

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](#)):

If you're like me, you're wondering what we can do to find anything good in what's going on in the world with the Red-Blue political divide. Politics has become unbelievably toxic, the country seems to be ripped apart. I used to call this show On Common Ground and then I spent a little time with that idea and then I couldn't find any common ground, so I just went back and named it the Bill Walton Show, it was easier. And then along comes Jim Pinkerton with the book soon to be published, The Secret of Directional Investing: Making Money Amidst the Red-Blue Divide.

[\(01:04\)](#):

Jim worked for Ronald Reagan and George Bush the elder and had a long illustrious career, including time, long stint is a Fox News contributor. Smart guy, I've known him for a while and always outside the box thinking, big picture thinking. He's got a lot of really interesting ideas but I want to get practical today to see how we can make some money out of the evident political catastrophe we're in the midst of. Jim, great to see you.

Jim Pinkerton ([01:33](#)):

Thanks, Bill. Thanks for having me.

Bill Walton ([01:36](#)):

Making money amidst the red-Blue rumble.

Jim Pinkerton ([01:39](#)):

Well, let's take an example. If you'd known that Disney was going to go woke and crash its markets and wreck the Star Wars franchise, you would've shorted Disney and then you would've enjoyed watching Disney go down 40%, making money. The secret of direct investing is about the basic investment wisdom, the trend is your friend. So if you identify the trend, it's better to be in the tech business than the buggy whip business as a trend, for example. You can make money, and one of the big trends of our time as the title of the book suggests, is the red-blue split. If you look at companies that have attempted to be national and yet they've gone woke, they have hurt themselves badly with a national market. Talking Disney, we're talking AB, Bud Light, Planet Fitness.

[\(02:34\)](#):

And then probably most spectacularly of all, BlackRock. BlackRock is the biggest investment company in the world and they've gone woke and I would say they've sort of become BlueRock and it's hurt them. And so then the question becomes speculatively, is there room for a RedRock? And when you see people, Ken Griffin leaving Chicago to go Florida, Carl Icahn, Evergreen investment going to Texas, you start to realize, yes, there could be, as Governor Abbott of Texas says, a Wall Street West. Or as Governor DeSantis would say, a Wall Street South. And that's full of implications, not only for those companies, but also for real estate. Palm Beach, the value of real estate in Palm Beach has tripled in the last five years.

Bill Walton ([03:23](#)):

Well, Palm Beach or not Palm Beach, but Miami is well on the way to becoming the alternate financial capital of the Western Hemisphere, really. I mean, it's long been a home to all the flight capital from Central and South America. Now it's home to flight capital from the rest of the United States.

Jim Pinkerton ([03:40](#)):

Exactly. And you look at Brazil.

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

Being in Illinois is almost as bad as being in Bolivia.

Jim Pinkerton ([03:46](#)):

Listen, I'm from Illinois.

Bill Walton ([03:47](#)):

I know, you grew up in Evanston, right?

Jim Pinkerton ([03:49](#)):

Yeah. Let's see, the Pritzker family has just chosen to try and make Illinois the sort of transgender surgery capital.

Bill Walton ([03:57](#)):

What's with that? When I was a baby banker in the '70s, I was 26 years old and Jay Pritzker became a customer of the bank and they assigned me to him and it was interesting to learn from. He was a fabulous guy, very smart, very down to earth. And then all of a sudden he made these billions of dollars and produced these offspring and cousins of his, brothers of his that had children. And then one generation leads to the next, Pritzkers are a catastrophe. Do you have a theory of what happened?

Jim Pinkerton ([04:32](#)):

Other than some sort of multi-generational saga right out of *The Magnificent Ambersons* or something.

Bill Walton ([04:40](#)):

So when you write your novel, we'll do the Pritzker novel.

Jim Pinkerton ([04:42](#)):

The Decline and Fall of a Dynasty or something. But what's interesting is Illinois has chosen a certain path and it's been pretty bad. They've chosen to sort of legalize crime and raise taxes and then seem to think that their idea of economic development is transgender surgery. And other states have chosen other paths.

Bill Walton ([05:07](#)):

In terms of transgender capital of the world, what are they doing there?

Jim Pinkerton ([05:12](#)):

Medicaid covers it in Illinois and Pritzker, the former, I think James Pritzker, now Jennifer Pritzker is the leading figure in this transgender. There's a woman named Jennifer Bilac, you ought to get her on the show sometime, she's quite interesting on this topic. And they have a serious argument that just the future of humanity involves changing your gender and so on and so on. It's kind of out of science fiction kind of stuff. And the future is unknowable, who can say for sure that they're wrong?

Bill Walton ([05:48](#)):

Let me test your investment hypothesis, though. If you believe in transgender, and I do not, but let's say I just wanted to be cynical about my money, what's the financial play on transgender?

Jim Pinkerton ([06:00](#)):

It becomes the medical hub. It becomes the transgenderism, what Cleveland clinic or Hopkins Art of Cancer. What's the big economic driver in Baltimore these days? Johns Hopkins. And so I mean, states, that's a big part of what's going on, this is a big trend, is again, as red and blue divide, as they achieve a separate and distinct consciousness. In the book, I point out in their respective 2023 inaugural addresses, Gavin Newsom used the word freedom 23 times and Ron DeSantis used the word freedom 24 times. They just have completely different visions.

Bill Walton ([06:43](#)):

Except Ron DeSantis meant it.

Jim Pinkerton ([06:47](#)):

Well, okay, fair enough.

Bill Walton ([06:49](#)):

Freedom to do different things.

Jim Pinkerton ([06:50](#)):

But both Newsom and DeSantis won re-election.

Bill Walton ([06:54](#)):

Let's drill into that, what did Newsom mean by freedom?

Jim Pinkerton ([06:56](#)):

Abortion and just the general joy of living in a state with-

Bill Walton ([07:02](#)):

Abortion, free to change your sex, free to-

Jim Pinkerton ([07:03](#)):

Free to change your sex and no influence of the Christian Church or anything like that.

Bill Walton ([07:10](#)):

Interesting.

Jim Pinkerton ([07:11](#)):

And then also they would say, and this is a trend too, in 2014, California was the seventh largest economy in the world. And for 10 years now, we've been reading its homelessness in San Francisco and crime in Los Angeles and that's all true. However, the tech bubble, the tech wave is so strong that California has gone from seven to fourth or fifth in the world economy. Nvidia covers for a lot of sins, and so another trend clearly is that tech is gaining in ascendancy, gaining. And the hubs of tech are California, Washington state, Massachusetts and so on. And that's something we have to keep in mind as conservatives.

([07:58](#)):

I have a chapter in the book called The United States of Arbitrage. I say, "Look, just envision a world where you go to California, they got lots of money and they give you a green energy subsidy, you can have an abortion. And then you go to Texas for a gun and a tax cut." It becomes a way of thinking about arbitrage is a venerable investment concept and a lifestyle concept too, for that matter. And I think those are the sorts of choices that Americans, investors and just citizens are going to have, going forward. "Do I want to live in Massachusetts or I want to live in Florida?" And there's plenty of people who would say, "I would never live in Florida."

Bill Walton ([08:41](#)):

Let's do tutorial, explain Federalism and let's talk about how that's working here.

Jim Pinkerton ([08:46](#)):

Federalism is a concept that most associated with James Madison, the principal author of the Constitution, who was at great pains to say that the states are prior to the federal government. And actually, James Madison wrote the Virginia Resolution in 1799, where he said the states should be able to interpose themselves to the federal government. And then Thomas Jefferson, who was at that time, the sitting Vice President of the United States, wrote the Kentucky resolution, which pretty much said the same thing. He actually used the word nullification. So Federalism is deeply embedded in the constitutional history of this country, which says the states are the proper delineation of political power in the United States.

Bill Walton ([09:33](#)):

I know you're a lot more than just an investment thinker. Actually, it seems to me you are advocating a return to aggressive Federalism where the states become-

Jim Pinkerton ([09:43](#)):

State rights, I call it state's rights. I use exactly the phrase that Jefferson and Madison used. Alexander Hamilton used it as well. And again, it's been sort of buried under history, but I put a lot of stock in the 1932 opinion of Supreme Court Justice Louis Brandeis, who said the state should be the laboratories of democracy. He said, I use the quote in at great length, the ice house decision of 1932 is, "Let our minds be bold." And if that's not a-

Bill Walton ([10:16](#)):

Not just an incubator of democracy, but an incubator of entrepreneurship and innovation. And different states would have different specialties.

Jim Pinkerton ([10:24](#)):

Exactly. At one time or another-

Bill Walton ([10:25](#)):

Nashville used to be just music, now it's a lot of other things.

Jim Pinkerton ([10:29](#)):

I mean, look at Delaware and corporations. The book begins with the story of Nevada. Nevada, in 1931, Las Vegas had a population of 5,000. And an acre of land, was what was then called the Los Angeles Highway, sold for \$75. Today the metro area of Las Vegas is \$2.2 million and an acre of land on the strip is \$30 million. So what happened? They legalized gambling and they made it work. They legalized gambling and then were able to keep their franchise of legalized gambling while staying within the United States and being protected from the Russians, the Nazis, the communists, the whoever, or for that matter, New Mexico.

([11:16](#)):

And that was the political art of this, is to say it's easy to say you want be an enterprise zone. You can be Hong Kong and be an enterprise zone, and then the Chinese come and swallow you, the Chinese communists, and you're done for. So you need, again, there's a lot of the political science here about how you can envision an enterprise zone for yourself and yet, not be conquered by some military power nearby.

Bill Walton ([11:41](#)):

Well, Michael Porter wrote a book 25 years ago, 30 years ago on strategy, he wrote several of them. And one of the books I thought was interesting was this idea of just what you're saying, local communities or places become hubs for a certain kind of creative talent. Hollywood became a hub for artistic filmmaking talent, Silicon Valley, tech obviously, Wall Street finance, Nashville music, and we can extend that. But he also took it all the way back to the 14th century where in Italy, Northern Italy, the metal workers formed a... Gosh, I wish I could... He had a great term for it. Maybe you-

Jim Pinkerton ([12:24](#)):

A cluster was the phrase he used.

Bill Walton ([12:25](#)):

Was it cluster?

Jim Pinkerton ([12:25](#)):

Yeah.

Bill Walton ([12:26](#)):

Okay, well anyway, so this is similar to that where-

Jim Pinkerton ([12:29](#)):

It is, it's an observation about economic development and a lot of it is based on MIT and Stanford are just greater wealth producers. Robert Solow, who was no conservative, but he won a Nobel Prize for

economics, said, "You have to realize that capital is twice as valuable as labor in the economy and innovation is twice as valuable as capital." So again, a clear trend is if two graduate students can walk out of MIT and say, "We have a way of using gamma waves, which is a fancy way of saying light, to cure Alzheimer's," they can get \$73 million from a venture capitalist to try it out, mostly spending it on the FDA.

Bill Walton ([13:16](#)):

Did that happen?

Jim Pinkerton ([13:17](#)):

It's happening right now. It's a company called Optogenetics.

Bill Walton ([13:19](#)):

Is it public?

Jim Pinkerton ([13:20](#)):

No.

Bill Walton ([13:24](#)):

Can we buy the stock?

Jim Pinkerton ([13:24](#)):

I'm sure they'd want to talk to you.

Bill Walton ([13:24](#)):

Well, I want to have a few money-making ideas.

Jim Pinkerton ([13:25](#)):

You can get there somewhere.

Bill Walton ([13:26](#)):

Well, I've been in the venture business, so we can-

Jim Pinkerton ([13:30](#)):

And then you may have recently read, it's not in the book, but about the AI company, Suno, S-U-N-O. A guy walks out of Harvard and says, "I can use AI to make music." It's not just video, it's not just text, it's music. So imagine a Spotify for music, you pay him \$10 a month for your account and it composes any song you want. That's the kind of value of it. Again, that's a trend to watch, which is this, again, the red states and I speak as the Republican, we have to be mindful. I mean, here we are in Maryland here, we have to be mindful that tech is so strong and so powerful that, I make a point in the book that if a red state were really on its game, thinking for itself, it would announce to the world that any student who got an 800 on his or her math SAT would get a free ride.

Bill Walton ([14:28](#)):

Terrific idea.

Jim Pinkerton ([14:29](#)):

Have a tech cluster 10 years later. Do it in, say Arkansas, and you'll have all the tech people you want five years from now.

Bill Walton ([14:36](#)):

Well, you're saying... I've been involved in private equity, venture capital, all sorts of aspects of making money in the capital markets and building real businesses, but now I find myself here in Washington, the Washington area, and it seems like everything's supposed to have a government solution. And almost nothing has a government solution. And what you're saying is through innovation, unleashing some talent, put people on a problem, you're likely to get a solution, not more layers of regulation.

Jim Pinkerton ([15:08](#)):

Exactly. Look, I've been in this Washington since 1980 and I knew Newt Gingrich really well.

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

Boy, that's a long time.

Jim Pinkerton ([15:16](#)):

It is a long time.

Bill Walton ([15:18](#)):

You went to Stanford as I recollect.

Jim Pinkerton ([15:21](#)):

Sorry?

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

You went to Stanford?

Jim Pinkerton ([15:22](#)):

I did, I did. And I've always sort of liked big ideas and I always loved the idea of going to the moon and so on. And then I noticed that lots of big projects, lots of big science projects like the SST and the Breeder Reactor and the super colliding superconductor were getting killed. They were getting NIMBY'd and killed. And I thought, "Well, that's just-"

Bill Walton ([15:43](#)):

NIMBY, not in my back yard.

Jim Pinkerton ([15:45](#)):

Not in my back yard, correct. And a high speed rail in California couldn't get anywhere. Just down the road here at Union Station, Secretary Buttigieg said, "We have a wonderful plan for revising Union

Station and it'll be completed in 2040." Union Station was built in 1907, it's a perfectly nice building. All you have to do is spiff it up a little bit, it shouldn't take 20 years.

Bill Walton ([16:10](#)):

And Union Station was built, took about 18 months?

Jim Pinkerton ([16:12](#)):

Yeah, the Pentagon was built in 13 months and so on.

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

And the Empire State building in about a year, year and a half.

Jim Pinkerton ([16:19](#)):

Exactly, so I began to think though, at the same time that the government is clogged up, high-speed rail and Union Station and so on and so on, occasionally it punches through. For example, Governor Shapiro, Democrat of Pennsylvania, when the bridge fell down on I-95 in Philadelphia, he said, "We're not going to paralyze the East coast for the next two years while we fill out environmental and bank statements, we're just going to fix it." And they did it in a month. Nobody could believe it but he did it. So I then further thought, "Some people are doing things." Elon Musk, in the middle of all this NIMBYism and all this stuff, he's building Tesla and Starlink and SpaceX and Neuralink and so on. And that began to realize there is a trend there in certain sectors. Visionary Ayn Rand type capitalist tycoons are doing fabulous, big things. And so-

Bill Walton ([17:18](#)):

I already think you ought to change the name of your book. Is it too late? Could you call your publisher?

Jim Pinkerton ([17:25](#)):

I can do that.

Bill Walton ([17:25](#)):

Well, the thing about directional investing, investing is I think, something fairly passive. You call up your broker, you invest in this, that or the other thing. You're really talking about something much more dynamic. You're talking about secrets of building industries and entrepreneurship and how to get rich.

Jim Pinkerton ([17:45](#)):

Yes, I am.

Bill Walton ([17:46](#)):

As a community, also as individuals.

Jim Pinkerton ([17:48](#)):

Just say for example-

Bill Walton ([17:51](#)):

Who's your publisher? I'll give them a call.

Jim Pinkerton ([17:52](#)):

Post Hill in Tennessee.

Bill Walton ([17:53](#)):

All right, I'll talk. I'm just... Well, but anyway, what you're talking about is, I wasn't quite sure how to take this based on the title, but what you're talking about is something very fundamental that we ought make as a matter of public policy everywhere.

Jim Pinkerton ([18:09](#)):

Well, actually the last chapter is on the politics of this, how to change the politics. And I begin with the amazing success of Grover Norquist and the-

Bill Walton ([18:22](#)):

Tax foundation.

Jim Pinkerton ([18:22](#)):

For tax reform.

Bill Walton ([18:22](#)):

Tax reform, yeah.

Jim Pinkerton ([18:24](#)):

He's boiled down the no tax message so the politicians can understand it, to 55 words. And he's changed the world. I mean, everybody would agree that the tax pledge has just changed the dynamic.

Bill Walton ([18:38](#)):

The tax pledge is 55 words.

Jim Pinkerton ([18:40](#)):

There's actually various versions of it, but the Federal tax pledge is 55 words.

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

Yeah, he's been on the show.

Jim Pinkerton ([18:45](#)):

And it's just so crisp and clean. I worked for George HW Bush, who broke the pledge and was defeated for reelection in 1992, so that was a good lesson. And since then, Grover tells that no Republican in Federal office has voted for tax increase since. Lots of governors have, but no Federal office has. Therefore, the notion of a pledge.

Bill Walton ([19:11](#)):

Let's talk about that, let's work on it. How would we write that pledge?

Jim Pinkerton ([19:17](#)):

The challenge would be, I'll give you a great example. Elon Musk, the greatest tycoon of our era.

Bill Walton ([19:24](#)):

Yeah, he's amazing.

Jim Pinkerton ([19:26](#)):

And has made going to the moon and Mars plausible now in a way that it didn't seem 10 or 15 years ago, has been in a low grade conflict with, of all things, the US Fish and Wildlife Service. Because they would love nothing better than to say that his rocket launches are bothering the frogs and the snails and the whatever's. And he's tweeted about this a lot.

Bill Walton ([19:52](#)):

I'm sure it wakes them up at least.

Jim Pinkerton ([19:54](#)):

Sorry?

Bill Walton ([19:54](#)):

I'm sure it wakes them up at least.

Jim Pinkerton ([19:57](#)):

He's tweeted about it. He said, "I'm trying to be an interplanetary species for humanity and these bureaucrats are shuffling papers and trying to slow me down." So a pledge would be if you want to get anywhere in Texas politics where SpaceX is headquartered, you have to sign a pledge that you would say that the Fish and Wildlife Service is not allowed to interfere with Elon Musk's rocket launches. So your choice, Grover Norquist is the nicest, mildest personality ever and he says, "If you sign this pledge, I'm for you. And if you don't sign it, all these people will be against you. You decide, Mr. and Mrs. Politician."

([20:43](#)):

I would make the same pledge on protecting, creating a protective framework around Elon Musk and rockets, starting with the Fish and Wildlife Service and extending to whatever else it is. And I'd say, "This is our vision of how Texas will be the space launch capital of the world." And we know that Florida might want to compete with that. "That's fine, we'll take the competition, but we will try and be as friendly to space launching in Texas as Nevada is friendly to casinos."

Bill Walton ([21:17](#)):

For a person who's thinking about what the heck to do next, you've got two notions. The trend is your friend, you mentioned. You can spot a trend and then you can shape a trend. But as an individual, you can decide which state you want to be in based on what you believe and what you think you can do. And I guess if you want to do trends, you go to Illinois, but if you don't, you go someplace else. So this is both job and physical mobility. People have got to be willing to pick up and go where the opportunities are.

Jim Pinkerton ([21:51](#)):

Right. One of the books that I quote extensively is a book written back in 2008 by a fellow named Bill Bishop, it's called The Big Sort, and he's making the-

Bill Walton ([21:59](#)):

The big what?

Jim Pinkerton ([21:59](#)):

Sort, S-O-R-T.

Bill Walton ([22:01](#)):

Okay, Big Sort.

Jim Pinkerton ([22:01](#)):

He's making the point that Americans are moving increasingly based on ideology, and that they just simply don't feel comfortable in state X or Y. And it goes both ways. If you're gay, you want to get out of Alabama, and if you're pro family, you want to be in Alabama, that kind of thing. And it's a very interesting, well-done book. And so yes, but then once you're in a state, you could then say, "What if we use digital technologies?" I worked at Fox News for 20 years, I tried to always get this across.

[\(22:37\)](#):

You want to do more than just be passive and watch. You want to do something and online and digital, unfortunately the tech companies are pretty much controlled by liberals who are not interested in this, but there should be a tech platform, I talk about this in the book, a tech platform that says, "I want to take a pledge on these issues and if I take the pledge, I will promise to vote accordingly and I'll do it publicly." And now peer pressure and honor say I have to keep my pledge, not just to vote for President, but also to vote in primary elections and for dog catcher and state legislature and everything else, this becomes sort of a political machine.

Bill Walton ([23:22](#)):

Let me just play this out. So you're a liberal from California and you want to move to Tennessee because there are no taxes, you've got to take a pledge not to bring all the California ideas to Tennessee?

Jim Pinkerton ([23:33](#)):

You could do that.

Bill Walton ([23:36](#)):

Each state government, "If you're going to move into the state, here's the pledge."

Jim Pinkerton ([23:41](#)):

You could say again, if you take the pledge, and this is what digital allows for, all this kind of grows out of customer relationship management kind of stuff.

Bill Walton ([23:50](#)):

CRM, yeah.

Jim Pinkerton ([23:50](#)):

Facebook and-

Bill Walton ([23:51](#)):

But the technology is clearly there already.

Jim Pinkerton ([23:56](#)):

Exactly, so it knows what we're doing, what we're saying right now. And if I tell my iPhone, "Look, I will pledge to vote for the no tax increase, pro space, pro health innovation candidate," and now the politician could say, "If 8% of the voters will vote for me on this and 7% will vote for me on that," you can now assemble a coalition, and a coalition that would get you to 51%. The problem with the parties as they are now, the Democrats and Republicans, is if you vote Republican, you can't say for sure what you're going to get.

[\(24:34\)](#):

Are you going to get MAGA and just general Matt Gates buffoonery, or you're going to get genuine, "I care about taxes and regulation and stuff?" You don't know. And what you want to do is clarify that. Say, "Listen, it is nice that you're a Republican, it's nice that you're a Democrat. What I really care about is space or transgenderism or tax cuts or tax increases," whatever it is. And I'm saying and I will put my name, and it's not a legal contract. I mean, in a sense that you can't legally promise your vote to something.

Bill Walton ([25:07](#)):

No, you couldn't. It's just not enforceable, but it's a-

Jim Pinkerton ([25:10](#)):

It's an honor thing.

Bill Walton ([25:11](#)):

Yeah.

Jim Pinkerton ([25:11](#)):

Most people will not betray their friends. And so if I go public, saying, "I'm for this," and then the political operative or the digital relationship thing says, "Hey, Mr. Pinkerton, you haven't voted yet. The polls close at 7:00 PM you haven't voted yet, get your fanny in there," I think that would be the kind of political machine that would then say, "Listen, if you move your company from New York City to Tennessee or Wyoming or wherever, we will protect you in the following way."

[\(25:47\)](#):

And there's an army of voters, you can not only, don't have to take my word for it, they're publicly listed. There's a gallery of voter heroes there. People who have a win streak of voting in every election and every primary and everything like that. You can meet them. They'll tell you that they will always vote to defend you on this. And then you've got a governor and an attorney general who will say, "Look, we'll fight the Federal government on this to make sure that we keep banking secrecy in Wyoming."

Bill Walton ([26:14](#)):

You and I both, my main house is in Virginia, let's do this in Virginia. Youngkin may be great. Youngkin could use a big idea.

Jim Pinkerton ([26:23](#)):

I think of Youngkin all the time. I think he's a good guy and everything, I voted for him.

Bill Walton ([26:34](#)):

I know him.

Jim Pinkerton ([26:34](#)):

But he is not going to make it as MAGA. He's going to make it as-

Bill Walton ([26:41](#)):

He's going to make it as an innovator, as somebody that's created a lot of wealth. And that's been lost in this discussion about MAGA, discussion about the left-right divide is nothing about what you and I are talking about.

Jim Pinkerton ([26:53](#)):

I agree. And let's take an example of somebody who's probably somewhere between a liberal and a libertarian somewhere, Sam Altman of OpenAI. I wrote about this for Breitbart the other day. He said, "This AI thing is so good, I want \$7 trillion for chips." Not billion, trillion. Now, think about AI in the potential over the next 100 years. Can anybody say that \$7 trillion for chips for AI is too little?

Bill Walton ([27:25](#)):

No.

Jim Pinkerton ([27:26](#)):

Right, exactly. He's thinking \$7 trillion. Okay, Arkansas, Virginia, Pennsylvania, wherever, Florida, New Hampshire want that money, right? They want that chip business. It all shouldn't be in Arizona, it should be wherever you want it to be. But people should be going to Sam Altman and saying, "Put it here in my state and here's the deal I'm going to offer you." And nobody would be better at that than Youngkin.

Bill Walton ([27:55](#)):

Is Sam Altman looking for a place to hatch this from? Is he still in play?

Jim Pinkerton ([28:01](#)):

As far as I know, the last I read a month or two ago, he was going to the UAE.

Bill Walton ([28:05](#)):

We could do a lot of good if we could get him into Virginia.

Jim Pinkerton ([28:07](#)):

It'd be great, exactly. And that's what it takes deep into Michael Porter cluster territory. Look, the reason the Northern Virginia tech boom kind of fizzled, because it just couldn't keep up with Stanford.

Bill Walton (28:23):

Well, Northern Virginia doesn't have the intellectual engine. You don't have an MIT, you don't have a Stanford. In Austin they've got the University of Texas. You need that intellectual firepower.

Jim Pinkerton (28:35):

I agree, that's why I've suggested the 800 university. Just say, the 800 U, if you really did it right-

Bill Walton (28:42):

Oh my God, you're talking about a meritocracy, though.

Jim Pinkerton (28:44):

I'm talking about it would be nothing but Chinese and Hindus.

Bill Walton (28:49):

We're good with that.

Jim Pinkerton (28:49):

I'm good with that.

Bill Walton (28:50):

We are good, I'm good.

Jim Pinkerton (28:53):

Exactly. And if you could deal with that and say, "Listen, we don't care that you got an 800 in your English SAT, we don't care about that. We don't care about your gender studies and your genocide, anything like that. All we want is 800 math and we'll get enough good professors and stuff and adjuncts." Especially in DC, you have tons of adjuncts who know stuff. We'll have enough Nobel Prize winners to make it sparkly, but the core of it is nothing but 800, 150 IQ grinds. Again, put that in Fairfax Virginia, 10 years from now, Google-

Bill Walton (29:24):

We could do some good.

Jim Pinkerton (29:26):

Yes, we could, you could. And you could also do things like, it is scandalous, speaking of Northern Virginia, what they do for business up there. You might've seen this in the Wall Street Journal the other day, this is not in the book, obviously. The drones we have sent to Ukraine aren't working.

Bill Walton (29:42):

No, they're not.

Jim Pinkerton (29:43):

The Ukrainians are using Chinese drones.

Bill Walton ([29:45](#)):

The tanks aren't either, but something as simple as a drone, we can't get right.

Jim Pinkerton ([29:49](#)):

We need Palmer Lucky and Joe Lansdale. Joe Lansdale was nice enough to [inaudible 00:29:54] my book, coming in there and saying, "Look, we can do a lot better on defense," which is of all the things the government really should be focusing on, it's defense and making tech and not letting the Chinese-

Bill Walton ([30:07](#)):

Defense and infrastructure and a few other things and that's about it. That's about what government is good at.

Jim Pinkerton ([30:13](#)):

The state should then be free to say, "We will do as the voters here in X or Y, blue or red state choose." And then the American people can judge where they want to live.

Bill Walton ([30:29](#)):

Unfortunately, I didn't have a chance to get to your book. I read your long summary, but then I tried to buy it on Kindle, it's not ready yet. I can't wait to get the whole thing. Here's the issue. "Only 16% of Americans," and I'm quoting you, "Have confidence in the Federal government."

Jim Pinkerton ([30:45](#)):

According to Gallup.

Bill Walton ([30:46](#)):

Well, I think that's high, actually. But you've got all these really wonderful ideas about local Federalist solutions, each state can pick the kind of thing they want. And it's not a liberal-conservative division, it's more what culture you want to have in the state you're in and that's innovation or that's lifestyle or whatever. But you got the Federal government now that's just completely overweening and getting worse and you can't build anything because of the Federal regulations. The EPA is doing as much as it can to shut down innovation, so is the FDA. On and on and on, the alphabet soup things. How do we free up? And I'm not sure I expect a practical answer, but it seems that's the issue.

Jim Pinkerton ([31:32](#)):

It is, exactly.

Bill Walton ([31:33](#)):

Everything's become a Federal-

Jim Pinkerton ([31:36](#)):

And I think that's where, again, to say I'm going to vote Republican, expect that to change, is not a good play. Again, you can say, "I am a Republican, however with it, I'm only going to vote for the candidates who pledge to curb the FDA, curb the EPA and make it..." It would take some brainpower, but make the pledge on the EPA and the FDA as clean as the Grover Norquist tax pledge.

Bill Walton ([32:04](#)):

And I've interacted a lot with these freshmen, sophomore congressmen that come into town. They don't know any of this, they're not even remotely aware of the kind of problems they're going to face with the administrative state. I mean, they think the action is in Congress and it's not really. I mean, it is sort of and a lot emanates from there, but once it gets into the administrative state, it's gone and they've taken over. And that's where the... So you're saying we could draft a pledge for each of these areas and say, "Here's the 100 words," we'd need to limit to 50. On these five issues, you pledge to vote this way on these issues.

Jim Pinkerton ([32:40](#)):

And we record it and it's public information. And then a lot of the pledge could be, we think if the FDA and the EPA are the way they are at the Federal level, fine, but a state can opt out. That could be one sentence.

Bill Walton ([32:55](#)):

A state opts out of the EPA? I happen to love that idea.

Jim Pinkerton ([33:01](#)):

Experiment.

Bill Walton ([33:02](#)):

But you mentioned California. One of the problems you have if you're running a big company and you've got a national market, an international market, you're doing product development. And then California develop standards for an industry, let's pick cars right now or trucks. The way that automobile makers think of it is that, "Well, we don't care that Tennessee doesn't have the same restraints as California because that's not as big a market. We've got to design everything for that biggest market, California, and that changes what every other state gets."

Jim Pinkerton ([33:39](#)):

That's the way California changed the country.

Bill Walton ([33:42](#)):

And that's true in textbook, too.

Jim Pinkerton ([33:44](#)):

I think that was a mistake by the other states to let that happen. If I were Tennessee, I'd say, "Listen, we will not allow electric vehicles here. You want to sell a car here, can't be electric."

Bill Walton ([33:55](#)):

Well, we've got to a de facto... Well, I guess Biden has now declared it at a Federal level, but we're wandering into... I want to stick with the actionable. What are one of the ideas in this book that we haven't covered yet? I'm beginning to think this is going to be a fun read.

Jim Pinkerton ([34:17](#)):

AI is the world's biggest energy hog and you're not going to power it with windmills and solar and stuff. You're going to power it with that uniquely good energy source, carbon energy. And if you think climate change is an issue, okay, fine. The proper understanding of a circular economy is that carbon, which is the human body, your body, my body are 18% carbon, everything in this room, including us, is a carbon sink. So if you think about where plastics come from, you think about where medicines come, think about where wood comes from, we could be capturing all the carbon if we want. We spent \$20 trillion over the last 20 years on green energy and neglected carbon capture. We could easily make a grand compromise that says we're going to burn all the oil in this country. The total value of all the oil in this country is \$217 trillion. Not billion, trillion.

[\(35:15\)](#):

That's \$700,000 a person in America. And if the average American knew that... So we could have all this money, you could get a check from the government the way they get in Alaska for \$3,000 person, a person in Alaska, \$3,000. All you have to do is agree that we're going to burn all the oil and natural gas and clean coal, and we're going to capture all the carbon and we're going to use it for landfill and carbon nanotubes and build a space elevator and maybe an island or two. And we're going to use it all up and everybody's going to be rich and you're going to have an AI and lots of money and the air will be at 350 parts per million CO₂, everybody wins. That's in the book, too.

Bill Walton [\(35:56\)](#):

Well, CO₂ is not toxic. CO₂ is a beneficial element.

Jim Pinkerton [\(36:03\)](#):

I agree. I think the challenge is-

Bill Walton [\(36:05\)](#):

We're not winning that argument right now but I think we will. I just joined the board of the CO₂ Coalition and we've got some noble laureates and I'm the only non-PhD involved in it. Then the science is there, carbon, CO₂ is at a \$500 million year low.

Jim Pinkerton [\(36:19\)](#):

It's also true when the CO₂ level is 1,800 parts per million, the water level is 90 feet higher. And so properly thought through, you want an efficient economy that says if carbon is an asset, use it. Don't have it floating around the atmosphere. Make buildings out of it, use it for landfill, use it for 3D printing, use it. Again, build a new island. That's actually a pet idea of mine. If the population of the world has quadrupled in the last 100 years and we're still on the same 29% of the Earth's surface.

Bill Walton [\(36:59\)](#):

Well, are you familiar with graphene? You have to be, you seem to know about all this. George Gilder was here and he talked about this massive problem we've got where, in the Pacific Ocean, there's a flotsam and jetsam, whatever the term is, something the size of Texas, it's plastic debris. It's disgusting. Most of it's come from Asia, most of it's come from China. The rivers in China are the most polluted in the world.

[\(37:27\)](#):

But one of the ideas is this plastic out there is great raw material for graphene and graphene is a silicon substitute. And that actually could be a better technology than what we have right now. And so with a

little entrepreneurial effort and capital, ideas, capital and labor, you apply it to that, all of a sudden you don't have a Texas sized float in the Pacific. Instead, you've got graphene.

Jim Pinkerton ([37:56](#)):

And maybe you have Hawaii 2.0.

Bill Walton ([37:59](#)):

There we go.

Jim Pinkerton ([37:59](#)):

That was an investment. How much is Hawaii worth?

Bill Walton ([38:03](#)):

Okay, let's drill into that. What do you mean exactly?

Jim Pinkerton ([38:06](#)):

Well, I mean, just if the plastic is a solid, make an island out of it. Literally make an island.

Bill Walton ([38:14](#)):

Okay, well then that congressman who was worried about Puerto Rico tilting or something, remember the island, Wake Island?

Jim Pinkerton ([38:22](#)):

Yeah.

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

This one actually might tilt.

Jim Pinkerton ([38:24](#)):

This is a challenge. All entrepreneurs and visionaries face the challenge of you say, "I got a great idea, let's go to Mars." Everybody laughs. And then you start doing it as Musk is doing. And look, obviously a lot, the reason I wrote the book is to kind of get the Overton Window moving in a little bit of a more positive direction. Yes, we could solve these problems, we don't need to just be despairing.

Bill Walton ([38:47](#)):

The Overton Window, the term that everybody should know. I just learned it a few years ago, which is there are these ideas which are totally outside the pale. Ridiculous, we'll never do it. It'll never happen. And then there's conventional wisdom, which is where we live right now. And almost all the good things or almost all the change comes from ideas that are outside that Overton Window, and then they move in over time.

Jim Pinkerton ([39:10](#)):

Right. Think about sometimes it happens to be barely even noticed. You and I are both old enough to remember the pre-internet era. And if you'd said there's going to be a little thing that gives you a thing

on a phone and 95% of Americans by 2024 are going to be using it and it's like a magic communications device and reads you the news and everything else, we would've said, "That's the crazy stuff. That's science fiction stuff." And it happened. Again, where it's allowed, again, I've talked a lot in the book about you build a framework, you want something to happen, you build a framework on the railroads, you get a lot of railroads. You build a framework around highways, you got a lot of highways. You pass the Communications Decency Act of 1996 and you get it through the Senate 92-5-

Bill Walton ([39:54](#)):

I have an idea for your next job. If Trump gets elected and I'm a Trump guy, but he misses an awful lot, he doesn't cover any of this at all.

Jim Pinkerton ([40:03](#)):

I know.

Bill Walton ([40:04](#)):

I think we should make you the consigliere.

Jim Pinkerton ([40:09](#)):

Well, look-

Bill Walton ([40:09](#)):

I think we need these ideas. We need somebody who's pushing this sort of thing in government.

Jim Pinkerton ([40:18](#)):

I've worked in the White House for six years total and I know what it's like to say you have a big idea on something and then realize-

Bill Walton ([40:25](#)):

You get killed.

Jim Pinkerton ([40:25](#)):

There's some congressman on the phone and then something erupts and then there's a scandal or something. Drew Lewis, who was the Transportation Secretary under Reagan once told me, "The only way you can get anything done in this world is you have to pick one or two issues and just delegate everything else." If you're the Secretary of Transportation, there's 100 things to worry about. And he just said, "I'm giving all 98 of them to Darrell Friend," who was the deputy back then, "And I'll do two." In his case, PATCO and the infrastructure bill. And that was it. He had just a very clean, incisive business as he was, approach to life, and he got things done. It is incredibly hard to do this stuff, but you certainly have no chance of succeeding if you haven't thought of it in the first place.

Bill Walton ([41:14](#)):

Do you get into artificial intelligence in the book?

Jim Pinkerton ([41:16](#)):

I do, I do.

Bill Walton ([41:17](#)):

Let's talk about that. Where do you see this going?

Jim Pinkerton ([41:20](#)):

I think it's going to be as big as they say it's going to be. And again, conservatives, Republicans can't pretend that they're going to be viable in the future if all the AIs are built in San Francisco. So we need our own.

Bill Walton ([41:40](#)):

I'm using AI to try to write things now.

Jim Pinkerton ([41:43](#)):

Same.

Bill Walton ([41:43](#)):

I'm using a ChatGPT plus a lot of other ancillary-

Jim Pinkerton ([41:47](#)):

Which this to say some blue-haired transsexual in San Francisco knows everything about you.

Bill Walton ([41:54](#)):

I'm comfortable with that, but I would like to have them write in a way that I think, not the way they think. And you can't get it to do that.

Jim Pinkerton ([42:01](#)):

It should tell you something.

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

I don't mind what they think I like.

Jim Pinkerton ([42:06](#)):

San Francisco, which every conservative loves to hate, is the hub of this, so the people who... The science fiction writer, Larry Niven, I asked him what did he learn in 30 years of writing science fiction? And he said, "What I learned..." I was expecting him to say about space or something. He said, "People just as intelligent as you think just the opposite." And that helped me write this book in thinking, "Yes, there really are people who would sit here and listen to us and say, 'I'm just as high in IQ, but I disagree.'"

Bill Walton ([42:41](#)):

How could they?

Jim Pinkerton ([42:45](#)):

Let them tell you. Actually, there's a chapter in the book called Schismogenesis, which is to say, in anthropology, when two tribes start fighting, they both sort of get stronger. They toughen up, they get serious about themselves. And so you can see it now in America, there's sort of a red patriotism and a blue patriotism, and they're both sort of conscious of, "We can't be fools and look bad and stupid to the other guys." And so it's forcing them to kind of clean up their act and get better at things. It's a rivalry, it's a team rivalry thing. And I think-

Bill Walton ([43:21](#)):

Things get better because of that back and forth, yeah.

Jim Pinkerton ([43:24](#)):

And so that from an investment point of view, whether you're investing in AI in San Francisco or in oil in Louisiana, you can both do well if you think it through. And this is again, back to Youngkin and deal makers. If you say, "Listen, AI needs energy and energy needs to be burned and consumed, so let's work together. Let's have some compromise on carbon capture, something or other and make new islands with it or make new high rises or something." Do all that, and that becomes the sort of deal making that overcomes the sort of horrible polarization we're seeing, which could end up in something we both don't want, which is some kind of civil war.

Bill Walton ([44:04](#)):

Yeah, we don't-

Jim Pinkerton ([44:05](#)):

Much better to make deals.

Bill Walton ([44:07](#)):

I love this. When's your book come out?

Jim Pinkerton ([44:10](#)):

May 28th.

Bill Walton ([44:11](#)):

May 28th. Okay, so I'm going to get it. And the other thing is you got to come back on. You're like a one-man innovation machine in yourself.

Jim Pinkerton ([44:19](#)):

I'd love to, thank you.

Bill Walton ([44:20](#)):

And so I'll get you on. A couple other people that I've... Do you know John Maldon? John Maldon, he is a futurist as well. You're not quite... Anyway, I can see where we could actually offer up a lot of positive direction for a lot of people that are not getting it much now.

Jim Pinkerton ([44:36](#)):

Well, I think it's also the beginning of a pretty good political platform.

Bill Walton ([44:41](#)):

It is.

Jim Pinkerton ([44:42](#)):

And again, starting with-

Bill Walton ([44:43](#)):

We need to rethink the divides.

Jim Pinkerton ([44:45](#)):

What I think would be that a pretty good political pitch, "Would you like \$3,000 per person like they do in Alaska?" I'm making the same offer that they make in Alaska.

Bill Walton ([44:58](#)):

I know both Joe Biden and Donald Trump would like that pitch.

Jim Pinkerton ([45:01](#)):

Look, you have to get... You want the country on board, you want people not to murder you and they want you to defend them against the Chinese, you have to make some concessions, some deal making.

Bill Walton ([45:14](#)):

Yeah. Well, I'm with you on that and I think let's wind this one down right now but let's do it next time, fairly soon and get into some of these ideas. I want to dig into this more and we'll come back with some new specific stuff. In the meantime, everybody's got to buy this book on May 28th. It's on Amazon, you can pre-order it. If you want to think about things very differently, I think this is one of the great places to start. Jim Pinkerton, thank you.

Jim Pinkerton ([45:45](#)):

Thank you.

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

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