



Retirement *Lifestyle*
Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Jeffrey A. Tucker
Brownstone Institute

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Dennis Tubbergen:

Welcome back to RLA Radio. I have the pleasure of chatting once again today with returning guest, Mr. Jeffrey A. Tucker. Jeffrey is the founder and president of the Brownstone Institute. You can go to brownstone.org and learn more. Jeffrey's also the author of many thousands of articles. He is the editor of The Best of Mises, and he writes a daily column on economics at The Epoch Times. Jeffrey, welcome back to the program.

Jeffrey Tucker:

Dennis, it's always great to be here with you. Thank you.

Dennis Tubbergen:

Well thank you for joining us, I know you're a very busy guy. Jeffrey, at brownstone.org you have published a number of articles. You're a prolific writer, and you talked a bit about the health of the labor markets. I can tell you in the small business that I'm a part of here in West Michigan that we're having the same labor market struggles as many businesses across the country. What's your take on why we are where we are?

Jeffrey Tucker:

Yeah, that's a big question, but let's just observe the data in the first place. The Biden administration is bragging about all these great new jobs that are being created. I forget the numbers now, like 520,000 or something absurd. And so, you compare that to the labor participation rates and worker population ratios, and what you see is a dramatic fall in just the sheer number of people who are working, or on the job market at all. So yes, unemployment is at 3.6%, but that's just the people who are on the market. The greater mystery is people who are out of the market. So, there's a huge labor shortage in certain kinds of labor and a big surplus in other kinds of labor, and we can talk about what that means.

But you only have to use your intuition. How does this happen? That we have fewer people working but far more jobs. And the answer is that people have given up full-time jobs to take two or three part-time jobs. And that was my supposition. I went in, dug through the data, and that turns out to be absolutely true. People are scrambling to make up for the loss of living standards, and the devastating consequences of this inflation that's happening that you and I have been predicting for years, and just trying to pay the bills. So, there's two things happening; they're taking second jobs working nights and weekends, and then also going deeper in debt on their credit cards. So, this is creating a huge problem in the labor markets. You in your little introduction there hinted that you're experiencing that in your own

business. I think I know exactly what you're referring to; you can't get anybody to do work that needs to be done.

Dennis Tubbergen:

You're exactly right.

Jeffrey Tucker:

Yeah, you've got a lot of things that need to be done, and you put out job descriptions. You get a thousand people who reply to apply for the job. None of them show up to the interviews, and most of the applications are not really suitable for what you're going for, because you're looking for people with skills and it's just a mystery, and people are starting to panic. And if you're worried about it, I'm worried about it, everybody's worried about it, finding people on the market looking for jobs that will have skills and want to do work in exchange for payment turns out to be extremely difficult now. And we've never seen anything like this in our lifetimes. We've never seen anything like this.

Dennis Tubbergen:

So, Jeffrey, what's the core problem here? I mean this just seems to me, and I haven't looked at the data like you have. I just talk to a lot of people that are business owners that are experiencing the same thing. How long can this be sustained? I mean, how long can people just stay out of the labor force?

Jeffrey Tucker:

It's completely unsustainable, and it's going to drive the recession. This is what I don't think people really understand, and I don't think there's anybody who really seriously doubts that we're in a recession. We are in a recession. The housing starts, this morning proves it. Past two quarters have declined in GDP, so we are in a recession. But if you can't find people to do work for you, you are going to be less productive. And I wrote an [article the other day examining the labor productivity data](#), which truly in our lifetimes and in our parents' lifetimes and their parents' lifetimes, we've never seen such low labor productivity ever, in the history of this data. That's calculated by looking at output compared to the number of worker hours that go into it, and it's just falling off the charts. So, you keep asking the question why, and I keep delaying answering it.

Dennis Tubbergen:

By the way I did notice that.

Jeffrey Tucker:

Yeah. Well, it's because it's so complicated. And so, weighing out these factors, this is where you get into, I think theory or speculation rather than data. There are demographic changes. People have moved all over the country. We've seen the biggest, largest upheaval in migratory demographic trends that we've seen probably since the 1880s or something like that; it's just been huge, with people just fleeing, basically fleeing lockdowns and fleeing, I mean in broad terms, blue states for red states, or worse blue states for better blue states, or cities for suburbs and so on. So, there's that.

There's also the fact that lockdowns prompted a lot of people who were on the verge of retirement just, they all, "Phooey. I'm just going to give this up and live off my 401(k)." There's that factor. There's a huge element of number of women who have left the workforce because they were unable to find childcare. Once the economy opened back up again, they had already dropped their jobs to take care of their kids at home and become home schoolers; the thing that used to be banned which has now suddenly for a couple years became mandatory in many states. But childcare was shut down too during the pandemic and didn't recover from it, so if you can't get childcare then you can't go back to work. So that's a huge factor.

There's also Dennis something else, and I think your listeners and you will understand what I'm talking about it. I'd say you can't see it in the data. There's an element of demoralization that I think explains the remaining balance of this whole problem. People have generally lost ambition. They've given up the idea of progress. You look at the University of Michigan consumer sentiment, we've never seen it this low ever; ever recorded, it's never been this low. And that is also worker sentiment, because all workers are consumers, so it all goes together. People have just lost the sense of hope, vision, and progress. In other words, we've got millions of people in this country that have just decided to say, what's the point? What's the point?

And you might say, well that's ridiculous. People need money to pay their bills. Yeah, they do, but there's plenty of societies that are poor simply because they don't have a culture of progress, a culture of work, a culture of the work ethic; and that's what seems to have undergone such a dramatic change in the last year. And I will add though that it was like the lockdowns unleashed a kind of beast that was already present in the American public, with young people getting degrees that cost \$200,000 and teach them nothing. Young people also left the workforce when they're young, so they don't have any skills. They get out into the marketplace; they think they're

going to get a job being a literary critic or whatever it is that they think. So, people lack skills, and they don't have a work ethic. And so, when lockdowns came, there's a whole generation of people that just thought, well, I guess this is all pointless and money is for nothing, and I don't have to do anything anymore.

So that, what I'm calling the sort of demoralization of the American worker I think is the final explanation for this happening.

Dennis Tubbergen:

So, Jeffrey, would it be your view then, just listening to you, that a lot of these problems really existed, a lot of these trends maybe existed prior to the lockdowns, but the lockdowns would be the proverbial straw that broke the back of the camel. Is that a fair assessment of what you just said?

Jeffrey Tucker:

That's the exact metaphor I was going to use, and it's a good one. It's overused, but it explains everything. So, we had a vast mountain of problems already in place, and the lockdowns just kind of tipped it over. It took every terrible cultural, economic, political trend we had in American life, and intensified it by a million-fold, and that's what we're dealing with right now. And you look at the data all the time, you study this stuff all the time, and you know the feeling of just suddenly going into a wild brain fog because it's impossible to keep up with the sheer number of problems, whether it's the labor markets or the inflation or the housing market, understanding whether the latest rallies on the financial markets are real, how long are they going to go on. Looking at the astronomical numbers in congressional spending, where it seems like every two weeks, they've passed another bill that has weird numbers on it, like 200, 500, 700, 800 billion. All these problems are linked, and they all trace back to kind of a rock that was already present; but it was all revealed with the lockdowns.

Dennis Tubbergen:

So, Jeffrey, we at the beginning of this segment talked about the fact that this is not sustainable. so how does this whole situation reverse itself in your view?

Jeffrey Tucker:

Well, I think we're probably going to... oh, reverse itself, you mean fix itself?

Dennis Tubbergen:

Correct.

Jeffrey Tucker:

Ah. Well, you know look, the fix is not hard to imagine, it's just hard to implement. I think we need to get back to constitutional government, we need to have a congress that's frugal. We need money that is sound. I had the great fortune last week of going to my mother's personal effects, she's being moved to assisted living, and she had a big bag of coins that we kept in the family, my father collected, and she hadn't opened it in 25 years, and it was glorious. I mean, rifling through all the gold and silver there, I thought this is the essence of the man, who my father was; he trusted only things that he could really believe in that were true, that had long-term value, and he believed in sound money.

And here's the thing, Dennis. This country used to believe in sound money. We used to believe in real things. We used to believe in independence and human liberty, and restraints on government. And with that came the gold standard, and people living good lives, and putting off current consumption for future investment. All those things we associate with bourgeois society, that's what this country used to be. And I was sad going through that big, huge bag of coins, because sometimes it's easy to forget that that's who we were. That's how we lived. We believed in truth and integrity, in all of our personal lives and in our institutions, in governments, in banking, in finance. And the truth was primitive. And that's not a myth, it's not a story, it's not some sort of movie. That was the way life really was. And we've come so far away from that at this point.

My hope Dennis is that the disaster of our times and all the trauma we've been through is going to shock enough people in this country to lead to a dramatic change. I don't mean small little reforms, oh, elect the republicans and they do this or that. I mean we need to seriously rethink where we're going as a country, what we left behind, and where we want to go in the future; and it needs to be foundational, and it needs to be fundamental.

Dennis Tubbergen:

Well, my guest today is Mr. Jeffrey A. Tucker. He is the founder and president of the Brownstone Institute. I would encourage you to check out the excellent work the Brownstone Institute does at brownstone.org. I will return after these words and continue my conversation with Mr. Jeffrey Tucker.

Dennis Tubbergen:

Welcome back to RLA Radio. My guest today is Mr. Jeffrey A. Tucker. If you're just joining me, Jeffrey is the founder and president of the Brownstone Institute. The website to check it out is brownstone.org. Jeffrey is also a prolific author; his most recent book, *Liberty or Lockdown* I would encourage you to read, I have done so. He's also the editor of *The Best of Mesis* and a daily columnist for *The Epoch Times*. So, Jeffrey, let's just jump in where we kind of left off in the last segment. You were talking about we really need a frugal congress; we need sound money. To use another metaphor, you're preaching to the choir there when talking to me about that. A frugal congress just, it seems like fantasy. I mean, we have this inflation reduction act, which in my view will do nothing but create more inflation. You don't get inflation under control by spending more money you don't have. So, I mean, how does this whole thing reverse? How do we get a frugal congress? Is it going to take just a devastating crisis to ultimately get there?

Jeffrey Tucker:

We've been working on this whole issue of frugal congresses now for decades, and decades, and decades. You remember all the balanced budget amendments, and this, and this, and this. And why doesn't it happen? And I'll tell you why; because the Federal Reserve gives congress blank checks that do not bounce. That's the reason. I mean, think about, you have a son goes off to college, right? And you give him a credit card and say, "Don't spend too much." "Well, what happens if I spend too much?" "Nothing." "Oh, so there's no downside to spending this on whatever?" "No, no, no. I'm just telling you go easy on things." What's going to happen? That's the congress, right? They've got unlimited amounts of checks they can write, and the Federal Reserve is always going to be there.

And just to quickly explain how this works, the Fed's always going to be there to buy the debt that the treasury makes to fund the congress, and they buy that debt with newly created money, and they can do with that newly created money what they want. They can stick it in the vault like they did in 2008, or they can put it hot on the streets like they did in 2020. It creates massive inflation in 2021. It doesn't matter. We'll never be able to get congress under control until we can control that. And you only need to think about the way state governments work, right? State governments have to balance their budgets. They have to, and they can't just float bonds that don't have a risk premium associated with them. We know this. So, if we could get the federal government to operate the same way as state and local governments do, we would be able to restrain spending because the money wouldn't be there.

Dennis Tubbergen:

So, Jeffrey, when you take a look at where the Fed is presently, just to go down that path a little bit further, we have inflation at levels we haven't seen in four decades. This reckless policy that the Fed has been pursuing is now really putting the pinch on every income, but certainly lower income Americans are really feeling it as you indicated in the first segment. People are adding debt to their credit cards, and I think credit card debt this year earlier doubled from February to March if I recall. So, I mean, we're in this situation that the Fed's really painted into a corner. They have inflation that is running really hot, interest rates really can't be raised to the point that they would need to be to get inflation under control as I see it. Are we really near the end of the road here for the Fed, and what's your take?

Jeffrey Tucker:

So recently the inflation data gave the... what's pulled back in some sectors went up in others and depending how you weighted it looks like it's flat relative over 30 days, which only Biden calculates inflation that way. We usually calculate it year over year. But the point is, the propaganda gave Fed an excuse to cut back on it, war on inflation. So that gives them opportunity between now and the midterms to just kind of don't do anything. And maybe they're going to experiment with 25 to 50 basis points again, which isn't going to get us anywhere.

The problem Dennis is that since March of 2020 up to now, the Federal Reserve created this measure by M2 6.3 trillion brand new pieces of paper, okay? So that's a problem. These papers are like little pathogens. The more of it you print, the higher prices go, but how that happens and where that happens is really up to the patterns of circulation. So, we saw it hit food, then it hit energy. It pulled back in energy, went to housing. Then it goes from housing to electricity.

And I think, and this is my theory, and you can agree or disagree, but one of the things the CPI, which is consumer price index, and the PPI, producer price index, do not measure as the price increases is the increase in financials, but those are prices just like the price of eggs. The price of Microsoft stock is just like the price of gasoline. They're all prices. So, we could see the inflation migrate out of some sectors over to the financial markets, and that could entirely account for what we're seeing as the end of the bear markets and the beginning of what seems like a bit of a recovery we're seeing in financial markets. So, I'm telling you is, it very well could be that this is not based... in fact we know this, it's not based on genuine value. It's not based on foundations; it's not based on fundamentals. It could just

be another way in which inflation is expressing itself; in this case, it's not measured properly by the government, but newly printed money doesn't care how you measure it. It's still going to find a home, and it's going to become endemic.

So, this stuff that we call new money is an absolute poison, and it's still out there. And it's hard to put numbers on this, but I would say we've seen maybe 10, 15% of the effects of what they did over the last two years. We've still got a long way to go to observe the way this damage takes place.

Dennis Tubbergen:

Jeffrey in the time we have left, you wrote a piece recently titled [A Deeper Dive Into the CDC Reversal](#), and I wanted to just touch on that with you in the four minutes or so that we have left.

Jeffrey Tucker:

Sure.

Dennis Tubbergen:

Give the listeners maybe that aren't familiar with what happened just a brief overview, and why did it take so long?

Jeffrey Tucker:

Well, there never was an exit strategy from lockdowns. Initially they said you have to lock down because you're going to spread the pathogen and we don't want that, we want to slow spread, stop spread, get rid of the virus. Okay, that was never viable, it was never going to happen. The virus had to become endemic, and we had to at some point recognize human beings are human beings. We have to go to baseball games, and movies, and restaurants, and travel, and that sort of thing. So, what you have right now, and also the CDC's war on the virus flopped; it utterly completely failed, and we've known that for at least... we've known that for more than three years, but it was definitively proven in December of 2021 when everybody got sick. And then Biden got sick, all sorts of people got sick, and all the senators got... and even the head of Pfizer Pharmaceuticals just came down with COVID a couple of days ago despite his four jabs.

So, you've got a problem, CDC has been completely discredited, and they finally came out with a very carefully worded statement saying basically, everybody go back to normal, we don't need to distinguish between the vaccinated and unvaccinated, you can travel around, can do whatever you want, don't get tested unless you're sick. No kidding. So, they

granted everything, in this basically turgid, strangely stated way of restating the Great Barrington declaration. That's all the CDC said.

Well, if anything, that statement has unleashed massive public anger. You just have to ask yourself, why did we do this to ourselves, and to our country, and to the world? Why did we embark on this insane millenarian project to get rid of a virus as if governments can somehow outsmart the pathogenic world? It's insanity. It's even slightly crazier than believing that the governments can somehow control the climate. So, yeah, right? So, this all happened the other day, deeply embarrassing for the CDC, they have egg on their face, but they had to say something. They couldn't continue this charade forever. They had to admit finally reality, without ever admitting of course that they were wrong.

Dennis Tubbergen:

So Jeffrey, do you see that we'll ever go back down that road again? I mean, there's monkeypox is making the news, and my worst fear is that we make these same mistakes again. What do you think?

Jeffrey Tucker:

You're right to fear that, and the reason is that there's so many people that made money off the last scam that they're going to try to pull it off again. And instead of getting rid of the bureaucracies, they're doing the opposite. They are enhancing them, funding them more, centralizing them more; they're going to try to make federalist solutions like we saw when South Dakota, and Florida and Texas opened up, they're going to try to make that impossible in the future. So, they're setting up everything. Everything is in place for new rounds of lockdowns and surveillance, and just this dystopian nightmare that you see in China today. That's what they want to do with us. That's what they want to do to the country. Whether they're going to be able to get away with it is another thing.

I really feel like... I don't know. We really are at a turning point in American history. We really do need to ask ourselves what kind of country we want to be, and if we want to be a country of laws and the constitution and believe in freedom, and have a bill of rights and all that sort of thing that we sing about every fourth of July, we're going to make some dramatic changes; and that's going to require defunding the public health bureaucracies, getting rid of the CDC, starting to really tear apart this administrative state apparatus that's been ruling our lives for the last year. We can never go back, but that, I think you put your finger on it. This is the

great struggle. Are we going to do this forever, or are we going to take a different direction?

And the truth of the matter is that the answer to this question will affect every single person's life, which is why it's the moral obligation of every American to throw himself or herself into the intellectual battle right now. We have to have this conversation, and we've got to get loud, we've got to get noisy, and we've got to make it impossible just by the sheer force of public opinion to ever let this happen again.

Dennis Tubbergen:

Well, that's a great place to end our conversation. My guest today has been Mr. Jeffrey A. Tucker. He is the founder and president of the Brownstone Institute. You can go to brownstone.org to read Jeffrey's work, and there are many, many terrific contributors. I would encourage you to check out the website. Jeffrey, always a pleasure to catch up with you. Thank you for joining us today. I'd love to have you back for an update down the road.

Jeffrey Tucker:

I appreciate it so much, Dennis. Thanks so much for having me. All the best to you.

Dennis Tubbergen:

You as well. We will return after these words.