

Education TRUMPS Politics

Interview with Dr. Murray Sabrin

Murray Sabrin is Professor of Finance at Ramapo College of New Jersey. He has a Ph.D. in economic geography from Rutgers University. Sabrin has worked in commercial real estate sales and marketing, personal portfolio management, and economic research. Sabrin's essays have appeared in *The Record* (Hackensack, NJ), *The Star Ledger*, *Trenton Times*, *the Asbury Park Press*, *NJBIZ*. His essays have also appeared in *Commerce Magazine*, *Mid-Atlantic Journal of Business*, *Privatization Review*, and *LewRockwell.com*. He is the author of *Tax Free 2000: The Rebirth of American Liberty*. Sabrin blogs at MurraySabrin.com, and is co-founder of Conger LH, the world's first lubrihibitor (www.congerlh.com).



Lara-Murphy Report: How did you discover Austrian economics?

Murray Sabrin: My journey to Austrian economics began in the 1960s reading Milton Friedman's column in Newsweek extolling the virtues of free markets. In 1969 I picked up a copy of Ayn Rand's *Capitalism: the Unknown Ideal* in an upstate New York bookstore. The arguments by numerous authors in favor of free enterprise and limited government were compelling. And in September 1971 I read Murray Rothbard's New York Times op ed criticizing President Nixon's wage-price controls and his decision to make the U.S. dollar a totally fiat currency. By 1973-1974 I began reading the books and essays by Rothbard, Mises, Hayek, and Hazlitt. I found my intellectual home, an economic school of thought that has a coherent and correct explanation of how a market economy works and the consequences of interventionism. In early 1974 I met Murray Rothbard and invited him to be an outside member of my dissertation committee at Rutgers University, where I developed a study (in the Geography Department) on the spread of inflation through urban America. Rothbard accepted my invitation without hesitation and served as a valuable advisor.

LMR: We understand you attended the famous 1974 South Royalton conference, which many point to as the pivotal event marking the reversal in the fortunes of Austrian economics. What can you share about the conference?

MS: Murray Rothbard forwarded my name to

the organizers of the conference and I received an invitation soon after I met him in his office at Polytechnic Institute of Brooklyn where he was teaching. I roomed with Joe Salerno who was a Ph.D. candidate in economics at Rutgers at the time, and I quickly realized he was going to be a productive scholar in the years ahead. By the time I attended the conference I had become a full-fledged "Austrian" even though I was not formally studying economics. At the conference there was bit of tension in the air because Milton Friedman attended the first night's dinner and Rothbard had written a highly critical essay about his economic ideas in the Libertarian Forum a month earlier. At the dinner there were reminiscences of Mises who died in October 1973. After the dinner Henry Hazlitt mentioned to me that some of Friedman's remarks about Mises had been inaccurate. I was disappointed that Friedman made dubious statements at an event in the history of the Austrian School. Nevertheless, virtually everyone in the Austrian School at the time attended the event and many of the younger economists who are now leaders in today's Austrian School movement were also in attendance. For me, the conference was an intellectual super feast listening to the insights of Rothbard, [Israel] Kirzner, [Ludwig] Lachmann, and [William] Hutt. And having the opportunity to meet and talk with Henry Hazlitt, one of the giants in the history of economic journalism and great economist in his own right, was magnificent.

LMR: Paul Krugman just this week had a blog post in which he claimed that there was "nothing Ponziesque at all" about Social Security. We imagine

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you—and the SEC—beg to differ.

MS: Social Security is a “Ponzi” scheme in the sense that the payroll tax is not in a segregated account for taxpayers but pooled to pay off earlier investors, and future Social Security recipients will only be able to receive retirement, disability and other benefits if workers are taxed to pay what the federal government has promised them. In other words, Social Security is a coerced intergenerational chain letter, and there is nothing Krugman and

have as many different points of views as possible represented so viewers can be exposed to all the arguments—pro and con—about the Federal Reserve’s performance during the past 100 years. In the documentary we will integrate the interviews with tables and charts to reveal the impact of Fed policies on the economy. I hope to have all the on-camera interviews completed by early 2013 and then work on editing the raw footage into an informative story about the Federal Reserve during its ten decades of conducting monetary policy.



others can say that alters that fact. The book I am writing, *Ask Me About My Ponzi Scheme: Deceit and Deception From Woodrow Wilson to Barack Obama*, will reveal how virtually every president for the past 100 years has created and/or perpetuated “Ponzi” schemes.

LMR: You recently had one of us (Murphy) participate in your documentary on the Federal Reserve. What can our readers look forward to?

MS: The Federal Reserve will be 100 years old in December 2013. In the documentary I hope to

LMR: You’ve had a very eventful career, not only as an academic but also as a political candidate. Any stories or wisdom you’d like to share?

MS: When President Nixon closed the gold window and imposed wage and price controls more than 41 years ago, his so-called free market advisors justified—rationalized—Nixon’s actions as a pragmatic way of dealing with inflation and the balance of payments problem. I then realized that there was only one party in the nation’s capital, the Washington Party with two wings, Democrats and Republicans, both of which believe in big

government. I became a political independent and rarely voted.

After my 1995 book, *Tax Free 2000: The Rebirth of American Liberty* was published, the New Jersey Libertarian Party (NJLP) invited me to speak at its convention where I outlined how we can have a tax-free society. In March 1997 I was invited to be the NJLP nominee for governor. I accepted so I could make the case for limited state government to the people of New Jersey. Our goal was to raise enough money (\$210,000), which would allow me to participate in the three debates with Governor Whitman, the GOP incumbent and state senator, and Woodbridge mayor Jim McGreevey, and to receive state matching funds.

We reached our goal in early September and I shared a stage with polished politicians holding my own in the debates and making statements that some members of the press still remember. In one talk before a political science class at Rutgers that was team-taught by two political consultants, a Democrat and Republican, one student asked me: "Dr. Sabrin, you say you believe in free enterprise, limited government and personal responsibility, what makes you different than a Republican?" I answered immediately, "I mean it!" Everyone in the room roared.

After receiving more than 114,000 votes (about 5%) in a six-week campaign (we finally were

certified by the Election Commission as having qualified for matching funds on September 19), I was encouraged by the Republican Liberty Caucus, libertarians working within the GOP, to re-register as a Republican to seek the U.S. Senate nomination in 2000. I rejoined the GOP in early 1999 and when all was said and done I came in fourth in a field of four and should have realized that GOP voters in the state did not embrace the principles of liberty. I thought I would never run for office again, but I sought the GOP U.S. Senate nomination in 2008, excited about the effect that the Ron Paul movement was having on the political landscape. I did not run the campaign I thought I was going to have because the political consultants we hired provided advice that turned out to be counterproductive, to say the least.

After three campaigns and the antipathy toward Ron Paul's presidential candidacy, libertarians may not be very successful in winning at the polls, but we are having an impact on bad economic policies. Just one example here in New Jersey: When I ran for governor in 1997, high auto insurance rates were one of the main issues. I called for deregulation to increase competition so prices would come down. Whitman did not deregulate the marketplace, but Democrat Jim McGreevey did after he was elected governor in 2001. In other words, I keep telling people that libertarian candidates do not have to win for free market policies to eventually be implemented.



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