

## Episode 142: Stephen Soukup

Bill Walton ([00:01](#)):

Welcome to The Bill Walton Show. I'm Bill Walton. For almost a century, the Left, as we know, has been waging a methodical, and largely successful, war on American institutions; universities, K-12 schools, the news media, Hollywood, our federal government, bureaucracies, to name just a few. But, during most of this time, business, even American big business has remained the last bastion for those of us who believe in free people, free markets and private property. But, now, even this is changing. Over the past couple of decades and what the Left likes to call their long march, this last remaining Leftist institution has been... non-Leftist institution has been besieged.

Bill Walton ([00:55](#)):

The battle's not over, but it does hang in the balance. To learn how this came about and where it's going, I've asked Stephen Soukup, author of *The Dictatorship of Woke Capital: How Political Correctness Captured Big Business*, to join. He's senior commentator and publisher of *The Political Forum*, which provides research and consulting services to institutional investors. He knows the business well, he got his start with Prudential Securities in 1996 as a macroeconomic analysis, and knows the ins and outs of the world capital markets.

Bill Walton ([01:31](#)):

So Steve, I'm glad you're here. You've written a great book, it tells a great history of how we got here, but it also, I think, calls to mind exactly the thought that we've got to do something now. So frame the issue for me. Why is this the last bastion, and why do we need to draw the line in the sand here?

Steve Soukup ([01:54](#)):

First, thanks very much for having me, Bill. I appreciate it. As you said, this is the culmination of a century-long battle against the traditional institutions of Western civilization. Beginning in the 1920s, after World War I, after the Marxists were disappointed that the workers of the World did not unite, and the Workers of the world, in fact, went for war for their respective nations, the Marxists decided that they needed to figure out why this happened, why their revolution did not occur, and what they decided was that they needed to break the traditional Western Christian cultural hegemony, and to foster a new cultural understanding of man and his role in the world.

Steve Soukup ([02:46](#)):

They've taken the institutions. Over the past 100 years, they've taken nearly all of the institutions, from education, to media, to entertainment to mainstream religion, have been taken over by the cultural Left. Big business is the only institution that has so far managed to stand its ground, to hold its place against the cultural Marxists. It's the only thing right now that stands between us and the precipice. Big Business is the only bastion for conservative thought, for apolitical thought, and that's an important thing, apolitical, as opposed to being deeply involved in political ideas. It remains the only hope for salvaging our liberty.

Bill Walton ([03:42](#)):

So you tell great stories in your book. The story that's interesting is that in the '20s, when they figured that the Workers of the world were not going to unite, they decided that maybe the church was the problem, and the other cultural institutions were the problem, and there was this very... It's usually some little guy who writes things that's the problem. In this case, we had a guy named Antonio Gramsci, who founded the Italian Communist Party. The line I like is that they locked him up, and one of the guys that locked him up said, "For 20 years, we must stop his brain from functioning."

Steve Soukup (04:24):

Right. Yes.

Bill Walton (04:25):

Well, it didn't stop functioning. I guess he wrote some 3,000 pages of notes, and they smuggled the notes out, and those notes became the playbook for what we're now seeing in America, which is the takeover the cultural institutions. They decided not to deal with just economic, but go at culture, and they've been, as I point out in the opening, really successful. Now, you say big business is the last [inaudible 00:04:48]. I hope that's still true, but it looks to me, the way corporations are behaving right now... Take a look at Georgia. At first, they banned a piece of legislation in Georgia. I can't remember. Was that an abortion bill that they weighed in on? Walt Disney and-

Steve Soukup (05:05):

Yes.

Bill Walton (05:06):

... Coca Cola. And then, again, with the Georgia voting, really fair and free election laws in the place, then Major League Baseball joined the fray, and decided to pull the all-star game out of Georgia. How much of this territory have we already ceded?

Steve Soukup (05:25):

We've ceded far too much of it. When I say that big business is the last bastion, I mean theoretically. It hasn't been taken over completely. There's still some room for us to operate, to push those who would politicize capital out of American business. We are not completely shut out as we are in academia, or in media, for example. So there is still some room to operate. But indeed, you're correct, we've ceded considerable ground. The cultural Left has been waging this battle against business, specifically, probably for the last 30 or 40 years. We, who wish to keep politics out of business and keep business functioning for business purposes, are way behind in recognizing what's happening, in organizing, and in taking action.

Bill Walton (06:26):

Well, I think this all started back when South Africa, with apartheid, was on everybody's screen. And it was on my screen. There was a successful battle to engage in economic sanctions against South [Afri 00:06:40], because what they were doing, what the government is doing, and a whole lot of us supported that. That was a good thing, and all the corporations joined down. So this notion of an activist corporation, I think, started out as a good thing. But now, where we are, is it's morphed into something called ESG, which is what? Environmental, Social Governance, good governance, and it's got all the playbook of the Left and bedded in those three terms.

Steve Soukup (07:11):

Well, you're correct. It did start what we understand as socially-responsible investing, or political activism in capital markets. It, in fact, began in earnest, with the divestment from South Africa [inaudible 00:07:30]. It's gained a little bit of steam in the 1970s, and then really picked up steam in the 1980s, and became a significant issue, and that morphed into an actual investment technique that was called socially-responsible investing that was purely voluntary, it was bipartisan, and it was designed specifically to allow investors to sleep at night, knowing that their investments were aligned with their personal and political value.

Bill Walton (08:05):

Weren't those originally conservative movement, where they called them sin stocks, and they didn't want to be in gambling, or sex or other things like that? So there were a lot of conservative funds that engaged in this.

Steve Soukup (08:20):

Yeah, absolutely. As I said, it was voluntary, and it was bipartisan, which means that you could have the Little Sisters of the Poor wanting for their investments not to be aligned with companies that did business with birth control, or abortion manufacturers, or it could be, as I said, various Left wing churches not wanting to be involved with South Africa or not wanting to be involved with armament manufacturers. It was bipartisan, and it was something that functioned perfectly well, on a voluntary basis. The only cost to the investor was the upfront acknowledged possibility and likelihood, in fact, that they would take a hit on their return on investment.

Steve Soukup (09:12):

If they wanted to invest in these stocks that suited their conscience, they had to be aware that they would probably take a hit, that they would return less than a portfolio that contained all of the companies would produce, but they did so voluntarily. It was a system that function fairly well for probably two decades.

Bill Walton (09:36):

I want to frame this in a way that we can break it into components we can understand. So on the one hand, we've got the issues within big business now, where they their community foundations and their marketing departments and their government people in Washington have all moved pretty hard Left, and that's true for the biggest companies, certainly. Even the Business Roundtable, which is the 100 largest companies has moved into something called stakeholder capitalism, away from shareholder capitalism. So you've got the companies themselves, which are moving Left, but then we've also got the investor community, with this ESG movement, moving hard Left, and it's embodied in Larry Fink and BlackRock, and BlackRock runs now what? \$7 trillion, maybe a trillion dollars, but who's counting? And they're using...

Bill Walton (10:29):

He's a zealot. He believes firmly in this global warming climate change and the need for companies to toe the line with carbon emissions, and things like that. Yet, there is a little hypocrisy here. Because Larry also just got approval to open the first wholly-owned American mutual fund, in guess which country? China.

Steve Soukup ([10:53](#)):

In People's Republic of China, yep. [crosstalk 00:10:54].

Bill Walton ([10:55](#)):

China. If you look at the 25 top carbon emission cities in the world, I think China's got about 23 of them on it. I don't know.

Steve Soukup ([11:04](#)):

Yeah.

Bill Walton ([11:05](#)):

I don't know who the other two that aren't Chinese, but... So on the one hand, they're saying, "Companies, you got to toe the line with his carbon emissions." On the other hand, he's making a fortune in China.

Steve Soukup ([11:16](#)):

Well, it gets even more interesting when you talk about BlackRock in China and carbon emissions. Yesterday was, I believe, the 27th anniversary of a piece that was written by Dr. Charles Jacobson, who runs the American Anti-Slavery Association, American Anti-Slavery Group, about the ongoing slave trade in North Africa. It turns out that in the early 1990s, mid 1990s, and into the 2000s, one of the countries that was most responsible for trading Black slaves in Africa, was Sudan. The leaders of Sudan were able to do so and were able to prosper and were able to function because they were paid, essentially, by the People's Republic of China that was prospecting for oil in Sudan.

Steve Soukup ([12:25](#)):

The company, the state-owned Chinese company, listed its public arm eventually as PetroChina. So PetroChina was essentially supporting and backing up the regime in Sudan that was conducting a slave trade. The largest single shareholder of PetroChina in the world, is BlackRock. BlackRock owns, I believe, six or 7% of all outstanding shares of PetroChina on the Hong Kong Exchange. It was, at one point in time, the largest petrochemicals company in the world, the largest company in the world, and continues to be a manufacturer of fossil fuels for the Chinese market, which, as you say, is a very dirty, carbon-producing market. So Larry Fink is the primary shareholder in this company that has all sorts of social governance and environmental issues, dating back at least 25 years.

Bill Walton ([13:31](#)):

You're watching The Bill Walton Show, and I'm here with Stephen Soukup, who's the author of a great book on political correctness in big business, and we're talking about the fact that BlackRock, the very virtuous, Larry Rock, indirectly owns a slave trading company in Sudan. By the way, we did a show on that. You can find it at thebillwaltonshow.com, with... our guest was Phil Magnus. We did it last week, and if you tune into that, I think you can see what the truth was about the American slave institution. Very interesting.

Bill Walton ([14:08](#)):

So let's come back to the here and now. So, BlackRock is the largest institutional investor, about 5 trillion of that money is passive. But even though it's passive, and they don't trade shares, they're still

active as they're weighing in on proxies for companies and how they're governed. When you look at their market share, the average... Doesn't BlackRock own about 20, 25% of all the major corporations listed on the New York Stock Exchange?

Steve Soukup ([14:43](#)):

Well, if you take the big three passive asset management firms, which are BlackRock... which I believe today, they just announced profits from last quarter and announced assets under management, I believe they're close to 10 trillion in total assets under management. So if you take BlackRock, Vanguard, and State Street, together they have well over \$20 trillion in assets under management, and they're all very aggressively pushing the idea that sustainability is the most important idea in investments.

Bill Walton ([15:21](#)):

That's important. So it's not just Larry Fink of BlackRock, he's not-

Steve Soukup ([15:24](#)):

Right.

Bill Walton ([15:24](#)):

... over here. The CEOs of these other big money management firms are in lockstep with him.

Steve Soukup ([15:30](#)):

Well, they are now. For years-

Bill Walton ([15:35](#)):

Lockstep maybe a little exaggeration, but not by much.

Steve Soukup ([15:40](#)):

Right. For years, these big three, who control... As you say, together, they control somewhere between 20 and 30%, of every single S&P 500 company. Something like 19 out of the 20 biggest companies in the country, their primary stockholder, their first shareholder is either BlackRock, State Street, or Vanguard. For years, they've said there's no collusion between the three of us, we all have different investment goals, we all have different aims, we're all competing with one another. But that's changed over the last couple of years, as all three of them have pledged fealty to this idea of sustainability, this idea that the most important characteristic of a company is how it is dealing with climate change, how it is prepared to deal with a zero carbon future, et cetera.

Steve Soukup ([16:33](#)):

So they're making all of their decisions, all of their investment decisions, at least on paper, based on the idea of sustainability. To clarify, that's not just their ESG funds, that's all of their investment funds. Fink's letter in 2020, and then 2021, his letter to shareholders, and to CEOs was very explicit, that he intends for all of his company's resources to be used to promote sustainability. So what we have now is a major block. As I said, somewhere between 20 and 30% of every single S&P 500 company, voting for sustainability, and therefore, voting against board members, executives, and resolutions that would seek to promote business first, and politics second.

Bill Walton ([17:27](#)):

Who is the small hedge fund that just got three directors elected to the Exxon board?

Steve Soukup ([17:34](#)):

Right. Engine No. 1 is a small hedge fund that is devoted very aggressively to environmentalism and to encouraging radical environmental practices in business. They challenged Exxon at their annual shareholder meeting, and put three candidates up for the board of directors. Historically, this would have been nothing but a blip. A small hedge fund with very little in assets under management would not have had an opportunity to do anything. But in this case, all three of the big three decided to get behind their push and voted for their candidates, Engine No. 1's candidates, for the Exxon board of directors. So they put free radical environmentalists on the Exxon board, simply because they had the power.

Bill Walton ([18:27](#)):

So Larry Fink and the other major money managers all voted yes for these three directors?

Steve Soukup ([18:32](#)):

Yes.

Bill Walton ([18:34](#)):

And they knew that these three directors thought that Exxon ought to be in wind and solar business instead of the oil business?

Steve Soukup ([18:43](#)):

Yeah, absolutely.

Bill Walton ([18:44](#)):

So-

Steve Soukup ([18:44](#)):

They knew that specifically.

Bill Walton ([18:47](#)):

My mind is boggling a little bit, because I used to be chairman and CEO of a New York Stock Exchange company myself back in the old days, and I thought I had a job of making money for my investors, and we did a pretty good job at that. But it was a fairly pure focus on doing the right thing, but also doing profitable things. Now, if I'm Larry Fink, and I know I'm voting for directors who think that the business Exxon is in, they ought to get out of, isn't that completely violating his fiduciary responsibility to the people who trust him with their savings dollars?

Steve Soukup ([19:25](#)):

You would think that that would be an issue, but Fink, in particular, has done a very good job, over the past five years or so, of making the bogus argument that to invest in environmentalism, to invest in diversity, to invest in sustainability, to invest in all of these ESG principles will, in fact, produce long term profits and long term benefits for the corporations that are forced to do these things.

Steve Soukup ([19:59](#)):

So he's made the case that he thinks that this is, long term, a profitable gamble, and he's convinced a lot of people that. Money continues to pour into ESG funds at a ridiculous pace. It is, without question, the hottest investment sector in the world, particularly in Western Europe and the United States, and he has no qualms whatsoever about doing this. Most large institutional investors have no qualms about buying his spin on.

Bill Walton ([20:34](#)):

Boy, the people who put their money to work, that don't know what they're doing, boggles. Let's break this down. ESG investing, energy that's carbon footprints and greenhouse gas emissions, the S stands for social, which is human rights, equity, all the sorts of things that are becoming problematic, probably critical race theories in there. The G is governance, which we just talked about, who's on the board of directors, and what interests do they represent?

Bill Walton ([21:08](#)):

The ESG portfolio, though, if you take a look at an index fund, which is where a lot of the money is now, just an index of the companies that comprise the top 100 companies on the stock market or whatever basket of securities you want, and compare that to the ESG funds that are being sold to investors now, they're essentially the same portfolio, because the FANG stocks, Facebook, Apple, Microsoft, Netflix, whatever, those are all considered ESG, on the good side of ESG. They also happen to be the biggest companies by market cap.

Bill Walton ([21:48](#)):

So, if you're an index fund, you pay about 20 basis points to have your money managed. If you want to be virtuous, maybe less than that, and maybe point seven basis points. If you want to be in an ESG fund, you might pay what? 25, 30 basis points, so you're paying roughly four times what you'd pay to be an ESG fund on the same portfolio?

Steve Soukup ([22:10](#)):

Yeah, correct.

Bill Walton ([22:11](#)):

Have I missed anything? I've been getting more and more interested in this, and I'm trying to find out, where's the beef in this, and there is no beef in ESG investing.

Steve Soukup ([22:20](#)):

Well, that's one of the complaints with ESG portfolios, is that they pretty well track a tech portfolio. In fact, there is considerable research that shows that most of the alpha, most of the gain produced by ESG investments is not related to ESG factors, but related to the fact that ESG companies, thus far, tend to be really good companies. As you said, Apple Microsoft, Alphabet, they're good companies-

Bill Walton ([22:59](#)):

Good in the sense of highly profitable.

Steve Soukup ([23:01](#)):

Yes, exactly. So we there are those out there who claim that ESG is a scam designed specifically to raise management fees, which... the evidence would support that charge. As you said, you can buy an index fund with all of those same companies. For a quarter of the management fees, you can buy an ESG fund. So yeah, in fact, there is a certain amount of deception going on here, that has caused people to jump whole, with both feet, into an investment trend that ends up costing them considerable amount of money.

Bill Walton ([23:45](#)):

So we don't really know, though, what the long term effect is of ESG investing, because this has gotten fashion in the last four or five years, and since the ESG funds, we've identified, are the same as a tech fund, and tech's have done... Tech stocks have done very well. What are they? 35% of the S&P 500 now? The returns are about the same, so ESG investing looks okay.

Steve Soukup ([24:11](#)):

Right.

Bill Walton ([24:12](#)):

But what we don't know yet is if you really... Let's take Exxon an example. Exxon makes a lot of money. They get three directors, the directors influence other people, they get people saying, "Well, we got to get out of fossil fuels." What's going to happen if you're a shareholder of Exxon, and they decide to get out of fossil fuels to get into a business they don't really know?

Steve Soukup ([24:34](#)):

Right. Well, that's the question. It, in fact, goes beyond simply, what happens to the shareholders? ESG and stakeholder capitalism profess that they're about more than just the shareholders, that they're worried and concerned about the rights of all of the potential stakeholders of a company, which includes the environment and its customers, and things like that. By forcing fossil fuel companies to abandon their core business, what we're doing, essentially, setting up an energy crisis, whether it's six months, 12 months, five years down the road, where we're going to struggle to produce enough energy in order to heat and cool and provide electricity. We saw a little bit of how this works in Texas this past winter, where the state had invested very heavily in providing alternative fuel-

Bill Walton ([25:36](#)):

I think wind and solar were about 20, 25% of their energy supply.

Steve Soukup ([25:42](#)):

Right. So when you push companies to do things like that, to get out of their core business, to get into business lines that they're not as familiar with, you run the risk of creating a deficit of their original core business, which in the case of energy is clearly one of the most important commodities in the world.

Bill Walton ([26:05](#)):

So you're watching The Bill Walton Show, I'm talking with Steve Soukup, who's the author of... What do we call it? The Woke Corporation: How Big Business Got Captured By Political Correctness, and we're talking about Exxon, and how Larry Fink and the other institutional investors managed to get three directors elected, who really don't believe they should be in the oil and gas business. So stay tuned. This



story is yet to be unwound. So we've identified the players, and you've got an excellent chapter in your book that talks about the various players. In addition to the funds themselves, we've also got proxy advisors. Proxy advisors-

Steve Soukup ([26:49](#)):

Right.

Bill Walton ([26:50](#)):

... they're the ones, when companies send out proxies saying, we want to elect our director, we want to issue more shares, we want to do this, people get to put things on the proxy, and the proxy advisors are supposed to tell investors whether to vote yay or nay.

Steve Soukup ([27:06](#)):

Right.

Bill Walton ([27:07](#)):

Describe that world a bit, because that's-

Steve Soukup ([27:09](#)):

Well-

Bill Walton ([27:09](#)):

It's little-known world, but they've got a lot of power.

Steve Soukup ([27:12](#)):

Right. For example, if you're managing an S&P 500 fund for institutional clients, you have a considerable amount of work to do come shareholder meeting season. Your responsibilities is to do due diligence on every single proposal, every single manager, every single board of directors for every single company that you hold, and that's asking an awful lot of people when you're talking about, say, 500 companies. So what these proxy advisory services do is they come in and say, "You look, we'll do all of that research. That is our job. We'll do all of the research, and then we'll tell you how to vote."

Steve Soukup ([27:57](#)):

For obvious reasons, a great... Many wealth managers and asset managers alike believe that this is an invaluable service. They couldn't get by without it, they couldn't get by without somebody else doing the due diligence for them. The problem is that both of the companies that dominate this market, and that's ISS, Institutional Shareholder Services, and Glass Lewis, who together I think control about 97% of the proxy advisory service business, they're both very heavily leaning to the Left. What they advise shareholders and investment advisors to do is to vote for activist boards of directors, activist executives, and activist shareholder resolutions. So, the overwhelming majority of advisors are getting advice to vote in favor of the politicization of capital.

Bill Walton ([29:12](#)):

So the stars are aligned, we've got State Street, BlackRock. Is Fidelity in this group as well, or are they-

Steve Soukup ([29:22](#)):

Fidelity is probably a smaller player-

Bill Walton ([29:26](#)):

Okay.

Steve Soukup ([29:27](#)):

... in this, as well.

Bill Walton ([29:27](#)):

And then we've got the two big proxy advisory firms. Aren't the overwhelming, like 99% of the activist proposals, put on corporate proxies coming from the Left?

Steve Soukup ([29:41](#)):

Oh, absolutely. If you look in the book, you'll see the chapter on those who are active on the Left, who are making a politics in business a part of their job, is in the neighborhood of 40 pages. The converse chapter on the people who are pushing back against this, people who want to get politics out of business, I believe is eight or nine pages. That is reflected in the way that proxy resolutions are proposed and the way they're voted on, as well. I think, to date, the Free Enterprise Project, which is run by our friend, Justin Dan Hoff, is the only full-time active shareholder service pushing back against the weaponization of capital for political purposes, and they can only do so much.

Bill Walton ([30:43](#)):

I did a show with Justin and Matt Schlapp, a few weeks ago, and shameless plug here, you can find it at [thebillwaltonshow.com](http://thebillwaltonshow.com). For years, Justin labored on as maybe the sole activist on our side. For people who want to know how they can make change, the proxy process, getting something on a proxy, makes companies pay attention. You don't have to own a lot of shares. What's the threshold now? It's about \$2,000 worth of stock that gets you a seat at the table?

Steve Soukup ([31:17](#)):

I'm not sure what they've done. The Trump administration proposed different roles for that, just before the election, I believe, and I'm not sure where that stands-

Bill Walton ([31:27](#)):

But it's a small amount. We don't have to-

Steve Soukup ([31:29](#)):

Not very much right.

Bill Walton ([31:30](#)):

A few hundred shares, you get a seat at the table. People who are upset about Coca Cola, or upset with other publicly-traded... Delta, other publicly-traded companies, who are doing woke things, they can get into the business of putting items on their proxy. And then if you do that, they have to talk with you. Because then-

Steve Soukup ([31:57](#)):

Yeah, absolutely. Justin has had outsized influence for being the one person who's been out there fighting this. He's done an awful lot of good, in large part. Because, as you say, companies prefer to keep controversial things off of their proxy ballot. If a resolution comes in, and if the SEC says, "Yes, you have to have this on your ballot," the company would prefer to negotiate, they would prefer to do whatever they can to keep this out of the public eye, to keep it off their ballot.

Steve Soukup ([32:35](#)):

So just one person, in this case, Justin, has been able to get quite a few concessions from large companies over the past several years, simply by being a squeaky wheel. I just want to clarify one thing, it takes \$2,000 or so of stock to propose a proxy resolution or a shareholder resolution, but it takes only one share to get you in the door to the shareholder meetings, to allow you to ask a question at a shareholder meeting, to put the CEO on the spot, and to vote a proxy. So you don't have to be heavily involved in investments, you don't have to be a major shareholder to do this, you just have to be in the game.

Bill Walton ([33:26](#)):

Well, I think a lot of us are really upset about the way the major corporations are deciding that they're going to tell us how they're going to try to steer things politically. They're trying to change what the Georgia legislature is doing, and that's happening all over the all over the country. This is a way for activists to be engaged with these companies, and they have to pay attention to you. That one share, if they get you in the door, you get a chance to talk to a CEO...

Bill Walton ([33:54](#)):

Now, I happen to enjoy the process as a CEO running a shareholder meeting. I've had some short sellers, and that made things even more lively. Most CEOs don't want to be engaged that way, and they don't want to take the heat publicly. So it's a big opportunity to have an outside voice, and some of these things are upsetting. Steve, where should we take this next? Your book's amazing. I want to make sure I get the title right. I don't have it right here in front of me. Steve, give me the name of your... Give me a shameless plug, Steve.

Steve Soukup ([34:28](#)):

It's, The Dictatorship of Woke Capital.

Bill Walton ([34:31](#)):

Okay, The Dictatorship of Woke Capital. And we're identifying the dictators.

Steve Soukup ([34:36](#)):

Yes.

Bill Walton ([34:37](#)):

We've got the overlords in the investment companies, and we've got the ones... the proxy advisory. Who are the other players on the scene, attempting to dictate outcomes?

Steve Soukup ([34:50](#)):

Well, there are a number of players within the C suites at some of these companies. Tim Cook at Apple is one of the most aggressive social justice warriors. Here at home, in the United States, there's there's not an issue related to social justice that comes up that he doesn't get involved in and write about and donate shareholder money to. And yet, he's connected at the hip to the CCP, the Chinese Communist Party, because they allow him to run Apple's largest manufacturing hub, and Apple's second largest customer base is in People's Republic of China. So he's very well-connected with the CCP, and yet he continues to promote his social justice vote a few days here at home. He's one example. Jeff Bezos of Amazon is another example, Bob Iger, the former CEO of Disney is another example of a very activist executive.

Steve Soukup ([35:59](#)):

We always like to say that pressure on businesses comes from three directions. It can come from the bottom up, which is employees who push their companies to get political, it can come from the top down, which is the CEOs, Bob Iger, Tim Cook, and the like, and then it can come from the outside, which are the activist shareholders, Larry Fink, BlackRock, et cetera.

Bill Walton ([36:26](#)):

You're watching The Bill Walton Show. I'm here with Steve Soukup, and we're talking about some of our biggest corporations; Disney, BlackRock and Apple, making common cause with the Chinese Communist Party, and what do we think about that? Steve just wrote a piece, I just love the title. What is wrong with these people? Steve, what's the gist of your story? You name these names. You point out in this, and I know it's true. These are not stupid men. I just did a show in Charles Murray and IQ. I would say these guys are in the cognitive elite. Yet, when it comes to moral judgments, I'm mystified as to how they divide up this world of what's good.

Steve Soukup ([37:16](#)):

In many ways, it's a mystery how they can internally rationalize their claim to be political liberals, claim to be in favor of social justice, and yet participate so unabashedly in the governance function of the People's Republic of China when the people of Hong Kong were rebelling. Two years ago, before the mainland Chinese instituted their security law in Hong Kong, the people were revolting, and they were pushing for independence. One of the apps that they were using to organize their protests was available on the Apple App Store, and the Chinese communists told Tim Cook that they did not want this app available anymore in Hong Kong, and Apple complied. They took the app off of their app store.

Steve Soukup ([38:24](#)):

It's amazing that they would do this, that they would even consider this, given what was at stake in Hong Kong, and given their claims to be activist liberals here in the United States. So it's amazing the type of hypocrisy that they engage in, and it's sort of baffling as to why they would do so. About the only explanation I can come up with is that they believe that they have a sense of how to rectify all of this in the end, that nobody else does. I'm not sure if it's in that piece or not. They refer to themselves... They essentially are Gnostics. They are-

Bill Walton ([39:07](#)):

They're what? I didn't-

Steve Soukup ([39:08](#)):

They're Gnostics.

Bill Walton ([39:10](#)):

Gnostics. Okay.

Steve Soukup ([39:10](#)):

Yes. They believe-

Bill Walton ([39:11](#)):

They understand things in a way the rest of us don't?

Steve Soukup ([39:14](#)):

Right. They believe they have the secret to attaining heaven on earth, and that if we'll all just shut up and follow them, that they'll... in the long run, they'll take care of everything for us.

Bill Walton ([39:25](#)):

So this is the same thing we're seeing with Jack Dorsey and Zuckerberg, and the rest of the social-

Steve Soukup ([39:31](#)):

Absolutely.

Bill Walton ([39:32](#)):

... media titans, that they all suffer from... I love the word gnostic. They've got secret knowledge of the meaning of life that the rest of us do not. But somebody else had another word for that. I think Hyack called it the fatal conceit.

Steve Soukup ([39:48](#)):

Yeah.

Bill Walton ([39:49](#)):

I happen to think Larry Fink and the rest of the people that bought the climate change are flat wrong, and that many legitimate scientists can say, "Yeah, we may be warming a little bit, but the earth is 10 times cooler than it was 200,000 years ago." I don't know what the numbers are. There's all sorts of science, it's a little bit like the blackout on some of the science coming out of the pandemic. We're not allowed to talk about this or that. There's a blackout on climate science, and I happen to believe in knowing people that are in this business of studying it. They're wrong, and yet they've got the power, and they're directing all these resources, and they could be running us right off a cliff.

Steve Soukup ([40:35](#)):

Well it's even worse than that. Even if you believe 100% what Larry Fink tells you about climate change, that we have to change the way we produce energy, that we have to do it now, or the world's going to end, even if you buy all of that, 100%, research has shown, several studies have shown, that most of the innovations in alternative energy come from the large petrochemical companies, come from the large energy companies. They do not come from small startups, they do not come from little companies

saying, we're going to change the world, they come from the companies that have the resources to invest in research. So by changing those companies, by trying to divest from those companies, restricting funds to those companies, what we're doing is we're slitting our own throats, even if you buy the climate change narrative 100%.

Bill Walton ([41:33](#)):

Well, and there's also the hidden costs of making that shift to wind and solar. I had Mark... [inaudible 00:41:40]. Mark from Manhattan Institute. Oh, goodness, it will come right back. Anyway. It turns out that most of the wind and the solar equipment comes from China, and-

Steve Soukup ([41:57](#)):

Yes, it does.

Bill Walton ([41:58](#)):

... that the footprint of wind and solar is like 20 times the footprint of fossil fuels, and that the environmental cost of this, the wind turbine, or the turbine blades are not biodegradable, they don't go away forever. So-

Steve Soukup ([42:16](#)):

Right.

Bill Walton ([42:17](#)):

... we're creating a massive environmental problem with this so-called clean energy, and yet, we're not allowed to throw those costs in the equation, or almost nobody knows that.

Steve Soukup ([42:27](#)):

Right.

Bill Walton ([42:28](#)):

I'm sorry. Thanks, Maureen. It's Mark Mills, who was on the show. Another shameless plug, he's also at thebillwaltonshow.com, as we'll find Stephen Soukup soon with this appearance. We've covered about 20% of what we need to cover from your book. Stephen [inaudible 00:42:45]. One of the things I want to go back to is, you did an extraordinary history of how we got to where we are in this... You did it back to taking all the way back to the progressives in the late 19th century, and then took it through... We mentioned Gramsci and the cultural Marxism. But there's a strong strain of rule by experts in all of this, and those of us who believe in freedom are rankling under it. Trace these threads, just a minute before we close.

Steve Soukup ([43:19](#)):

When I'm asked to define woke capital, I define woke capital as a top-down, anti-democratic movement on the part of some of the biggest and most important leaders in business to change the way American business functions, and to change the relationship between the American citizen and the American state. The key term, I think, in that is anti-democratic. As you say, I trace a lot of this back to the progressives, and specifically to Johns Hopkins, where Richard Ely was a professor and [inaudible 00:43:52] Wilson was one of his students.

Steve Soukup ([43:55](#)):

The two of them devised the idea that in order for the American polity to survive, that we needed to have a governing class that could temper the ignorance and the selfishness of the masses, a class that was separate from the government, an administrative class that could not, essentially, be touched, that would be able to offer professional guidance and professional administration to the state, in order to make sure that the important things got done, and that the people didn't get in the way.

Steve Soukup ([44:31](#)):

We see in world capital, we see in the ESG movement, we see in the stakeholder movement, the remnants of this original proposition. These are still people who believe that they have to take care of us, because if we're allowed to take care of ourselves, we won't do the right thing. I think that's the most important thing to understand, is that this is intentionally anti-democratic. They wouldn't appreciate that term, but they do... They wouldn't deny that this is designed specifically to cut the people out of the process in order to get the important things done.

Bill Walton ([45:11](#)):

So I'd encourage everybody, and we'll do a... we'll have a cover on the show itself when we do this. The Dictatorship of Woke Capital: How Political Correctness Captured Big Business. There's much more in it than that, including the first part, which is a very succinct history of what Stephen was just talking about. Stephen, where can we find you and your work?

Steve Soukup ([45:40](#)):

Right now, you can find us at [wokecapital.org](#). This is going to be... When it's completely up and running, the web arm of our nonprofit arm, which is intended on sharing information about capital markets-

Bill Walton ([45:58](#)):

There'll be a 501(c)(3), so we can-

Steve Soukup ([46:00](#)):

Yeah.

Bill Walton ([46:01](#)):

... support you?

Steve Soukup ([46:01](#)):

Right now, we're a project of the American Principles Project Foundation, so we are... donations can be made to them on our behalf. But we will, hopefully, within the next six months have our own 501(c)(3) designation. Yes. But [wokecapital.org](#) is where you can find us.

Bill Walton ([46:19](#)):

Okay. Stephen Soukup, thank you. This has been really interesting, and I want to get you back on. Maybe I can get you and Justin back on-

Steve Soukup ([46:25](#)):

That would be great.

Bill Walton ([46:26](#)):

... to tell us some more stories about this fight we're in. Anyway, thanks for joining, and we'll see you next time. As I mentioned, you can find this show, and all the other shows we've done on related topics on [thebillwaltonshow.com](http://thebillwaltonshow.com), and then also, all the other major podcast platforms, and most of them can still be found on YouTube. We've only had a couple pulled off. So, anyway. Thanks for joining, and we'll see you again soon. Stephen-

Steve Soukup ([46:52](#)):

Thank you, Bill.

Bill Walton ([46:52](#)):

Thank you. Great. Good.