

Episode 161: “Whose Interest Does Big Business Serve?” with Justin Danhof and Matt Schlapp

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 ([00:25](#)):

Welcome to the Bill Walton Show. I'm Bill Walton. Well, several months ago I had Matt Schlapp and Justin Danhof on the show to talk about the issue we have in America and the world really about woke corporations and how companies and businesses have increasingly moved left. And they're now in lock step with what appears to be the Democrat agenda. Unfortunately in the time, the months that have passed, the issues have only gotten worse. We're now seeing the big companies actively involved in critical race theory indoctrination. The vaccine mandates, they're really acting as arm of the Biden administration in enforcing the mandates. And many of the big companies that are doing multinational business are making common cause with the Chinese communist party. And that's only growing. The climate change agenda, Justin's going to talk about it. And ESG, environmental social governance, well that's a very, very mild acronym for something really sinister that we'll be getting into.

Bill Walton ([01:32](#)):

And then the other thing we want to talk about is how in the last year or so, two years or so, since the lockdown, the big companies have really benefited. They're on the right side of the digital divide. The small American businesses, ordinary Americans, have really been crushed in this last 18 to 24 months. And then drawing in yet another factor here, we've got the administrative state, the Federal Reserve and the Securities and Exchange Commission are promulgating rules now which I mean, they basically are going to send America into bankruptcy and rob us of most of our freedoms. It's not a pretty scenario. I wish I were here to talk about baseball, but I'm not. We've got to talk about saving the country.

Matt Schlapp ([02:14](#)):

By the way, it's also inflicted harm on baseball.

Bill Walton ([02:18](#)):

Well, thanks to you. Anyway, Matt Schlapp just chimed in your chat. Matt, as we all know, is chairman of the American Conservative Union, which sponsors the CPAC conference. And he founded Cove Strategy, and he's been an advisor to corporations for the last several decades and has a lot of interesting insights into how they think and how they're acting.

Bill Walton ([02:38](#)):

Justin Danhof is our newly promoted... This is great news, executive vice president of the National Center for Public Policy. And Justin's been waging a lonely battle for this creeping socialism on the corporate front and now is beginning to gather a lot of allies and picking up steam in your fight. So Justin, let's jump right into what I mentioned, the government with the SEC and the Federal Reserve and what they're trying to do to our corporations.

Justin Danhof ([03:08](#)):

Sure. So thanks, Bill. I guess the way I would frame it as last time we talked, there was a two-headed goliath of activist shareholders teamed up with huge of passive investment firms on Wall Street to dictate corporate America's actions. Now we have a three-headed hydra. We went from a two-headed Goliath to a three-headed hydra. Why do I say that? Because the Biden administration is singing out of the same songbook as those activist investors, and they're doing it through the agencies. They're doing it through the Securities and Exchange Commission and they're it through the Federal Reserve. How are they doing it through the Federal Reserve? Well, the mandate of the Federal Reserve is a twofold mandate. It's to keep prices stable, which I don't think they're doing a very good job of that right now if you've been to the gas station or the grocery-

Bill Walton ([03:55](#)):

Seven, eight percent inflation. Who's counting?

Justin Danhof ([03:57](#)):

Yeah. I don't like to brag about rich purchases I make, but I just got back from the gas station. So and to maximize employment. Those are their dual mandate. Except Jay Powell has now said climate risk is part of our mandate. Well how? How did that get written in? It's absolutely not. So what are they going to do? What actions are they taking? Well, right now they are strongly encouraging banks when they do their stress tests to include the stress of climate risk. And what's a stress test for those who don't know? Well, it was put in under the terrible Dodd-Frank Act where banks have to forward look about eight to nine quarters how they would perform if there was a financial collapse. So would they be able to withstand a financial problem here in the United States of America?

Justin Danhof ([04:46](#)):

And of course, what does that mean? That means the Biden administration, through the fed, is trying to dictate bank decision making when it comes to fossil fuel investments, for example. So it's just like they did under Obama, they're picking winners and losers. They want to promote out clean energy and demote fossil fuels. This is not the job of the Federal Reserve folks. What's the Securities and Exchange Commission up to? Well, they're up to no good. Gary Gensler is put in at the head of the SEC, was approved by the Senate. And him and especially Commissioner Allison Herren Lee, they are on a full blown ESG agenda. That's environment, social and corporate governance, as you mentioned. And again, when folks hear ESG, their eyes gloss over. Just remember it's whatever a liberal is trying to achieve through business. That's all ESG is. That's the definition. That's the simplest way to understand it.

Justin Danhof ([05:39](#)):

So what are they doing? They're proposing changing 75 years of securities law. Under securities law, there's something called the materiality standard. And it's quite simply defined as what an investor or potential investor needs to know to make a decision on either investing in a company or a proxy vote. Well, what is now going to be defined as material is whether your company runs critical race theory trainings or not, whether you've diversified your board under affirmative action policy or not and whether you're tied to the Paris Climate Accord or not. That's the goal of Gary Gensler and Alice Herren Lee at the SEC.

Bill Walton ([06:20](#)):

Matt, you've been inside the boardrooms. I have too. How do you think they're responding to this? Are they complicit? Are they saying fine, we want to go along with this? Is this something that the feds are imposing on these corporations? Or are they making common cause here?

Matt Schlapp ([06:37](#)):

I think they didn't realize the cost. These are practical people who think in probably five year stints. I got a five year period of time to-

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

Well, the average CEO is on the job for about four and a half or five years.

Matt Schlapp ([06:52](#)):

Well, there you go. It's not just the term of their contract. It's become fashionable to a kind of swap CEOs. Maybe the next guy will have a few more tricks to bump up the stock price. And I can't imagine that they're this un-American and that they care so little about the long term profits of their company, they'd be so risky. I think they must be surrounded by people who explain that there's all upside to embracing green energy. There's all upside to embracing CRT. And they probably get shown a lot of phony polling about how Americans have really embraced all this. You can see in politics with the election of Barack Obama and others that this whole idea of transforming America is probably seen as a very positive thing. And what happened along the way, Bill, is that they've really, for lack of a better term, given the middle finger to all of their natural allies, their customers, a lot of their employment base, the Republican party, which I spent a lot of my time complaining about.

Matt Schlapp ([07:52](#)):

But it's the only thing, when you look at the, this new socialist party on the other side, that a business can view as an ally politically when you're talking about out of control regulations and taxes. So I think there's been a huge and massive misplay here of their hand. And I don't think they realize what's going to happen as they face real challenges. The death of George Floyd was a tragedy. The real challenge comes into this country when we have racial animosity like we've had in our past, which is what they're trying to foment. What does the CEO do then when you're looking at chaos in all of our streets?

Bill Walton ([08:33](#)):

Well, I think the CEO probably is looking at his watch thinking I've only got a year left or something like that.

Matt Schlapp ([08:40](#)):

I'm going to be in Hawaii in four and a half years and-

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

Yeah. I think that's the problem. We've got a lot of short term CEOs, people in the C-suites that know they're going to be out of there. They don't have to think long term. And one of our favorite presidents was an America first guy. Sometimes I feel like most of these CEOs are America last guy. And they're not really looking at the impact of what their policies are and what they doing to ordinary Americans. They're looking at what's in the interest of them globally.

Bill Walton ([09:13](#)):

But how much of how much of this is just cynicism? I mean the ESG thing, they're all paying lip service to it. It seems like every fund on Wall Street's got an ESG product they're pushing and everybody feels good about it. But substantively, when people start thinking about corporations initiating a CRT agenda, what's happening?

Justin Danhof ([09:35](#)):

Well, substantively, if you look at the ESG funds, one of the number one held stocks in almost every single ESG fund is Apple. How green are they in China? So a lot of it's a farce. So when Larry Fink at BlackRock sells an ESG fund, again, they're holding Chinese companies in these funds very often. They're holding companies that they may divest from some oil and natural gas companies, but that's about it. Otherwise again, Apple being the number one held funded, most ESG, it just goes to show you what they really are. And the cynical part is he's selling to gullible liberals at an increased margin the ESG funds. Really, they could just buy an index fund and probably do just as well. But he gets to charge more for that. So he's actually being capitalist in that sense that he's making money off gullible liberals by telling them if you invest in this fund, you're going to save the world. Apple's not saving the world.

Bill Walton ([10:32](#)):

That bears repeating. You buy an index fund that's got Microsoft, Apple, Alphabet, all the digital divide companies. And then you buy an ESG fund. And they're the same stocks. And yet if you buy an ESG fund, you get to pay Larry Fink 75 basis points. On an index fund, it's, what, 25 basis points?

Justin Danhof ([10:53](#)):

That's exactly right.

Bill Walton ([10:54](#)):

And on \$10 trillion, that really adds up.

Justin Danhof ([10:58](#)):

Yeah. I mean, look, ESG is just the most current iteration of what SRI used to be and others. And again, it's just these feel good funds that are being sold, again, to folks on the left who think that they're saving mankind by giving Larry Fink more of their money.

Bill Walton ([11:17](#)):

Larry Fink, I think we established this. He's the CEO of BlackRock.

Justin Danhof ([11:20](#)):

Yeah. BlackRock, the largest passive asset manager in the world. And I think that his role in all of this can't be overstated, frankly. So we talked a little bit about this last time, but we really ought to explore it more. BlackRock is the reason in May that there was three liberal climate change dissidents put on Exxon Mobil's board. Okay. How did we get to this point? Well, for the longest time-

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

The were not only dissidents. They didn't think they should be in the fossil fuel business.

Justin Danhof ([11:49](#)):

Their whole goal is to mothball the company. Yeah. This is their stated purpose of being on the board is to put the company out of business. How did we get here? Again, talk about anti-American. What happened was in 2018, Larry Fink came out with a statement that said, look, for the longest time it was industry practice that we don't vote the shares. We have millions of different investors. We don't vote on our corporate or proxies because that would be sort of presumptuous to assume we know what the millions of disparate investors want. But presumptuous is exactly what he decided to do that year. And so he started voting on all of these proxies for all of his shareholders and all of his investors. So think about that. He took that on himself. He changed the entire paradigm of the large passive asset managers and then State Street and Vanguard followed suit, because Wall Street's such a follow the leader game. And so now we have, again, 62% of the vote this year, out of Chevron shareholder meeting, said they needed to decrease their Scope 3 emissions. Scope 3 emissions are in everything, folks.

Bill Walton ([12:52](#)):

What's a scope... This is the Bill Walton Show. I'm here with Justin Danhof and Matt Schlapp. And I'm about to learn what a Scope 3 emission is. What is a Scope 3 emission?

Justin Danhof ([13:03](#)):

Well, it's the carbon emissions granularized down essentially is all that that is. But that means it's in everything that Chevron puts out. And so that vote's not real. That vote's raped and it's corrupt. And Larry Fink had a lot to do with that. And this is just going to get worse by the year, again, because the SEC has now changed... Just a couple of weeks ago, they came out with a guidance for this upcoming shareholder season. And I almost don't even want to give it away in case there's a liberal group that didn't see it, but they all I'm sure did.

Bill Walton ([13:38](#)):

They're probably not watching this show.

Justin Danhof ([13:40](#)):

That's right. It's a good point.

Bill Walton ([13:41](#)):

You're among friends here.

Justin Danhof ([13:44](#)):

That shareholder proposals don't have to have anything to do with the company anymore. So I can file a proposal with Walmart, Apple, whatever as long as the SEC says it's a social issue that it's important. So companies have to address George Floyd, even if it has nothing to do with their business. They have to address the Paris Climate Accord even if it has nothing to do with their business. The SEC is literally saying shareholders can file anything no matter what and the companies have to deal with it.

Matt Schlapp ([14:17](#)):

So what we're seeing is a conversions from listening to you, Justin, of the Democratic playbook which is take a very radicalized agenda like something like we shouldn't use fossil fuels. I don't think we quite

understand how radicalized that is. This is taking America's strength, which we turned into America's strength through God's blessings and our innovation, and trying to take it off the table. We've already taken coal largely off the table. China has something like \$50 billion of coal projects all over the world.

Bill Walton ([14:46](#)):

One plan a week.

Matt Schlapp ([14:47](#)):

Yeah. One plan a week.

Bill Walton ([14:48](#)):

One new plan a week.

Matt Schlapp ([14:49](#)):

So I mean, all we're doing is seeding our advantages left and right. But the Democrats have always had this ability. The reason why Donald Trump calls it the swamp is they're hardwired into it. And they can take any policy and dictate every independent agency and part of federal government. And then it can move into allies in the states that they must have a certain per percentage of their budget that's aimed at this goal. You name it and they do it. The issue now is, is that you've got that hardwired, federal bureaucracy working in tandem with the richest people in the country. Now, how did that happen? Now the people gained, the people I'm told, people like Jeff Bezos who's not an intimate of mine, that these people are very focused on making money and growing their companies.

Matt Schlapp ([15:36](#)):

They do see the fad of being on the cover of Vanity Fair and being accepted by the jet set like we've never seen before. And they've been able to be profitable even while running up against people who should be their political allies like I talked about, conservative grassroots activists and Republicans or whatnot. It is the Elon Musks of the world who I think were probably very progressive. Once again, not an intimate of mine. But he finds this, the creator of the modern version of the electric car, finds this all repugnant. It's a very unique person that's saying, I don't want a part of that. And the combination of these two things, I think presents a terrible problem.

Bill Walton ([16:20](#)):

So what's CPAC going to do about it?

Matt Schlapp ([16:22](#)):

Well, I think we have this real question about how do you work for a big company? So if you've got a couple of kids and you work for a Fortune 50 company, how can you not embrace all the radical forms of transgenderism for four year olds and critical race theory? If you're white and Christian and straight male, you're apologizing to the world for having those traits. There's a grave sadness that's being incubated in young American boys who can't escape this idea that they're evil, that they're a scourge on the earth. And I think CPAC and grassroots groups like us, we've got to start speaking up for of these people. We've got to start standing behind these people. I think it's the most critical thing our country faces, which is the destruction of our citizenry because they don't check the right boxes. And the who's against them? The rich, the powerful, and of course, government.

Bill Walton ([17:28](#)):

So we're getting to a convergence here. If you work for one of these big companies, you've got to tow the line. I mean-

Matt Schlapp ([17:36](#)):

Or you're out.

Bill Walton ([17:37](#)):

The vaccine mandate is only the latest. But certainly if you don't want to take critical race theory training, you're out. If you don't think the corporations should be... And by the way, this whole climate change thing, I think we've established, at the root it's a group of people who believe in de-growth, they don't believe in economic growth.

Matt Schlapp ([17:59](#)):

Or people.

Bill Walton ([18:00](#)):

Or people.

Matt Schlapp ([18:00](#)):

Because people are the biggest polluters.

Bill Walton ([18:00](#)):

They think the biggest population, human beings are the biggest problem the earth has. We need to shrink the economy. So here I am, newly minted CEO of a public company, and I'm supposed to now de-growth? I mean, that's-

Matt Schlapp ([18:14](#)):

Let me just bring up something else. The politicization of our churches, too. I'm a Roman Catholic. And to hear my Pope, who I pray for, embrace the radicalism of the climate change agenda and fail to grasp that the central thrust of the climate change agenda is to depopulate the globe and to prevent people from making their choices on their offspring. That is the main thrust of that whole movement. People are the biggest emitters of carbon and CO2. And there's almost a great confusion out there. So two things I think. You're doing a great job of explaining to people what the problem is. We have to marry your understanding of what's going on in these boardrooms and what's going on in the shareholder meetings with information for the American people to rise up, because they've shown a great desire to rise up in the last few weeks.

Bill Walton ([19:10](#)):

So Justin, what's your group doing to popularize what your work is? Just it's a little arcane. I mean these big corporations, they send out something called a proxy. What on Earth's a proxy? Well, it's just simply a way to get shareholders to vote for various things. It used to be in the old days, we want you to vote for these directors and we want to issue more shares and a couple things like that. Now it's got, as you point out, every single agenda on the planet, because anybody that owns 100 shares can drop their proposal in there.

Justin Danhof ([19:42](#)):

Yeah. So we're doing a couple things. First of all, if you come to nationalcenter.org, anybody who's an investor who wants to steal one of my proposals, they're not hidden. Take them. Multiply them. When the left files shareholder proposals demanding affirmative action for boards of directors, we file shareholder proposals demanding viewpoint for boards of directors. Those are all readily available. And I think that another thing that we need to do a lot more of is educate folks on the voting aspect of the problem that we've got here. And we've done two things. We have the first ever voter guide for conservative investors. It's called the Investor Value Voter Guide. It's free. Anybody can come to our website, download it. And it shows you...

Bill Walton ([20:27](#)):

And do you work with Kevin Freeman on this, too?

Justin Danhof ([20:29](#)):

Kevin's promoted it, absolutely, on Economic War Room. Yeah. He's been a great ally in promoting it. But yeah, it's the first ever voter guide. We put it out every spring. Again, it's free. It's easy to use. We know everyone's very busy, but these resolutions are truly corrupting our culture on everything. CRT didn't just spring up in business by happenstance. It started with resolutions. Folks always ask why is the shareholder resolution important? As you said, it's arcane. It changes the cultural needle. It moves the cultural needle. Again, three to four years ago, what did we have in the board space? It was this affirmative action push for corporate boards. It was pushed by the SCIU, Jesse Jackson, the as you so umbrella organization of liberal activists. That was three and four years ago.

Justin Danhof ([21:15](#)):

And then of course, last year we had Goldman Sachs announced that they're not going to finance an IPO unless your board is particularly woke and diverse. And NASDAQ did the same thing. They said they're going to kick any company off their exchange that doesn't have a diverse board. So in three to four years, we have the agent of change in business going from Jesse Jackson to Goldman Sachs. That's why these are so important. And that's why we put out a free guide to help conservatives push back.

Bill Walton ([21:40](#)):

Well, I guess I'm too grizzled on Wall Street because the Goldman Sachs made the announcement knowing fully well that all these corporations already had done that. So Matt, we talked about something, the employee of these big companies. How do you stand up to them? I mean, you guys, I'm involved as a board member at CPAC. We're talking about a First Amendment fund to help people protect themselves when they're fighting the government or fighting a big corporation. What's that about?

Matt Schlapp ([22:13](#)):

Well, when we talked with Justin half a year ago, the new phenomenon was the realization that these corporations were essentially cutting the umbilical cord to the grassroots activists that support 85% of the for profit nature of their enterprises. And over this period of time-

Bill Walton ([22:31](#)):

What do you mean cutting the umbilical cord?

Matt Schlapp ([22:33](#)):

Well, think about it.

Bill Walton ([22:35](#)):

They're just not going to care whether-

Matt Schlapp ([22:36](#)):

Who out there stands out politically for lower taxes and for reasonable legislation or regulation, and for constitutional judges? It's your conservative activist. They're the one ones who stand up and do all the hard work. The corporate people act like they have these brilliant PR campaigns, which are really hollow and tinny. It's really these activists that make sure that the right people get elected. Well, these people in the corporate boardrooms have become so haughty that they've separated. They don't want anything to do with these domestic terrorists, these insurrectionists, these scummy people in big, tall, red hats. And they think they can get it all done by hiring these PR firms, et cetera. And what we've seen is since that phenomenon, is this idea that almost anybody who's espousing American, traditional values and ideas is being destroyed unless they have the luxury of having independent means and they don't have to travel anywhere and they don't have any kids that need to do anything.

Matt Schlapp ([23:38](#)):

If you're in that category, you can have your views and you're roughly left alone. But if you have to travel, we're days away, weeks away from them saying not only you have to have a vaccine, but you're going to have to have a booster, which they're talking about as we speak. If your kids are doing anything, they're suffering terrible persecution for having their values. And I think the Virginia political situation really brought it home to all of us. I have had the luxury to not put my kids in public schools. And I've seen what the public schools are doing in my neighborhood. And I don't like it. And I don't want my kids learning that. And I don't like the idea that they're taking out the advanced science and math classes because apparently that's racist because the Asians are doing too well or whatever theory of the day that's carrying the day. And so I have the luxury of putting my kids in Catholic school. But guess what, I'm still paying for those public schools. It's my money. I pay a lot of property taxes

Bill Walton ([24:32](#)):

Well, the new definition of people of color is people of color minus Asians.

Matt Schlapp ([24:36](#)):

Yes, exactly. Exactly.

Bill Walton ([24:37](#)):

It's the Harvard. It's the Harvard.

Matt Schlapp ([24:40](#)):

So we saw this in Virginia. You see that the only good thing that came out of Chinese corona is that kids were home and parents started listening to history class. And it wasn't about history. It was about propagandizing this Marxism and stuff. And so what you see with cops and teachers and I call them the hometown heroes is they need a little help because they feel like they're alone. And so we've started

this fund, the First Amendment Fund, and we've already got seven figures in the fund, which has happened very rapidly, to try to stand up for these folks who are trying to just live their life.

Matt Schlapp ([25:15](#)):

Bill, they're not even trying to be particularly courageous or do something historic. They want to do things like this. Can you imagine? Decide whether or not they're going to take a shot. They want to decide whether or not they want their kids to be told at five years old that they can go around their parents and pick new pronouns and take chemicals to stop puberty. I mean, this is insanity. This is the end of civilization if we allow this to happen unchecked. And it will be these hometown heroes. It will be these hometown heroes that save America if it is to be saved.

Bill Walton ([25:45](#)):

This is the Bill Walton Show. And I'm here talking with Matt Schlapp and Justin Danhof. And unfortunately we're talking about things like the end of civilization. But it does feel like it. It does feel like it. It feels like you're being told if you're an employee, you got to do this, that or the other. Or if you're a parent with a kid in a school that you're paying for, public school, you're not allowed to weigh in. Mark Meckler was on. He ran Parler. And Amazon pulled the plug and they had no ability to fight back. People said, well, why don't you sue Amazon? Do you know what Amazon spends a year on legal fees? I'll help. A billion dollars. So there you are. Even you're some smaller company or individual, you're up against these, not just the government with unlimited resources, but these corporations have as well.

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

Matt, how much money are we going to raise in this fund? And can we go out and help protect people? Or if somebody has a cause, do you think we'll be able to take it up and get an army of lawyers, hopefully pro bono, to help people fight for their liberty?

Matt Schlapp ([26:57](#)):

Well, I want to do a free advertisement for your efforts. I think if you had a lot more resources, I think you could do even more great work. I think the big problem with the conservative movement, which is not the conservative movement, Bill, as you and I always say, it's the American movement for Americans who love America. That's what this is about. We have the capital going to the wrong places. And there's a market. We're going to go dip our toe in that market and see what the appetite is for investors. So far the appetite's very good. We're just getting started. And look, I think it's like a great journey starts with a step. And what I'm hearing from people is that they feel like they're in not only a digital gulag, where if they say anything out of bounds, they're dead. They're kicked out.

Matt Schlapp ([27:41](#)):

They feel like they're professionally... The whole idea of the ladder success is over for them if they take one foot out of line. And I think we have to crush this movement that's happened in these corporate boardrooms. This has to, I'm going to use a little bit of profanity, it has to butt hurt here a little bit. This current crop of CEOs that care more about their golf score and how they look in their suit instead of what really matters, we have to make them failures, those who have embraced all this. And maybe that starts with Larry Fink. Maybe he's too big a target. But I'd like to go after some of these folks who are literally persecuting their customers and employees.

Bill Walton ([28:21](#)):

So it's the Alinsky strategy where we pick somebody, we personalize it and we make them feel that the whole world is watching what they're really doing.

Matt Schlapp ([28:30](#)):

I like to be virtuous, but I'd also would like to take a few tricks out of the playbook of this desecration that's happening in this country.

Justin Danhof ([28:38](#)):

Look, I like to say everything we've ever done at the Free Enterprise Project, we just copied the left because they did it in plain sight. So this can-

Matt Schlapp ([28:45](#)):

They brag about it.

Justin Danhof ([28:46](#)):

This can be accomplished. So again, they took over corporate boards intentionally the same way that tenure was put in place in higher education for the left to take over and black ball conservatives and traditional-minded Americans. This was an intentional takeover of the corporate boards. So we can do the same exact thing because, my goodness, how cushy are positions. You meet five, six times a year. You fly around in private jets.

Matt Schlapp ([29:10](#)):

You mean on the corporate boards?

Justin Danhof ([29:11](#)):

Yeah. If we just took out one or two-

Bill Walton ([29:13](#)):

Yeah, I've been on a couple of those. They're pretty a good gig.

Justin Danhof ([29:16](#)):

Yeah. Imagine if we took out just one or two of the most woke board members in America. That would set an example and it would put a chill because who are the only folks in corporations that can hold these woke CEOs accountable? Well, their boards. And if the boards see their seats as, oh, maybe not quite as safe as it was last week, I think we could have some real effect-

Bill Walton ([29:37](#)):

Boards or directors do not want personal publicity.

Justin Danhof ([29:40](#)):

That's exactly right.

Matt Schlapp ([29:41](#)):

Bill, can I offer a positive step forward out of this conversation?

Bill Walton ([29:46](#)):

That what we're about.

Matt Schlapp ([29:46](#)):

I think the three of us ought to get some really great young researchers and we ought to come up with the common board members for a lot of these companies that are pushing a lot of this crap. And we ought to get to know them and we ought to make them famous. And we ought to make them own all of the things that are happening and that are hurting families and hurting children. And I think that might be part of the great American turnaround that could happen.

Bill Walton ([30:11](#)):

Well, I think if you look at something like let's pick at the Ford Foundation. President of the Ford Foundation is on a lot of boards. Ford Foundation, Henry Ford would lose his mind with what they're doing. I mean that somebody like that and then what do we do? We go, and we start launching a proxy contest saying we don't think this person should be a director because he's pushing things, she's pushing things against our interest?

Justin Danhof ([30:37](#)):

Well, let's name him. Let's name names. It's Darren Walker. And again, if we want to talk about we were talking earlier, what did CEOs do when Black Lives Matter came about? Well, who funds Black Lives Matter? The Ford Foundation and all these CEOs.

Matt Schlapp ([30:49](#)):

And all these corporations.

Justin Danhof ([30:50](#)):

All these corporations did in the summer of 2020.

Matt Schlapp ([30:53](#)):

And if I could just say one thing on that. They funded an organization through Act Blue and other places, which is the Democrat conduit money on the left and to the Democratic party. And what was the result? A lot of dead Americans in our streets. If conservatives had been responsible for that much murder and that much crime and that much destruction of property, you think somebody would've gotten sued? We need to use these tricks.

Justin Danhof ([31:21](#)):

Yeah. Think about it. We talked about the divide between the small mid-size businesses, the average Americans and these large companies, the digital divide, the transfer of wealth. Amazon is funding Black Lives Matter as they're burning and looting small shops in city streets all across America. So who benefits from that doubly? Amazon. So they're funding the destruction of small businesses while they're making their record profits. Think about the cynicism of that.

Bill Walton ([31:53](#)):

Are we a minority report here though? The thing I worry is that things that I thought would be astonishing like CRT indoctrination, surprising number of people, if you poll them, they think it's just

fine. We ought to be learning about black heritage, even though we know it's a lie. I mean, how do we get the word out how bad this really is?

Matt Schlapp ([32:16](#)):

Look, I would just like to say, we've had the death of many things in our society, the death of media, the death of knowing where you can go to get news, the death of leadership, the death of institutions that we used to rely on that have let us down as they go woke and they go left and they go soft. I also think when it comes to these questions of polling, Bill, how are you going to answer a pollster? They got your number because they called you. How are you going to answer a pollster about questions of race and Gender?

Bill Walton ([32:43](#)):

You're right. You're right. Yeah. Forget the polls.

Matt Schlapp ([32:46](#)):

But no, but the secondary thing is this, which is even if you're not fearful of your standing, this idea of being decent to people and tolerant is American. And I think with a lot of polls on questions about these big woke questions, the immediate response of an average American is I can live besides that person. I'm okay with that. They make their choices. I don't agree with them. I'm going to make my choices as long as they respect me. But of course that's broken. And the person that has your values or your values or my values, they aren't acceptable. And I think the big thing that's going on behind those polls, when I see big numbers for things that I know are obnoxious to a majority of Americans, what's coming out is the fact that we still are decent and we still are tolerant. And I think it's a great thing.

Justin Danhof ([33:40](#)):

I think we can look to Virginia, if we wanted to speak truth about CRT and truth about polling on these types of issues. Well, what did the left do? If you turned on CNN or MSNBC, they claimed there's no CRT in Virginia. That's not true at all. If CRT was good and noble, wouldn't they stand up for it and say of it's being taught because it's good and noble. But they know it's shameful. And so the left has to hide it. And again, if you're doing something good, let your light shine. They're they're trying to hide it. And again, in corporate America, Chris Rufo has been doing yeoman's work in getting whistleblowers to expose the CRT trainings across corporate America. Again, if it's such a good thing, why does it take a whistleblower going to Chris Rufo, and we've had some come to us at the national center. Why does it take a whistleblower to expose it if it's so good? So I think the fact that everyone who's doing it is trying to hide it speaks the truth to what it is.

Bill Walton ([34:36](#)):

Well, you know the story about Merrick Garland. He came out with that memo saying that he was going to ask the FBI to work with local agencies to crack down on parents who were engaging in violent act against school board even though they couldn't find a single one where that had actually happened. And he was acting on the basis of I guess a five page memo from the National School Boards Association. And they said flat out in that memo, we don't teach critical race theory in K12. And at the same time Merrick Garland's son-in-law, what's his business? Teaching CRT. He's got about a 25% market share. I mean they're flat out lying. But he said something, maybe you mentioned on air, I'm not sure, but only four percent of America knows who BlackRock is. I mean, we're fighting this invisible thing where people are kind of bunking along. We don't know who the villains are.

Justin Danhof (35:37):

Think about how powerful they are from this perspective. BlackRock is either the first, second or third largest shareholder in 80% of the companies in the S&P 500. In 80%, that is a lot of sway that they have. One of the most interesting shareholder meetings to me this past year was actually the Berkshire Hathaway meeting. There was two far left shareholder proposals.

Bill Walton (36:01):

Warren Buffet.

Justin Danhof (36:01):

Yeah. Warren Buffet's a long time founder, CEO. Charlie Munger, he's number two. They're they're still going strong at-

Bill Walton (36:09):

At age 90 and 99.

Justin Danhof (36:10):

Something like that. But what happened was interesting. There was a moment of courage out of a business. And Buffet stood up against two proposals that folks like BlackRock and Larry Fink were supporting. One was on auditing their entire operation for racial justice, whatever that even meant. It was ill-defined. And the other one was an environmental audit of their entire chain and supply chain. And Buffet said no. How do you think you, Larry Fink, knows more about our operations, our disparate businesses than me, the Oracle of Omaha? And so he pushed back. The proposals got between 25% and 30%. But the Wall Street Journal, when they reported on it, said that's only because there's so many people that have made so much money with Buffet and have fidelity to him. The second he's gone, the dike's going to burst.

Bill Walton (37:00):

Well, we've got new an agency. That's the word. The people, men and women that are CEOs of these big public companies, they're agents of the shareholders and they're hired hands. And with Warren Buffet, he owns 40% of the company. And so he's not an agent. He is the owner. So he's acting like an owner and which is terrific. But then when he goes, we're going to have some person in there who's got a job that's looking at his watch and saying, well, I got four or five years. And so why shouldn't I cave into this? This is the Bill Walton Show. And we're just filled with lines of action here. We've got proxy contests and we've got a lawsuit fund. Anyway-

Matt Schlapp (37:49):

I want to become the host for a minute. And I have a question to the non-woke CEO, former CEO, Bill Walton. You talked about this staggering statistic of 80% of the S&P companies having as one of their top three, BlackRock. [crosstalk 00:38:05] investors being BlackRock. Have we created ourselves our own kind of little franchise for and picking winners and losers with the tax treatment of private equity? Should the Republican party think of changing that now that private equity has become so woke and equalizing the playing field? And that comes to the regulatory structure. Sarbanes and Oxley, one of those guys was a really prominent Republican. That was a bipartisan bill to really make it tougher for

publicly held companies to navigate and benefiting private capital. Have we created our own monster here?

Bill Walton ([38:40](#)):

Yes. The tax code is one of the worst places to... I won't say it's the worst place. The tax code is where people go to get things done when they can't get a bill passed. And you put everything in there in the tax code. And one of the big problems with the tax code is we allow deduction on interest we pay, which creates an incentive to borrow a lot of money. So the tax code incentivized debt. The tax code allows private equity people to treat their gains, not as ordinary income, which is what we'd have to do, but treat it as a capital gain. So there's a big preference in there and there's a big preference in there for the hedge funds. And I think that those industries probably are one of the most significant lobbies in town.

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

So to me, one of the most interesting places to look, if you really wanted to change things is take a look at all the special stuff that's in the tax code and start rooting that out. So yeah, we have created the problem, but we would be Congress and we would be people who were lobbied to bring about the preferential treatment they've got.

Matt Schlapp ([39:46](#)):

My only response to your response would be, this is the time for the Republican party to rethink its priorities. And most of all of its leaders who were at the tippy top who left Congress, went to private equity and you're right. There's a lot of allies there. And I'm not really interested in picking winners and losers. What I'm actually interested in is sending a very loud and clear message as we try to fight for America.

Bill Walton ([40:11](#)):

Well, the Republican party ought to be a populous party. We ought to be the people that are left behind in the digital divide. And those are a lot of very strong, smart, able people. We just have been underrepresented with where things are going. And the problem with the Republicans now is that they're still unfairly or incorrectly tagged as that party of big business. That's not true.

Matt Schlapp ([40:40](#)):

It isn't true. And look, I was up on the Hill yesterday. I talked to a group at the Capitol Hill club, this swampy of swampy institutions, which I'm a member of and I love. But I was asking to people in the know and these corporations, Bill, and their packs, they're still not giving money to any Republicans because they wanted to overturn the election and they wanted to follow election laws. So we're heading towards a major conflict as Republicans get the majorities back without, mind you, really any substantial corporate pack money. That means they'll get the majority without big corporations for the very first time. I think it could be a very refreshing thing.

Justin Danhof ([41:23](#)):

And to motivate the grassroots folks that say, well I don't even know what BlackRock is. I'm not an investor in Apple. I just have a small family business and I want to be left alone. Well, A, they don't leave you alone anymore, obviously at any juncture of your cultural existence. But B, it's all going to come for you. You when it comes to these big businesses, once the left changes the behavior of the big businesses, they say now your entire supply chain needs to represent exactly what we've talked about.

All of the ESG parameters that they ask for of big business, it's going to go down to the medium, small businesses next. And so it's coming for you. So you should be motivated to get involved in this fight right now.

Bill Walton ([42:05](#)):

Justin Danhof, thanks. Matt Schlapp, thanks. I've got about another five hours of questions for you guys. But we don't have time right now. But I think we framed it. I think there are lines of action we can take. We can begin to think about raising money to help defend people who are fighting corporations and the government. And we can also get very aggressive about going after individuals, board members that are involved in some really bad stuff.

Matt Schlapp ([42:33](#)):

Let's get it done.

Bill Walton ([42:34](#)):

Let's get it done. All right. Okay. So thanks for joining us on the Bill Walton Show. Matt Schlapp, chairman of the Conservative Action Project and our conservative CPAC.

Matt Schlapp ([42:46](#)):

You're so close. It's a nice compliment.

Bill Walton ([42:51](#)):

And Justin Danhof, who's our executive director of the... Oh goodness, Justin, National Center for Public Policy. So guys, thanks. We'll be back in a few months to see if we made any progress and [inaudible 00:43:04]. Thanks.

Matt Schlapp ([43:04](#)):

That's good.

Justin Danhof ([43:05](#)):

Thank you, Bill.

Bill Walton ([43:05](#)):

Thanks.

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

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