

# Transcript

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## The Bill Walton Show

Matt Schlapp/Al Regnery

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Bill Walton: Today let's talk about politics. Specifically, what's going on with Donald Trump, the Republican Party, Conservatives, and Capital Hill. There seems to be almost as much Trump conflict here as with Democrats and the media. As some of you may know, I work for the Trump Transition Team heading up the teams that developed Action Plans for all of the economic agencies.

I believe we created some great road maps to ramp up economic growth, growth that could go a long way toward improving every American's life. Yet months into the Trump Presidency not much has happened on this front. Yes, some progress has been made in the regulatory front but nothing on things like health care, tax reform, and a rational immigration policy

With my today to talk about how we got here and where we might be going is Al Regnery and Matt Schlapp. Al Regnery, Al?

Al Regnery: Bill.

Bill Walton: Is the founder and chairman of Law Enforcement Legal Defense Fund and was president and publisher of The American Spectator, a monthly magazine of literature, politics, satire, and culture. He was also president of Regnery Publishing where he published over 250 titles, 23 of which were New York Times bestsellers.

During the Regan administration he was a Senate-confirmed appointee in the US Justice Department. Al's writings have been published in countless national magazines and periodicals, he's the author of "Upstream, The Ascendants of American Conservatism. A History of the Conservative Movement From 1945 to the Present".

Matt Schlapp is chairman of The American Conservative Union, ACU, the nations earliest Conservative grassroots organization. ACU hosts the annual Conservative Political Action Conference, CPAC, and has ranked every member of Congress for 45 years. ACU is now scoring every state legislature. Matt served as the White House Political Director and Deputy Assistant to President George W. Bush. Matt's extensive political commentary appears regularly in broadcast and print media and he's a co-host with his wife Mercedes of CPAC 365, a weekly radio show on Sirius XM Radio.

Al, Matt, welcome

Matt Schlapp: Great to be here!

Al Regnery: Thank you, nice to be here!

Bill Walton: So Al, let's let you get first swing at it, what's going on with Trump, and the Republicans, and the Conservatives, and Capital Hill, and Mitch McConnell, and the whole stew?

Matt Schlapp: Remember Al, he might be watching.

Bill Walton: And probably will be!

Al Regnery: And you won't get it in 30 seconds, right? Well, that's a big issue. I guess the first thing I would do is add the Democrats into too, because certainly they have a lot to do with it. The Republican party, many of the Republican party, don't like Donald Trump very much. Some of them like him a lot, and in many cases what he's doing is challenging their status quo, their whole sense of being and professionalism and so on, because he's such an outsider. And he's doing things not according to the script but according to his own will, and that sends a lot of people up the wall frankly.

I mean, Mitch McConnell, you mentioned him, is probably the best example. Republican forever, I don't know if he's ever had a job outside of politics but it's been a long time if he has, and he's a total creature of Washington. Certainly, he gets re-elected in Kentucky, he's a tough campaigner, he's probably a lot of people that owe him things in Kentucky and so he gets easily re-elected.

But in Washington ... his constituency is inside the Beltway, not in his home state. So he does things according to the way they've always been done, his ultimate goal is to stay as the majority leader rather than accomplish anything. In terms of policy, I don't think it makes a lot of difference to him what the policy is, he wants to win it in such way that it's good for him and good for Republicans. Totally not the way Donald Trump works.

Bill Walton: So where do the American people enter into this?

Al Regnery: Well the American people get, frankly, the short end of the stick. I mean, what goes on inside the Beltway, and I've been here since 1978 and I've been in a lot of different places and I think we all probably agree that, largely what's done in Washington is done for the benefit of the people in Washington, and that-

Bill Walton: Matt, what do you think?

Matt Schlapp: I think that there's just so much change. I think it's hard for Republicans who are used to taking a pledge to the Elephant, and what Donald Trump has forward and said ... he's kind of gotten us back to the concept of taking an oath to the Constitution and to the Country. And he was pretty transparent about what his agenda is, I don't think it was hidden from anybody. And he gets frustrated and cranky, as any business person does, when government stands in the way and is ineffective.

And when the Elephant's in the way of progress he's going to be just as tough on it. And, quite frankly, I'm a pretty strong Republican but I'm perfectly fine with that.

Bill Walton: Well do you think the Republicans are ... it seems like, my sense is some of them actually would like to see Trump fail as President because-

Matt Schlapp: Oh, they would. No question about it.

Bill Walton: Yeah, yeah. I mean, that's not going to help them. We've got a 2018 election coming up and-

Matt Schlapp: Well, not for the time being but I guess in the long run they think it would be, and they get back to having a sort of an establishment sort of person as the president who does what they ... what the political class, if you will, says. You know, some people think there really is not that much of a distinction between the two parties.

Basically that, the difference is between the professional political class, the elite if you will, and the rest of the American people, the average Joe that earns a living doing whatever he's doing. And that in many cases Democrats and Republicans are in lock-step, keeping the status quo as it is and keeping things going.

Al Regnery: Yeah, one thing there Bill, I would invite you both to think about how unsettling it would be if you had spent your whole professional life in elected office, inside the swamp, as a Republican whose trying to, you know, push the agenda. And

out of nowhere this guy comes out of New York City, making fun of you, mocking you, taunting you on twitter, calling you losers and failures.

And he mops up the field in the Primaries, he completely overcasts and overshadows everything you've been trying to do, and now he's in the White House! So, it's a little bit of an indictment of these very people in Congress, that Donald Trump won. And they know it, and so this is going to be a very uneasy relationship throughout the time that Donald Trump is President-

Bill Walton: Yeah, he went seventeen to zero in the Primaries, so that's-

Al Regnery: Yeah!

Matt Schlapp: Right.

Al Regnery: And it wasn't that close! You know, some of these guys won their home states and the media was making a big deal out of winning their home states. In the old days in politics, winning your home state was a given, and then you were going to try to branch out as you ran for President and win some more.

Bill Walton: Now the American Conservative Union, you have a pretty interesting logo. You're committed education and converting those who may not know they are Conservatives.

Al Regnery: Right! Yeah.

Bill Walton: And how does that fit into the whole Trump electorate? I mean, were there Conservatives that voted for Trump or was it somebody else or? Elaborate on that.

Al Regnery: Yeah so, you know, I'm 49-years-old and a lot of people who approach politics in life who are my age, they don't really join things. They don't really grab onto labels, you know, in 21st century America the rugged individual can be who he or she wants to be, and they don't ... they're not the COSTUS, or these different community organizations, these younger folks just aren't joining them like they used to.

And that's just the dynamic going on in the country, and I also think the National Media has played a role-

Bill Walton: They're not only not joining but they don't even self-identify it as Conservative, they want to be Independent, something else.

Al Regnery: Yeah, because the many voices in the media have made Conservatives out to be things that are unsavory, so maybe they don't like so much of it. And if you look at how consumers are: you go order a coffee, 50 years ago you might have gotten regular or decaf. Today there's like a hundred and fifty different iterations, you can have the exact cup of coffee you want!

And, you know, you go to a fast food joint and you want to get a coke, you've got sixteen choices of what kind of fruit flavor you want in the coke. It's just like, that's what people in America want. They want that personalization, individualization, and they want it in politics too.

Bill Walton: Well that's ... I'm glad you're bringing that ... because that's where I wanted to go with that question is that you think about Trumps constituency, there are people who are Economic Nationalists, they're Populists, they're Libertarian, they're traditional country club Republicans. It's a very interesting coalition and Al, you've written a book about the history of Conservatism, does Trump represent a fundamental realignment of the parties?

Al Regnery: I think that still remains to be seen. He certainly did in the election, and whether he succeeds probably determines whether or not there's a realignment. In a way, the people that voted for him are the same people that voted for ... who were in the Tea Party, they were people no necessarily in politics. I mean my wife, for example, worked in a polling place and she said all kinds of people came in to vote that have never voted before.

And that was, I think, that happened across the country because they saw in him something that no other politician did, which was that he was talking to them about their problems, as opposed to the way Washington solves things. So if he can succeed yeah, there could be a very significant realignment. I mentioned in the beginning also the Democratic party, which is I think a piece of this. The Democrats are in terrible disarray, one of the reasons the Republicans are as far as they are is because the opposition is so awful.

I mean, the left has a very organized opposition, that's not the Democrat party. Remember the Democratic party there are, what, eleven hundred fewer Democrats in elected office now than there were when Obama was elected?

Bill Walton: Yeah.

Al Regnery: The Republicans control thirty six, thirty seven states in governorships-

Bill Walton: Yeah.

Al Regnery: And about, I think, what is it? Sixty-some out of ninety state legislatures? You probably know the numbers better than I do. But, that's huge! It's never been ... the Republican party, from that standpoint, is in better shape than it has been since Herbert Hoover. Before Herbert Hoover.

Matt Schlapp: Yeah, the one thing I would say is, if you really look at both parties they're on very shaky ground-

Al Regnery: They are, that's right.

Matt Schlapp: Republicans across this country, activists, non-elected folks, are looking at the party and saying, "I saw Obama get all of his agenda in in eight years. What he couldn't get through Congress, in a Republican Congress, he got with his pen and his phone. By hook or by crook, he got the agenda in. Can you imagine a Republican who would be equally bold in standing up for every single part of the agenda?"

So, that's the shaky ground the Republicans are in, which is their own base of support doesn't believe they'll fight for the issues they say they'll fight for. And on the Democratic side you have a non-Democrat, Bernie Sanders as Socialist, who won that nomination and the only reason why he didn't win is because Trump was right, it was rigged, we got the emails to prove it, and that's quite an amazing statement.

So you had two people who really didn't have long standing ties in either party, one person got the nomination the other person should have. That's quite and indictment on the two parties.

Al Regnery: Well, and the Trump people will tell you that, the political people, that certainly they needed the Republican National Comity and the Republicans but it was the Conservatives who actually were on the ground, in massive numbers, who got him elected.

Bill Walton: So he was elected by the grassroots, he was elected-

Al Regnery: Absolutely.

Bill Walton: By the Tea Party, and the activists there. Does a new party emerge out of this, I mean, I guess my view is that new parties are almost impossible because of the way the laws are written-

Matt Schlapp: That's right.

Bill Walton: That the ... getting on a ballot-

Al Regnery: Well, a third party yes, a third party. If the Republican party were to sort of implode, and you can have a new party. That happened back when the Whig party basically wasn't representing its people anymore, a number of them left-

Matt Schlapp: Ah, the Whigs. Remember them fondly.

Al Regnery: Salmon P. Chase and several other really significant leaders, articulate intelligent people, left. They formed the Republican party, the Whig party disappeared and that was, what, in the 1850s I guess. And the result was you had a Republican party, that might happen again. You need a leader, you need somebody who's articulate, who understands it, who's got a following, who can stand up and get people behind him.

And I'm not sure that we have that right now.

Matt Schlapp: Think of the frightening aspect of the historical aspect of that is that, as all that change was happening the country was heading towards a Civil War. And both Jefferson Davis and Abraham Lincoln had been Whigs! Shows you how much change our country went through and I think we look at our country today and we say, I think, as Conservatives we tend to be traditionalist, sometimes we resist change.

I think most Conservatives are happy about the change, because they've been looking at the status quo and we've been losing. Government gets bigger, taxes get higher, government plays a larger role in our lives.

Al Regnery: And the people in the Republican National Comity like that, frankly.

Matt Schlapp: They don't ... whether they like it or don't like it Al, I think that they believe it's bad politics to stand boldly ... think about this, just think about this for a second: Roe V Wade has been the law of the land since 1973, almost every Republican goes around this country says, "We're going to overturn it," when they don't mean it. We've had the IRS and the sixteenth amendment for a long, long time, and almost every Republican goes around this country and says, "We're going to put shackles on it, we're going to put locks on the door," and do they really, really mean it? I doubt it.

When the gay marriage decision came down the Supreme Court and people had differences on that, but the hypocrisy is what really bothers me. You had Republicans who went around this county saying, "I'm for traditional marriage," but they went like this. And they were like, "Thank God the Supreme Court has solved this political problem and I don't have to talk about it anymore!"

They keep talking about an agenda that they don't have an intent of doing anything about and Obamacare was six Republicans switching their vote on a copycat vote from 2015. When they knew it would be vetoed they were fine with saying they wanted to repeal it, when it would be signed into law they went and switched their vote.

Bill Walton: Well a friend of ours, Larry Arnn who's President of Hillsdale Collage, you mentioned the Whigs and leading up to the Civil War. He will say, and I guess he's not really ... he's pretty pessimistic, he says the country's gone through three existential times. One was the American Revolution, the other was the Civil War, and he feels like today is like that because the deep divisions.

And we've got this sort of interesting thing, we've got dug-in and highly committed activists on both sides. And then we've got the two parties, which you guys pretty intelligently have conveyed, are pretty cynical about just keeping in power and not really making any changes. I mean, as a business guy I'm always looking for a line of action, "Where is this going?"

I mean, where is this going? This doesn't seem to be sustainable.

Al Regnery: The traditional role of a political party is to, when you have a candidate ... you find a candidate, you raise the money, and you get him elected. Generally it doesn't really have any deep philosophy, that's where the Conservative movement comes in-

Bill Walton: It's a fund raising mechanism, it's a candidate selector-

Al Regnery: I said that the Conservative movement should be the heart and soul of the Republican party, they basically come up with the ideas, they train the people, they do all the background work and everything else, and then they hand it over to the Republican party to get the guy nominated, raise the money, and get him elected.

And that's really not what it does anymore. I mean, now I guess the Republican party, as much as anything else, is trying to maintain its own status quo. And, of course, you have these professional people that work at the Republican party, that started the Young Republicans. And then they go to the campaign comity, or the Senate and the House, and whatever, work on different campaigns and make their life working as a professional political operative.

And then [crosstalk 00:19:36] very well-



Matt Schlapp: Look I think we've given this idea that if Republicans could just ... we've never won so much, at the state level. State legislator level, at the federal level. We've got, for the first time in my lifetime, a President started with a majority in the House and the Senate. Started his Presidency, this is an amazing this, this is an amazing amount of power, and I think a lot of Conservatives had hope. They knew that it was awfully tough for the Republicans to get the agenda done, to really make a difference on taxes, to make a difference on the size and scope of government.

But what they will not tolerate is after they give them this power, this authority, if government just starts to continue to grow, we raise the debt limit, the same bills get paid, and there's not a real difference in the direction of the government. That is when, I think, the party will really indict itself. I hope it doesn't, and I still think we're going to make a lot of progress on the agenda but that heat is coming if these guys, if these people in congress, don't get it done.

Bill Walton: Well I guess you've got to-

Al Regnery: Well let me just add one thing to that. As people discover, once you start and entitlement it's almost impossible to stop it-

Matt Schlapp: We need to, though.

Al Regnery: And so much of the money that is coming out of Washington is entitlements now that you ... really it's almost impossible to do anything about it.

Bill Walton: I picked up a book a few years ago, I wish I could remember the authors name, it's called The Struggle To Limit Government and I was early into the political world and I sort of hoped this was a handbook, you know. We could get in and figure things out and reduce it and pointed out that no president, including Ronald Regan, has ever actually shrunk government.

Matt Schlapp: Yeah.

Bill Walton: He only slowed the growth but it kept growing, and so-

Al Regnery: But, as Margaret Thatcher famously said, "Eventually you run out of other people's money."

Bill Walton: Well that may happen.

Matt Schlapp: Well but a little bit of this also, as you two will understand more than me, is that there is a concept of, "Is the economy growing?" And, "Is government getting out of the way of that economy? How do you really quantify the size and scope of

government in our lives?" And I think we've gotten to a point where we just politically, we're going to have to say some things that are tough.

A couple of things that ... let me just say, let me just say real quickly, after this race struggle we've gone through in this country and you look at where we've come from and where we are. I talk to my African-American friends who are Conservatives, they say actually if you are African-American living in this country it's just a whole different place. Your opportunity is amazing but, that being said, the acrimony and the animosity ... so issues like affirmative action, we have to actually call them out and say, "Is it really doing anything to help us, or is it actually hurting us?"

The welfare state, right? All these programs, when we've gone beyond just helping the widows, and the orphans, and the indigent, and the people who can't take care of themselves and now we're giving all kinds of benefits to people who are able bodied but they don't listen to the alarm clock. We really have to make the tough statements on those questions and say, "Hey, enough is enough." Our party ... Donald Trump says we shouldn't be so politically correct, and that means a lot of different things.

If it means saying after you give something fifty, sixty, seventy years ... Bill, in business, if you gave something fifty, sixty, seventy years in business and it wasn't working you'd probably start to pull the plugs on its funding and try something different.

Bill Walton: Well, you wouldn't have a business to pull a plug from.

Matt Schlapp: That's right!

Bill Walton: You would be gone.

Matt Schlapp: That's right.

Bill Walton: And we know that there's ... you know, business. Yeah, that's the whole issue about business is that it's really an experiment in discovering what works and what doesn't work. And if it works you end up building the business and you reinvest your profits, if you got a bad idea you disappear.

Matt Schlapp: This is the exciting time about this political moment is, I think, if we can show that we're competent. And we haven't shown that in every conceivable way, for sure, in the last eight months. But, that we're competent and we have a vision, I think that people will follow that vision and I think we can really ask some questions about things we've been doing for fifty, sixty, and seventy years. And we have a chance to change things, so I look at all this change and all the

turbulence out there. I think it's a wonderful thing, because it gives us a chance to actually reset things.

Bill Walton: Well, I mentioned in the opening, we are making some progress on the regulatory front, I mean-

Al Regnery: We are.

Bill Walton: I consider everybody, today, is an environmentalist. I mean, nobody is not an environmentalist. It's just a question of cost, and emphasis, and cleaning things up versus the law of diminishing returns. Where you end up saying, "Gee, we've cleaned up 98% of it, the last 2% let's move on to clean up Brazil, or China," or something like that that really is polluting

So we are making progress on regulation, I think we're making progress in the labor department. Where else do you see signs of optimism that this is-

Al Regnery: Well in energy, I guess that's related to the environment. In ... what, they've eliminated thirty three hundred pages of business regulations, I guess, since Trump was elected.

Matt Schlapp: It's amazing

Al Regnery: Those are where those Concessionary View Act bills that were passed-

Matt Schlapp: Which people aren't progress, but it's some of the biggest progress you can make. Yeah.

Al Regnery: And that's by law, not by regulation. In other words, those things are gone they can't reintroduce them again with a new president. But then, Bill, a lot of things aren't really what they seem to be. I mean, for one thing, there's this enormous amount of money that's being spent on all these things and a whole class of people who want to keep that money coming.

I mean, for example, I understand that during the Obama years we were spending 80 to 90 billion dollars a year on climate change. Now, who do you think gets that money? It's all the consultants, it's people making special products, and all these things and they want that money to continue. I mean, they're not really concerned about climate change, they're concerned about getting rich.

Matt Schlapp: You know the number one beneficiary of all that is a bunch of universities and states-

Al Regnery: That's right.

Matt Schlapp: Because they're doing all these research products-

Al Regnery: And they want to keep that coming.

Matt Schlapp: And, by the way, it wasn't just ... you think, "Climate, okay that must be coming out of NASA or it must be coming out of DUE," no, it was every single agency in the government was directed to spend a certain amount of percentage of their budget on combating climate change, it's-

Al Regnery: Yeah, and so it really becomes an economic thing with all these people that are getting the money. And the same thing is true in so many other cases, I mean, with this business we see now of tearing down monuments. It's really not about the civil war, I mean, they're defacing monuments of Christopher Columbus, they defaced one that's involved with Abraham Lincoln. I mean, this has nothing to do with race or anything else it's just become sort of a mass hysterical thing, I guess.

And people fall into place on it, but it always appears that it's one thing but if you look behind it it's often something else.

Bill Walton: So, you're a proponent of the theory of the personal agenda-

Al Regnery: Absolutely!

Bill Walton: In that, we've got tens of millions of personal agendas and nothing's going to change because of that phenomenon?

Al Regnery: No, I mean, why are we living in the highest income counties in the country right here inside the Beltway? I mean, right around Washington.

Bill Walton: There's a story one of my bosses at Continental Bank told about they were in the middle of their crisis, and kind of got in a lot of trouble, and they were having these late night meetings. And my boss was head of Strategic Planning and he was a very ... Alex Pollock, very, very smart man thought big terms, grand strategy, and he's sitting here with the head of HR and they're talking about what they ought to do, the strategy for the bank.

And the HR guy said, "There's no strategy for the bank, there's only strategy for the people as individuals." and, "It's all personal strategy." And so that's a pretty tough thing to change unless we can make their agendas match somehow with what America's agendas ought to be. Which gets me back to this issue of the parties, and you mentioned that the ruling class and the elites versus the rest of us.

And you've got eighty, ninety percent of America, which is not participating in this and they're both Democrat and Republican, presumably, or they're other side of the isle. And the enemy to them is not just one party, the other party, it's the whole system you're talking about. How do we get at that, and is that gonna cause-

Al Regnery: It's a tough thing to do because you have all of these things that are so well established that they don't stop for, some people would say ... I guess, first of all, you have to talk about the money. We are spending this vast amount of money-

Bill Walton: You were talking about the justice department before we went on the air-

Al Regnery: Well let me just finish the one point-

Bill Walton: Okay.

Al Regnery: While I'm at it and that is that as you're spending this enormous amount of money ... as you have all these people that are dependent on it, it doesn't ... everybody has their finger in it, in a way, and it doesn't change. I mean, some people said, "It's only going to happen when you get to the point where there's such a crisis that you can't borrow any more money." I guess that's a different conversation than we're in the middle of right now, but that is when the government gets to the point where it's broke, then what do you do? Then maybe you deal with it.

Bill Walton: Or when the government never gets to the point where it knows it's broke because there's no consequences to where it is. Look, I go back to the moment we're in. I think we have to call out things that haven't been working, and on raising the debt limit which is the tool by which all these bills keep getting paid, and the credit card keeps running up. You know, I think it's time to question the preconceived notions that, "Oh, you can't do that because that puts the credit markets in jeopardy."

I'm not the person to answer those questions or do the forecasting, but I think we have to start asking those very basic questions. I think the American people are actually hungry for us to think beyond just the one, or two choices we always look at on these questions-

Al Regnery: Yeah, yeah you're right.

Matt Schlapp: And go beyond it! And I think on the questions of, you know, Bill, how we have all these Federal employees and what they do and everything else? Well, we got to look at all of the laws surrounding the fact that these folks are protected, and they can't get fired, and all the rest. It's like, it is really a time for us to think big. I think Donald Trump actually wants to think big, which is why the left-wing media is trying to keep him so hogtied on his own words, and questions about his rhetoric and everything.

Because they fear what he might just consider doing, is rhetoric alone ... think about this, his rhetoric alone has caused a 40% decrease in illegal immigration. Why? Because people around the globe are taking his statements seriously about cracking down on things. His rhetoric alone has caused this spike in the economy, it's not Barack Obama's policies, it's because people are saying, "Hey, we might have a president that really will change the regulatory structure and lower taxes."

Bill Walton: And in that sense I think we might be ... I think there's room for optimism in that I think Trump is working with a lot of people, and Mick Mulvaney and others in the White House, to work on really the mechanisms, the personnel processes of government, to get into the kind of things you're talking about.

I mean, you've got the Federal Employees Union rules, and you've got all the other rules that protect people from change, and there's an enormous opportunity for a turn around guy and I think Trumps got a little bit of that in him-

Al Regnery: Let me just give you a case and point.

Bill Walton: Yeah.

Al Regnery: I was over at the Justice Department the other day-

Bill Walton: Okay, that's the story I wanted you to tell!

Al Regnery: And-

Matt Schlapp: Wait, wait. I want to know why you had to go to the Justice Department?

Al Regnery: Well, because a new Trump appointee had arrived six or seven weeks earlier and called and wondered if I could come over-

Matt Schlapp: Sure.

Al Regnery: Got my name somewhere and wanted some advice. And so I went over there, and this is a division of justice that has about 500 employees and passes out vast amounts of grant money. And so I said, "What's it like, how are things?" She said, "Well it's extremely frustrating because nobody's here." And I said, "What do you mean, you've got 500 employees." She said, "Well, under Justice Department rules if you want to do telecommuting you can work at home and you only have to come to the office twice during each pay period to get paid. And you're supposed to have a computer where you're sitting in your home doing work, and a cell phone, but the joke is that nobody does. They're off at the baseball games or wherever they are the other four out of five days." She said, "They're getting paid somewhere between 75 and 150 thousand dollars a year."

So, you go down to the garage they're all Mercedes and BMW's, and these people have job for life, they have all the health care, and all the other benefits that you can imagine, they're building a nice pension, and they don't have to work very hard.

Matt Schlapp: So, can I push in on this what The Swamp is? So people-

Bill Walton: Please.

Matt Schlapp: We've kind of touched upon The Swamp, or all these consultants and people benefiting from all these policies. I posit something else, I actually think a lot of that is not helpful, I totally grant that. But The Swamp is two people in a family, each making 150, 175 thousand dollars a year, combine that salary. That's the Mercedes and the BMW that you see in rush hour at 10:30 in the morning in Washington D.C., by the way, rush hour kind of never ends here because people come to work so late and they leave so early ... I shouldn't laugh at it because it's really-

Al Regnery: If they come to work at all!

Bill Walton: Well, it starts late in the morning-

Matt Schlapp: Yes, exactly. So the point is this, which is: they work in a bureaucracy, they cannot be fired, they can be as active politically and not be stupid about it and get away with it, they can leak on a Republican president, they can do everything they can to stop a Republican president's policies. You see this in the intelligence community, with what's happened to Republicans over and over and over again, and that is The Swamp, which is much more pernicious, which is our own government is working against the will of the voters.

That's something I'd like to see stop.

Bill Walton: [crosstalk 00:32:57]Well, have you seen these stats on how many people voted for Hilary versus Trump?

Matt Schlapp: Yes. And the donations, too.

Bill Walton: Working of the Federal employees it's like 90, 95, 98%-

Matt Schlapp: Yes. It's like the press! Think about it if you were to poll academics, and there are studies that do that in our universities, they are left-wing. You do the same thing to journalists, and people in the media. And, Bill, your point is do it to the people working in these bureaucracies, is there any wonder it's hard for our values and our policies to triumph

Al Regnery: Well, ultimately what it is is what we call the Administrative State. And that is that these are the people that are really running things, I mean the politicians come and go ... I remember when I was in the bureaucracy the career people said to me, "You guys come and you stay here for four years or eight years or whatever then you leave, but we're still going to be here. And we have our way of doing things."

Somebody said, "It's sort of like a piece of very springy steel, you bend it over a little bit when there's a political person there then it springs right back when they leave."

Bill Walton: And I think Matt put a face on it that I experienced when I was running the piece of transition I was running, I spent a lot of time going in to the buildings, particularly IRS and Treasury. And, these are not evil people-

Matt Schlapp: No, no!

Bill Walton: These are good people, and you take them as individuals and they're trying to do their job, they're coming to work, we may think too late but nevertheless most of them show up, and they're there and they're trying to do the right thing as they see it. And so it's awfully hard to get at The Swamp, as you defined it, when you take a look at who these people are day to day.

You know, you have dinner with them, you like them, they vote differently, but it's not like you've got people with green skin and yellow teeth that are, you know, the martians.

Matt Schlapp: One of the things I did for President George W. Bush in the political office was that I played a partnering role with the White House personnel office and I was involved in all the personnel decisions up and down the way. Including all the



Schedule Ca and the SCSs, and the thing I realized over time is that there are people who are doing great things in these agencies, there are people who maybe share our politics but they are willing to push the agenda of the president.

So it's not indicting all of them, but The Swamp ... you've got to figure out what is going on and it is a fair statement to make that The Swamp, generally. This continual bureaucracy, which we passed with our own laws because we thought that that would keep them apolitical, has actually turned them in the ability to be very political. And so every time you read about a leak coming out of an agency and everything else, sometimes criminal leaks, understand that these are people who the tax payers are paying their salaries, and they are in some cases breaking the law, but in every case breaking the spirit of trying to work with the administration.

And we're not going to change the bureaucracy unless we change the laws around the management of the bureaucracy.

Bill Walton: When was the Civil Service law passed, 1870?

Matt Schlapp: I think it was Teddy Roosevelt, right

Al Regnery: Yeah, somewhere back in there.

Bill Walton: I think it may have been earlier than that, because all the corruption in the Ulysses S. Grant administration, you know they were basically in the business of handing out jobs in turn for money.

Matt Schlapp: Well you have a balance, right? You don't want it to be so at the whim of politics that you can easily have graft and such, but buy the same token you should be able to easily root out the bad actors, the bad employees, et cetera. And this is once again, why doesn't the Republican party take this on? Well, if you take on the media guess what you get? A lot of bad press.

It you take on The Swamp, guess what they're going to do? They're going to do exactly what they're doing with Donal Trump, they're going to leak the hell on you-

Bill Walton: So we're getting at one of my favorite things, a solution-

Matt Schlapp: Yes.

Bill Walton: And the solution would be the employee rules-

Matt Schlapp: That's right.

Bill Walton: That protect people from not being fired or moved to another department or something like that. You got to be able to have a free hand to move people to where they ought to be or maybe out, if that's what they-

Matt Schlapp: You know, in the military we have this humble concept that you can only serve so long-

Bill Walton: Yeah.

Matt Schlapp: And I would be okay with an idea like that for them, I'm not saying term limits of five or six years but, you know, maybe 20 years is plenty of time and then maybe they turn you out. I mean, this-

Bill Walton: Term limits in the Civil Service.

Matt Schlapp: Yes! How about that crazy concept?

Bill Walton: That's an interesting idea, okay I'll go with that one

Al Regnery: You also have to change some things substantively. I mean, the Congress for one thing, has given these agencies a great deal of latitude to do things that they probably shouldn't be doing. And then, of course, when you get all these professional people there that see things that need to be done, they're going to figure out how to do them-

Matt Schlapp: So, why do they do that?

Al Regnery: The EPA is a very good example-

Matt Schlapp: Why does Congress seed its authority, which by the way is unconstitutional.

Al Regnery: It is. But initially, during the Roosevelt administration the whole concept arose, which is you find these experts who come in and work for government agencies who are going to be able to solve the problems of the world. I mean, they saw science solving diseases and that sort of thing they said, "Why can't we do that in the social science as well?"

But, for example, in EPA right now Scott Pruitt, who's the new head of the EPA, has said he's laying off, what, 35 hundred people or something like that. But his goal is to return the EPA to do what Congress told it to do, which they're various, specific statutes, which EPA is supposed to regulate. But he said it's gone way beyond that. I mean, they figured out, for example, on clean air how can you

control ... how can you, in essence what the result is, how can you shut down the coal fire power plants because they make too much dirt?

Well that's not what the EPA ... what the rules, what the laws said to do. So, they've figured out ways of extending the laws, scientifically, way beyond where Congress intended and he says by the time he's done if EPA can be back where it was supposed to be, with what Congress asked it to do, he will have done his job.

Matt Schlapp: You know, there are two things that happened at CPAC this year that I'd love people to tune into our website and look at. One of them was the remarks Steve Bannon when we talked about the Administrative State and the other was the even more in depth and more detailed address that Dr. Larry Arnn gave CPAC. When he talked about the promulgations of regulations, on constitutional regulations, regulations ... we don't even have judicial review going on in these independent agencies.

This is a very pernicious thing, so you go back to the fact that you have Steve Bannon who, at that point, was the presidents number one strategist. Go back to the political moment here, there is a lot of turbulence, there's a lot of things about Donald Trump people don't like, there's a lot of Republicans on The Hill that are uneasy when Donald Trump attacks Republicans.

I can't endorse every letter and every word of everything that happens. But what I can say is that, generally, if we can take all of this excitement, and change, and the attention the American people are paying to their government and we could actually question how we approach these major things, I really think we can save the country.

I mean, this maybe sounds like a pessimistic conversation we're having, I think it's the most optimistic conversation ... it's great when a drunk finally starts to realize that booze is destroying their life because they can turn their life around. Or the junkie can realize that about drugs, we are a junkie on big government and bad policies and if we can start to realize that it's killing us we can-

Al Regnery: But you really have to get to the point where it's killing us, you know, with a drunk he has to wake up in the gutter with mud all over himself. It not enough for his relatives to tell him to stop drinking, it's not going to work-

Matt Schlapp: That's right.

Al Regnery: He's got to hit the bottom and then, maybe that's where we are.

Matt Schlapp: Yeah, I hope that we are.

Bill Walton: One of my favorites ... and I think we're drilling into something useful, that this is all about individuals and their incentives, and if we change the incentives we're going to get a different outcome. And I my favorite topic is Congress and having Congress obey the same laws we do-

Matt Schlapp: Yes!

Bill Walton: And one of the reasons we haven't fixed Health Care is they're not in the Health Care Plan the rest of us are in-

Matt Schlapp: They're a small business, Bill. You didn't know that?

Bill Walton: Oh, yeah!

Matt Schlapp: They're literally in the Small Business Exemption-

Bill Walton: That is their loop hole.

Matt Schlapp: That is, yeah.

Al Regnery: Yeah

Bill Walton: Explain that.

Matt Schlapp: They basically were able to craft some language that said that they could apply for the Small Business Exemption, I think, in the state of Maryland or something like that. And so they literally ... Congress considered carved out of the idea that they have to follow Obamacare.

Al Regnery: Well they always do that! I mean, you've probably driven across the Woodrow Wilson Bridge, the new one?

Matt Schlapp: Yes.

Al Regnery: Right, big bridge closer to the Beltway from Virginia to Maryland, that bridge was built in record time. You know why? Because they waived all the environmental requirements, they didn't have to do impact statements or anything like that because a lot of Congressmen drive across that bridge every day to get to work. And so Congress said, "Okay, build the bridge but don't worry about all the requirements." -

Matt Schlapp: "We're not worried about the snail darter." But the other thing about all of these questions is this is actually what President Trump wants to do on his infrastructure plan. Now I'm not a big believer in porky infrastructure bills but

their focus seems to be more on the idea that one of the reasons things cost so much is because you do have to do all these studies.

And time is your enemy when you have a big capital project and what they're saying is, "Actually, let's make it easier to build these big infrastructure projects." Interestingly enough, he was making that announcement on the heels of Charlottesville and his plan really focused on inner-city projects and it would actually help a lot of these folks who are struggling out there in society.

And so, you know, these very basic concepts about aligning incentives, it's actually pretty exciting when you think about the fact that we can come together in all kinds of strange coalitions if we actually try to do what's good for each other.

Bill Walton: Okay, we got to-

Al Regnery: Just an anecdote, Matt, the Hoover Dam took less than two years to build. If you built it now it would take more than fifteen, simply because of the permits.

Matt Schlapp: I don't know if you'd ever get it done.

Al Regnery: You wouldn't.

Matt Schlapp: They'd stop it.

Bill Walton: "Not in my backyard."

Matt Schlapp: They're trying to take dams down because, you know, apparently it's bad for the environment so-

Bill Walton: Okay, we've got a few minutes left. We're advising Donald Trump, we want him to succeed, we want him to make all these changes. What are the three to five top things he really should be focusing on? I mean, I think you've talked about something here, focusing on Civil Service reform, that could be incredibly useful if it were done broadly enough and deeply enough. You could really change behavior here.

Matt Schlapp: Yeah, absolutely-

Bill Walton: That would be one of mine. You guys got any other things-

Al Regnery: Well I would say, as I mentioned with the EPA, return the agencies to doing what Congress told them to do. Nothing more. And I think you'd have a huge reduction in The Swamp if you could do that.

Matt Schlapp: Let me ping off that-

Bill Walton: Even adjust it, how do you do that? Is that a piece of legislation, is it a new set of behaviors?

Al Regnery: No, I don't think legislation ... well, I really don't know. I mean, you appoint people that are willing to stop doing things that you're not authorized to do

Matt Schlapp: Let me posit something, most of the government is not authorized. This is something we have to think about, which is it was at one point authorized but it was never reauthorized. It has subset, but Congress allows that to happen and one of the things that Conservatives tend to do when they come to Congress is they're like, "We're not doing oversight, and our authorizing committees aren't actually reauthorizing government."

And what their leaders have told them is, "Let's not get into all that, it gets very controversial, and Mucky, and it's very hard to get it all through Congress." Congress has to start legislating again, no part of government should be working unless it's authorized, that's a very radical proposal. The other thing I'd say to Donald Trump is that, know your enemies

We have this whole question about statues and, you know, what do we do with our history, and our history of slavery and everything else. America was born with a birth defect, we all know it, and we healed it. We've come a long way as a country, but I actually think in this day and age there are people who don't buy into the concept of America. They're Americans, but they don't buy into the concept that we came together and put differences aside to create this great country, and this most unique country in the history of mankind.

And I think he understands this, Bill. I think he gets the fact that there are some people that are hard-nosed left that actually don't believe in the idea of America. And don't think, don't be bamboozled by cowering and kissing their ring and assuming that that's going to pull us together. Actually, we'll get pulled together better if he calls them out and I think he's doing that.

Al Regnery: Well the other thing I think he has to realize, that in order to govern effectively you need the backing of the people that elected you and maybe even more than that. He doesn't do that very well, sometimes I think, he tends to irritate an awful lot of people. And, as Jimmy Carter found out, so did Lyndon Johnson, you can't govern ... I mean, both of those had majorities in both Houses of Congress and Carter got nothing done and in the last couple of years Johnson got nothing done, because they didn't have the support of the American people.

And you have to, I mean, in any situation ... if you don't, I mean, look again at the Soviet Union. The reason, I think, the Soviet Union came apart was because basically everybody lost confidence in what they were doing.

Matt Schlapp: Even under totalitarianism. The only thing I would include in that is that if you expect to be a Congressional leader, and your number in your state and in your district are poor, eventually that catches up with you. And Congress, a Republican Congress, cannot be successful if they are indicted by their very base supporters. And if they're fighting with Trump, and Trumps got good numbers in their district, and they're at 18, and 19, and 20% they're not going to win that political argument, Donald Trump is.

Bill Walton: Thank you guys-

Al Regnery: Well, thank you!

Bill Walton: That was a great show, you're interesting as usual and I think we've got a lot of good ideas to go out and promote. So thank you!

Matt Schlapp: Thanks, Bill-

Al Regnery: Thank you.

Matt Schlapp: Thanks, Al.

Bill Walton: Al, Matt.