



Episode 927: Is Trump Going Down?

Guest: David Stockman

WOODS: As soon as I saw your piece about what's going on with Trump and the likelihood that he's not going to be around after awhile, at least as president, I thought we've got to talk this through. And then since then, we've had the bombshell about his withdrawal from the Paris accord, so there's a lot to talk about here. But here's my major question for you: given that Trump's rhetoric is more bold than his actual actions – I mean, okay, withdrawing from Paris was pretty bold, but otherwise his budget stuff is pretty much "been there, done that." His foreign policy is actually still looking, at least sounding somewhat bellicose, sounding very much within the bipartisan foreign policy consensus. What the heck is everybody so terrified about to the point where the deep state is against him, the international establishment is against him, the media's against him, the academics are against him? They're probably closer to him than I am, so why are they so – why, given that in practice he hasn't done all that much, are they are so crazy?

STOCKMAN: Well, that's the great question of the hour. But there's no doubt that the establishment ruling order – and that's the bipartisan political establishment in Washington; it's the Wall Street leadership that demands constant stimulus from the Fed or from the budget and from various kinds of policy interventions – determined early on that Trump as an outsider, as an unscripted, untrained politician would be a threat to that basic order. America: the American empire abroad and – let's call it the welfare state and bubble finance regime at home.

And they therefore determined, without saying so, that the outcome of the 2016 election was invalid, that he needed to be removed from office under one pretext or another, and I think that's where we're slipping day by day, week by week into some kind of grand experiment in the 25th Amendment, whereby they will be looking for some way to find him unfit to continue in office and invent the circumstance and the pretext for sending the modern-day equivalent of an Al Haig into the Oval Office to say, "The helicopters are warmed up, the steps are up, and you need to get on and get out of town." It's kind of unbelievable that that scenario could be talked about even in a forum as skeptical as ours or yours, but I truly think that that's where we're heading.

And it's kind of good that we talk about it today because this is the big day of Comey's second coming on Capitol Hill. And the whole thrust of the thing will be to establish the bill of particulars that says that an obstruction of justice occurred or a cover-up happened with respect to a crime that in my view is nonexistent. At least in the case of Watergate, it was a third-rate burglary. In this case, I think the Flynn conversations,

which were at the heart of this, with the Russian ambassador in late December, were a first-rate initiative towards world peace and that they were totally appropriate and that no law was violated except if you want to resuscitate the Logan Act from the late 1790s that Jefferson's political adversaries conjured up to undermine his prospective presidency.

So I think we're way off the deep end. Washington has become totally unhinged. This Russiagate frenzy is now reaching really absurd proportions. After all this time, there's still not a scratch of hard evidence to back up any of it. And yet, it's all coming together because the ruling elites do not want the popular impulse behind Trump, that unexpectedly brought him to an Electoral College victory, to prevail in the governing process of this great warfare and welfare state. So that's kind of my big take on it, and then you can go to a lot of different angles and issues, but this is where it's heading.

I might just add that I've been at this awhile. In fact, I started on Capitol Hill as a young guy right out of graduate school in the 1970s and then had a ring-side seat for Watergate. And I worked for one of the members of Republican leadership, so it was particularly close to the action. And I've seen this movie before, and it's happening again, and I think it's not going to take as long, because Nixon at least seemed invincible in January 1973.

He won by a landslide, practically the entire Electoral College save for I think 31 votes. He won by 42.5 million to 28 million in the popular vote. He was going about the business aggressively in early 1973 of reorganizing the entire federal government, demanded that his cabinet resign and apply for readmission, so to speak. And from that epitome or that peak of power, it was just a drip, drip, drip as this information came to light and the cover-up metastasized. And finally, by the spring of 1974, he was mortally wounded. The insiders had turned against him, and it was only a matter of time before he was ushered out of town by the Republican leadership.

So it can happen, even from a position of seeming invincibility. But Trump is not even close to that position. He won by a fluke, in some ways. He didn't win the popular vote. He didn't win with the support of the Republican establishment. He doesn't have a lot of friends and IOUs collected over 30 years like Nixon did from being on the rubber chicken circuit week after week, month after month. So I think he starts from a position dramatically weaker than where Nixon was, and here we are five months in and the long knives are out and coming at him from every direction.

WOODS: That I think is the key thing. He has no obvious base of support. He doesn't even have a base of support within the Republican Party, much of which would love to be rid of him and would much prefer an amiable dolt like Mike Pence to take his place, because he's controllable, he's predictable. He's everything they are and that Trump is not. I want to jump to something because it came as such a surprise to me, and yet as soon as I read it, I thought that must be right.

You said — and this is in your article I'm going to link at TomWoods.com/927. You said: “[T]he faltering socialist states of Europe will learn that Washington's endless nagging about spending 2% of GDP on defense had nothing to do with peace and security, and everything to do with raising sales, earnings and stock prices in the Atlantic-area's military industrial complex.”

I mean, this article's so good, that's just a throwaway point. But I'd never thought of that.

STOCKMAN: Yeah, I think you really need to focus on that. And part of the reason why the deep state is so determined to bring him down is that, notwithstanding his martial spirit and posturing and even requesting more defense spending, it wasn't clear that he was a reliable advocate of the whole catechism of the American exceptionalism and the requirement for the U.S. to be involved in intervening all over the world in order to keep the peace, allegedly, and carry on all these high-minded goals. Trump wasn't reliably committed to that.

He had enough common sense to say, Why do we still have NATO? At least he said that during the campaign. The Cold War ended 25 years ago. He had enough common sense to see that the Ukraine has been part of the greater Russian sphere for 600 years and that we didn't need to be having a huge confrontation over a civil war that we started, effectively, when we stimulated the coup in Kiev in February 2014 in Putin's backyard. So he was saying a lot of things that would have, even if they were somewhat ad hoc and disconnected, were not consistent with the worldview that supports this great military industrial surveillance spy-state establishment, both in the United States and in Western Europe as well.

So the point is, without a confrontation with Russia, which is totally unnecessary, why would you need to spend 2% of GDP on defense in Western Europe? Germany's spending 1%. I don't think that in the end there is any chance whatsoever in this world or the next that Russia is going to invade or occupy Germany. It's crazy. It's a ridiculous thought. And the rest of Europe is so buried in their own socialist debt and massive government programs that weaken their economies that they don't need to spend 2%, nor can they probably even bring it about if they wanted to.

So I think the point I was making there is: what I like about Trump is, for better or worse, whether intended or not, he's turning out to be the great disruptor, the unpredictable loose cannon that, from time to time, in one way or another, questions the fundamental verities and catechism on which this whole monster, leviathan state is based. And that's better than a time-server like Pence that we're eventually going to have as the 46th president of the United States. But in the interim, maybe some furniture will be broken. Maybe some dislocation and crises will be generated, and maybe more of the public will begin to wake up, as much of it did during the 2016 election.

WOODS: Since you wrote your article, we had the Trump announcement that he's withdrawing from this Paris accord, which now has — if he thought he had enemies before, has now probably increased them by a factor of ten after doing that. I'd like to hear your thought about that particular point, and then also, what about this Paris accord? People say, It's just purely symbolic, so what's the big deal?

STOCKMAN: Yeah, well, that's a good point. I applauded him, obviously, for doing it. I also noted the irony, because the truth of the matter is that Donald Trump is probably one of the biggest statist Republicans that we've had in the Oval Office in modern times, even though he had a lot of company if you think back over presidents going back through Nixon. But he made the right move, and it wasn't just because of the

Paris accord narrowly, because it is kind of a Rube Goldberg contraption that sooner or later is going to get tangled up in its own difficulties and lack of real substance and targets that aren't enforceable and all the rest.

But that wasn't my point. My real point was that the underlying idea that the planet is heading towards a catastrophic warming, that it's entirely manmade, that it's occurring very rapidly, and that we need to take comprehensive, draconian action to fundamentally change the energy structure of the entire modern industrial world, that's the greatest power grab yet imagined by the political class, the liberal or even permanent government class that is always looking for something to do and a crisis and a threat, a failing of capitalism that justifies even more state intrusion.

So by cancelling Paris, what he was really saying was this whole thrust towards comprehensive regulation of the global climate is wrong, and we need to go back to square one and sort all this out. Now, of course, they accused him, as a result of that, of being a climate denier and all kinds of other horrible things, but it is at least reopening a debate that was more or less closed when the mainstream Republicans capitulated one way or another with double talk and so forth during the Obama era.

So now I'm very glad to see that the case can once again be reopened, that yeah, there's some warming going on, that's been happening off and on for the last several billion years, so there's nothing new about it. The level of deception and intellectual dishonesty that has been concocted behind the case can now be exposed, this whole thing that I talked about the other day — the so-called global warming hockey stick that suggests that for the last thousand years, that temperature and climate were absolutely stable and the same and then it took off upward rapidly in the last 30 or 40 years — is a complete hoax. It's not even accurate.

Everybody who remembers their school books, because none of this even was thought of before the late 1990s, knows about the medieval warming period. It was a lot warmer than it is now. And they know about the Little Ice Age — the medieval warming period being 900 to 1000 to 1100 A.D. They know that when Erik the Red settled Greenland in 885 A.D., he wasn't colorblind when he named it not Iceland but Greenland, and he was not suicidal when he thought that they could establish farming colonies on what is a glacier and ice-packed. The weather was totally different, and thriving agricultural communities developed there during the global warming. That was pre-industrial, obviously. It had nothing to do with coal-fired power plants or 400 million autos that are in the global fleet today. By the same token, by the time you got to the 1700s, early 1700s when we were in the Little Ice Age, the temperature was several degrees on average below where it is today.

So there's nothing new about this. It goes back in time and through the different glacial areas as long as you want to look back. We're in a modest rebound from the Little Ice Age at present. Generally, the carbon dioxide level has gone up modestly. It's not hurting anything. It's probably actually improving the productivity of agriculture around the world.

So this is just another case of a predicate, just like the global policeman predicate and the central banking predicate, that is the underlying basis for this monster state that we have today. And until that predicate is challenged and punctured, the state keeps

mushrooming and expanding and intruding, so the reason I applaud Trump so much for taking this stand is at least on this third front. We've got the warfare state, and it's going to be hard to unshackle ourselves from that. We've got the welfare state with 150 million people now living one way or another from government checks. We've got central banking and bubble finance built into the very fabric of our financial system and economy, and that's going to be difficult to shake. And this global warming was going to be kind of the last straw, at least in some ways, and hopefully at least that one has been temporarily stymied.

WOODS: More to come with David Stockman after we thank our sponsor.

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I want to ask you about what you say toward the end of your article about the upcoming debt ceiling crisis, and you say this is going to be the straw that breaks the camel's back for Trump. And what I want to know is, given that there have been other debt ceiling crises, what makes this one particularly noteworthy?

STOCKMAN: I think because the chessboard is arranged in a totally different way. Remember, the crisis in 2011 was solved at the end of the day because the White House was occupied by a believer in massive government budgets and that debts don't really matter that much since we owe it to ourselves and that you could prime the pump of the economy through this Keynesian stimulus he did at the time. And when push came to shove, he was able to negotiate a sellout with the House Speaker, John Boehner, who was about as establishment down the line as they make them in the Republican Party in Washington.

So there was always a coalition there of a White House that believed the debt didn't matter and the debt ceiling had to be raised because we owe the money, and the middle-of-the-road Republicans who didn't want to be blamed for a crisis or a real, serious shutdown of the government or forced allocation and prorating of the actual revenue coming in once the debt ceiling limit had been reached.

Now I think we're in a totally new ballgame. Especially since the Democrats have declared war on Trump, they're basically trying to re-litigate the last election through this whole Russiagate scam, and when you go — And so he's going to have to do it more or less on the Republican side of the aisle, and there the party's totally divided between status quo-oriented establishmentarians and careerists and some pretty frisky and feisty Freedom Caucus members and other conservatives, Tea Party conservatives, who are not about to vote for trillions of more national debt on top of the 20 trillion we already have without something big in return. But that is going to be impossible to get, because you'll never get the middle-of-the-road, establishment Republicans to sign on to sweeping entitlement reforms and the rest, and frankly, I don't know how you're going to get Trump to agree to it either, since he's ring-fenced the 1.8 trillion of annual spending in social security and Medicare.

So I think now the true dysfunctionality of Washington on the fiscal front is going to be apparent in a way that it wasn't in the past because of the ability at the last moment in a threatened crisis to pull together a Democrat/middle-of-the-road-Republican coalition. I don't see that happening now. And I think we're actually going to reach a

state sometime in August or September when there is no cash left in the Treasury. It's running down quite rapidly by the day. We're at the ceiling, 19.8 trillion, and that they will be forced to either threaten or actually allocate the incoming revenues to the highest priority spending requirements, at least in the light of the administration. Now that will be a day of reckoning in Washington, because nobody's prepared for that and I think that's the next act in this whole thing.

WOODS: I wonder if – It might be interesting, David, if you and I had a gentleman's bet on this Trump not being in there by 2018. Do you want to do that? Because I think he still will. I think he'll just say, You know what? I'll burn the whole thing to the ground before I leave.

STOCKMAN: Well, I think he has that, and that may well be possible, and yes, I'm willing to do a gentleman's bet here. But I think it's going to go a little differently. I think there's going to be a tremendous period of upheaval and dislocation and he's going to stumble and stagger and bleed out – politically, that is – but when they reach the point where the internal polls of the Republican Congressional Committee and Senate Committee and National Committee are showing a wipeout or potential wipeout in 2018, they will gather the party elders together and essentially say now's the time for you to leave, declare victory that you've done what you've set out to do, declare mission accomplished, and then get on the helicopter and get out of town and bless Pence as you go. That's what I think is going to happen. It's only a question of the precise timing, and that is yet to be seen. It depends on how this thing bobs and weaves and twists and turns as we go forward, but I don't think he'll make it to November 2018.

WOODS: Okay, all right. Well, we'll see. If it's December 1st, 2018, he's still in there, I don't know – but if he's out, I will be very glad to eat crow on this. I mean, I think your scenario is entirely plausible, but if it did happen that way, to me it would be such an open coup that I wonder if they have the guts to try it. But yet, apparently given the other things they've tried – you know, lying us into war and everything else they do – I guess they probably wouldn't hesitate. Well, if people want –

STOCKMAN: Tom, I can say on that: don't underestimate the capacity of those people down there to rationalize and spin and turn black into white and up into down. It's amazing what they can convince themselves of, including right now; look at this whole Russia thing. Who has presented one transcript yet of an intercept that shows somebody engaging in treasonous conversations with the Russians either before the election or after? It's ridiculous. There is no evidence there. And yet you can't find many people in Washington that doubt there was a massive Russian intrusion in the last election.

So I think they're capable of believing anything that's politically expedient at the moment, especially as the mainstream media just hammers and hammers and pounds away at a theme – and that's what they do. They're not a news organization anymore; they're a prosecutorial arm of the deep state or the establishment, however you want to describe it. And once they start hitting the points in the indictment, it becomes very hard to refute and shake off. And that's where I think we're headed.

WOODS: Well, if people want more David Stockman commentary, where do they go?

STOCKMAN: The best place is my daily comments in David Stockman's Contra Corner. I publish every day 1,000 to 2,000 words on topics like these as they become salient on the short-term basis, but I do it in the context of history and in the context of a free market, libertarian philosophy, noninterventionist philosophy. So it's a different angle on things than you're ever going to see in the mainstream media.

WOODS: Well, DavidStockmansContraCorner.com is where people should go; I'll link to that also at TomWoods.com/927. And we'll just wait and see, David. It's a bold – very bold prediction, I think. I know you think it's a slam-dunk. I think it's a very bold prediction, and we'll just see what happens. Thanks a lot.

STOCKMAN: Okay, we'll come back and review the outcome if and when we get there.

WOODS: Exactly. We'll see which one of us will be in sackcloth and ashes on that day.

STOCKMAN: [laughing] Okay.

WOODS: All right, thanks, David.

STOCKMAN: Thank you.