



Retirement *Lifestyle*
Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Lawrence (Larry) Reed

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Dennis Tubbergen:

Welcome back to RLA Radio, I'm your host, Dennis Tubbergen. I have the pleasure again today of talking to returning guest, Mr. Larry Reed. Larry is the president emeritus of fee.org, that is the Foundation for Economic Education. Prior to serving as president of FEE, Larry was also the president of the Mackinac Center for Public Policy for 21 years. When he was last on the program in May I chatted with him about his excellent book, "Was Jesus a Socialist?" I'd encourage you to check that out and you can read everything that Larry writes, and he is a prolific author a www.lawrencereed.com. Lawrence is L-A-W-R-E-N-C-E W Reed, and Reed is R-E-E-D. So Larry, welcome back to the program.

Larry Reed:

Thank you, Dennis. It's a great pleasure to be with you again. Thank you.

Dennis Tubbergen:

Well, I'd like to talk a bit about your recent article titled, How Woodrow Wilson Persecuted Hutterites Who Refused to Support His War. And I learned a bit from your article, I've never been a Woodrow Wilson fan because I'm not a big fan of The Federal Reserve. And Woodrow Wilson actually made some promises during his campaign about liberty and how liberty has never come from the government. And then he got elected and did exactly the opposite as to what he said he would do during the campaign, imagine that a politician that didn't do what he said. Could you expand on that a little bit?

Larry Reed:

Yeah, I'd be happy to, although it's a very sad story. Woodrow Wilson was not the first, nor would he be the last politician to promise one thing and do another, but in 1912, he was in a four-way race for president of the United States against Teddy Roosevelt, who had served previously for eight years and then was out of office for four. And then another candidate in the 1912 contest was the incumbent, William Howard Taft, and then there was a third-party candidate that ended up getting 6% of the vote. So it was a four-way race, Wilson won with 42% of the popular vote and he promised that, as was the tradition of the democratic party up to that point, that he would be a defender of liberty. He said during the campaign, in fact that the history of liberty is the history of the limitation of governmental power, not the increase of it. But then he presided over, in two terms, the most repressive anti-liberty presidency ever in The White House.

Dennis Tubbergen:

Larry, let's just expand on that a little bit because the story of The Fed literally ... The Federal Reserve Act, I believe was signed into law by Mr. Wilson in 1913, and I think it was right around the Christmas holiday. Can you expand on that a bit?

Larry Reed:

That's true, it was passed in 1913, before the first year was up of his first term and it had been percolating quietly for some time. There were people, very prominent people who had been advocating for a central bank, but the average American didn't feel the need for one, but that was shepherded to fruition with the signing of The Fed into law by Woodrow Wilson. It cartelized or monopolized the banking system by putting The Fed, and the government central bank at the top. It didn't do away with private banks obviously, but now they would have to sing out of the same hymn book, in so many ways. It became an engine of monetary and credit manipulation and inflation, and it was the principle cause of not only The Great Depression that began in 1929, but of most of the recessions we've had ever since.

Dennis Tubbergen:

And Larry, a couple of years ago you were on the program and we talked about your article titled, I believe, Great Myths of The Great Depression. And just as a side note, because I want to get back to Woodrow Wilson, but as a side note, can you just briefly expand about upon how federal reserve policy, because The Fed is, or should be dominating the headlines now given just the massive amounts of money creation that's taking place. But can you just talk very briefly about how you've concluded that The Fed was the primary culprit in causing The Great Depression?

Larry Reed:

Yes, as a matter of fact, that is not only my conclusion, it was even the admission of a former Federal Reserve Board of Governors chairman, Ben Bernanke a few years ago when he turned to economist Milton Friedman at an event I attended, I saw him talk about this. And he said, "Yeah, you're right, we caused The Great Depression and we didn't mean to, but we won't do it again."

Larry Reed:

But The Federal Reserve in the 1920s set the stage for the sharp downturn that we call The Great Depression by expanding money and credit over about a five-year period from '24 to early '29 by about 66%. And most Americans remember from their history that that was the period of the roaring '20s. We had a boom, we had a bubble, in fact, in things like the

stock market. It was all fed by the easy money, the driving down of interest rates by The Fed creating money out of thin air, and for a time we all felt that, "Hey, this feels pretty good." It was like the drunk at the party who's drinking like a fish, he feels pretty good for the moment, but the hangover came in late '29 and then lasted for a decade after The Federal Reserve induced bubble burst.

Dennis Tubbergen:

Well, and when you get back to Wilson, he was very anti-liberty. Your article points out that in addition to basically creating The Federal Reserve and he also signed prohibition into law, which obviously that's an infringement on liberty, not that everybody drinks or should drink, but certainly that was something that he did, which infringes on personal liberties as well as other things. Can you expand on that a bit?

Larry Reed:

Yeah, he was really quite the nasty fellow. He re-segregated the federal government. He was personally a supporter of the science of eugenics, and I say science in quotes because a lot of people think it's just a fraudulent racist based view of humanity. He imposed all kinds of economic controls on the economy, he squashed civil liberties. The article you referred to concerned, the Hutterites. I thought this was one of the most egregious violations of personal liberties that Woodrow Wilson was ever responsible for. The Hutterites were an Anabaptist sect of Christian faith, living in their own self-sustaining farm communities, and mostly the Dakotas. And one of the articles of their faith was always a kind of radical pacifism. They did not believe in taking up arms. They live peacefully until Woodrow Wilson imposed the draft, of course, along with the consent of Congress in 1917. And boy, the Wilson administration went after the Hutterites like you wouldn't believe, jailing them, subjecting them in induction facilities, so all kinds of abuse and torture.

Larry Reed:

There were four Hutterites in particular who were summoned to the induction center in Washington state, and two of them ultimately were killed in prison by federal authorities by the way they were treated. And Wilson never said anything about it because he thought it was the duty of every American to serve the state, even if they disagreed with the war, even if it was a religious based conscientious objection. And the treatment of the Hutterites was just absolutely unforgivable.

Dennis Tubbergen:

You know Larry, and to just maybe draw a modern parallel, and you can certainly disagree with this, but it seems that anyone that disagrees with the narrative that is being promulgated, to use that term, by the mainstream media today, there's a lot of intolerance that exists today. And you can comment on that, but it seems that this has been going on for a very long time.

Larry Reed:

Oh, yeah, intolerance is one of the central features, although they never trumpet it publicly, of the progressive agenda. Wilson was a progressive icon and still is to a lot of progressives. These are people who believe in a kind of moral relativism, the end justifies the means, that if you just put the right people in charge of society, armed with political power, you can run society better than private free individuals can. So they will do almost anything, many of them, to put themselves in power and push other people around, and so Wilson was no exception.

Dennis Tubbergen:

And you mentioned also that Wilson had no qualms about jailing people that he disagreed with. You can expand on that, but there's certainly a faction of the far left presently that is echoing a similar sentiment for anybody that disagrees with the current agenda.

Larry Reed:

Oh yeah, it's intolerance writ large. In fact, when you look at those of a leftist or socialist or progressive perspective, you find that they don't have a laundry list of helpful tips and suggestions that they want to convince you to embrace. They really have an agenda to impose what they think is right on everybody else, that's why I say that socialism, a core tenants of the progressive agenda. Socialism is defined by the use of force. If it's voluntary, it's not socialism. So from the left, you have this enduring and deep seated intolerance that shows up in every way. I mean, they are not about peaceful cooperation and voluntary collaboration. They are all about the concentration of power in the hands of the state for the purpose of taking charge of other people's lives.

Dennis Tubbergen:

And Larry, getting back to your article on the Hutterites, it seems that a lot of these people just said, "Look, we're going to leave." If I read your article correctly?

Larry Reed:

That's right. There were almost 11,000 Hutterites, mostly in the Dakotas at the time of Woodrow Wilson's presidency. They had settled there over generations being persecuted in Europe. And they thought they found a place where they could be left alone, but Woodrow Wilson interrupted that. So with this persecution, and the death of the two Hutterite men I mentioned in federal prison, then almost the entire population of American Hutterites, nearly 11,000 people pulled up stakes and went to Canada.

Dennis Tubbergen:

Well, the clock tells me, we are out of time for this segment. My guest today is Mr. Larry Reed. You can read everything that Larry writes at his website, lawrencereed.com. If you're just joining us, Lawrence is, L-A-W-R-E-N-C-E W Reed, Reed is R-E-E-D, so it's lawrencereed.com, and I will continue my conversation with Mr. Larry Reed after these words.

Dennis Tubbergen:

I'm Dennis Tubbergen and you are listening to RLA Radio. My guest today is Mr. Larry Reed. If you've been a time listener to the program, you may recall my interview with Larry back in May, when I chatted with him about his book, *Was Jesus a Socialist*, a terrific book that is available I'm sure at Amazon, I'd encourage you to pick it up. You can also read all of Larry's current articles at lawrencereed.com, I'd encourage you to check that out as well.

Dennis Tubbergen:

Larry, we've been chatting a bit about the article you wrote, how Woodrow Wilson persecuted the Hutterites, who refused to support his war. And in the last segment, we talked about the fact that while campaigning as being a champion of liberty, Mr. Wilson actually imposed prohibition, he signed The Federal Reserve Act into law, and actually persecuted a group of pacifists known as the Hutterites. So based on that, a not very illustrious legacy, in my view. Is the legacy of Woodrow Wilson still hanging around? Is it still impacting or influencing politics today?

Larry Reed:

Unfortunately, it is Dennis, maybe more than any of us might imagine. Keep in mind that when he became president in 1913, having won the election in 1912, he was the first Democrat to occupy The White House since Grover Cleveland back in the 1890s, in between you had three Republican presidents, William McKinley, Teddy Roosevelt, and William Howard Taft. Well, it's amazing when you think back that we had Grover Cleveland, who was one of the most limited government, pro-freedom best of the Democrat presidents in our history, I think. And then the next Democrat president, Woodrow Wilson, is the worst in our history, what happened?

Larry Reed:

Well, you had the rise of the progressive idea in the interim there in the late 1890s, early 20th century, the idea that, "Hey, we just need to centralize power in the hands of a smart elite in Washington and let them manage and run society." Well, that philosophy essentially had taken over the democratic party and Woodrow Wilson was its first practitioner in The White House itself. And that philosophy has deepened and been the governing philosophy of the democratic party ever since, the notion that bigger government is always better government and you just put the right people in charge of concentrated political power and all kinds of magical things happen. So what we ended up getting of course is massive growth of regulation, of spending, of debt, of intrusiveness of the federal establishment, it really goes back more than to any other single person to Woodrow Wilson.

Dennis Tubbergen:

And when you just look at how The Fed came to be reading The Creature from Jekyll Island and other historical accounts, JP Morgan and John Rockefeller were very influential in getting that act written several years before Wilson signed it into law, which kind of provides some evidence that we've got some elites, some very influential people that are steering politicians using whatever means they use in the direction they want them to go. And certainly that particular phenomenon has not gone away, if anything it's intensified.

Larry Reed:

Yeah, and the counterpart to the JP Morgan's of that era would be today's tech giants. So social media giants who lean decisively to the left and are using their progressive credentials to try to silence differing opinions, to favor those who support their political agenda, it's the same old story. There is one motivation in human behavior that I think is as destructive as any other, if not the most destructive, and that is the lust for power, to be in charge, to push people around, to be near the pinnacle of power and the

glitz and the glamour and the limelight that comes from being in power or close to it. Well listen, it's the same old thing we've been fighting this for centuries, for a millennia, as a matter of fact, the desire of some to run the lives of others, and then the desire of everybody else simply to be left alone.

Dennis Tubbergen:

So Larry given where we are today, I mean, in my view, we are, as we record this, we are at a significant crossroads. How do you see Woodrow Wilson's legacy impacting our lives or the society moving ahead, or has enough happen that you think that we're ready to do an about face from that?

Larry Reed:

I sure hope so, Dennis. We've had a century now of all kinds of experiments in government spending in depth and intrusiveness in our lives, from the welfare state, to the regulatory state, the deep state, the administrative state, all those things are creatures of Woodrow Wilson and his progressive ideology, and they haven't worked out very well. I mean, to the extent we are still doing well as a nation is not because of the progressivism or the socialism that our politicians have given us, it's because of the freedoms and the capitalism we haven't yet destroyed. If we go full measure and put these elitists in charge of every aspect of our lives, which many of them want us to do, then America as we know it will cease to exist. I think Americans need to come to their senses and realize that this is not a sustainable path for either economic solvency or their personal liberties, so I remain optimistic that there may be future events or personalities or ideas that all come together and maybe reverse this destructive trend, but it's been going on pretty much uninterrupted for a hundred years.

Dennis Tubbergen:

Well, if you're just joining us my guest today is Mr. Larry Reed. He is the president emeritus of The Foundation for Economic Education. Prior to serving as the president of FEE, he was also the president of The Mackinac Center for Public Policy for 21 years. And Larry, I know you talked to a lot of people, but in particular, you do a lot of speeches and you speak to groups of people and often young people, there seems to be a bit of a gap, at least from my perspective, that the millennials seem to be really leaning more towards socialism, and that's obviously painting that with a broad brush. And then you've got people that have experienced maybe the better parts of capitalism, that are taking the opposite side or the opposite approach. So as you're talking to people, how do you sense that the millennials view socialism and the younger people? Do you think that there is some seed or some hope that maybe we get back to a true form of capitalism?

Larry Reed:

Well, because most millennials are, or have been recently students of government schools where they get a generally sympathetic view of big government, they do tend to be more sympathetic today than they were say, 50 years ago to a kind of socialist agenda. But the good side of that is it's kind of skin deep. You'll find quite often that the same millennials who say, "Oh yeah, I think socialism is a good idea." You talk to them a little bit and he discovered they also like entrepreneurship, they admire people who take risks and create enterprises, some of them want to start their own businesses, all of which is incompatible with socialism. So I think they've been sold on socialism from a very superficial perspective. They've been told often by their teachers that socialism is just caring and sharing and doing good things for people, relieving them of responsibilities, taking charge to make them have a better life. And so if that's the way it's defined, how can you be opposed to it?

Larry Reed:

But as they get older, I think they're going to realize that, "Hey, this stuff does cost something, I'm paying for it and now I'm having to repay the debt that previous generations put on my shoulders and suffer all the other consequences of this concentration of power." So I have great hope that the millennials of today with a little time and experience will shed some of these socialistic leanings and hopefully change our education system someday too, so it's a more fair to different perspectives.

Dennis Tubbergen:

You know Larry, I guess we've got a few minutes left here, and when you look at, getting back to The Federal Reserve, which we'll blame Woodrow Wilson since that's the topic of our conversation today, but certainly The Federal Reserve has continued to create monetary policy that's just getting crazier and crazier. The third quarter of this year, I think, China and Japan, which at one time had a voracious appetite for US government debt, combined bought a total of 2 billion. At the same time The Fed bought \$240 billion of government debt, and of course they just created money to do that. That trend cannot continue forever, so in your view, what does this breaking point look like? And might that be the catalyst for some of these changes we've been talking about?

Larry Reed:

It could be, and at some point there will be a breaking point unless we come to our senses in the meantime and choose to reverse policy. And part of that in my book would be to get rid of The Fed altogether. That seems pretty unrealistic politically at the moment, but it could happen given the right circumstances, if there's a widespread awakening at some point among Americans that, "Hey, this Federal Reserve thing has done a pretty lousy job." There can be big change, I hope that'll happen, but I can't think of another federal agency that has more fully failed the promised benefits that we were given than The Federal Reserve. We were told that if we create it, it will iron out the business cycle. It will preserve the value of the dollar. It will maintain full employment, and yet it's produced a one Great Depression, nine or 10 recessions and a currency that's worth about a nickel of when they started. So it's been a manifest failure, now the problem is getting Americans to realize it .

Dennis Tubbergen:

Well, unfortunately, we're going to have to leave it there. My guest today has been Mr. Larry Reed, he is the president emeritus of The Foundation for Economic Education. I'd encourage you to check out his writings and his work. You can do that at lawrencereed.com. And Larry always a pleasure to have you on the program, thanks for taking time out of your schedule and wish you a Merry Christmas.

Larry Reed:

Thank you, Dennis. Merry Christmas to you and also to your listeners.

Dennis Tubbergen:

We will return after these words.