

The Problem with Jon Stewart Podcast Episode 5 Transcript

Jon Stewart: Hey, so before we get started, we are going to try something new here. Very exciting! I will almost definitely come to regret it. We are setting up a hotline so we can hear from you guys directly. You, you call in, call in a phone. It's a phone call. It's in your pocket probably right now. You use it to take pictures, but you can use it also to leave voice messages. And I will respond to them or the show will respond to them, or we won't respond to it. I'm actually not going to lie to you and say we're going to respond to all them because some of them might be incredibly vile, but we're hoping that the majority of them will be really interesting, maybe productive. You can take questions that you have about the show, compliments, constructive criticism, destructive criticism, really something that doesn't even seem like criticism at all. The phone number is in the episode description. So come at me, bro.

[INTRO MUSIC]

Jon: By the way, the room that Henrik is in the editing suite room closet that he is in right now is often the domain of a young man named Nelson, who is a brown... I wanna say chihuahua?

Alexa Loftus: Uh huh, chihuahua mix.

Henrik Blix: Yeah, I think I think there's definitely some Chihuahua in him.

Alexa: I want to point out that today he was wearing a sweater.

Henrik: Mm hmm.

Jon: Can I tell you something that's always the first sign of fall; when the Chihuahuas break out the sweaters.

[ALEXA LAUGHS]

Henrik: The leaves change, the Chihuahuas dress up.

Alexa: Yes, this is true.

Henrik: Yeah.

Jon: Welcome to Chihuahua Talk, the newest podcast from The Problem with Jon Stewart.

[ALEXA LAUGHS]

Jon: By the way, we're talking to Henrik Blix and Alexa Loftus. They are writers on the program, we're doing the podcast. We're actually, I believe we're talking about the economy today. Are you guys part of the economy?

Alexa: It turns out we are.

Henrik: I'm in the economy. I'm also in the economy.

Jon: Both of you?

Henrik: Yeah –

[ALEXA LAUGHS]

Henrik: – We actually we met at the economy.

Jon: I knew Alexa was in the economy. I didn't realize Henrik was in the economy. So now is this your first or both of you? Is this your first guild job?

Alexa: My second.

Jon: Your second guild job, Henrik?

Henrik: This is my first.

Jon: And it feels pretty good, right?

Henrik: Yeah.

Alexa: It rocks.

Henrik: It feels great. This was the first episode of TV that I've ever written for somebody to watch. I've written episodes of TV, you know, just for my laptop to store. But this is the first one I wrote that was on TV.

Alexa: I wanted to ask you, Jon, were you working a non-comedy job when you got your first comedy job? And did you get to quit in a blaze of glory or were you open, unemployed, and just ready?

Jon: I have to be honest with you, I have almost never been able to quit in a blaze of glory. I have always been, I guess, what you would say, my boss has always beaten me to the punch.

[ALEXA LAUGHS]

Jon: So I have been fired in many a blaze of glory. I've never had that opportunity to like, I'm slogging through this job and f***** my job sucks. I'm going to do this thing and I catch a big break and I get to walk in and go, "Dennis, guess what? I don't have to take your s*** anymore, man. I'm out of here!" Generally, Dennis would come in and go, "Hey, I'm really sorry, but apparently we have a thing here called standards –

[ALEXA LAUGHS]

Jon: – And you're not living up to them and you have to leave." So I never got to, have you been able to? Did you do that, Alexa?

Alexa: I did. Yeah, I was...

Jon: What?

Alexa: I was a dog walker and I was walking dogs in L.A. and it was uh hot. And yeah, it was just like, I don't know, like five dollars a walk, I think.

[ALEXA LAUGHS]

Alexa: I got paid or like.

Jon: So when did you when did you get to say, "take this job and shove it?" And were you an independent contractor or was there like a dog walking agency?

Alexa: I was working for a friend.

[ALEXA LAUGHS]

Alexa: So independent. And then I got my first WGA writing, staff writing, job while I was walking a doberman.

[JON LAUGHS]

Jon: Wait, you got it while you were on a walk like the call came in while you were walking a dog?

Alexa: Yeah. Well, yes, it was an email, technically, but yes.

Jon: And I'm going to just ask this question. And I mean, no disrespect.

[ALEXA LAUGHS]

Jon: Did that dog make it home?

[ALEXA LAUGHS]

Alexa: You're free!

[JON LAUGHS]

Alexa: As soon as I got that email, I stopped picking up any poop.

Jon: Oh, really?

Alexa: I know which is not cool. I know it's not cool.

Jon: It's but it's very understandable. And did you immediately and did you say to your friend, "I'm sorry, it's over?"

Alexa: Yeah.

Jon: And are you still friends?

Alexa: Um, you know, we follow each other.

Jon: Okay, that's a no. That's a no.

[ALEXA LAUGHS]

Jon: Henrik, what about you?

Henrik: Um yeah, this is my first job and I had to quit the job that I was doing. And also it was pandemic, it was a series of emails.

Jon: Take this job and zoom it!

[ALEXA LAUGHS]

Henrik: Yeah shove it up your zoom hole. Everyone there was very nice and was really supportive of me. So now I told them they were really happy for me and then I left.

Jon: That doesn't sound like work.

Henrik: It's not satisfying. I mean, it was it was still really satisfying because I was like, I don't want to do this forever.

Jon: Right. I remember quitting the job that I quit to do comedy full time. I actually was making more money doing that job, so it's not like I quit because I got a better financial opportunity. I was bartending day bartending in a Mexican restaurant in the village called Panchito's, and I finally decided, you know, the Comedy Cellar, which is right up the street, would put me on every night as the last guy, so I would finish my shift at the Mexican restaurant. They would make me some food, I would eat there. Then I would go perform at 2:00 in the morning at the Comedy Cellar, and they would give you a plate of food. So I was basically performing for sustenance. But I finally decided, I'm, you know, I'm going to quit, but I was probably pulling in a pretty sweet 400, maybe 500 a week bartending. And I quit to pull in a sweet 125 to around 160. I'm not the smartest financial mind you'll run across.

[ALEXA LAUGHS]

Alexa: Were you, did you have a like a room to live in at this time or?

Jon: I lived in a room. Unfortunately, another gentleman also lived in that room.

[ALEXA LAUGHS]

Alexa: That's tough.

Henrik: Mm-Hmm.

Jon: You know, like in dorm rooms, sometimes they build like a little loft bed. So he lived in the room room and I lived in the little loft, uh, bed. And I think the one word that comes to mind is glamor.

[ALEXA LAUGHS]

Henrik: Yes.

Alexa: Sophistication.

Henrik: I was gonna say sort of like a prince in a fancy little nest.

Jon: You know what? That's exactly how I viewed it. I would climb up at night. He worked during the day and I worked at night. So when I would come in at 3:00 or 4:00 in the morning, I would have to clamor in quite slowly and creep like on tippy toes. And then when he would wake up, he wouldn't give a f***. You know, it kind of. It's interesting because it really didn't f***** matter. Like, I couldn't believe how happy I was –

Henrik: Mm hmm.

Jon: – To just do comedy.

Alexa: Wow.

Jon: It was, it was the best, even though it was certainly a struggle. Speaking of struggle, we made an episode about the economy. I know, huge topic. The focus of the episode, basically, when it comes to giving workers and people bailouts, child care, better wages, things that make it possible for them to live normal lives. That's called socialism, so that the country is afraid of it and ensures it can never happen. But here's the thing, we're already a socialist country! We bail out corporations all the f***** time. If socialism is giving a free hand out to everyone, corporations are the ones getting it. And then the workers are left to suffer as the corporations, you know, they dine out on that sweet, sweet government cheese, which, by the way, you made and pay for. And last week on the podcast, we spoke to JPMorgan Chase CEO Jamie Dimon about our economy and this strange dichotomy and how much the economy favors corporations over the investor class. And you guys aren't gonna believe this, so, so he disagreed with me. Me, world renowned economist... guy who worked at the Comedy Cellar. So, you know, I explained to him, because you have to explain to sometimes to the head of JPMorgan Chase, "You're wrong. You're just completely wrong about finance." And he said, "I'm pretty sure you were just a f***** bartender in the village at Panchito's." And I was like, "All right, if you want to go credentials, sure, that's right."

[ALEXA LAUGHS]

Jon: For those who haven't listened, here's the gist of the interview.

[CASSETTE SOUND EFFECT]

[PODCAST INTERVIEW CLIP]

Interview with Jamie Dimon

Jon: So what am I diagnosing wrong?

Jamie: Well, the whole thing, you know, here we have a disagreement here.

[JAMIE LAUGHS]

Jamie: Yeah, but you're wrong.

Jon: What?

Jamie: That is not factual. Jon, you're just too simplistic. I just think is a is a false argument. But you're pointing out a lot of things, I agree with you. I just don't agree with what you say is the solution. And I totally disagree. We obviously have a disagreement. We're disagreeing on a few points.

Jon: Right.

Jamie: Which I think I'm right about.

[CASSETTE SOUND EFFECT]

Jon: So today, we're going to speak with former Federal Reserve economist Claudia Sahm, and she is an economist. She knows these things. I actually discovered her, I read a Politico article about her work and her passion for dunking on Larry Summers, which is something that we both share. I thought that Claudia would be the exact right person to talk to following my conversation with Jamie Dimon to find out, "Really, am I that wrong?" Claudia is going to explain why maybe that's not so much the case. So take a listen.

[MUSIC CUE]

Interview with Claudia Sahm

Jon: Hello. I am talking now to Claudia Sahm, thank you so much for joining us, Claudia. You are -- you worked at the Federal Reserve, yes?

Claudia: Yes, I did. Yep.

Jon: You have a Ph.D., a masters, a certificate of authorship. You have a blue ribbon in macroeconomics.

Claudia: That's a kind way to put it. I've done a lot in macro policy. I've also done a lot of studying households, you know, so I don't look just at the top line numbers.

[CLAUDIA LAUGHS]

Jon: We spoke with Jamie Dimon, who runs a small mom and pop --

[CLAUDIA LAUGHS]

Jon: -- Financial institution known as JP Morgan Chase. And basically, the premise of all this is that we don't live in a free market economy, that it's kind of a ruse, that it's a myth that's been sold to the American public to give them the idea that whatever the economic outcomes are in this country, it is the natural order of things. The system is a free market and a free market, all it is is your actions determine where you're at. And my position is that actually it's not a free market, the government intervenes all the time on behalf of investors and corporations, and everything is rigged against labor and for the investor class. And Jamie Dimon made an interesting point, which was, "you don't know what you're talking about, Jon."

[CLAUDIA LAUGHS]

Jon: "I'm an expert and you are not an expert." So therefore, I believe, and I'm paraphrasing here, "Shut up." Claudia, you are an expert.

Claudia: Yep.

Jon: Okay, so you're going to help me out here. And next time I talk to him, I'm going to have you sitting next to me. What is your position on that we live in a free market economy that we are a free market capitalist society and that it's in any way a level playing field between labor and the investor class.

Claudia: Well, the first thing I would say is that the worst thing that experts can do is tell other people they don't know what they're talking about. I mean, that's true for any of us, whether you're running a business or you are advising on economic policy. A big part of my job, my mission is to listen to other people, particularly those that are affected. I understand the conversation about free market economy. Most of the developed world has one. They come in lots of different flavors and shapes and varieties. I'm an economist, I think markets are good. I do think we should give people an opportunity to make their own choices, live their lives. I think sometimes government gets a little too involved. We need to let people do what they want to do with their lives within boundaries. Frankly, the system is not set up for many people to realize those dreams. It's a massively unequal economy, it's a massively unequal world. I mean, you know, the United States has certain privileges. And what was really heartbreaking was to hear Jamie say over and over again, "Yes. Let's -- we need to solve this. We need to make it better."

[CASSETTE SOUND EFFECT]

Jamie: We want to fix the inner city schools. We want to have proper immigration systems. Again, I think it's fixable, it should be fixed. That stuff is terrible and it needs to be fixed. It needs to be fixed. You know.

[CASSETTE SOUND EFFECT]

Claudia: And it's like, you know what, that time was a long time ago. I don't question whether he is legitimate in this, and I think his company has done some good things and, but like, I'm really impatient, like we're not making progress.

Jon: Maybe their intentions are positive, but they're not neutral in this. They lobby Congress. The powerful interests at JPMorgan and not just them, but all other corporate entities have the ear and the wallets of the political class.

Claudia: Right.

Jon: And so in what way are they actually fulfilling any of that intention?

Claudia: Right, so one aspect of a market economy is that private businesses pursue profits. So the idea that they are going to put people and goodwill ahead of their profits is that's not how businesses work –

Jon: Right.

Claudia: – Right. So and it matters. Priorities matter. It matters what you lobby for first, not last. And it goes well beyond the banks. Right, so the Federal Reserve publishes statistics on wealth across households. In the middle of this year in the midst of a crisis –

Jon: Mm-Hmm.

Claudia – The top one percent of households held \$43 trillion. The bottom 50 percent, three trillion.

Jon: Whoa.

Claudia: Right. So, and this has gotten worse over decades.

Jon: Right, that's not a market economy functioning in a healthy way.

Claudia: Right, the United States stands out, we excel at inequality. We excel at the ratio of CEO pay to the front line workers. It's gotten worse. And power matters. Money is power. Money speaks in Washington across the political spectrum. We have to acknowledge that there's too much power in the hands of certain people. Jamie Dimon and his peers have a lot of power. And putting that in individuals asking them to do the right thing, asking them to put a profit motive ahead. That is such a big risk. It's a gamble that has not paid off for the American people.

Jon: My point to him, and I think it was, and I think he tried to go reductive on me every time I tried to bring it up was, we have favored in the investor class over the labor class through policy at the Fed level, through monetary policy through the legislative, through the way that we stimulate, you know, every administration is going to stimulate the economy. A dollar invested into a corporation doesn't come back to us in the same way that a dollar invested in labor or in a person would. And how do we rebalance it or even get people to admit that it's tilted in that way? Because he kept saying to me, "All you want to do is raise corporate taxes," and I keep saying, "No, that's not all I want." I think we need to rebalance –

Claudia: The model's broken.

Jon: – Right.

Claudia: And the problem right now is getting the people who have the power to admit, just to admit there's a problem, right? And to admit that their solutions have not worked.

Jon: Right.

Claudia: Right. It's not enough to piddle around the edges, do some corporate events, have, you know, splashy slogans. Good intentions are not enough. Let's really think hard about how we solve this. The government has to lead. They have to lead, not follow corporate interests, not follow the investor class. They have to step back. I see a lot of hope. There were some very good things that were done in this crisis.

Jon: Wait, I'm sorry, I just heard you say, "I see a lot of hope."

Claudia: Yeah. Well –

Jon: The hairs just went up on my arm for a second. "Hope!" I haven't heard that in a while. All right. Let me hear it. Let me hear it.

Claudia: The model's broken, but we have seen evidence of how we can put it aside and do better. The very, very silver, thin silver lining of this crisis is that we are experiencing a sea change in fiscal policy and in monetary policy, in the COVID crisis, which was an immense crisis. Both administrations came together and really went to bat for the people. Within a year, three stimulus checks went to families. \$11,400 for a family of four. That is almost 20% of median family income. That's 25% of black family median income. That was huge. And it was cash. We said, you go do what you need to do for your family. The top 20% by income didn't get it. They didn't need it. But wow, that was big. Five trillion dollars within a year. That's real money. Even in a \$20 trillion economy, that's real money. And so we could do more.

Jon: I think they pretend that they haven't pumped \$5 trillion into the corporate economy. I mean, there's zero percent interest at the Fed that can be borrowed by these large financial institutions. The Fed buys up bonds and treasuries and continues to inflate artificially stock prices. The monetary policy is cut corporate tax rates and subsidize large corporations with billions of dollars. But somehow, in the crisis, it was still considered, and I think they still view it this way as an entitlement and unsustainable that giving direct money to people is not morally sound and is not sustainable. When what you saw is, it's way more efficient. The growth that we saw in the economy from that did so much more good. Is that reasonable to say?

Claudia: So we've learned a lot in the last decade since the Great Recession as to what works and what doesn't work.

Jon: Mm-Hmm.

Claudia: And what we're seeing, there is not trickle down like it, just or if it trickles, it trickles from the one percent to the five percent at the top, right? Like, we're not seeing it down at the bottom. Most Americans are not seeing it.

Jon: Right.

Claudia: At the end of the day, it hurts all of us. We have gone through a decade of low productivity growth. Low incomes are not growing and that's like total incomes, right? Like, we are being held back by the fact that we are holding back hundreds of millions of people.

Jon: Mm-hmm.

Claudia: Right? So it's in everybody's interest to do something different.

Jon: Honestly, everything that you're saying makes total sense, but when I tried to say that and obviously I didn't articulate it as –

[JON LAUGHS]

Jon: – Eloquently or as as clearly as you are, but, I felt like all Jamie kept saying was, "No, no, no, no, no, that's too simple." You know, it was it was a little bit of an eye roll.

Claudia: The old guard fights back. I mean, honestly, someone who has more money than I could even imagine, is he really going to say, "The system's broken and it's given everything to the rich people?"

Jon: Right.

Claudia: And it's a mindset. I mean, one of the things that you all talked about that I think is a bad direction for us to even debate is using taxes to pay for the investments. Interest rates, the rate at which the government borrows is so low. It has fallen for a decade. I mean, frankly, private markets are begging the government to do investments. The world is begging the United States to do investments. The the --

Jon: What would you have them invest in, Claudia?

Claudia: The infrastructure package, that is, you know, we need the physical investments. I mean, that is only a half a trillion extra in spending. The other half was already, that is for a 10 year period. That's nothing. And then --

Jon: How would you pay for it if not through taxes?

Claudia: Just borrow the money, just deficit spending –

Jon: Oh, that'd be a huge sea change.

Claudia: – That is. And that five trillion, last year, that was all deficit spending. And you know what? Interest rates did not shoot up. Interest rates are really low, but I think there is a separate conversation about equity in the tax system.

Jon: You've got an entrenched class in perpetual poverty. How do you run an economy like that? Claudia, I really think that you're on to something, though, that is changing the conversation from this idea that we can still be a responsible country and deficit spend. And that's what I really want to hone in on, because I think that that feels like the the sea change to me. In Washington, the conversation is always if you deficit spend, it's irresponsible and you are passing down a boulder to generations to come that are going to have to climb out of that debt. But how do you change the conversation about deficit spending so that they can't use their "this is irresponsible" talking points. What is the benefit of it and how do we uh, and how do we keep that from being irresponsible and when would it be irresponsible?

Claudia: It's irresponsible. It is morally bankrupt that we are the richest country in the world and we have children living in deep poverty.

Jon: Right.

Claudia: I heard once early in the crisis COVID compared to our dress rehearsal for climate change disasters. I'm not feeling good about this, right? It's not responsible to look major problems in the eye; inequalities, structural, things that are coming at us and say, "Oh, but the debt to GDP ratio is too high." Right? So I think we have to change the conversation about what's responsible. Let's keep some perspective. Like, there's been a lot of talk about inflation right now, and it shows we did too much. And it's like, look up. Consumers spending the things they were able to buy, like people weren't able to provide for their families. It's gone up even more. We gave cash to people that helps people, right, so we get so focused on the same old tropes. And yet there are people who are calling into question and frankly, reality is on their side. Right? The interest rates did not explode. What is happening with inflation right now is because we were unable to get people vaccinated around the world. So we can see that and we can solve that problem.

Jon: You're saying that's a supply chain issue because demand has shot up, but the supply has not been able to keep up with it, so that's why prices have have gone the way they've gone.

Claudia: I mean we shut the lights down on the global economy. It's just like if you shut a machine off, it does not reboot with a flip of the switch like and things can go kind of haywire. We're going to get through this. But like we have to focus on the next 10 years and that's what Congress is debating now. What the Federal Reserve does in the next year is completely beside the point. It's the next 10 years. The conversation is opened up. There are – like the old guard is being asked questions and the Biden administration has like, sometimes they do the right things, sometimes they totally do the wrong thing.

Jon: So what would you consider the wrong thing and what would you consider the right thing?

Claudia: So one example that was deeply disconcerting was the way that the Biden administration walked away from the unemployed in this crisis. There had been a lot of, there were generous support helping people stay at home. And then this summer, Republican governors started to say, "Oh, labor shortages, jobs and –"

Jon: Right, everybody's coasting on that sweet, sweet government coin. And therefore, they don't want to work at all. Rather than thinking, how do you make your job pay a wage that's not equal to your unemployment check?

Claudia: Right, when 20 percent of Americans are unemployed, fine give them money. When it gets down to the 10 percent, the five percent when they're black and brown, then all of a sudden it becomes they're lazy. And the administration --

Jon: Right.

Claudia: Just stood by. They didn't even use the bully pulpit. They didn't try to extend the benefits. The long term unemployed were left to the side because the business lobby got loud.

Jon: Even in the states that cut off that unemployment benefit, it didn't drive workers back.

Claudia: Yeah, I mean, some people came back, people were coming back anyways. What we do know is it created an immense amount of hardship for families that went from getting money that it went away. What happened this summer where we just pulled the rug out from under them. There is like there is no economic argument for doing that and it hurt people, we know that. Whatever it did to payroll employment is kind of beside the point –

Jon: Right.

Claudia: – And there were so many other things we could have done.

Jon: Are we looking at all the wrong measures, Claudia? Are we judging our economy by all the wrong measures? What are the metrics of the economy that you would say point to the health and sustainability of an economy?

Claudia: Yeah, so I love all data.

Claudia

Like this is how I was trained –

[JON LAUGHS]

Claudia: – I was trained --

Jon: You can't admit that publicly.

Claudia: I was trained at the Fed, that the way we advise policymakers is we go look at the facts.

Jon: Right.

Claudia: I think I am unusual in my approach to economic policy is, I believe talking to people one on one is one of the most important facts that we bring in because a lot of times when we look at the aggregate data, macro economists, we forget there are millions of people behind those numbers. There are lives under those numbers. And in the aggregate data, the GDP, the inflation, it's tough, right? Because you just see a number, the aggregate numbers, they are particularly problematic because they're just adding it all up.

Jon: Mm hmm.

Claudia: Elon Musk counts a lot more in total compensation than any of us, right? And for the low wage worker, you can have tens of millions of them, and they don't look like anything in those numbers. One thing that has been absolutely clear in this crisis is we do not have one economy. If you look at the labor market, not only do we have an uneven recovery, we just had an uneven existence for workers for a long time and because COVID amplified so many of our structural problems.

Jon: Mm-Hmm.

Claudia: They were always there, but if you actually look under the hood of the data and a lot of people don't, but if you look at it, it's screaming in your face.

Jon: There's no question that a lot of the people in the economic policy community are cloistered. When I spoke with Secretary of the Treasury, Janet Yellen, you know, and I always had a big problem with how much the Fed backstops corporations, especially in a crisis, you know, in the trillions that they pour down the gullet of these large financial institutions. And her point is, "Oh, but you know, we need to have liquidity in the system and we need to save it. It's good for people."

[CASSETTE SOUND EFFECT]

[INTERVIEW CLIP]

Janet Yellen: The Fed has a responsibility to make sure that our financial system functions, and if credit dries up, those who are going to feel it most acutely are America's workers. And so

when the Fed lends to corporations or to non-banks, it is doing so to protect the jobs and livelihoods in very rare situations of Americans.

Jon: Maybe that's the disconnect, though, because I think for people, they would view it as, "Well if I'm going to lose my house, that's a crisis." You know, American workers may feel like if you intervene for me, they call it socialism, but if you intervene for corporations, that's just free market capitalism, because if we don't do that, you'll suffer. And then they say, "But I'm suffering, why can't you help me?"

[CASSETTE SOUND EFFECT]

Jon: So why won't the Fed back stop their crisis? And I think part of the reason is the only access that people who work at the Fed have or people that work in economic policy have are other economists and other financial people and not actual people.

Claudia: Yeah it's actually worse than that.

Jon: Really?

Claudia: Yeah. So, because --

Jon: Go on.

Claudia: Among the economics profession, we don't represent the people of this country.

Jon: You're talking about demographics.

Claudia: Demographic, lived experience. I mean, just on every dimension. So as one example, I worked at the Federal Reserve through the crisis, the recovery. There are 400 PhD economists that inform, you know, economic policy financial markets. When I left, there was one black woman and she retired. The Fed has a maximum employment mandate along with price stability. The people who are the last ones to get across the finish line, they're not in the building.

Jon: No voice at the table.

Claudia: They have no voice at the table. This is not unique to the Fed. Like, I spent a lot of time after the crisis trying to figure out in 2008, how did we miss it? I look around my colleagues, we care so much. We work so hard. We look at all this data. How did we miss it? Not just the crises, but the recovery was so slow and I started to believe and I think Janet has talked about this too. Our blind spots in part come from the fact that we don't understand the world because we don't come from all the parts of it.

Jon: Right.

Claudia: So the Fed has done a lot of introspection. Janet kicked off big programs to change it. The Fed has embarked on a new – they've really tried to elevate their maximum employment mandate. They have a long way to go, but they have a lot of pushback. I mean, we have outside people like Larry Summers, who has advised the Clinton administration, the Obama administration.

Jon: I mean, my feelings about Larry Summers. He's the worst.

Claudia: He's the -- He's the leader of the economics profession.

Jon: The worst.

Claudia: And what he did is he called out the Fed for being woke.

[JON LAUGHS]

Claudia: I mean, it's offensive. It's offensive to use that term and being overly concerned about social issues and not inflation. I mean, I really kind of lost it. That's a symptom of the system fighting back.

Jon: You know, look, think of it as revolution insurance. You know, if we don't in some way fundamentally find a way to reform the type of capitalism that we practice here, it's not going to last. What's going to lead to things like socialism is an utter collapse –

[CLAUDIA LAUGHS]

Jon: – And failure of the system.

Claudia: We certainly have seen issues like populism and people not trusting policymakers, not trusting the facts. Like this, this comes out of a deep disappointment and a disconnect of Washington and the corporate elites of the people. I mean, I grew up in Indiana on a hog farm. Like, Washington, D.C. is not my natural habitat. And and I get it like I get a --

Jon: ****inaudible**** They had a hog farm. There's some similarities there.

[JON LAUGHS]

Claudia: – Yeah. Well, I mean, I grew up shoveling hog s*** in the summer. It's been a very good life skill, very macro.

Jon: There you go. You know, you've identified, I think, a lot of the corruption in this system and a lot of the systemic issues. So now I'm going to say, all right, so what do you got for answers? What do you got? What's going to help rebalance this and what's possible? You said the one

thing is to stop worrying so much about deficit spending. And do you have any other prescriptions that can help rebalance things in a smarter way?

Claudia: Right. So we need to move from the entitlement mentality to an invest in our people, invest in our future mentality. Part of investing in our future is preparing for the worst –

Jon: Boom.

Claudia: – We can hope for the best, but we better prepare for the worst. We will have another recession at some point. We know what works in recessions, we learned a lot. Cash works, getting money to small businesses and the unemployed works. So let's prepare. We know what works. We should not have to rely on Congress getting together, getting it passed. There's legislation from Senator Bennett and other people put, for example, unemployment benefits. The extra unemployment benefits, put them on autopilot. So when the unemployment rate rises, turn them on. When it comes back to normal, phase them out –

Jon: Oh wow, I love that.

Claudia: – And then, that's what's referred to as automatic stabilizers.

Jon: I love that.

Claudia: And then you build it ahead of time and people know it'll be there, and then Congress can worry about whatever the special flavor of the recession is, and they don't have to argue about how big should the checks be.

Jon: Right.

Claudia: And so you want to try and take the politics out of the basic support and then people will get the help and they'll get it fast and that we know how to do that. But that's also a that's a down payment on the future.

Jon: And that -- how would they see that? How does that -- how does that operate?

Claudia: Well, typically in recessions, we just print the money, right? That is a moment where actually both sides of the aisle agree. You have a crisis, you fight the crisis. So the legislation that has to be passed ahead of time is saying, "Okay, when would we start it automatically?" You tie it to the unemployment rate.

Jon: Boom.

Claudia: Something that nobody can affect, right? And so you tie it to something like the unemployment rate that kicks it on, that kicks it off. You agree ahead of time. How big should

those benefits be? When should they turn off? You work out all the wonky details when the world is not on fire –

[JON LAUGHS]

Claudia: – So that when the world is on fire, it just gets out and then you deal with whatever other crisis is happening.

Jon: Fantastic, Claudia, I can't thank you enough. What a dose of practical and smart and sobering advice on the economy. I very much appreciate it. Hope we get a chance to talk again when automatic stabilizers passes in the United States Senate. Mike Lee and Rand Paul –

[CLAUDIA LAUGHS]

Jon: – The only nay votes and -- and we get this thing done. Thank you again. Really, really appreciate the conversation.

Claudia: Thank you.

[MUSIC]

Jon: All right, guys, we're back. Guys, maybe I'm misinterpreting this, but it seemed to me like what Claudia was saying, is, "You're right. And he's, Jamie Dimon, is not right. And maybe he shouldn't have made you feel like you don't know what you're talking about." Is that -- is that the sense that?

Alexa: Yes, yes. Yes, yes.

Henrik: Overwhelmingly, yeah.

[JON LAUGHS]

Alexa: I'm starting to think --

Henrik: It felt mostly like she was, uh, number one taking sides –

[JON LAUGHS]

Henrik: – And number two taking your side.

[ALEXA LAUGHS]

Jon: Yeah, I think that's what we should do with the podcast from now on, we should do interviews with newsmakers and then the next week, bring somebody on who's just like, "What the f*** was that person talking about? You were dead on. You're the man."

[ALEXA LAUGHS]

Henrik: We're just like working back through your family and friends who are just like, "I don't know, that guy's an idiot. Jon was saying some cool s***."

Jon: I like to have conversations about these types of things because they are so technical, but you do have there are basic assumptions about the economy that you always think you're going to make. And you know, when you talk to people who who've studied it for so long and they, you know, they're able to say to you, like, yeah, it's pretty rigged against everybody.

Alexa: Mm hmm.

Henrik: Mm hmm.

Alexa: Yeah.

Jon: There's something empowering about that.

Alexa: Yes. Although I will say when she said very confidently, "We will have another recession." Didn't love it. Didn't love to hear that.

Jon: Yeah, I didn't like that when she said it, she did it like one of those gender reveals.

[ALEXA LAUGHS]

Jon: And then she hit that little pole and it shot pink dust all over the room. I thought, "Well, why is she celebrating this?"

Alexa: Yeah, agree. Yeah, that was really odd.

Henrik: Yeah.

Jon: You know what we're going to do now, we're going to throw to another segment. It's a shout out to someone that we like to call a boring motherf*****, somebody just getting the job done and doing the things that need to get done and that we want to celebrate because this culture does not celebrate the boring motherf***** who just get stuff done. So I believe young Robby Slowik is going to tell us a little story about a boring motherf*****.

[CASSETTE SOUND EFFECT]

Shout Out To A Boring Motherf*****

Robby Slowik: This week we're shouting out Senator Tammy Baldwin, the junior senator from Wisconsin. By the way, I find that whole junior-senior senator thing unbelievably condescending. We're talking about a woman who has been in the Senate for almost a decade and we're still like, "Ooh, look at the little Senator. Seniors rule." Congress is truly just high school, but somehow the school bully is a marshmallow boned Kentucky senator who looks like a melting wax statue. Anyway, if you haven't heard of Senator Baldwin, it's because, unlike some of her coworkers in Congress, she's not fighting for camera time like Machine Gun Kelly and Megan Fox frenching on the Teen Choice Awards red carpet. Ugh I want what they have: success in show business. She's also not showing up to the Billionaires Ball in a dress that says money is bad while shoveling gold flaked hor d'oeuvres down her gullet. Also, if you can spell hor d'oeuvres correctly on your first try, you're not paying enough taxes. But what Senator Baldwin is doing is introducing legislation to rein in stock buybacks and also require public companies to let their workers directly elect one-third of their corporate boards members. She's also the primary sponsor of 15 bills that were enacted into law, many that directly help veterans, but also three that just rename specific post offices, which is staggeringly boring. Has anyone in the world ever called their local post office anything other than the Post Office? You ever said, "I got to go get some stamps at the Rev. Steve de Benedetto Memorial Post Office?" Of course you haven't because no one buys stamps anymore. Still, you can follow Senator Baldwin and the good work she's doing on Twitter. Her handle is @SenatorBaldwinm, but I got to warn you her feed is boring and I'm talking trailer for the movie Dune level boring. I'm not going to watch your sand wars movie. Full disclosure, I have no idea what Dune is about, and I refuse to learn. Whatever is happening in it though, Timothee Chalamet looks too fragile to handle it. Oh, and if you can spell Timothee Chalamet correctly on your first try, you also aren't paying enough taxes. Anyway, shout out Senator Tammy Baldwin, a boring motherf***** who is doing the work.

[CASSETTE SOUND EFFECT]

Jon: Once again, guys, always a pleasure to talk to you. And but when we see each other in the office, avert the eyes.

[ALEXA LAUGHS]

Henrik: We know the rules.

Jon: And head down.

[LAUGHS]

Jon: All right, good stuff. This podcast is continuing the conversation from the Apple TV Plus series that also aired today. If you haven't watched the television series, that's not a problem. There's even a link in the show notes. And by the way, if you're reading the show notes, get a

life. People, there's a world out there. For more information, head to our website at the [problem.com](http://the-problem.com). And also we have a newsletter, so you can sign up for that because we are going to fill your world with content. See you next week.

[MUSIC FADES IN]

The Problem with Jon Stewart podcast is an Apple TV Plus podcast and a joint Busboy Production.

[MUSIC FADES OUT]