

## [The Bill Walton Show](#)

Bill Speaks with Haven Pell, Pundicator

Haven Pell:

.. no enough people drink enough.

Bill Walton:

Well, you don't drink though 'cause I guess-

Haven Pell:

I know. I know. It could be that could be my big flaw.

Bill Walton:

I think I make up for that. Okay, so we ready?

Crew:

We're rolling

Bill Walton:

I want to talk to you today about four things that I believe to be true. First, 95% of life's problems can't be solved by politics and government. Next, Occupy Wall Street got the wrong address and I'll share you what I believe that address is in just a few moments. Thirdly, politics, as most of you know, has become a business and the only way to understand politics is to dig into the money and the power incentives. Lastly, the Harvard class of 1968 does not represent a cross section of the rest of America.

Bill Walton:

With me to talk about Harvard and these other three topics is Haven Pell. Haven is a Harvard graduate and has spent a career as a lawyer, investment banker, foundation director, financial advisor. He's now logging at Liberty Pell and his title is Pontificator and hopefully he'll explain to us what pontificator means in a minute.

Bill Walton:

First I want to talk about Harvard with Haven. He was there at his 50th reunion not too long ago and wrote a really interesting essay on it that you can find at his website, [libertypell.com](http://libertypell.com) along with a lot of other interesting things he's written on the topics we're gonna talk about today.

Bill Walton:

Haven, great to see you.

Haven Pell:

Bill, thank you very much for inviting me. I'm glad to be here.

Bill Walton:

I guess tell me about pontificator. It's a great word. Did you invent it?

Haven Pell:

If you are sort of self taught in this realm as I am, you can't take yourself too seriously and it seemed to me that people who were writing about the major business in Washington where both you and I live, they do tend to take themselves pretty seriously. So it seemed like there was room for someone who might write about this, but perhaps not take themselves quite so seriously. So it seemed to me that combining pundit, which there are many, and pontificate, which is clearly a bad thing ... I mean nobody wants to be a pontificator, it seemed to be that combining the two and do sort of a super max version was a pretty good thing. It has turned out to be my very best search term on Google and it remains. I am the number one pontificator on Google. So maybe that means something, but boy, blogging is not an easy business.

Bill Walton:

I can second that podcast runs a close second or maybe it even runs ahead of blogging. Yeah, you're certainly right about the solemnness with which most of our friends here in Washington do their pundit business with. It's truer words were never spoken.

Bill Walton:

So you went to Harvard '68 reunion. First I want to establish my bonifides to speak with you about Harvard. I went to PS86 in Indianapolis and graduated from public high school and went to Indy University Public School of Wilmington, took me seven years to get through because I dropped out, got draftee during the Vietnam era and so I didn't really follow the straight and narrow when it came going through college, but when it comes to Harvard I spent a lot of my career working with Harvard college graduates and liked most all of them, but some of them worked for me and I had to fire a couple. So I know the good, the bad, and the ugly about Harvard.

Haven Pell:

That's can happen.

Bill Walton:

Tell me about the reunion. It must have been fascinating.

Haven Pell:

It was interesting. In a way I have thought about what makes it possible for me to pretend that I can add something to anyone else's life on the topic of politics. I lived in Washington since 1979 and so "The Washington Post" is sort of been my newspaper and it treats politics as sports writers. It's a big sports page for politics.

Bill Walton:

And there is a home team.

Haven Pell:

And there is a home team, yes. Yeah, home team, the swamp is the home team. So along the way from during my various careers and I'm reading about this and I'm beginning to say to myself, "Hey, this

doesn't look like it's working very well," and I have my final visit with a longtime doctor for physical. He said quite pejoratively I might add, that I was an addicted problem solver and I know that he did not mean that in a good way although it's completely true.

Haven Pell:

So I looked at this and said, "What am I gonna doing with my retirement?" And I said, "I'm going to write about politics." So I have actually been doing that for seven years and while I may not have all the credentials in the entire world, in terms of being an autodidact and spending seven or eight years trying to figure out what these things are and what the answers might be, I've probably advanced reasonably far in thinking about these issues.

Haven Pell:

So I get to my reunion and an important aspect of that is I graduated in 1968 and I am now a firm believer that there should be a constitutional amendment that says if you can name anything that happened in 1968, you are ineligible for public office, with a [crosstalk 00:06:37]. My group is done. We've had enough and it's time for the next team. No more people who can say anything about 1968.

Haven Pell:

So they decided that they were gonna have four sessions on polarization and I thought, "Wow, if I were looking for one word that pretty much describes what I have been writing about for seven years, it's pretty much polarization because it seems to me to be the antithesis of anything that has to do with problem solving." So I say to myself, "Wow, this is gonna be great. I'm gonna go to these four sessions on polarization and I'm gonna hear about from wonderful people that are smart and have wonderful careers and been experienced and successful in everything that they've done and this is gonna be a real eye-opener." I suppose with that set up it's pretty easy to see the punch line was, it wasn't.

Bill Walton:

Well, I guess one of the key south sides was one of the panels had Linda Greenhouse it was, what, the court reporter, Supreme court reporter for "New York Times" and she had an armband that said, "Resist," along with a couple of the other panelists.

Haven Pell:

Yeah, I thought that was notable. I mean in theory, at least the way I looked at it, it seemed to me that the better view is that polarization is bad and it's not bad for everyone. It seems to me to be bad-

Bill Walton:

By polarization, you mean the Right Left polarization?

Haven Pell:

Exactly.

Bill Walton:

The contact sport with see in Washington.

Haven Pell:

Yeah, and it seems to me that that is if you prefer running a country then pushing people to the edges of agreement where they fall off the cliff and they're not able to agree on anything, can't be a good way for democracies to run themselves or Republics to run themselves.

Haven Pell:

So it seemed to me that I would hear that polarization was a bad thing. All right, I think what I did hear was that there was an easy solution to polarization, which is everybody has to think like me. This was true of many of the speakers. There was a marginal effort to have a few people who were not speaking a progressive perspective ... by the way, many of whom were eloquent and thoughtful, not at least Tom Rastin and I who lives here in Washington and has written a very interesting tape on the history of the Democratic Party and sort of how its lost its way and I thought that that was really excellent and I felt that there were some observations that were useful, but it was very much overcome by things that one might just see on the internet.

Haven Pell:

Picture four one-hour sessions, two of which were devoted to sort of diagnosing the problem and two of which were devoted to solutions and imagine say 350-400 people in each session. They were obviously self-selected, there were over 1000 people at the reunion and maybe others were smarter than me and decided that they would not bother with those sessions. It was a little bit surprising to see what you describe of Linda wearing the "Resist" armband and she was not alone. There was another person on the panel with the same armband, which they have a perfect right to wear. That's fine except it doesn't send the best message about being anti-polarization.

Bill Walton:

Can I confess to not paying attention to something? I see "Resist." What do they mean by resist, who are the ... these people that are resisting-

Haven Pell:

Well, I think it's a [crosstalk 00:10:58].

Bill Walton:

Okay.

Haven Pell:

And by the way, it's not that Trump doesn't deserve to be resisted. There are aspects of his demeanor and I think we've seen quite a bit of that going on this past week that are definitely pretty suspect and now there are certainly people who have very legitimate criticisms of the way he goes about this job.

Bill Walton:

Well, you know, you and I have talked about this before. We were gonna ... Arnold Kling's been a guest on the show and he was gonna come on today and had a head cold, so we'll get him back, we'll all talk together, but he talks about the three languages of politics and how the three tribes really have three separate moral codes of ... Progressive Liberal have one code, the Conservatives have another and Libertarians would have a third.

Haven Pell:

Yeah.

Bill Walton:

And there's a Liberal consensus about what's right and what's wrong and it sounds like there was 99% convergence about that in that room or during those panels and then the other divide that I see and there was a book written, I don't know, four or five years ago by an author by Angelo Codevilla, which I recommend called "The Ruling Class," and that is a little different take. It says this hypothesis is that polarization is not just Left-Right, but it's also the elites versus the rest of the country.

Haven Pell:

I think that's entirely true.

Bill Walton:

I think that explains why Trump got elected.

Haven Pell:

Absolutely. I couldn't agree more and I think one of the things that you're seeing now is people like ... Well, one that comes to my mind, obviously there are any number of books that endeavor to explain how non-Washington thinks, some of which I think are less useful, but obviously there's a good deal of effort that is going on, James and Ann Fallows deciding that they're gonna go see what the heartland of America looks like-

Bill Walton:

Did they wear pith helmets?

Haven Pell:

Well, they did it very interestingly. They went to ... certainly not primary cities, they went to very much secondary cities. They did go by airplane. He flies a plane or they both do and they would pop down in some place in Sioux Falls or wherever it was and then they'd spend a week wandering around town and trying to find out what was going on and I'll bet it's a good book. I mean id some [crosstalk 00:13:48]

Bill Walton:

Get in touch after step of your golf stream?

Haven Pell:

Yes. Well, this is a book [inaudible 00:13:55].

Bill Walton:

Okay, all right.

Haven Pell:

I was a little bit jealous 'cause I did the same thing last winter, partly to go to see a friend in Arkansas and see some things that were going on in the Arkansas belt, which is a pretty challenging place at the

moment and also to travel around in the West under the guise of a massive ski trip, but also to do what my wife pejoratively referred to as my Jack Kerouac thing and it was interesting. I think a lot of people-

Bill Walton:

I want to specify, you don't drink.

Haven Pell:

No.

Bill Walton:

So that is a complete [crosstalk 00:14:37]

Haven Pell:

And there were no controlled substances. So I think a lot of people have become interested in what is going on in the rest of the country and maybe is elitism that everyone around us is accused of, maybe there's some truth to that, which it strikes me there is. I mean in a way, that's kind of leads me to the idea that Occupy Wall Street got the wrong address.

Bill Walton:

What is the right address? I left that hanging out there. I knew the answer. I wanted you to dig into it because that is your idea and I believe it's absolutely right.

Haven Pell:

I was asked to write an essay for something called The Passy Press and The Passy Press is a website located in Paris. It's named after Ben Franklin's press when he was the ambassador before the Revolution. It is an invitation only ... I think it's maybe 300-400 subscribers, something like that, but it's a pretty upscale group of subscribers. You are invited to write an essay, it must be 1000 words or less and it must come to a conclusion, it must have a recommendation. You can't just lob a problem out there and walk away from it.

Bill Walton:

That would be a highly unusual piece then because that's most of punditry is.

Haven Pell:

Yeah, and so I looked and obviously Occupy Wall Street it sells great. The top 1% is taking all the resources that exist in the country, the rest of the country has nothing. We feel like victims and it's a wonderful political issue, but to some degree it's a manufactured political issue to get people mobilized and who manufactured it? Well, the people who get people elected and the elect me industry is different from the govern us industry. Most America it seems to me looks at govern us as the point of politics, but not the people who are in it. They look at elect me as the point of the whole exercise and that's the business.

Haven Pell:

If you look at statistics that tell you how much gets spent from all sources, and it's very difficult to find this because it's not meant to be easy, it's very difficult to find it, but it's billions of dollars per cycle, many billions of dollars, increasing number of billions of dollars.

Bill Walton:

Which is the third point I made in the intro, which is that politics is a business and you can't really [crosstalk 00:17:41] knowing about the money.

Haven Pell:

Absolutely, and if you look at ... Here's an example. There's a hearing for a Supreme Court Justice, Brett Kavanaugh, is going on, but higher likelihood is that Brett Kavanaugh is going to be confirmed. Brett Kavanaugh is clearly a capable lawyer, found to be entirely qualified by the American Bar Association, which is not generally thought to be Right leaning, and he in all likelihood will be a fine Supreme Court Justice. There are issues that people can be riled up about, but these are entirely unpredictable.

Haven Pell:

Nobody knows how he's going to vote on anything and there is ample precedent with prior Justices, that they change their stripe entirely. There are many examples of that. Yet we have completely orchestrated protests going on. The hearing is not a hearing at all. It's a stage. There's no point in focusing on Kavanaugh. The thing to do is to take the cameras and turn them around and focus on the several people who think that they're in the running to be president in 2020, they're posturing, they're setting themselves up, getting themselves some air time and so forth.

Haven Pell:

Then the protests are clearly organized and paid for. These are not spontaneous. All you have to imagine if you look at protest ... I've gone down to them all and looked at either the before or after or during of protests and you say, "Where did all the bathrooms come from? Where did the barriers come from? Did they fall from the sky?" No. These have to be organized and there are people who are very good at it. It's part of the process of the K Street changing public opinion and mostly aiming to get people to fight with each other because that's how you make the most money.

Bill Walton:

Yeah, well you polarize each side and then you get everybody excited and they write checks and your revenue. You know we talked about, you mentioned the top 1% and how Occupy Wall Street got the wrong address and it is K Street. I believe it's true, but four of the top five wealthiest counties in the United States surround Washington, DC.

Haven Pell:

They do indeed. They do indeed.

Bill Walton:

So it's not only the power in Washington, but the money's in Washington.

Haven Pell:

Sure. Obviously there are some wealthy counties dotted around throughout the United States. I'm sure Pitkin County, Colorado where Aspen is, is probably pretty high on the list and there are obviously ones in Silicon Valley and around New York City and so forth, but counties that are here where you and I live and Washington, DC doesn't count as a county, but if you could take Northwest DC and call it a county, that would be another one that would be very high on the list, and this is all people that are making a very good living off of governing or getting people elected.

Bill Walton:

One thing you said I'd like to dig into a little bit more. You said it's the get elected, the crowd versus the govern us. I'd say most of America would say govern ourselves. I think most of America would say, "Leave us Alone,"

Haven Pell:

Good point, Bill.

Bill Walton:

... and instead we've got all the stuff that's coming out of Washington and it's unrelenting. I'm president of our volunteer fire and rescue out in Rappahannock County and the fire chief there, Ann, talks all the time about the unmanned, unfunded mandates that come through the fire and rescue system where she says, "I used to run calls. I used to save people's lives. I used to fight fires. Now I'm filling out forms and filling this regulation, that regulation." So what comes out of DC is permeated every faucet of American life and I don't know how we roll that back, but we got to figure out a way to do that.

Bill Walton:

Was there incentive to do that at Harvard reunion? Did any the panels talk about the need to [crosstalk 00:22:32]

Haven Pell:

No. No. If you were trying to make the case for centralized decision making, the case that you would probably make would be homogeneity, predictability and fairness and everybody gets treated the same.

Haven Pell:

The case that you might make against that is inflexibility, non-responsiveness and you could be where you would like to be on that axis. Washington definitely wants to be at the former end of it because that means they're making all the decision, where if there has to be a regulation about your volunteer fire department, where does somebody go who wants to influence that regulation? Well, they can come here and it's kind of one-stop-shopping. If they had to go and sell whatever service they might want to do to your volunteer fire department, do they go to Washington, Virginia and do they chat with a person that you were describing and say, "Here's what we can do?" or do they sell their service by putting it into a regulation that you more or less have to buy that service?

Bill Walton:

Well, that question answers itself. We haven't had anybody show up at our doorstep saying, "Well, you need or don't need." It's interesting, you're talking about a phenomenon I've written and talked about elsewhere, that there's a circle of power and influence that keeps sucking everything into Washington.



Bill Walton:

In 1960, before a lot of these programs came into existence, there were only a handful of companies that had an office here to lobby here in Washington and yet as the EPA guy created, the great society created a lot of labor laws and things like that, pretty soon we'll get business that felt like they had to be here. Now you can't find any major corporation in America that doesn't have a significant presence here in Washington, spends a lot of time here and to your point, if you want to make things happen, this is the tip of the spear.

Haven Pell:

Sure, and I've often imagined ... I mean you're much closer to this than me because you've been a CEO and I sure as hell never have and it seemed to me I have this vision of a board meeting and I'm picturing the CEO and I'm picturing the board members and I'm picturing some [inaudible 00:25:07] CFO or budget officer or whatever endeavoring to justify the amount of money that the company is going to spend on lobbying. Then I imagine to entire board of directors bursting into laughter as they consider what the return on investment of whatever it is that they are spending on lobbying being higher than the return on investment of anything else the company does and that it would be immediately approved, whatever amount of money you want to spend on lobbying, spend it. It is going to pay dividends.

Bill Walton:

There is ... gosh, I'm trying to wrap my brain for some of these examples 'cause I've talked about elsewhere, but yeah, there's instances where industry spend \$50 million on lobbying a particular regulation and then when they get it in place they reap billions and billions thereafter. Look at the money spent on ethenyl lobbying.

Haven Pell:

Sure.

Bill Walton:

I happen to believe that ethenyl is not a great additive to gasoline, yet the money that the corn industry spent on getting that into gas is paid itself ... it's probably produced a 500 to 1 return on the money.

Haven Pell:

Sure, and it explains the Iowa Caucuses.

Bill Walton:

It does. Although did you see that California now is trying to get ahead of Iowa?

Haven Pell:

No, I didn't know that but I've always thought, "Aw yes, I can explain why an early stop in campaigning is to go to Iowa, participate in the Caucuses, take a pledge and that's what they call it, but you can't have an alternate thought on ethenyl. You have to take the pledge or you will lose in Iowa."

Bill Walton:

That's one of the reasons I like Rand Paul in that particular election ... maybe it was Rand Paul or was it Ted Cruz? They went into Iowa and said, "I don't think ethanol should be subsidized," and then I think they finished 6th.

Haven Pell:

Well, that's ... it's-

Bill Walton:

And that's the interesting thing. People think the cronyism that occurs here it's the big companies doing it, it's greedy capitalists. I'm sure that's partly the case, but you've got every faction in America's got some skin in the game and the game is here in DC.

Haven Pell:

Sure.

Bill Walton:

Which gets us back to the first point I made and I think you touched on it, most of our problems can't be solved by politics or government, I mean the real problems, the life and death problems, the whether you lead a happy life problem, whether you feel like you're taking care of your family, the things that are close to your heart and close to your soul. Government can't and politics can't and yet we act on a presumption and our media covers it as if we get this one bill passed and people are gonna live happily ever after. It never happens.

Haven Pell:

No, and I haven't thought about it in this way until you just mentioned it, but there's a whole world of counting stress points and you've probably heard about this, that there are certain things that if your stress level gets up too high it can adversely affect your health.

Bill Walton:

Sure.

Haven Pell:

Then there are some items that are big contributors. Getting a divorce might be, a loss of a family member, a loss of a job, any number of things, and if you look at the biggest stress points, the biggest contributors to stress, not one of them is political. It's all sort of family, job, financial reversals, those sorts of things are the biggest contributors to problems and politics really doesn't do anything about any of those things.

Haven Pell:

There's another piece that I think is really interesting and probably will write about it at some point in the future and that is borders don't work anymore and if you think about how borders were intended to work from the time of the Treaty of Westphalia ... sorry to be a bore about that one, but-

Bill Walton:

1646?

Haven Pell:

It was 15-something I think. A long time ago. It's several hundred years ago. We've been living-

Bill Walton:

I was just acting like I knew something.

Haven Pell:

Yeah, we've been living with this for a long time.

Bill Walton:

Right, okay. [inaudible 00:29:56] was

Haven Pell:

And the Westphalia Treaty was supposed to be basically if you and I had the only two countries, I say, "Bill, you know, I'm not gonna bother you or your country and you agree that you're not gonna bother me or mine and by the same token I will also make sure that the people who live in my country are not gonna bother you and you'll do the same for me," and that worked fine in the 1500's. Now it doesn't work fine.

Haven Pell:

Now you can't stop people from traveling, you can't stop ideas from traveling, you can't stop shipping, you can't stopping exports, you can't stop ... Logistics have been a much bigger contributor to the change in our lives than politics have. The fact that we can ship containers all over the world at low prices is one of the biggest factors that there is.

Bill Walton:

Well, what I believe is that somebody like Steve Jobs has done more to help human happiness than the last 500 politicians you can name.

Haven Pell:

Absolutely.

Bill Walton:

You get some extremely exciting innovations driven by somebody who may or may not be a nice guy, but it changes the shape of human reality and that's what happens. Politics doesn't do that. Politics is zero sum, it doesn't create, it just divides.

Haven Pell:

You know I always think about have I ever met an African fisherman? No, never have. Do I picture the African fisherman? Yeah, I do. He's on his boat and he catches his fish and he then today he picks up his cellphone, he looks to see whether if he pulls into this port what price is he gonna get for his fish, and if he pulls into that port, what price is he gonna get for his fish and he didn't used to be able to do that. It has aided prosperity in an enormous way.

Haven Pell:

It was interesting, not many months ago I was at a talk given by head of the World Bank and he had a very optimistic view of what we have been successful in doing over the course of the last 50 years. We have lifted more people out of poverty in the world in the last 50 years than has even been done in all of human history by a huge margin.

Bill Walton:

And what was the number? About a billion, two billion? It was an astonishing ... yeah, I know the-

Haven Pell:

It was left taking number and it used to be that the definition of poverty was a dollar a day, and this guy he's thinking and he's being very candid and he said, "You know, with a dollar a day we ran out of poor people. The World Bank needs poor people."

Bill Walton:

That's true.

Haven Pell:

"And we raised it to a buck and a quarter and still we ran out of poor people."

Bill Walton:

You know, that's a topic-

Haven Pell:

"Now we're at \$1.95. We still have a declining number of poor people so we're doing a great job," and yet you aren't allowed to hear the aspects of life in which we are doing a great job.

Bill Walton:

Well, that's the problem with most of these social programs, is that if the problem gets solved they've gotta figure out a way to redefine the problem to stay and business and so it's happened and that creation of wealth happened because of what happened in the private sector. It didn't happen ... I mean the government may have helped at the edges but not fundamentally. What you just mentioned is something we ought to talk about at length in another show.

Haven Pell:

Will do.

Bill Walton:

We need to wind up here.

Haven Pell:

Okay.

Bill Walton:

My take ... why don't you wrap up and how do you see final words?

Haven Pell:

I wish I knew how to fix it.

Bill Walton:

Yeah.

Haven Pell:

Another topic that I've been interested in is devolution and pushing decision making to the lowest-

Bill Walton:

Devolution?

Haven Pell:

Yeah.

Bill Walton:

Moving power out to the people? Yeah, great.

Haven Pell:

Yeah, and I think you described it beautifully with regulations with your volunteer fire department and that would be sort of devolution with large.

Bill Walton:

Yes.

Haven Pell:

When you go to Washington to the volunteer fire department, that's a pretty long way, but I've often wondered whether there are moments where those in central government have a moment of self-reflection and ask themselves, "What did we do wrong to create this problem? Why do people in America hate the elites so much?" Not all people, but some people.

Haven Pell:

The other one that interests me is to imagine a conversation in Brussels, in which a group of high-level European union officials ask themselves, "Would there have been anything we could have done keep Brexit off the ballot? What did we do to make them mad enough to pick up that ball, turn it into a political issue?"

Haven Pell:

You know, it isn't necessarily that you caused Brexit, but there were people who could exploit a fertile field that was created and the fertile field that's created in the United States is people hate Washington. All is terrible. Nobody likes Congress, nobody likes the executive, nobody likes the government. They're doing an absolutely awful job. Nobody would invest in a company that had that kind of popularity or

support from the people that they depend on, and what could you do to counteract the desire to centralize the power here? I don't know. I don't have an answer for you.

Bill Walton:

Very, very thoughtful framing of the problem. Let's go off and ponder that and come back in a future show and see if we can't take a stab at a few answers. It's been great.

Haven Pell:

I'd love it.

Bill Walton:

Haven, it's great talking with you, as always. We've enjoyed our conversations over the years. We finally get to do it via Zoom and this has worked out well. Thank you and thanks for listening in. Thank you. Bye.

Haven Pell:

All right. Thank you.

Bill Walton:

That was so interesting, Haven. That was good.

Haven Pell:

Good.

Bill Walton:

That's exactly-

Haven Pell:

I would have ended by thanking you for inviting me to my maiden podcast.

Bill Walton:

Well, you're a natural. This is fun because we had a real conversation and we were thinking.