by the way, that you have to be some kind of a cryptographer to figure out where the Fed is going to go? You have to listen to a speech and parse it and figure out what half a sentence might mean and try and figure it out. Where do you think they're going? If you're right about where we really are now, and let's say the Fed finally figures that out six months from now, do they just go back to their old policy and abandon the policy of slightly raising rates?

SCHIFF: I think they're going back to zero first. We're all talking about negative rates, but we still have to reverse the rate hike that we had in December, which I think is coming, and I also think that before we go negative, the Fed might go back to QE, because they've done that before. It doesn't work, but they think it worked because it propped up the stock market. So I think they're going to go back to that procedure again, because they've got to do something. Hillary Clinton is not going to be able to win if the perception isn't that the economy is sound, that Barack Obama fixed the economy, because that's the ticket that she's running on, four more years of Obama.

And if we're in recession when the voters vote, it's going to be Trump, right? Nobody's going to vote for Hillary Clinton. So Janet Yellen is going to have to do whatever she can to try to keep this bubble from blowing up on Obama's watch, because Ben Bernanke was not able to do that favor for John McCain. That bubble burst while George Bush was still in office, and so he had no chance of being elected. The public wanted change, and Obama was the change candidate. Well, Hillary is the status quo candidate. The change candidate this time is going to be Trump, and therefore if Janet Yellen wants to get reappointed, she needs to make sure that Hillary Clinton is elected. So she's going to have to do something soon.

But right now the Fed wants to continue to pretend that the economy's strong, because back when they raised interest rates was supposed to be the all clear; that was the signal that everything was great. But meanwhile, we've already slipped back into recession. It's going to get worse. I mean, look at the collapse in earnings that's happening. Look at all the retailers that are announcing closings. In fact, the announced layoffs that we've already had in January and February are better than 20% higher than where we were at the same time last year. So these good jobs numbers are supposedly good job numbers. I think by the election they're not going to be looking so good, because I think the unemployment rate is going to be on the rise. I think we're going to start shedding non-foreign payroll, because there are only so many part-time workers employers can hire.

WOODS: What are your thoughts on the election, by the way? Have you been talking about this on your show?

SCHIFF: A little bit. I mean, I'm not talking as much about it as just the economy, but my take on the election is that it proves to me, it's more validation that the recovery is not real, because if this was a real recovery — as strong as the president claims, because he accuses guys like me of peddling fiction — but if it really was true, you'd have a lot more satisfaction among the voters. You wouldn't have the most popular politicians — I mean, look at on the Republican side. Donald Trump is the frontrunner, and the only guy that's got a shot of catching him is Ted Cruz, and he's an outsider too. Everybody in the Republican establishment hates Ted Cruz. And so why are these two characters the ones that are so popular? It's because people are fed up with the status quo, because they know that this economy is lousy and they're in worse shape than they were seven years ago. This recovery is bogus. Net worths have gone down, homeownership has gone down, real wages have gone down, people are drowning in debt, and they're looking for a change.

I mean, look at in the Democratic Party. If it wasn't for black voters, Bernie Sanders would have the nomination. I mean, Hillary Clinton is getting 85% of the black vote, and if it wasn't for that Sanders would walk away with the nomination. So obviously if Republican, if white Republicans are willing to embrace an avid socialist — not a socialist who's in the closet, which is a lot of Democrats, but a guy who's happy and proud of being a socialist, that's because the Democratic voters are fed up. The Democratic voters don't want four more years of this. They know it's a phony recovery. The only thing that Hillary Clinton's got going for her is the fact that black voters don't even know what Bernie Sanders stands for. All they know is that she is an extension of Barack Obama; she's the name they know. They know Clinton; they know Obama; they don't know anything about Bernie Sanders. They haven't even bothered to look at him. And then you've got a lot of black leaders come out with these nonsense statements about how Bernie Sanders is insensitive to blacks, he doesn't care about blacks. I mean, it's all nonsense, but this is what's keeping Hillary Clinton as the frontrunner.

But it shows what's really going on. The public is fed up. The Democrats and the Republicans both don't want the status quo. They want to throw a monkey wrench at Washington. They want to shake things up, and it's not because they're happy. It's not because they think the country is going in the right direction.

WOODS: Are you supporting anybody in the primary right now?

SCHIFF: Not really. I mean, I'm not out there campaigning for anybody. Obviously, you know, what I like about Trump is that he talks about the problems. He talks about the trade deficit. He talks about the fact that we're losing competitiveness, we're losing jobs, the country's in trouble. I mean, a lot of these things he says is true; it's just that his solutions are not the ones that are going to work. And he's also not talking about cutting any government spending; he's talking about spending on the military; he's talking about saving Social Security, spending more on veterans, replacing Obamacare with who knows what. So he's not really talking about the policy solutions that I think

we need, but you never know. I mean, he may be a reasonable guy who may be willing to change his mind if he actually was in the White House, and maybe he's more of a politician than people give him credit for. Maybe he's certainly just saying the things that he needs to say to get elected, but maybe if he was elected he might actually do something different.

And Cruz, there are a lot of things I like about Ted Cruz. I mean, he's one of the better senators. He certainly was there – I mean, I preferred Rand to Ted, but I think Ted was probably my second choice. But I'm not really out there, you know, trying to promote him. But I think, you know, of the remaining candidates he's the best one.

WOODS: Well, when Trump talks about China and trade, it always comes back to currency manipulation. Are you able to tell us what the truth of the matter on that whole question is?

SCHIFF: Look, it's not true. It's not about currency manipulation. That's not the reason. And it's also not about our trade deals having been poorly negotiated. It's not about getting a better negotiator in there. The reason that we have a huge trade deficit – and by the way, the trade deficit came out again on Friday at the same time the jobs numbers came in. Nobody talked about it but Trump. It was much worse than expected, and they went back, and they revised December to make it bigger than they originally told us, so that's going to take away from the GDP in both the fourth quarter of last year and the first quarter of this year.

But the reason for the trade deficit is the government. It's because we have taxes that are too high, regulations that are too onerous, and therefore our businesses are not competitive. Also we don't save enough, and why don't we save enough? That's because of the Fed. They keep interest rates too low, and so money that would normally be available for plant and equipment is instead being redirected or misdirected to maintain financial bubbles, real estate bubbles. And so we don't have the capital that we need for manufacturing, and we're not competitive. And also we had a lot of labor unions. We just had this debate in Flint, Michigan, where Bernie Sanders last night was blaming these trade deals. What about the labor unions that help drive up the cost of manufacturing in Michigan? I mean, that was a big part of it. Government was a big part of it.

So there is no quick fix. I mean, if we're going to try to just slap tariffs on Mexico or slap tariffs on China, it's not like all of a sudden all these great jobs are going to come back. They're not coming back. All that's going to happen is Americans are going to have to pay more money for Chinese products. They're going to have to pay more money for Mexican products. It's not like all of a sudden those products are going to start being manufactured in America, because we don't have the factories to manufacture them. We don't have the workers who know how to operate the machines. We don't have any of this stuff. This stuff is gone. Yes, there are some companies, like Trump talks about Carrier air conditioner, yeah, they're just shutting down right now, and so maybe to the extent that Trump could have these protective

tariffs, they won't do that, they'll maintain their current operation, but it does mean that if you want to buy an air conditioner it's going to be more expensive.

I mean, what Trump doesn't talk about is the flip side of all these tariffs is going to be higher prices for Americans who are already struggling. I mean, think about the typical American who's barely getting by, his rent's going up. In fact, you have the highest percentage of Americans now paying half their income in rent than we've ever had in history. So rents are going up, utilities are going up, healthcare costs are going up, food costs are going up, and now you're going to bring the cost of everything else going up, because everything we buy at Wal-Mart's going to be more expensive because Trump is trying to make the Mexicans pay for the wall?

WOODS: Let me ask you a question about manufacturing jobs, though. I'm looking at a couple of graphs that were produced by Mark Perry over at AEI, and one of them is Real Manufacturing Output per U.S. Worker from 1947 to 2011, and it's way up. It's way, way up. The trend is way up. It's like 19.5 in 1950 and 156.5 in 2011. So per worker the output is very strong. Manufacturing Output in the Top Five Countries: okay, China's the top, but the U.S. is second and moving upward, and no one is even close. So it looks like what may actually be happening is that, as with everything with capitalism, capitalism is all about trying to produce stuff with the least input possible. It becomes more efficient; it becomes more mechanized. So we can produce more manufacturing output with fewer jobs. That's a natural outcome of capitalism. I mean, the ultimate outcome of capitalism is I wake up in the morning and I slightly move my arm, and that's all the labor I need to do for 40 hours.

SCHIFF: It is, but the problem with it is our trade deficit is ballooning. If you look at our manufactured merchandise trade deficit, it is enormous. It's, what, like 70 billion, 75 billion a month. The total deficit is lower because we have a surplus in services, but we have a huge deficit in output from factories, so even though each worker supposedly is more productive, you don't see it in the amount of production, because we're having to import more and more of the things we buy. So I think a lot of that has to do with the accounting, the fact that so much has been outsourced or so much of the things that we manufacture, the components are imported, and so the labor necessary to create those components is not part of our productivity here, because it's incorporated into the cost of the components that we imported. Because the bottom line is you look at the numbers, and if American manufacturers were really becoming more productive, we would be producing more of the things that we're importing. Our trade deficit wouldn't be going higher and higher and higher.

When we became more productive in agriculture — at one time, lots of Americans had to work on the farm. Agriculture was the biggest employer. All these people were needed to feed us. And as we became more efficient in advertising, as we automated and mechanized and had big machines that can do the work of lots of people, we didn't need as many people working on farms, and so they were freed up to do other things. But we produced more and more food. It wasn't like, you know, we started importing our food. The workers became so productive that we could produce a surplus of food, and we could export the surplus. So that's not what's happening with

manufacturing. We have fewer people working in manufacturing, but we're not manufacturing things, and so we have to import all the things that we used to make ourselves.

WOODS: All right, because I'm running out of time I want to ask an investment question, because we always get that. And here's — I'm just going to read the question exactly. The person wants to know, "Assuming a pending stock/bond bubble burst, what can an average guy with a 401K do to hedge against that ruining his retirement savings. For example, if my employer matches up to 4%, instead of contributing 10% to my 401K, should I just keep it at 4% for the match and use the other 6% to buy gold?"

SCHIFF: Well, first of all, depending on your 401K you may have an investment option that allows you to buy, let's say, a gold fund, for example. I know I manage a gold fund, the Euro Pacific Gold Fund, but there are a lot of gold funds out there, which I think will give you even more leverage for the price of gold, especially if your employer is going to match it. But here's where the money is going to be made. You make a lot of money when you bet against a trend that everybody believes in but everybody is wrong because you have a mispricing of assets.

And for the past few years, everybody has believed in the legitimacy of the U.S. recovery, they believed that the Fed's policy worked, and therefore they believed the Fed was going to be able to raise interest rates back to some type of normal level and shrink its balance sheet. And based on those perceptions, the dollar went up, foreign currencies went down, commodities went down, gold went down. The big trade of this year and I think of the next several years is going to be the unraveling of that trade as people realize that the Fed didn't solve our problems; they made them worse. We're not cured; we're sicker than ever. And so rather than raising rates we're going back to zero, maybe negative. The Fed is not going to shrink its balance sheet. It's going to do QE4. The balance sheet is going to explode, and so all those pro-dollar, pro-Fed trades are going to be unwound, and that's what's already happening.

Look at the price of gold. We're up another 8 bucks today. We're at 1,267. Gold was at 1,050 the day after the Fed raised rates, so we're now up over \$200 an ounce since then. The dollar is starting to fall. It's falling across the board. It's even at a new seven-month low today against the Australian dollar. That's just one example. Commodity prices in general are really starting to turn. Look at industrial commodities. Look at agriculture. Even oil. Everybody was picking on oil; oil's going to keep falling. It's up almost another \$2 today. As we speak, oil is now \$37.50 a barrel. It was down \$10 lower than that a few weeks ago. It was up almost 10% last week. So commodities are turning, the dollar is turning, gold is turning, and this is just going to compound the problem for the Fed, because now they're not going to be able to hide the fact that there's not enough inflation. We're going to get more inflation, but it's going to be stagflation. The Fed's going to be looking at the weakness in the economy, and the weakness in the economy is going to be exacerbated by the increase in the cost of living.

But for investors this is a great opportunity, because of all the stocks that were beaten down based on this false belief. Gold stocks are still ridiculously cheap. I mean, you can make a ton of money there. And all the stocks that we're buying internationally, stocks we're buying in Singapore or Switzerland or New Zealand are still on sale, because the dollar is still artificially priced based on this false narrative that isn't going to come true. I mean, this is not just going to be "buy the rumor, sell the fact," this is going to be "buy the rumor and then sell because the rumor was false." We never got the higher rates. We never got the real recovery. We're back to the drawing board, and I think this whole thing is going to unravel. The dollar's just going to tank even faster than it was when they launched QE1, QE2.

And gold prices, I mean, once gold gets above \$1,300, \$1,350, I think it's going to move up to \$1,500 very quickly. I wouldn't be surprised if we finished the year much closer to \$2,000 than \$1,000. And once we take out that high, about \$1,900 from a few years ago, I mean, people were making fun of me for predicting \$5,000 gold. We can have \$5,000 gold a lot sooner than anybody thought.

WOODS: One other thing. This is a question that might be of interest to people who are in the financial industry. Somebody wants to know, "What are Peter's thoughts on the Department of Labor's produced fiduciary rule and conflict of interest rule that would govern tax-qualified accounts like 401K and IRAs? How does he think this will affect his relationship with his clients and retail investors as a whole?" I don't know about these things; can you tell us?

SCHIFF: Yeah, well I think that would be a disaster. On the surface the rule says that you have to act in the best interest of your client, and you might think, well, how is that bad. Don't we want brokers to act in the best interest of their client? We do, right? And most brokers will act in the best interest of their client. I mean, that's what I do all the time. I mean, I want to do what's best for my client, because what's best for my client is best for me, because if I satisfy my client, I keep their business, I get referrals. Why would I not want to do what's right for my client? Now, are there some people that cut corners and rip off their clients? Of course. That's true in any occupation in any business. But fortunately because of the free market, those types of people don't get that big, because if you're stealing from your clients you run out of clients pretty soon and you have a lousy reputation.

But this is going to be a disaster, because the government determines what's right for your client. See, right now if I have a client that wants to buy gold stocks, the only requirement is that the advice that I give is suitable. So if I have a client that says, hey, I want to buy gold stocks, I think the dollar's going to crash so I want to buy gold stocks, and I say, well, you realize they're very risky, they could go down, you could lose all your money — yep, I know how risky it is, I don't care, this is what I want to do — okay, I can recommend some gold stocks. And that'd be suitable. Under this new rule, a guy wants to buy a bunch of gold stocks, and I've got to say, well, you can't do that, because that's not in your best interest, because you're wrong. I've got to tell you you've got to buy some U.S. Treasuries, because gold stocks are way too risky for your retirement, you'd better put your money in Treasuries. And if I buy the gold stocks for

you and they go down, you can sue me, and then you'd win because I didn't do what was in your best interest, because I let you —

WOODS: This is insanity.

SCHIFF: Oh yeah, but also, in order for you to determine what's in their best interest, it's a very complicated process. See, right now I have two businesses. I have a brokerage firm, and I have a registered investment advisory firm. As a registered investment advisor, I already have a fiduciary role. Therefore in order to open up an account like that, I have to get a lot more information. In fact, there's so much information I've had clients that don't even want to do it. They just give up, because they don't want to fill out the paperwork, because I have to know a lot more information about you if I'm going to be suitable. And then if somebody wants to send a certain amount of money to me as an advisor, I have to look at their age, I have to look at their other factors, and sometimes I say, you know, you wanted to send me a million dollars to invest in foreign stocks, but we could only take 500,000, because a million would be too aggressive based on the rules, because I'm investing —

WOODS: Ugh.

SCHIFF: But on my brokerage clients, if a guy wants to put all of his money in foreign stocks, as long as that's what he wants and he understands the risks, that's okay. But if I'm a fiduciary and someone wants to put all their money in foreign stocks, I can't let them, because if I let them and then the markets go down, I've got to give them back whatever they lose. So it means that you can't do what you want, because I have to do what's best for you, and the government tells me what's best for you. Even if I think — even if I agree with the client that, hey, I think you should have all your money in gold stocks, if I actually believe that, I'm not allowed to recommend that, because the government says that's reckless. The government will say, well, how old is that guy. Well, he should have a certain amount of his money in Treasuries, a certain amount in blue chip U.S. stocks, maybe foreign stocks can be 15%. So all of a sudden you have the government telling you what's in everybody's best interest, and if you don't recommend that then you leave yourself vulnerable to a lawsuit if the strategy doesn't work out.

But the other problem too is this is going to be so expensive for a lot of smaller broker dealers, and it also means that in your IRAs you can't do private placements in your IRAs anymore, you can't — a lot of brokers unfortunately have been selling annuities in IRAs, which I think is a disaster, but I think this will stop that, and that might be a good thing, because I think people are being steered into these products because of the commissions. But I think it's going to hurt the entire commission business, because whenever you recommend that your client buy something or sell something, he can always say, well, you did that to generate a commission, so it really wasn't in my best interest, you did it for a commission. So in order to guard against that, you don't want to have a commission business. You want to put just people in a managed account, where you're just charging them a fee, and therefore it's harder for the client to come

back later and sue you on the basis of the fact that you didn't act in their best interest.

But all this is going to do is it's going to make it much more expensive to open brokerage accounts, which means they're going to start raising their minimums. I mean, if you want to open up a \$5- or \$10,000 IRA account, no one's going to take that. Maybe even 50- or 100- might be too small because of the extra paperwork and added responsibility, especially if you want a brokerage account. A lot of firms might just say, look, you can only have a managed account or RAV account. We won't let you do a brokerage account in your IRA, because we can't take the liability because of these fiduciary standards that imposed here. And I do think a lot of smaller brokerage firms are just going to – they're just going to fold, because it's just going to make it that much more expensive to deal with the smaller retail investor who has fewer and fewer options. This benefits the big firms, the too big to fail guys, because they have the economies of scale to handle the higher regulatory costs. But this is going to be a nightmare.

And of course, you know, so many small firms are going out of business that FINRA, which is the entity that Congress put in charge, and they're trying now, they want to start taking over the registered investment advisors, because otherwise they won't have enough revenue because all their firms are failing. But that'll just make that whole industry worse, because that's – you know, I have a better time dealing with the SEC than FINRA. But of course, you know, I don't think any of this should exist. I don't think the government should be regulating brokerage firms. I think the market should be regulating brokerage firms. Look, FINRA and the SEC regulated Bernie Madoff. They audited him regularly, and they had no idea that he was running this Ponzi scheme.

So if they're that incompetent, why would anybody trust them? I trust the market; I trust people's reputation in the marketplace and goodwill. I wish that you could run a brokerage firm – and I've made this point many times – where you just can have a sign, "Buyer beware, government is not protecting you, invest at your own risk." I can disclose that, and then I could just deal with my clients the way that I want to, and they can come to me knowing they have none of the protections that are supposedly offered by the government, because all of this protection is going to come at a heavy price. You're not going to get the best investment recommendations this way, and a lot of smaller investors are going to find that they have no help, because a lot of brokerage firms are just going to refuse to deal with them. And so then they're ripe for con artists. If none of the really reputable firms will deal with you because you're too small, then the only people that you'll deal with are crooks.

WOODS: Wow, okay, that's about the best refutation of this that you could possibly ask for (laughing). I'm going to link to your stuff at TomWoods.com/612, today's page, but for people who, for whatever reason, never get to that page, if people want to visit you or work with you or any of that stuff, give me the websites they should go to.

SCHIFF: Yeah, and one thing real quick, though. It's interesting; President Obama waited until the last year of his second term to implement this, and I think there's going to be a phase in so that by the time it actually kicks in he won't be here anymore. And this is something – if this is such a good idea, why didn't he do it earlier?

WOODS: Yeah.

SCHIFF: I mean, maybe he realizes how much damage this is going to do, and he doesn't want it to happen on his watch, so he's pushing it into somebody else's. But you'd think, okay, the next president could just get rid of it, right? And just like everybody is campaigning, right, they want to campaign to get rid of Obamacare. But it's very hard to get rid of a program once it's passed. I mean, there's very little precedent for it. Remember that when Jimmy Carter started the Department of Education, and when Ronald Reagan ran against him part of his platform was to abolish the Department of Education. That's what he ran on, and it had only been around for a few years. Yet Ronald Reagan died a long time ago, or his wife, Nancy, just died yesterday, but the Department of Education is living on still. I mean, he couldn't get rid of it a few years after it was started. So none of this stuff goes away. They talk about repealing things, but nothing ever gets repealed. They just keep adding more and more laws and regulations and departments and agencies, and they never roll anything back. No matter what they promised to get elected, once they are elected they just continue the status quo.

But anyways, as far as where to get a hold of me, I'm easy to find. Just go to Schiff Radio for my podcasts or my YouTube channel. I put my video blogs up there and my podcasts at the Schiff Report on YouTube. As far as investing with me, EuroPac.com is the website for my brokerage firm to help get your portfolio invested abroad, get out of dodge before it's too late, and before the dollar surrenders much more of its gains. I mean, now that the dollar is going down, all of our accounts are doing extremely well pretty much this year. The dollar's turned, so that's a huge wind at our back now. Gold price is skyrocketing, gold is the number one performing asset so far in 2016, gold stocks even better. Energy stocks are doing extremely well after getting beaten up, so the resource stocks are coming back. So this is the time to really start working with me before these trends evolve even more and the stocks that I want to buy get that much more expensive if you're trying to buy them with depreciating U.S. dollars. So go to EuroPac.com.

And also to get physical gold and silver, which by the way, silver's been lagging, and it's just started moving now. It's now the last couple of days, it's outperforming the price of gold. It's got a long way to catch up. Silver just got back up above 15. It was at 50 was the high a few years ago, so to retest that high is a long way. So if you want to get some physical gold and silver, you go to SchiffGold.com. Just my last name, SchiffGold.com.

WOODS: All right, Peter, thanks so much for your time. I appreciate it. You know, when you're talking about how they keep adding regulations, they never repeal any of

them, and yet, no matter happens, the next crash will still be capitalism's fault. No matter what they do, no matter how much stuff they've added, it's always capitalism's fault. The farther away they get us from capitalism, the more it's capitalism's fault, it seems to be.

SCHIFF: Yes, well that's why it's such a beautiful situation for them, because the more they screw up the economy, the easier it is to screw it up some more, because they keep justifying their existence based on how bad things are, and then they pass more regulations to make those things even worse, and now they can say, see, we told you how bad capitalism was; now we need these extra regulations. And it's just a self-perpetuating spiral where things get worse and worse and the government gets bigger and bigger, and it never dawns on them that they're wrong. Just like lowering interest rates down to zero, it never dawns on them that the lower rates are part of the problem. They just say, well, now we have to go negative.

WOODS: Yeah. Well, that's why people should be listening to SchiffRadio.com and hearing what Peter Schiff has to say. Thanks again, Peter.

SCHIFF: Thanks again, Tom.