

## **TDI Podcast Summary for John Pugliano - TDI Podcast (#898)**

### **Quick recap**

John and Andrew discussed various topics including politics, the impact of automation on the economy, and the potential benefits of technology. They also touched on the challenges faced by Western countries due to demographic changes and the impact of political policies on the economy. Lastly, they discussed the potential positive impact of antitrust issues going away on the stock market and the challenges of high debt levels and trade sanctions.

### **Technology and Automation Drive Deflation**

John discussed the evolution of technology and automation, emphasizing its deflationary impact on the economy. He highlighted how digitization has reduced variable costs, making processes more efficient and cost-effective. Andrew agreed, noting the potential for significant savings in various industries, such as art and analysis, through the use of generative AI tools like ChatGPT. They concluded that technology and automation are driving deflationary trends, with potential implications for businesses and the economy.

### **Economy Shifts With AI and Media**

John discussed the shift in the economy, emphasizing that data has become free over the last 30 years. He predicted that labor will become less expensive in the future, with artificial intelligence replacing jobs such as graphic artists, copywriters, and legal researchers. Andrew agreed, noting the elimination of roles like receptionists and copy clerks. They also discussed the democratization of media, with anyone now able to self-publish and broadcast their content. John expressed optimism about these changes, while Andrew raised concerns about the potential for misinformation.

### **Technology and Wealth Steading in North America**

Andrew and John discussed the potential of technology to automate jobs and the need for creativity to excel in a technologically advanced world. They also touched on the concept of "wealth steading," which involves using technology to grow wealth and live off one's assets. John expressed optimism about the North American economy, particularly the United States, and the potential for a continued bull market. They also briefly discussed the concept of populism and its relation to political changes.

## **Globalization Challenges and Economic Shifts**

John and Andrew discussed the challenges faced by Western countries, including Britain, South Korea, and Japan, due to demographic changes, deflationary pressures from technology, and government spending. They highlighted the impact of the pandemic on the retirement of baby boomers and the resulting increase in inflation. Andrew emphasized the need for other economies to consume products created in North America, and John noted the shift of product design and manufacturing from the US and Europe to Asia. They also discussed the backlash against globalization and the discontent with governments and politicians due to the loss of blue-collar jobs in the US.

## **Political Policies and Economic Impact**

John and Andrew discussed the impact of political policies on the economy. John expressed optimism about the future, regardless of the president, due to long-term trends. He compared the policies of Trump and Clinton, noting that Clinton had the best annual rate of return in the S&P 500 of any president post-World War II. John also highlighted the importance of human intervention in fixing infrastructure issues, such as power supply disruptions. The conversation ended with a discussion on the potential benefits of Trump's policies, drawing comparisons to Clinton's presidency.

## **Cold War and Globalization's Economic Impact**

John and Andrew discussed the economic implications of the end of the Cold War and the rise of globalization. They noted that the Clinton administration benefited from the end of the Cold War and the opening up of the global economy. However, they also acknowledged that the current situation is different, with the US and China in a new "Cold War" or "hot peace" situation. They discussed the potential benefits of reindustrialization in the US and the advantages of peak globalization for the US economy. They also touched on the topic of automation and its impact on jobs, with John suggesting that the retirement of baby boomers could help mitigate the effects of automation on unemployment.

## **AI and Technology's Business Impact**

Andrew and John discussed the impact of AI and technology on business operations. They highlighted the benefits of having a phone app that allows for seamless communication and synchronization, eliminating the need for manual synchronization. They also touched on the disruption of the supply chain during the pandemic and the potential for tax cuts and deregulation to boost the economy. John mentioned the overturning of the Chevron doctrine by the Supreme Court, which could lead to increased deregulation. They also discussed the antitrust enforcement under Biden's administration and its potential impact on mergers and acquisitions.

## **Antitrust Issues and Stock Market Impact**

John and Andrew discussed the potential positive impact of the antitrust issues going away on the stock market, particularly for small cap stocks. They also discussed the challenges of the high debt levels and the potential for inflation to address this issue. They touched on the ongoing trade sanctions and the potential for a global depression or recession. Lastly, they discussed the potential struggle between Trump's policies and the Federal Reserve's interest rate decisions.