

TBWS John Allison 2-10-21

Speaker 1 ([00:04](#)):

Welcome to The Bill Walton Show, featuring conversations with leaders, entrepreneurs, artists, and thinkers, fresh perspectives on money, culture, politics, and human flourishing, interesting people, interesting things.

Bill Walton ([00:24](#)):

Welcome to The Bill Walton Show. I'm Bill Walton, and today I want to get into something that's really very personal to me. I've been fortunate in my life to serve with many talented and principled people, and one of the most talented and most principled I've met is a man I joined where I was involved with the Financial Services Roundtable, which was the 100 Largest Financial Services Companies, and I was fortunate enough to be on the board with him. And together, we served on the board through the financial crisis of 2007, 2008, 2009 and the aftermath, and it was quite a journey. And you see people's character evolve or emerge in crisis, and the man I want to introduce you to, John Allison, is just that type man. And John, I'm glad I've known you, and I wanted to follow up because you've also written a terrific book.

Now, by way of background, John ran BB&T for, what, over 25 years, and took it from roughly 3 billion in assets to 150 billion in assets. After he retired from BB&T, he was an outstanding CEO Chairman of Cato Institute, and he now serves on numerous boards and is author of two books, *The Financial Crisis* and *The Free Market Solution*. And the one I want to talk a bit about today is *The Leadership Crisis and The Free Market Solution*. And I was doing a little research for this and I stumbled across this, written in 2014, which was when the book was published, and the author is none other than John Allison, so I thought I'd just quote the author. He said, "The leadership crisis and The Free Market Cure sets forth a set of principles that is the foundation for human flourishing. The principles are equally applicable to individual behavior, organizational achievement, and societal well-being. These concepts are consistent with the American founders' ideals of life, liberty, and the pursuit of happiness."

John, thanks for joining.

John Allison ([02:36](#)):

Well, thank you, Bill. It's really a pleasure to be with you. Now I've personally enjoyed our relationship over the years, so I'm glad we're getting a chance to do this.

Bill Walton ([02:44](#)):

Well, and I wanted to bring your ideas out and talk about anything else you've got going now. So John, you've got a very interesting personal story. How did John Allison become John Allison, and when did Ayn Rand enter the picture?

John Allison ([02:58](#)):

Well Bill, I was raised in, I call a lower-middle income family. Nobody in my family had ever been to college. My daddy worked for the telephone company for a long period of time. I was fortunate to get to go to the University of North Carolina and got a degree in business there. I then went to work for BB&T,

which at the time was a really small farm bank in Eastern North Carolina. While I was there, I was able to get an MBA at Duke University.

I tell this story because a lot of people enjoy it. It shows my ignorance. When I went to the University of North Carolina, I was expecting to get a degree in engineering because I was good in math. One of my counselors had told me I ought to major in engineering. I really didn't exactly know what engineering was, but it sounded good. And in those days, because of the baby boomers, we were in this parking lot signing up. It was in August, it was hot as Hades, and I was standing in line, sweating, and I got invited up to speak, and the registrar asked me what I wanted to major in, and I said engineering. And she said, "We don't have it here." [inaudible 00:04:16] I said, "Well, what do you got?" And she went down the list, and she gets to business administration and my new idea was in business. I said, "Well, that sounds great, so I'll major in business."

To some degree, I pursued my career that way, Bill, in the sense that I tried to do whatever I did really, really well. I was never very focused on getting promotions because I thought if you really did things well, you'd get a promotion. And I was fortunate in that the bank did give me opportunities at a relatively young age, I think because I was really trying to do whatever it was I did better than anybody else had ever done it.

Bill Walton ([05:03](#)):

Well, that's sort of my story as well. I mean I ended up as a CEO not of a big organization of BB&T, but the thing people ask me, "Well, gee, what was your big ambition? How did you get to become a CEO? How'd you make all that money and all that? Didn't you really have a plan?" I said, "Well, no. I didn't really have a plan. I just took one thing at a time and tried to do the best I could of that one thing." And sometimes I'd take things that even were off the beaten path a little bit just to try something that maybe didn't necessarily fit the straight line, but gave me another dimension. It sounds like that's what you've done.

John Allison ([05:42](#)):

Exactly. Exactly. And the good thing about that is it makes it more fun. If you worry about getting to be CEO, I think you're wasting your life.

Bill Walton ([05:51](#)):

You never get there. Yeah.

John Allison ([05:53](#)):

You need to be enjoying your career when you're young, and it's exciting to do different things.

Bill Walton ([06:00](#)):

Well, you did a lot of sidebar projects, too. I mean, it wasn't just that you went to the bank and you just said, "I'm going to do banking." You were involved in a lot of community organizations as well?

John Allison ([06:11](#)):

I was, I was. One of the organizations that ... My first son was born prematurely, and my wife stayed in the Ronald McDonald House, so we ended up helping build a Ronald McDonald House in Greenville, North Carolina, and she stayed involved with that for many years. And I was on a workshop for people

with mental health and physical problems, and I learned a lot being involved. It wasn't a sacrifice from my view, it was an educational experience.

Bill Walton ([06:48](#)):

Well, and also, we're going to talk a bit about Ayn Rand and her principles and the notion of benevolence or altruism, and I think done properly, it's a win-win. It's a voluntary exchange where you're supposedly giving something, but you're getting something back. It's a two-way trade.

John Allison ([07:09](#)):

Right.

Bill Walton ([07:09](#)):

So how did you find Ayn Rand? When did you find her and?

John Allison ([07:13](#)):

I stumbled on her [inaudible 00:07:14]. I've always been an avid reader. I read a lot, and beyond just what's in my courses. I was in a bookstore in Chapel Hill, where the University of North Carolina is, and I saw a book called Capitalism: The Unknown Ideal, and I've been interested in economics, and I read that book-

Bill Walton ([07:33](#)):

What was the title? Capitalism what?

John Allison ([07:35](#)):

Capitalism: The Unknown Ideal. And the first chapter is a moral defense of capitalism. I was a business major, I was a rising senior. Nothing in any of my business courses had mentioned the fact that capitalism was, in fact, a moral system. Nobody had bothered to talk about that, and it really impressed me. And then I went on from there and I read everything basically Rand had written.

Bill Walton ([08:04](#)):

So the title, though, it reminds me of a story that Sarah tells, my wife, about how she read The Feminine Mystique, which I guess was Betty Friedan's manifesto on feminism. And Sarah read it because she thought it would make her more attractive to boys. So you picked up the capitalism thinking, "Maybe this is a how-to," and it turned out to be a set of principles that were eternal.

John Allison ([08:34](#)):

Right. And then of course, Rand's greatest book is Atlas Shrugged, which had a huge impact on me. Really, really dramatic impacted my life.

Bill Walton ([08:43](#)):

Now did you get all the way through it? I guess you have.

John Allison ([08:46](#)):

Oh yeah. I read it in really a fairly short period of time. I just couldn't put it down.

Bill Walton ([08:51](#)):

Because I was doing some work for one of the shows, and I got interested in Karl Marx. Karl Marx is looming very large today. And I went and read The Communist Manifesto. Well, The Communist Manifesto is shorter than the John Galt speech at the end of Ayn Rand.

John Allison ([09:14](#)):

Yeah.

Bill Walton ([09:16](#)):

But The Communist Manifesto, the man didn't know anything about economics. He'd never been in a factory, he didn't know anything about anything. He had all these abstractions like proletariat. He'd never met a proletariat, whatever that is.

John Allison ([09:28](#)):

The reason I was laughing is I read The Communist Manifesto and it just flat made me mad. Plus, I said, "I can't believe this book has had the influence its had." I mean, when you read it, you go, "What? I mean this guy doesn't know anything." Surely, there's better than this.

Bill Walton ([09:48](#)):

You developed 10 principles in your book, and let me pull the cover up here. It's on Amazon, obviously, and it was the number one bestseller New York Times in the business section, as was The Financial Crisis and The Free Market Cure, and I recommend both of them. The Financial Crisis one, by the way, explains what really happened in 2008 and most people don't know it, so maybe that's a topic for another show.

10 principles, how did you come to these, and where do we start?

John Allison ([10:28](#)):

Well, these are really, I would call them layman's outline of the principles that Rand puts in Atlas Shrugged. So it's really driven ... I never tried to impose objectivism as an integrated philosophy on BB&T because people have lots of different beliefs, but these 10 principles are applicable to whatever your fundamental beliefs are. And underlying the 10 principles are what Rand describes and what I believe are the three great virtues: Purpose, reason, and self-esteem. So you have 10 principles that flow from this idea of virtues virtues and [inaudible 00:11:17]. So one of the things we really tried hard to do at BB&T is create a purpose driven organization.

We defined it in our mission which was to make the world a better place to live by helping our clients achieve economic success and financial security, creating a place where our employees could learn, grow and be fulfilled in their work, making the communities where we work a better place to be, and thereby optimizing the long term return to our shareholders. We weren't confused. In a free market, your primary fiduciary obligation is to your shareholders, however, the way you really accomplish that, and I think a lot of business people miss is by doing a great job for your clients, because out of your revenue comes from your clients. You can only do that if you have good people, and you train them and give them the opportunity to do what they can do.

You do all that particularly in a bank in the context of communities. If your communities don't do well, you won't do well. So we try to develop this sense of purpose in the long term concept of doing the right thing for our clients, employees and communities, and that's how you reward shareholders. Our shareholder returns frankly were way superior to the industry.

Bill Walton ([12:22](#)):

Well you must have been doing something right because the only bank that got through the financial crisis without a quarterly loss, I mean there may have been an exception, but I'm not aware of it. You did it by not getting very far outside your lane, which makes me think about your first principle which is grounded in reality. I love this phrase, "What is, is." We don't get to vote on reality.

John Allison ([12:50](#)):

Yeah and it's interesting. I mean in some ways, that is self evident, but it is amazing how much resistance there is to reality in the world. People just don't want to face the facts. This is really a [inaudible 00:13:06] issue but related to reality. We said wishing something so does not make it so, which is active evasion which occurs when you're presented with some people's information that you really know not true, but you don't want to face it. Secondly, the belief in popularity, reality is independent of popularity. People make a lot of bad decisions because of popularity. Finally, and this is the trickiest one, is the belief in authority. Reality's independent of authority. You have to judge your authorities, and if you look at say the financial crisis we were talking about, the authorities were standing for communities in [inaudible 00:13:42] right and they tremendously misrelated a lot of financial instruments.

The one reason we went through the crisis without any quarterly losses we looked at their stuff and said, "Wait a minute. This isn't right." A lot of us had been around in the early 90s when we had another financial crisis people forget about. We said we're not going to do what these people are recommending us to do.

Bill Walton ([14:05](#)):

Let me take just a quick break here. You're watching the Bill Walton Show, and I'm here with John Allison the long serving and highly successful CEO BB&T, and we're talking about his first principle for leading his organization and in life, which is being grounded in reality. We're talking about ways that people lose that by either evading things, or trying to be popular, or by thinking some authority knows better than you do about what is. So John, rating agencies. We both had the experience of sitting across the table from rating agencies, and you just knew they didn't quite get what you were about. I mean I had one meeting with somebody where we focused on, we tried to focus on industries that weren't cyclical, that is they went up and down like steel and automotive, all the different sort of consumer durables. We tried to avoid other things that had commodity risk.

The young man from the rating agency looked at me and said, "Well you're not diversified across all industries." I said, "Well that's because there are a lot of lousy industries." Diversity is okay up to a point.

John Allison ([15:28](#)):

We had similar kinds of experiences. I think one reason we were quite willing to reject their recommendations is after you meet with them, you say, "These people don't know what they're talking about."

Bill Walton ([15:39](#)):

There are some smart ones, but many of them you wouldn't hire. I think with the and we talk about grounded in reality, we talk about the law of causality. Everything in nature has a nature. What's that about?

John Allison ([15:57](#)):

It says that everything in nature has a nature, and everything in nature has to act consistent with its nature. As human beings, we're thinking beings, and we survive by our ability to think, to use reason. You can't avoid that. There's no shortcuts. There's no free lunch. We don't have any magic. People look for magic. I know this sounds silly, but people look for magical solutions. What that caused us to do Bill is be very disciplined. So let's take acquisitions. We did a lot of acquisitions. We grew our company over 150 acquisitions, but we got to points where we saw that the acquisition markets were out of balance. The prices were too high. It didn't make any economic sense. A lot of our competitors went ahead and did acquisitions anyway because they rationalized.

They said, "[inaudible 00:16:49]." We didn't. We were very disciplined. We had mathematical formulas. We stuck to those formulas, and we avoided making a lot of the mistakes that a lot of people did, because we were disciplined around reality, around causality. I mean the reason you knew they wouldn't work is you knew that they couldn't. Causality wouldn't allow that they claim they could do or.

Bill Walton ([17:19](#)):

You ask a question in the book I just loved which is do you think our political leaders make decisions based on reality?

John Allison ([17:26](#)):

And the answer's no unfortunately.

Bill Walton ([17:31](#)):

I mean this lockdown we're going through now I think is exhibit A. Maybe March April we knew well you got to be careful. You can't do this. But we've now got 12 months of statistics and data and results, so we know exactly who are vulnerable, who aren't, and who needs to be locked down and who doesn't, and yet we're still acting as if we don't know anything about it at all, and one size fits all, and of course one size never fits all. That's the way we're governing.

John Allison ([18:01](#)):

[inaudible 00:18:01] two different [inaudible 00:18:02] the facts are overwhelming. For people under 65, this [inaudible 00:18:08]. I mean a few people died, but it actually flu is worse for people under 65, and particularly somebody that doesn't have any preexisting conditions. People over 65 there's some risk. We could have saved a lot of lives by focusing on people over 65, and not really doing anything. People under 65 go live their lives, a lot of them would have gotten their virus, [inaudible 00:18:33] dozens of people had this virus and had no symptoms. They had no real, they were sick for a day or two, less than the flu. It's tragic because we've done incredible damage to our economy. The thing that scares me is what we've done to education.

Think about these kids can't make up. There are certain periods in your life when you learn stuff, and if you don't learn it in that timeframe, you will probably never learn it. I really feel for low income kids because they don't have support at home, they may not have a computer, somebody that really knows how to use a computer, and they'll never catch up. It's tragic.

Bill Walton ([19:17](#)):

Well and all these bad policies have fallen disproportionately for poor people. [inaudible 00:19:23] the other day and he's done a lot of thinking about this. The costs of this are going to be lasting for years

and years and years and could be many, many, many, many multiples of what the obvious cost are right now of the lock down both in the education, healthcare, drug addiction. The educational year lost is going to have an incredible impact on kids' earning power.

John Allison ([19:51](#)):

Oh but it is, it is. What's tragic, a lot of it's unfortunately driven by the teachers. My feeling is if you aren't willing to take that risk fine, quit, but if you're a teacher you can go play the game. I mean that's like you're a baseball player, you play baseball [inaudible 00:20:12] enormous things.

Bill Walton ([20:13](#)):

Your statistics I mean kids are ... The flu, the regular flu is four to five times more dangerous to kids than this virus is which isn't dangerous at all. I don't know you and I are not big fans of teachers unions. Maybe they'll overplay their hand now, and I think they are.

John Allison ([20:32](#)):

I mean I'm actually encouraged about that, because what we've seen is a pretty big burst in private education. This is an opportunity because parents are seeing, I get a lot better outcome not only they're open, and so I'm optimistic that it's a wake up call.

Bill Walton ([20:55](#)):

We're going to have a hard time getting through all 10 principles at the rate we're going. You're being very interesting as we digress. The digressions are great, but I do want to get to a couple of these because they're so interesting. Your second principle is reason, objectivity, and you're saying we should begin with premises based on facts, and then use induction and deduction to derive conclusions. I mean how many people function that way? I mean isn't that ...

John Allison ([21:26](#)):

Well I think ...

Bill Walton ([21:27](#)):

Of course, I do and you do and we do. We're always ...

John Allison ([21:30](#)):

I think a fair number of people function that way in a mixed they don't really think about what they're doing, but to some degree, you have to think to some degree that way. You don't have any choice but to do inductions and deductions. What people tend to do is take authorities and this goes back to the first principle instead of making their own conclusions, instead of going through the mental process of asking themselves really does this make sense, and what is my life experience? What have I actually seen in my life that would lead to this conclusion? So and part of mentioning it in the book is to encourage people to think that way, to do, to really look at how things fit together, and what can I deduce. If this is, if I have people behaving this way, what does that mean? What have I learned from that lesson?

Bill Walton ([22:38](#)):

Well I think you give it a great way to think about it was a high IQ may matter, a high IQ may actually hurt you in some cases, but if you just go through the process of not trying to evade reality and just

focusing, focusing, focusing, you can get to pretty much the same place as that induction and deduction formula would lead you.

John Allison ([23:05](#)):

Focus is huge. People unfortunately live a lot of their life out of focus. Part of that's a form of evasion, but one of the great questions is do we have free will. To me, there's a [inaudible 00:23:24] answer to that question is yes because we have to make our minds focused. We do that very often. We're doing that during this presentation, but we do it all the time, and people do it, they start young. You literally have to do it every few seconds. When you choose not to be in focus, not to pay attention what's going on, you're usually evading something that you don't want to [inaudible 00:23:46].

Bill Walton ([23:46](#)):

Now as a CEO, you need to be careful. You can't walk around with your Ayn Rand and pigeonhole people. That doesn't work. We've both been there, not a success strategy. But you do have principles, and you know they work. One of the taglines for this show I'm doing is I try to get at what's true, what really works, and what's moral. I think if you can answer those three questions, you're on the right path on something. I think your principles are the same thing. How do you make that part of the BB&T culture?

John Allison ([24:22](#)):

You preach it a lot starting higher up in the organization. What we did of course we had a management development. We made a very conscious decision to invest dramatically more into employee education than our competitors did and dramatically less in advertising. We spent very little on advertising, and a huge amount on employee education at BB&T, university, we had lifelong learning. Whatever job you had starting at the teller line, we had an educational set of experiences [inaudible 00:24:59], and of course they got as they moved up the line, we built our philosophy into those educational experiences. We made the connection, and we of course when you [inaudible 00:25:12] teller, you do it with a more simple explanation, but tellers get that reality matters. They get that they ought to be making logicals.

That's degrading tellers if you don't get that, and of course when you get to the management program. I read a serious non fiction book every month and I passed it out to our senior leadership team to talk a couple hundred people in the organization. They didn't have to read it, but I encouraged them to read it. I did quarterly videos, and every quarterly video, I would talk about our principles and how they related to the ... We would talk about what's happening in the business, in the economy, and I would talk about how the principles related to that. We had a little booklet much simpler than my book called The BB&T Culture Book. Everybody read the book, they actually took little tests on it that they had read, and we really believed it too.

We had a semi annual review of all the employees, and half the review was performance relative to those 10 principles, those factors. The other half was could you make sales or the normal kind of business things.

Bill Walton ([26:38](#)):

Two questions, did you get pushback from people that said, "Oh this is just brainwashing," or did people understand it really good for them?

John Allison ([26:47](#)):

I got pushback early on in my career, but when it started working, [inaudible 00:26:55].

Bill Walton (26:54):

We're making more money.

John Allison (26:56):

It works for BB&T and it works for me personally.

Bill Walton (26:58):

Yeah well I know, yeah well that's the reason I admire you so much is you have these principles, you stick to them. I try to do the same thing with the educational piece, I think people overlook. I mean I bet probably one 100th of what you know now is what you learned in college and the rest of it is the self education you go through every week, reading. I had a reading list of 20 things I wanted everybody to read who wanted to be in the investment business to try to get it started with the core stuff. I guess my second question on that one was has the culture of BB&T maintained itself? Do you think that's in the [inaudible 00:27:41]? I guess there's an acquisition with SunTrust?

John Allison (27:45):

Yeah I know it maintained it up to them. That was a pretty dramatic, that [inaudible 00:27:51] technically is an acquisition by BB&T but the companies are about the same size, and now they're over \$400 billion who was a huge deal. I'm not as intimately involved since that merger take place, so I don't know really how to judge it. But I do know the culture survived very clearly up to that point. I had many BB&T employees tell me the reason we went through the financial crisis without any quarterly losses was nothing to do with our genius and making loans and stuff, but we had this value system.

Bill Walton (28:23):

Well I think the reality, let me look at the clock. I've got to ... You're watching the Bill Walton Show. I'm talking with the very brilliant John Allison. We're talking about running BB&T and how the principles that he infused in the culture were part of the reason for success, particularly during the meltdown 2007, 2008. The reality based piece of this, that gets back at I think you avoided it because you didn't buy funnily named financial instruments that nobody really understood. It was pretty obvious because if you knew enough about finance to do as well as you did, you'd think you'd be smart enough to understand that these [inaudible 00:29:08] said they were, and you knew they weren't.

John Allison (29:10):

Well the other thing is you should be smart enough to understand what you don't understand, what you don't understand you shouldn't do. You understand what I'm saying? I mean-

Bill Walton (29:20):

Oh I do.

John Allison (29:21):

... a lot of people got in trouble, but they didn't really understand. They did it because everybody else was doing it, right? Everybody else was doing it, and we said, "No, we don't understand it. We're pretty

smart people. There may be smarter people, but we can't really understand how this works, so we're not going to do it."

Bill Walton ([29:38](#)):

Well the thing about those markets then is you didn't understand what you didn't understand. I didn't think I was exposed to it, but I didn't quite realize how the asset backed market influenced the way our portfolio companies were getting financed. That was painful.

John Allison ([29:54](#)):

True, true, but we all got surprises. I mean.

Bill Walton ([29:59](#)):

Well we've got 10 principles, and we're almost 30 minutes in. I'm going to jump ahead if I could-

John Allison ([30:06](#)):

Sure. Absolutely.

Bill Walton ([30:08](#)):

... because one of the most interesting one is I think is number nine, and by the way I encourage everybody to get the book because the other principles are very powerful and very true. Number nine is self esteem, also known as self motivation. You've got a paragraph in there, a short paragraph that you've got in bold and italicized and you say, "The following is the most important concept that will be discussed in this book and the most controversial. Please pay very close attention."

John Allison ([30:45](#)):

Yes. Self esteem is something that unfortunately is treated as a [inaudible 00:30:50] cliché. You see this in school systems when they give kids better grades than they've earned, or playing soccer and they say, "Give everybody a trophy." That's not how self esteem works. Self esteem is fundamentally self confidence in your ability to live and be successful given the facts of reality. So you have to earn self esteem by how you live your life. Nobody can give you self esteem. You can't give anybody self esteem. You can't give your children self esteem. But you have to set principles that lead to your personal success and happiness given they're going to be obstacles in the road and they're going to be failures, and adhere to those principles. That's how you earn self esteem.

Self esteem really requires deep reflection on who you want to be, and how you want to get there.

Bill Walton ([31:47](#)):

Well Arthur Brooks calls it earned success, but I think that gets it part way. The other aspect of self esteem is the self part, the being willing to recognize that if you don't take care of yourself, you're not taking care of what you ought to be taking care of. There's that confusion between taking care of yourself and being selfish. Can you amplify?

John Allison ([32:16](#)):

Sure. In a certain sense, the word selfish has been distorted. What really means is you want to act in your rational long term self interest, and that requires that you do things to take care of you, but you

don't do things that necessarily harm other people. That's not the way you earn your self esteem. Really what you're trying to do is create as many win-win relationships as possible. I would argue there are tremendous number of opportunities for win-win relationships. They're not everywhere, but there are a lot of them. So you create self esteem by doing things that improve the quality of your life, and at the same time help other people to be more successful when you can. So and business, I believe is about creating as many win-win relationships as possible.

Really in life, there are only two stable relationship conditions, win-win and lose-lose. Whenever you get greedy and you set up a win-lose, your spouse or whoever you're working with is going to get better and you end up in a lose-lose. Conversely, and this is one thing I'm really opposed to altruism, if you set up a lose-win relationship, you're going to get bitter and you end up in a lose-lose relationship. So you want to try to create as many win-win relationships as you can.

Bill Walton ([33:43](#)):

Your observation which has been my experience is I've never seen anybody truly successful that got there by taking advantage of other people. I mean it may work for a one time one of transaction, but if you make that a pattern, you never succeed.

John Allison ([33:59](#)):

I would agree with that. Even when somebody maybe has gotten lucky and makes some money, they're the most unhappy people I've ever met. That's not how you get happy. It doesn't work that way. It's about creating win-win relationships wherever you can. Now there's some people that simply won't let you have a win-win relationship. In that case, you just want to avoid them. But that's rare actually. 90% of the population is looking for opportunities to get better for themselves, and are willing to let somebody else win at the same time.

Bill Walton ([34:33](#)):

Well the other question you put in bold in the book which I share your view and want to amplify, please ask yourself answer the following question, most important question you can ask yourself is do I have as much right to my life as anyone else has to theirs? We're seeing this now with wokeness, and we're seeing it with intersectionality and factions and groups and things like that, people aren't thinking themselves as individuals. They're thinking themselves as part of this group and they're giving their identity to this group. I think they've essentially lost an essential part of their humanity by doing that. Forget the subgroup, any group. Any group any time you start identifying as a group instead of me I think you're heading down the wrong path.

John Allison ([35:29](#)):

I totally agree with that Bill, and I think it reflects low self esteem. I think somebody that really has legitimate self esteem has recognized they have a moral right to their own life. If you think about it, if nobody has a moral right to their own life, if you don't have the right to your life, and I don't have the right to my life, then that's when the [inaudible 00:35:53] show up. That's what the tyrants show up because they know how to use your life, right? Since you don't have a right, and I looked at a lot of these [inaudible 00:36:02] whatever you identify, and the people in there don't believe they have a right to their own life, and no wonder they can be led to do terrible, destructive things, because they need somebody to tell them the meaning of their own life.

So I think that that is really scary. You do have the moral right to your own life. That doesn't mean that you take advantage of other people. That's not how you make that work, but if you don't

recognize you have the right to your life, and nobody has the right to their life, you really invite tyranny. That's when eventually the Nazis show up, or those kind of people show up.

Bill Walton ([36:40](#)):

Well that feels like where we are today. I mean as you and I talked before we came on air, this is a very scary time. We've got people giving up their identities to all these different groups. I don't know where this goes. I mean it doesn't feel like America, and even the concept of freedom, which is an individual concept, that doesn't seem to be as valued as it was 30, 40, 50 years ago. What's being taught now is not freedom. What's being taught now is egalitarianism, or we're all equal, there's a, and as you point out in the book, you can't make everyone excellent. You can only make the excellent less excellent. You can only pull people down. You can't push them up. So we're in this very anti human world I think where we're not paying attention.

John Allison ([37:38](#)):

I think egalitarianism as a practice today is the most destructive idea in our society. It is true that everybody ought to have the same rights before the law, but it's not true that everybody's equal. In fact, I've never met two equal people. Every person I've met is unique, different human being. We're all special. When you try to use force which is what egalitarians do make people equal, it's very destructive. It's very destructive. I can think of lots of cases where I'm not as good, I use the example, I'm not as good a basketball player as Michael Jordan, tells you my age. That's not going to surprise-

Bill Walton ([38:23](#)):

Few of us were.

John Allison ([38:24](#)):

But there's no way to make me as good a basketball player as Michael Jordan. I can get better if I work a lot harder, but I'm never going to be as good. You can make Michael Jordan as good a basketball player as me easy, you cut his legs off. That's what the egalitarianism ends up being. It's about cutting legs off, and of course that's why egalitarian societies eventually deteriorate into totalitarian societies because you cut the legs off of the most productive people, that reduces the quality of life, people don't like that, and that's when the tyrants show up. So egalitarianism inevitably leads to totalitarianism when its taken seriously.

Bill Walton ([39:04](#)):

You're watching the Bill Walton Show and I'm here with John Allison, and we're talking about the problems with altruism and how it can and egalitarianism which can have very destructive consequences. Unfortunately, we're both worried that that's so prevalent now, and it's also so prevalent in our textbooks and in our schools. Are you doing any work now in education at the K12 level? Are you getting involved in that in addition to your other work?

John Allison ([39:36](#)):

Bill I have been very actively involved, but I don't know how successfully in trying to promote the privatization of education. I do not believe that you can expect government run system which I believe has been corrupted a lot to produce satisfactory outcomes. I think we ought to be subsidizing the students instead of the schools. I'm for voucher programs. I'm for charter schools. I'm for the ultimate privatization of education. I think if we don't do that, we're going to continue to have what I believe is a

very secondary outcome relative to the resources we commit, and the real victims are low income kids. You know what's ironic is a lot of low income families understand that. They know public school's not good for them.

It's the teachers, and the teachers are the ones that have the [inaudible 00:40:30]. Of course unfortunately low income families then vote for politicians that support the teachers. They don't make the integrated connection that they need a different set of politicians that say, "Okay, it's time to privatize education and subsidize students not schools and create more competition [inaudible 00:40:50]."

Bill Walton ([40:51](#)):

So John I'm afraid we're not going to be able to get all your 10 points, so you're going to have to come back.

John Allison ([40:58](#)):

I appreciate it.

Bill Walton ([40:58](#)):

Would you do that? We'll wander through, because I think we do need to get around to independent thinking, responsibility, creativity, productivity, profitability, honesty, integrity. I mean if you're learning about this book, and you're learning about John Allison for the first time, as soon as you finish watching this, go on Amazon and buy them because I think you'll learn a lot. John, you're working on some movie projects now?

John Allison ([41:28](#)):

Yeah I'm involved with the [inaudible 00:41:32] trying to put together [inaudible 00:41:36] TV on cronyism and how disruptive cronyism has been, that we don't really have a free market in the United States. A lot of the careers that young people have, you look at the statistics, half of the young people [inaudible 00:41:46]. If you look at their criticisms, a lot of what they're talking about is not a criticism of markets. It's a criticism of government subsidies to all kind of businesses and all kinds of people, and they're extremely disruptive. Then I got approached by someone that's going to try to make a fiction book out of the financial crisis book on how the financial crisis happened, and get it on Netflix, because most people really do not understand.

They think it was greed on Wall Street that caused it, and there was plenty of greed on Wall Street, but there's plenty of greed every day. It's no more greed than usual. It was government policy that caused the financial crisis, and they're going to make a movie out of that.

Bill Walton ([42:31](#)):

Well you've also written about something that I fundamentally agree with which is the importance of incentives, and getting incentives right. What happened during the financial meltdown, the prologue up to the financial meltdown, horrible incentives were put in place-

John Allison ([42:31](#)):

Absolutely.

Bill Walton ([42:50](#)):

... and all sort of signals sent to bankers and borrowers that, "Hey guys, party on." You had what is Chris Dodd or Barney Frank saying, "We got to put a little more gas on the fire?"

John Allison ([43:02](#)):

Oh yeah.

Bill Walton ([43:03](#)):

Now is there ever a more misnamed bill than Dodd-Frank? I mean both those guys just had their foot in the accelerator and shoved us right into it, and they get the bill named after to so called protect us from this bad behavior that they were inciting.

John Allison ([43:24](#)):

I think they were the two ... [inaudible 00:43:29] responsible, they were the two most responsible people for the financial crisis, and ironically, the bill is the Dodd-Frank bill that's supposed to save us from another crisis. But Barney Frank I met with him multiple times saying and it was scary to tell you the truth. What's scary about Frank-

Bill Walton ([43:50](#)):

He's charming.

John Allison ([43:51](#)):

... and he's smart, but he just couldn't get it. Now Dodd's not that smart, but Barney Frank's a smart guy. He absolutely couldn't get it. He finally after the crisis happened, he admitted a lot of his policies contributed to it, which was interesting, interesting.

Bill Walton ([44:16](#)):

So who gets, have you already started casting for Dodd and for Frank, the people?

John Allison ([44:21](#)):

No we're still working, we're hoping it's Netflix, somebody like that. We're still working with them to get the script.

Bill Walton ([44:28](#)):

I hope you get Netflix. They could use some programming like this because they're-

John Allison ([44:32](#)):

They need a little bit more balance.

Bill Walton ([44:34](#)):

They need a little bit more balance, but on the other side from your perspective, they spend a fortune on these things. The production value is fantastic. So well I'll wait for the premiere although maybe I'd like to get in sooner. When's the casting call? I'm not sure.

John Allison ([44:52](#)):

I'll put you on the list. You want to be the greedy banker or the good banker?

Bill Walton ([44:59](#)):

Well the villain parts are always better. Why don't you cast me as the greedy banker? That'll be fun to play.

John Allison ([45:09](#)):

Or the regulator.

Bill Walton ([45:10](#)):

Or the regulator okay.

John Allison ([45:13](#)):

The regulators the really good villains in this story.

Bill Walton ([45:18](#)):

Well John Allison thank you. Accomplished in so many areas. We've been talking about Leadership Crisis and the Free Market Solution. It's a great work not just on leadership but basically the personal, the virtues you need to live your personal life with. So for that reason alone, I highly recommend it. So John thank you.

John Allison ([45:41](#)):

Thank you Bill. It's been fun talking to you.

Bill Walton ([45:43](#)):

Okay and thanks for listening. Thanks for watching, and we'll be talking next time. I hope you enjoyed the conversation. Want more? Click the subscribe button or head over to thebillwaltonshow.com to choose from over 100 episodes. You can also learn more about our guests on our interesting people page. Send us your comments. We read every one, and your thoughts help us guide the show. If it's easier for you to listen, check out our podcast page and subscribe there. In return, we'll keep you informed about what's true, what's right, and what's next. Thanks for joining.