Transcript

The Bill Walton Show

John Tamny and Steve Moore

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Bill Walton: A central theme of this show is that we need to bring about policies in a culture in ways that foster human flourishing. One of the big things to get right is robust economic growth that creates opportunities for everyone. Yet, today you see more and more headlines telling us that the promise of faster economic growth has become a study in the triumph of hope over experience, or if Trump thinks he can get 3 percent economic growth, he's dreaming. What about no or slow growth is the new normal.

Well, I do not think it has to be, and there are a lot of things we can do to return to the growth rates that America has enjoyed in the past. What's at stake for an ordinary American, to borrow a word, is huge. If annual economic growth is 4 percent instead of 2 percent, family income can practically double in 18 years from $56,000 to over $100,000. At 2 percent it takes almost 40 years to achieve the same growth. It's worth the effort to get our economic policies right.

With me today to talk about this are Steve Moore and John Tamny. Steven Moore is a distinguished visiting fellow at the Heritage Foundation, previously a member and senior economics writer for The Wall Street Journal's editorial board, and the founder of Club for Growth. Steve is an expert in public policies that drive economic growth and is the author of several books on economics, including Return to Prosperity with Arthur Laffer, and It's Getting Better All the Time: 100 Greatest Trends of the Last 100 years with Julian Simon.

Welcome, Steve.

John Tamny is a senior fellow in economics at Reason Foundation, a senior economic advisor to Toreador Research and Trading and editor of RealClearMarkets.com. John frequently writes for The Wall Street Journal, Investors Business Daily, Financial Times, National Review and London's Daily

Telegraph. He writes about the securities markets along with tax, trade and monetary policy issue. He is the author of Who Needs the Fed and Popular Economics. He's a weekly guest on Forbes on Fox. His next book is The End of Laziness.

Welcome, John.

John Tamny: Thank you.

Bill Walton: Well, gentlemen, are the doomsdayers and fatalists right, or can we do better?

Steve, you want to go first?

Steve Moore: Sure we can. In fact, our history is to do better. The average growth rate for the last hundred years in the United States is 3 1/2 percent, so when Donald Trump says he's aiming for 3 percent and the Left hyperventilates, they're saying we can't even grow the low average, which is preposterous.

There are special challenges. It is true, Bill, that we are seeing ... We have 10,000 baby boomers retiring every year, so that's a demographic challenge, because it means more people are leaving the workforce, and there aren't as many millennials driving into the workforce, but I think that's a solvable problem. There's a hundred million people in this country over the age of 16 that are not working. Not all those people could be working, but tens of millions of them could. I think through greater labor force participation and the right tax policies, energy policies, regulatory policies and so on, you can dramatically improve productivity and get to 4 percent growth.

The only other thing I would mention right off the bat is a lot of people say, "Well, gee, we've had this long recovery. It's running out of gas." I'm of a totally different opinion. This has been a non-recovery for ... We've grown at 1.9 percent. Last year we grow at 1.6 percent. There has been, for half of America, there's been no recovery at all.

Bill Walton: Yeah, that's absolutely ..

John?

John Tamny: The idea that we can't grow above 3 percent is a truly impoverishing thought, and it goes back to something that we all know from Henry Hazlett's book, one of the great quotes of all time, "What is harmful or disastrous to an individual must be equally harmful or disastrous to the collection of individuals that make up a nation." All Hazlitt was saying is the economy's not some blob that we touch. It's just a collection of individuals. Can individuals grow much more than 3 percent a year? Obviously they can. How do you do that? You just remove or reduce the barriers to the natural desire among humans to produce.

Whatever one's ideology, an individual is not enhanced by higher taxes. An individual is not enhanced in growing more if more hours are spent complying with regulations. An individual is not wealthier if the dollar being earned is being devalued all the time. An individual can't attain more wealth if they're barred from transacting with people around the world. Growth is easy at much higher rates than 3 percent. It's just about freeing the individual.

Bill Walton: Our friend Tyler Cowen talks about four major components of growth. He talks about, there are four things you've got to have. Either growth in labor participation, growth in labor skills, growth in investment or innovation. How do you see those? How does this line up against what you guys were just talking about?

Steve Moore: That's all true. I think innovation is the driver of it all. If you have innovation, you'll get people into the workforce. If there's a demand for people to work, you'll find the workers, American will especially. Innovation comes from a lot of things. It comes from just human ingenuity. It also comes from businesses investing more in science and research and development and building more factories.

The Left is totally hypocritical here. Under Obama, every year Obama predicted we would get 4 percent growth. Did you know that, Bill? He predicted every single one of his budgets we'd get 4 percent growth. As you do know well ...

Bill Walton: I think I stopped listening after a couple of years.

Steve Moore: But the amazing thing is in ten years he never received 3 percent growth. All the people ...

Bill Walton: What was the average, 1.8, 1.9?

Steve Moore: The average growth rate was 1.9, and the last year was 1.6, which is pathetic. That's barely staying out of recession.

What happened, the economics profession has a lot of explaining to do. You have people like Larry Summers, who was the chief economist for Obama, who has coined this new phrase called, "Secular stagnation." That is exactly what we're talking about. We can't grow any faster. They're saying that because all of their ideas struck out. Massive increases in government borrowing and spending. Tax increases on the rich. Minimum wage increases.

The Fed just flooded the US economy with cheap dollars and zero interest rate policy. The left threw every possible page of their playbook at this recession, and none of it worked, and so now they're throwing up their hands saying, "Well, nothing works if what we proposed didn't work," and that's wrong. Our ideas, that the three of us believe in and Heritage believes in and I think Donald Trump for the most part believes in, will get growth to happen.

I'll just throw out one statistic. There were quarters under Ronald Reagan ... These same people, by the way, said Reagan's policies wouldn't work. We had quarters were at over 8 percent growth.

Bill Walton: I had this experience when I was running around the Capitol, the people would say, "What do you think about the economy, where it's going to go?" I said, "I can't really tell you much about the economy in general, because I'm not a macro-economist, and macro-economists generally don't understand much about the economy."

John Tamny: That's true.

Bill Walton: But I do understand entrepreneurs. I understand business models. I understand innovation and what people are doing to grow their individual piece of the economy. It seems to me like one of the big differences that we have that the other side is we believe in individual imagination, entrepreneurship, driving innovation and don't believe in these forces of nature.

There was a ... What was the piece in the Foreign Affairs that said we've got the three big Ds we're fighting now, de-population, deleveraging and de-globalization. These are all sort of Marxian forces in history that they're talking about. We're talking about individuals.

John Tamny: Always. Always about individuals. You break it down, you can then see why economic growth is blindingly simple. Individuals want more. Hence, they produce, so you reduce the barriers to production. What is the big driver is that people need to be able to invest. The capital gains tax is a tax, a penalty placed on investment success. There is no advance without investment. You need enormous failures. Silicon Valley, 90 percent of the companies there started this year will be dead by next year. That is called progress. We're growing less because we're investing less. If you remove those barriers, you're going to see massive growth, because individuals naturally can grow much faster than 3 percent. That is just too low of a number for what we're talking about.

Steve Moore: One of the interesting things about this debate is what people are calling the paradox of productivity. This is something that even puzzles me as an economist. Maybe you two have an explanation for this, but we are living in this digital age that is just exploding with incredible things, with automation, with 3D, photography, with incredible robotics and so on that should be dramatically increasing the productivity of American workers, but it's not showing up in the official statistics.

I have to confess, I'm puzzled by that. Why is it that these incredible innovations that we've seen in the last 25 years, the advent of the micro processor, one of the greatest inventions ever, aren't translating into higher growth rates. I do think if you look at what's going to happen in the next 10 or 15 years with automated vehicles, with robotics, all of these things, we have the potential to see productivity rates, Bill, that have never been recorded before in human history.

Bill Walton: Who was the economist several decades ago say, "You can see the impact of the IT revolution everywhere but in the productivity statistics."

Steve Moore: Exactly. It's puzzling.

Bill Walton: One of the things I wonder about is we talk about a number. We talk about 2 percent, 3 percent, 4 percent, and I think there's a lot of maybe rethinking about how you measure GDP and what it is and whether we're really capturing all the ... How fast are we growing if you've got an iPhone here that does 500 things more that 500 devices used to do 20 years ago.

Steve Moore: In every speech that I give I like to point out that in the movie, Wall Street, remember that movie, with Michael Douglas, he's got his cell phone, and it's like the brick with antenna coming out of, that had lousy coverage. It wasn't a Smartphone. It didn't have a GPS system, and that thing cost $4,000. That movie was only made 25 or 30 years ago. This indication, today they give the damn things away for free, and they're amazing machines. You're right, I don't think that's totally captured in these productivity numbers.

John Tamny: GDP is a near worthless statistic. We are talking about a number that if someone bombed Bethesda today and we rebuilt it, that would increase GDP. Government spending increases GDP. If you bail out your weakest companies and they produce more of anything, it will go up. That's why growth was high in China and the Soviet Union in the '70s, but anyone with an eye could see that there was no growth.

That iPhone that you just picked up would have been a super computer 10 years ago, worth millions of dollars, if the technology had existed to make it. These numbers don't come close to recognizing the dynamism in this economy, and what a waste of time that we create them the first place. I say part of the problem is economists and them creating these statistics that gives government a reason to act. People can grow. They just need to be free to grow.

Bill Walton: As we think of that translating policy here in Washington into some of these ideas, you've got a measurement system which is imperfect, GDP. You've got a static budget analysis. You've got a regulatory framework which looks backwards, not forwards. We've got 19th century regulations in a 21st century technology economy. We have a new president. How do you drive change here? Are there any two or three or four levers that we would want to focus on to make a big difference?

Steve Moore: Yeah. I'll focus on two that I've been working on with the Trump administration that I think are pretty vital. The obvious one is tax reform, just fixing our tax system. You couldn't come up with anything dumber than the way we tax our businesses. Seriously, we could sit around here and spend days trying to figure out something stupider than what we do in the United States. We have the highest tax rates in the world on our businesses. We don't even raise much money from it. It's incredibly ... You know this, Bill. You had to deal with it when you were a CEO

These things, there's so much dollars to be picked up by just fixing the tax system. We estimated, as you know, I helped Trump put that plan together. We estimate you can increase growth by one percentage point just from fixing the tax system.

The second one I'll throw out there is energy policy. This is something, by the way, Trump has exactly the right outlook on. Produce American energy. Because of the shale oil and gas revolution, we have the capacity to become the Saudi Arabia of the 21st century in terms of oil, gas, coal, nuclear power, all of this stuff. Use what works. Let the market determine what we're going to use.

Obama put in place regulations intended to kill the fossil fuels industry, because the Left hates fossil fuels, but we have more of this stuff than any other country, so we could, by my estimates, increase our output of energy by 150 billion dollars a year. That's close to one percentage point. Just there, those two things alone, could almost raise GDP by two percentage points, and I'm sure John has a lot of ideas that would raise it still further.

Bill Walton: Help me out there. How do you figure that out? You've got a policy. You implement it, and then you say it's going to increase productivity or it can increase output by X.

Steve Moore: Because we know how much oil there is. We're sitting on 50 trillion dollars of oil and gas and coal in this country, and a lot of it's been walled off by ... You talk about government regulations. Ninety-five percent of the drilling revolution that happened with the shale oil and gas revolution, 95 percent of that drilling happened on private lands, because the public lands was off limits. If you open up that public lands, you're going to see a huge boom in development.

John Tamny: My comment on that would be if you look at the two major oil booms in the last 40 years in the US, they both coincided with the weakest growth in US history, and I don't think that's by accident. I think fracking's amazing. I think the engineering is off the charts, but by their own admission, they can't extract this unless the oil is trading at 40 to 60 dollars a barrel. Maybe that number's dropped, but it's still fairly high, as in oil is only a good industry in the US when we are severely devaluing the dollar.

My take is that inversely you look at the best periods of economic growth, Reagan and Clinton. Oil was 10, 12, 20 dollars a barrel. US industry was on its back, yet we were booming. We let backwards countries provide us with oil, and we focused on the more advanced things, the Silicon Valley, the advances that no one else in the world can do. The reality is Equatorial Guinea can do oil. No one can do what we do technologically, and so my focus would be with Steve on tax reform. Taxes are a price. Reduce the price of work investment, all of that. Thank goodness Trump is for getting rid of the estate tax. That is hugely bullish for releasing a lot of risk-oriented capital in the marketplace.

The other thing is, and it goes back to the oil question, is a stable dollar. When the dollar is stable, there's a great deal more investment in the stocks and bonds representing future wealth creation. When the dollar is weak, there's a massive flow of investment into wealth that already exists, that's tangible. Tangibles did well in the '70s and 2000s. They got killed in the '80s and '90s. Stabilize and strengthen the dollar, and you will see an investment surge that will be stunning, and with that, economic growth.

Steve Moore: I agree with a lot of that. Look, my point is that the oil and gas shale revolution is a technological revolution. It's not as if God just overnight endowed America with all this oil and gas. It's that these wildcatters, these drillers, went out and figured out how to crack the code of getting at this shale oil and gas. We have more of it than any other country in the world. It's like saying ... Obama's idea was let's not use it. That's like telling Nebraskans not to grow corn. I think that this is a great opportunity we have as a country.

I'll just give one little example of the productivity revolution and how it can so change things. The other day I was driving down 95 South from Philadelphia back to Washington DC. It was late at night. I passed a caravan of about five trucks, and they were all riding almost like a train in the right lane. I passed by them. Do you know how many drivers there were in those five trucks? One. The other four were basically automated, running right behind him. In a few years there will probably be no drivers of those trucks. Think about what that's going to mean to transportation costs in this country. It's just one little example of why these Leftists who say ... Gosh, it's almost like the patent officer in 1900 said, "Everything's that been invented already has been."

Bill Walton: The other side of that is those five, those poor truck drivers that are not in those cabs voted for Donald Trump.

Steve Moore: You could make that case ... That's a great point, Bill. You could make that case about ... Milton Friedman used to say, "We can put everybody in America to work in a nanosecond, just to rent farm tractors and put everybody back on the farm.

Bill Walton: That story about him visiting China and visited the construction project ... The story was, they said ...

Steve Moore: My point is productivity, making workers more productive, is how they command higher wages and how we get richer.

Bill Walton: There's a lot of hand-wringing right now over the fact that if we replace these truck drivers with computers that we're not going to have any jobs for them. Doesn't that happen over generations? We're talking about a change that's going to occur in 10, 15 years.

Steve Moore: Hopefully it happens more quickly. Let's go back 150 years. A hundred fifty years ago, if you were living on this earth in the United States, your odds were one of two that your job was going to be farm-related. I don't know about the two of you, but I would be desperately pathetic an object of pity on farms. Every advance, from the tractor, the airplane, the car, the computer, internet, ATM has been a massive job destroyer. This is what human flourishing is all about.

Human flourishing is the path to people doing the very work that elevates their unique skill. The only way you get to that is through the destruction of low-value work. That is the path to people doing the work they love. If we can erase through automation and productivity, we're going to free up so much capital for entrepreneurs, for the companies and ideas of the future. Truck drivers will be extravagantly happy to be free of trucks, because the economy that frees them of it is going to create opportunities that elevate their skills unlike what existed before.

Bill Walton: A lot of us, me, anyway, are having a hard time envisioning how we go ... You can see the agricultural revolution occurring over a century, and it happened in Europe as well as here. We're talking about something that's going to happen ...

Steve Moore: It's coming really fast, yeah. You're right. People aren't ready for it, and there will be disruptive effects, no question about it.

I read a statistic the other day. It sounds about true. One out of every 11 American males today is employed driving a vehicle. Guess what? Fifteen years from now that's not going to be one in 12. It will be one in a hundred. That means people are going to have to learn other skills and do other things, and there has to be an adjustment process to that.

Robotics and ... When I was a kid, I remember going to a Ford factory, and those were just grungy, gritty, hardhat, sweatshops. I was like, "I don't want to do this." If you go into a car factory today, it's people running around in white scientific equipment dealing with the diagnostics and so on. These transitions are going to be tough, but they're also going to lead to a lot more output

John Tamny: I think Steve hit on the essential point there, going into the factory long ago. There's a new book out called Playing Through the Whistle about Aliquippa, Pennsylvania. Tony Dorsett came from there, all these great athletes, Mike Ditka. All of their parents worked in steel mills, and what was their constant admonition? "You will not work in these mills. These mills will break you. Look at what they have done to us."

The destruction of work is the path to work that people like a lot more. We romanticize the past, and it was an ugly one. It was not a good one. It's exactly what you say. If we can automate a lot of this stuff, the adjustment's going to be very quick, because with automation you get huge surges of investment, and we'll create all sorts of jobs we never imagined

We have people nowadays who make livings as video game coaches, and that's just one thing. This is the rise of automation. It's bringing people up to do the work they want to ...

Bill Walton: What's a video game coach do?

Steve Moore: More than we do

John Tamny: Video game players make millions of dollars a year now. This is the world that's evolving as we destroy the work of the past.

Bill Walton: How do we make this ... Policy people sit around tables like this and talk, and they say, "Well, we're going to need a new government program to retrain people." I don't think there's been a single government job retraining program in the history of job retraining ...

John Tamny: And there are lots of them.

Bill Walton: There are hundreds and thousands. They don't work.

John Tamny: Of course they don't.

Bill Walton: Then the other problem we have is that there's this issue about labor mobility. I saw a documentary ... Sarah and I saw a documentary, people living in some small town in Western Ohio, Eastern Ohio, I guess, and it had fallen on hard times because the industry left, but the question you ask yourself is, "Well, gee, the industry left. Why don't you move to Texas and try something there?" The labor mobility in this country's been declining.

Steve Moore: Not that much, though. I think it's over-exaggerated how much labor mobility has fallen.

Bill Walton: I can't quote the statistics.

Steve Moore: People are moving to ...

Bill Walton: They're leaving California and they're going to Texas.

Steve Moore: Yeah, they are. They're going to Texas, Tennessee. They're going to the states that are growing, Utah and Idaho. Look, I'm really optimistic about the US. You clear away these hurdles that John is talking about on the regulatory front, on the tax front, and just getting someone like Trump in office, who is pro-business, as opposed to Obama, who was virulently anti-business, I think has a very positive effect on business ...

Bill Walton: Bush wasn't that pro-business either.

Steve Moore: He wasn't either, no. In fact, the Trump voters were saying, "We don't like what Bush did or Obama did," but that has a positive impact in terms of people's sense of confidence, that the government is just going to not take away all their profits if they succeed. That's why the Bernie Sanders ideas of just stealing from the rich is so detrimental.

Bill Walton: It seems like part of the problem we have in ... It's like we live in different worlds really. You talk about shale oil and extracting that, the people who say, "Well, how are you going to get growth without doing it," and the people say, "We don't care about growth. The environment's more important than growth," so we're really talking about two different goods, and the sides don't share what those goods are.

John Tamny: People who say they don't care about growth are obviously very rich. You can only be rich to say something so ridiculous. One of the probably the downsides, but I say it's worth it, to stupendous economic growth, is that it frees up a lot of people with the time to be stupid.

California I would argue has been made a great economic state by the very people who wrecked its policies, and so this is just part of the, part of I guess progress. We have to deal with ... Schumpeter, what did he say? That capitalism's biggest problem is the institutions that it will create fighting it.

Steve Moore: The big issue we started this conversation out is are there enough workers that are entering the workforce to be able to create 3, 4, 5 percent growth. My answer to that is yes. We spend at the Federal level ... You want to talk policy, Bill. We spend roughly a trillion dollars a year paying people not to work. Guess what? If you pay people not to work, you're going to get less work.

Just requiring work as a condition for virtually every Welfare, just something that simple, we're a compassionate country. We don't want you to go homeless. We don't want any of you to go without food, but you're going to have to work for it. That changes everything. We know those kinds of policies can lead to a big increase in the labor force growth.

Of course immigration too. We should be letting talented and skilled people in this country. This is our demographic safety valve as a country is that we can import the workers that we need, and we can get the best and the brightest and the hardest working. It's been one of our formulas for growth. It's one of the things I disagree with Trump on. We need more immigrants now, not less, but they got to come legally.

Bill Walton: Staying away from the Trump piece of it, but what about incentives? You guys know a lot of smart people. Has anybody taken a look at the Federal government programs in terms of incentives, what they're encouraging people to not do? I think about debt, for example. We've had interest rate deductions in the taxes for debt, which encourages massive over-leveraging of individuals and corporations, and now we have a new proposal in front of us to get rid of the interest rate deduction on debt, which has been a terrible incentive to leverage up, and we're getting huge push-back against that because of the industries that benefit from it. How are we going to ...?

Steve Moore: You're right. Our tax system is tilted towards ... You know this. You were in the industry yourself. It's tilted towards debt financing rather than equity financing. It should be ... The tax system should be at least neutral. We know what created the financial crisis in 2007 and '08 and '09. It was way too much debt being issued. Why would we have a tax policy that rewards more and more leverage?

John Tamny: Think about just for housing alone. Housing's consumption. When you buy a house, it doesn't make you more productive or doesn't lead to the next Microsoft. Yet we create incentives to own a house, which if we want to talk about labor mobility, ownership of a house could make you less mobile.

Think about just municipal ... If you buy a municipal bond, you get your ... Your yields are tax-free, Federal and state, and so there's an incentive for very rich people to plow their money into something that is tax-advantage. Yet, if they have the temerity to invest in a future Microsoft and if it succeeds, they're facing what? Twenty-three percent capital gains taxes? Think of it. It's not just the debt. It's the incentives created for where to invest your money. Imagine if we got rid of the tax advantage federally from [inaudible 00:28:15] some of these bonds. Wow.

Steve Moore: I'm all in favor of that. Of course, Bill's friends, those bond traders aren't going to be too happy about that.

John Tamny: No, but they would be making so much money in other ways.

Steve Moore: You're right. Even in the housing deduction, all that stuff should just be eliminated. Keep the rate ... I'm an old flat tax guy. C Form's really converted me to this 20 years ago. Just get the rates as low as possible so they're not distorting economic decisions. You need taxes to raise the revenues that the government needs, but you want a system that collects that revenue in a very efficient system. I don't think there's much better than the way Steve Forbes implemented.

My goodness, we've been talking about this for 20 years. Let's do it. Let's go out there and have the lowest tax rates in the world, not the highest tax rates in the world. That magnetic pole that's pulling factories and jobs and capital out of the United States, you bring those rates down, and the magnetic pole reverses, and the factories and jobs come back.

Bill Walton: Our rate's 35 percent, highest in the West?

Steve Moore: Forty if you include the states and localities. Most other countries are at 20. It's like a 20 percent head-start program for every country that we compete with. It's stupid.

Bill Walton: What do you say about the people that say, "Well, GE, even though the 35 percent rate's there, they don't pay any taxes at all." It seems to me that the rate's are one thing. We've talked about rates. We really got to simplify ....

John Tamny: That's why I would focus on individual rates first.

Steve Moore: I think it's a populist move.

John Tamny: I agree.

Bill Walton: If you want to get real corporate tax reform ...

John Tamny: You're exactly right.

Steve Moore: Look, the statutory rate is 35 percent, and a lot of the industries do pay 35 percent, but you're right. There are a lot of major Fortune 50 companies that pay 5 percent or less. The wind industry pays negative. The government pays them to produce their ... That's why you want a lower rate that gets rid of all those deductions so everybody ...

What Americans want from the tax system, they want growth, but the other thing, you know what they always say they want from the tax system? Fairness. It's not fair if you and I make the same amount of money and you pay half of the tax that I do.

John Tamny: I would just add on that, Steve has made the point that corporate tax doesn't raise very much. You bring up GE. Ultimately, the effective rate goes down through all the deductions. The shame of that is that you get it down by doing what government wants, but that's why at least politically, if I were advising Trump, I'd say, "Lead with individual rate cuts across the board, because it's felt immediately by individuals, and then the economy would feel it soon enough through more investment." The problem with corporate rates is that if you brought it down to 20 percent, for a lot of corporations, that's actually going to be a tax hike is my guess.

Bill Walton: Yeah, the average rate's about 12, 14 percent.

John Tamny: Yeah, so if you bring it ... I think you lead with this one first and then go for the simplification. We shouldn't have a corporate tax. Individuals pay the tax. It's a double tax on earnings, because individuals are the shareholders, but I think you lead with individual rates first.

Bill Walton: I don't think there should be a corporate tax at all. I think it's a terrible waste of resources. How many billions of dollars does GE spend? That's exaggerated implying and paying zero taxes. I'd like to see the tax lawyers perhaps ...

Steve Moore: Think about what a 35 percent tax rate really means. It means that for those companies that are paying it, 35 percent of the profits go to the Federal government. In a sense it makes the United States government a one-third shareholder in every company in America, right? That just dilutes the value that goes to everybody else. You're right. It's a dumb tax system.

Bill Walton: We started out talking about 2 percent versus 4 percent. What are the five things that get us to 4 percent?

Steve Moore: I mentioned two, and you mentioned ...

Bill Walton: We got a couple minutes left. Let's tick it off here. What's number one?

Steve Moore: Tax policy and energy policy. You mentioned monetary.

John Tamny: I would put dollar and treasury issue in a stable dollar, number one. Taxes, the estate tax I think people underrate getting rid of that altogether. If you look at the dynamic, ESPN, the light bulb, Silicon Valley, all creations of inherited wealth. Rich people who have so much money they can take big risks that the average person can't take. That would be a big one. I'd throw immigration in there. All these talented people around the world are desperate to live here.

Bill Walton: What do you mean on immigration? What's that mean?

John Tamny: I want to legalize the ability of people from around the world to work here, because I think you'd see a massive inflow. People want to be a part of this. They don't even want to be citizens. I think they want to work here. Then if you gave me another one, antitrust. Can you imagine all the waste in this country because companies are unable to combine. I think that could be huge.

Steve Moore: I would add to this network ... We're getting a long list, right?

John Tamny: Dictator.

Steve Moore: Just a total revolution ...

Bill Walton: We can fill the page. Good ideas. Not enough of them.

Steve Moore: A total revolutionary change in the way we educate people, kids, in this country. Let's just get government out of schools, and let's just let the dollars chase the ... Let the dollars go to the parents.

I have three kids and two step-sons. They're all different. They all have different talents. They all have different skills. They have different interests. This idea of warehousing all these kids in a one-size-fits-all school system is just outrageous. John's mentioned this so many times in his books, that our number one resource is the intelligence and the ingeniousness of our citizens, but we're robbing half of our kids of the opportunity to do that, because we're putting them in godawful schools.

Bill Walton: You're saying terrible things about the teachers. You're being mean.

Steve Moore: No, I'm making a point.

Bill Walton: We had Jeannie Allen on a couple weeks ago.

Steve Moore: I love Jeannie.

Bill Walton: We got to the point where we figured out if you could bring about all the technological innovation it's possible to bring into a school building, you could free up the classroom teacher to have a really interesting job, enabling all this learning, and pay them more. We concluded by thinking, "Well, maybe we ought to get the teachers union behind this, because they're blocking ..."

Steve Moore: Except you need a way to get ... The problem is really good teachers are underpaid, but there's ... Do you know how many ...?

Bill Walton: The really good teachers leave the system, because ...

Steve Moore: Do you know how many teachers were fired in California last year?

Bill Walton: I can't imagine any.

Steve Moore: Fifteen.

Bill Walton: I don't know.

Steve Moore: No, fifteen out of 20,000. That's ridiculous. Who else has tenure other than teachers? That's another example of an industry that is so important.

Obviously, Obamacare has been a big drag on the economy. It's reducing the labor force. It's creating an incredibly inefficient healthcare system, which is one-sixth of our economy. We could just go down this list and just clear ... The common denominator here is get the government the hell of the way, Bill. I mean, really. It's not that complicated now.

John Tamny: Yeah, there is.

Bill Walton: We got to wrap up here in a minute, but we've had a fairly wonky discussion about a lot of interesting things to the three of us. How do you translate these ideas, for example ... I don't know ... shale drilling and how it affects an ordinary person and making them be for it, when it's been so demonized by the environmental Left?

Steve Moore: I think they get it. I think most Americans get this. It's like a win-win. We get the jobs. We get the energy. We don't have to buy the stuff from Saudi Arabia and Russia and Putin. That one's I think not very difficult to explain to people. I think the tax one is a little harder, because people are going to say, the Left says it's going to be tax cuts for the rich. We have to basically say, "Look, if you want a good job, you have to have a healthy employer, and to put our businesses in such a hole is hurting the whole job creation creating process."

John Tamny: I think you start personalizing it. Too often this talk is about revenues or deficits and everything. What I always say is how many of you people today in the audience have bought something from Amazon in the past month, or do you have an Apple computer? Do you have something from Dell, and they all raise their hand. Jobs died a billionaire. Jeff Bezos is on the verge of being the richest man in the world. Wouldn't you love to multiply these kinds of people? Why would you want to penalize the people who constantly make our lives better?

In terms of the dollar, I think it's very simple. Why on earth would you want to earn dollars that your US Treasury is constantly shrinking the value of? Doesn't it seem logical to you that your dollar will hold its value? Most people would agree with that, at which point, if you have a stable dollar, investment surges, and we have companies and jobs that we never imagined.

Bill Walton: The thing I'm interested in is how we can get these ideas out so more people act on them, but then I stop and think about it. These ideas are already shared by the majority of people in America. If you look at the states, the more conservative thinkers control, what, two-third of the state houses and governorships?

Steve Moore: Sixty-nine out of 99. That's about two-thirds.

Bill Walton: The real translation issue is how do you get inside the Beltway here, to get people to understand that they really do have people on their side, and do the right thing.

Steve Moore: I'm a big believer in just moving power out of Washington. I think it was interesting that Donald Trump's closing argument in the election was one of his strongest arguments, was, "Drain the swamp." People are catching on that how is it that three of the five wealthiest counties in America are in and around Washington, DC, when we don't produce anything here except lawyers, lobbyists, rules, regulations and politicians. We get rich off the rest of the country. Let's move that power, decentralize the power. I think people are ready for that.

Bill Walton: The next government building gets built in Ohio, not in DC?

Steve Moore: Hopefully, there won't be any more government buildings.

John Tamny: No, but that's the ideal, is that, there's some quote in The Wall Street Journal over the weekend that Democrats are terrified of Republicans and vice versa. What a sad commentary on what this country's become. It used to be that you could choose your bliss. If you wanted to live a certain size of government, you would choose maybe Massachusetts. If you wanted smaller, you might choose New Hampshire. The idea is that people should choose their government in the states. Very little policy should come from Washington, and I think if we explained that better, it would help our process very well.

Bill Walton: The other big idea is federalism, putting more and more out to the states and letting the states experiment with what people want there.

Steve Moore: I think we solved our problem. If you put even half of those ideas in place, you're talking about a 1.8 percent growth rate going up to, doubling it. You're up to 3 1/2 percent to 4. The difference is then instead of the debt going up every year, our national debt, our GRP, it goes down every year, and it just becomes a non-problem. Growth solves so many of these problems that we have, whether it's income inequality, whether it's the debt and deficit, whether it's how do you solve poverty, give people more healthcare or infrastructure [inaudible 00:39:16]. You're not going to solve any of those problems with an economy that's limping along as it has for the last 20 years.

John Tamny: I would just add to that again about human flourishing. I don't think anyone would disagree, the unsung genius of economic growth is that it frees more and more individuals. It pushes more and more individuals into the kinds of work that most elevates their skills. Slow growth suffocates talent. High growth rewards all manner of talent. It makes geniuses out of a lot of people that slow growth doesn't. Imagine a world that we are growing faster. People would be so much happier.

Bill Walton: That sounds like a last word. John, Steve, thank you. A lot of good ideas here. Let's go bring some of this about.