

Securing America with Bill Walton Part 1 September 16, 2022

Frank Gaffney ([00:25](#)):

Welcome to Securing America with me, Frank Gaffney, the program that's a kind of owner's manual for protecting the country we love against all enemies, foreign and domestic to the glory of God and His kingdom. We have as usual, a very serious problem in terms of protecting our country. It seems to be not only persistent, but growing by the day. And that is the threat we face from the Chinese communist party. We are following as closely as we can with this program, the various facets of that threat, how it is evolving, how it is now becoming, unfortunately, it seems both more in danger of being a kinetic one and not just the unrestricted warfare sort that we've talked about a fair amount here.

([01:17](#)):

A man following all of this very closely, among many other things, is our first guest. A regular here, I'm pleased to say, at Securing America. The host of his own program, The Phil Walton Show. He is a man with an extensive background in finance as the CEO of Allied Capital Corporation, and also a past president of the Council for National Policy, which I'm very proud to be a member, a leader of the conservative movement here in Washington, DC. Welcome back, Bill Walton. It's good to have a chance to visit with you. You've been afflicted with laryngitis and other ailments of late, and we're glad you were a good voice and with us. Welcome back.

Bill Walton ([01:59](#)):

Yeah. Great to be back. I was afflicted with some virus, not the Wuhan virus this time, but I suspect they snuck one in on us.

Frank Gaffney ([02:08](#)):

Well, I wouldn't be surprised if you're not on their target list. Let's talk about China, Bill. You and I have been tracking for some time what is known as the social credit system of China. Just give us a refresher on what that involves and how it seems the Chinese are now increasingly relying on it to control a population that has good reason to be increasingly upset with the party.

Bill Walton ([02:42](#)):

Well, the Chinese have been deploying more and more and more successfully and aggressively a social control system. Part of it, which is known as the social credit system. And they also have things called the vaccine cards or the virus cards, where they can tell you whether you can travel or not based on your status with the virus. But as you and I have talked about, they have hundreds of millions of surveillance cameras in China. They have complete control of the internet. They have an army of people on the internet monitoring social behavior there. And a very interesting book, Axios China reports that there are two Wall Street Journal reporters, Josh Chin, and Liza Lin who've wrote in a book called Surveillance State.

([03:36](#)):

And it's inside China's quest to launch a new era of social control, and we knew that, that's been the plan. But the gist of it is interesting, in that for decades now, the Chinese communist parties, one of the ways they held sway over the billion plus people in China is through delivering prosperity for the middle class. And they've done that by amping up the residential real estate market, infrastructure spending for factories that don't necessarily build anything or apartments that don't necessarily house anybody. And they've had a massive investment boom fueled by debt. And one of the things that's happened in the

last three, four years as we've reported is that those plates seem to not be working as well. They seem to be not spinning as well.

[\(04:30\)](#):

And Chinese growth has dropped from 8, 10% reliably a year to maybe 2, 3% this year, if that. But there's a thinking though that the Chinese are not as alarmed about this as they might once have been, because they do have these new social control mechanisms in place. And they may not need a prosperous growing economy the way they have to keep people from getting restive. There are lots of demonstrations now. Anyway, I'll continue.

Frank Gaffney [\(05:02\)](#):

It was long believe that if they didn't maintain that steady growth rate, the party would be in real jeopardy. And what you're saying is it sounds right to me. Their lockdowns in the name of zero COVID and their use of this unbelievable security state apparatus, and their oppression of their own people, comprehensively, including as you've mentioned, denying them the ability to move about. Not so much because of their actual health status, but because the party decides it doesn't want them demonstrating about the fact that they can't get access to their bank accounts. All of this is now enabling a means of, well, repression, I think it's fair to say, that may supplant the well fed or happy populous model that's least nominally they were previously applying.

[\(06:12\)](#):

This is fascinating, Bill. And the reason it matters to us is, if they can essentially compel their population to conform no matter what their economic circumstances, that may mean that they can compel them to do other things as well, to go along with a war against us, for example. And I think it's also worth noting and something we ought to tease out here too, to the extent that they're exporting this so-called social credit system in part under the guise of this pandemic response, the China model as it's called, this could be in store for us too.

Bill Walton [\(06:57\)](#):

Well, it explains a question we've had about Xi's behavior in the last year or two. The economy is sliding. Normally you'd see all sorts of stimulus efforts on behalf of, not on behalf, but the Chinese government flooding a lot of money into the system to keep it amped up. The one theory's been that the Chinese are so fully indebted and so fully leveraged that they can't really do that anymore. But the other theory is they may not feel like they need to stimulate the economy enough because they have these other ways to control people. And the system is working. As you pointed out, there was several banks that seemed to have gotten sideways, regional banks, normally not very big deal, but it became a big deal when they cut off depositor's access to their money and hundreds, if not thousands of Chinese started to organize protests.

[\(07:56\)](#):

And when they got out to start heading towards the protest, they find out that their travel cards or their virus cards, or their social credit card, whatever the label for it is, had gone from green to red, which mean they couldn't travel. So, what ostensibly was a means to control people, to protect the spread of a virus, was a means to stop people from protesting. And that is, I think the canary in the coal mine as to where this is all going. These zero COVID lockdowns that Xi's implementing, he's up for his third election, the third term as president and it's the meetings in next month, in October. And it's not too suspenseful of who's going to win that election, but there is a lot of drama and there is a lot of discontent because of

these lockdowns he's imposed. He may not care. He's simply saying, "I'm going to go ahead and lock people down because I can control them otherwise, and how they feel just does not matter."

Frank Gaffney ([09:05](#)):

Bill, one of the other pieces of this, of course, is that this may be consistent with, and I keep harping on it because I think there is other evidence that this is what's afoot in China, the privations, the hardships, the sacrifice is all part and parcel of a strategy for inuring the public to the difficulties they're going to face if we go to war. We have to take a quick break. Bill, hold the thought, we're going to come right back with more on this and also on Chinese exploitation of the energy insecurity that has been engineered here. [inaudible 00:09:45] after this.