

Frank Gaffney (00:21):

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 a lot of things to protect our country against. It is grist for our mill. It's hard on the country, however, and we try to make sense of it so as to both keep you equipped to understand what the stakes are, notably in this fall's elections, but also the sorts of things that we ought to be doing to mitigate these dangers.

(00:57):

A man who's given a lot of thought to all of this and is marvelously contributing to our thinking is our first guest. He is Bill Walton, a regular usually in this slot each week. He is the host of his own television podcast program, The Bill Walton Show. He brings a lot of experience to bear of relevance to our topics, and notably as a former Master of the Universe, as they call them on Wall Street, Chairman of Allied Capital. Also, he has run a very important conservative movement organization, the Council for National Policy, of which I'm proud to be a member. We're delighted always to say hello, Bill, welcome.

Bill Walton (01:39):

Frank, good talking with you.

Frank Gaffney (01:41):

I want to start with China, as we often do with you, Bill. There's a very nasty problem that's looming with respect to China's so-called no limits partner, Vladimir Putin and Russia. Putin, it seems, is dead set on having his way in Ukraine. And if that means using nuclear weapons, apparently that is decidedly in prospect. Could happen presumably with so-called tactical or battlefield nuclear weapons, to demonstrate his willingness to do more and to see what he can do to exact concessions from the West, if not from the Ukrainians themselves through our [inaudible 00:02:30], it would be presumably some kind of surrender on their part.

(02:36):

China is essentially enabling that prospect by supporting Putin, by buying his oil, by buying his coal, by buying his gas, and otherwise it seems enabling a lot of his mischief here. One of the things that has come to my attention is the possibility that if China is not pressed to prevent Putin from doing it, they've got more leverage on him than we do at this point, they might be a beneficiary of such tactical nuclear use, especially if it enhances their ability to threaten Taiwan with kind of nuclear blackmail. What are your thoughts on all of this? Should we be concerned about it, and most especially, should we be pressing the Chinese perhaps with the prospect of our needed, frankly, disengagement from China rather than letting this run its course?

Bill Walton (03:36):

Well, my view, Frank, is that if we had a serious foreign policy establishment, we'd be pressing not only China, but we'd be pressing Russia and we'd be pressing Ukraine to get to the table and settle this. I mean, Russia has suffered some tactical setbacks, which has made Putin vulnerable and dangerous, and I think we're at a moment in time here where if he's rattling the nuclear option around, we ought to take it seriously, and there's some people in the foreign policy establishment in this country that don't think he would ever do that. Well, you and I believe that's wrong, and the thing to keep in mind with nuclear tactical nukes is they're really just small nuclear bombs. They're not something that's different from a big nuclear bomb, and you get something started there, God knows where it ends.

[\(04:35\)](#):

And so we've got to do everything in our power to make sure that doesn't happen, and you're right, China's kept Russia going through all this. I mean, Russia really financially is doing pretty well. I mean, their economy, parts of it are hurt, and of course the mobilization that Putin's ordered has been a big problem internally for him, but China and the partnership and the oil sales to China and the gas sales or fossil fuel sales to India as well have kept Putin going. They have leverage and I think we ought to be doing everything we can to talk to all the actors to wrap up what's going on in Ukraine, settle on some borders, settle on an agreement about NATO, and whether recognizing that Ukraine should not be part of NATO, and try to move on from there. This is one of the most critical points I can think of in history. I mean, when people are talking nukes, you got to get serious about that.

Frank Gaffney [\(05:37\)](#):

Yeah, and honestly, we ought to be disengaging from China anyway. That seems to me to be obvious, especially ending this practice, which you're very familiar with, of underwriting its operations, but clearly tying any further collaboration in these regards has to be contingent upon China using its influence with Putin to bring this to an end and certainly preventing any nuclear action. Bill, speaking of China, there have been reports since we last talked about something amiss with Xi Jinping. We've been talking for, well, months I guess at least, if not longer, about his impending coronation at a Party Congress currently scheduled for the 16th of October. And yet there were wild rumors circulating last week that the People's Liberation Army had actually removed him as its leader and maybe even put him under house arrest. I've seen no evidence to support any of that, yet the rumors persist. What are your thoughts on Xi's actual status at the moment?

Bill Walton [\(06:58\)](#):

Well, Xi's been known to disappear for periods of time throughout his regime, and so his absence on the public stage is not unusual. And if you look at the other signs in Beijing and around China, it looks pretty much like business as usual. You look at photos of the public squares, the normal people are coming and going. There is a lot of pushback now on Xi and his zero tolerance, zero COVID strategy, and also his attack on the tech companies, and he's made a lot of enemies in China that he didn't have five years ago last time he was, or four years ago, I guess, can't remember his term, five years I think, when he was elected President.

[\(07:45\)](#):

So there are those forces there, but he's got such a tight control over what comes and goes in China and the people, and of course we talked last week about the incredible surveillance state that he's put in place. So I'm in the camp that it's unlikely that this has actually happened, but that somebody's making some mischief from my world. Probably some hedge fund who's trying to trade against the currency or something like that.

Frank Gaffney [\(08:14\)](#):

Possibly, and I want to come back to the renminbi in a moment. But the more Machiavellian among us think this may be a way of smoking out some of those enemies and allowing him to dispense with them before this Party Congress.

Bill Walton [\(08:28\)](#):

That's exactly what you would do if you wanted to find out who was going to come out of the woodwork and move against you.

Frank Gaffney ([08:34](#)):

Try to dance on your grave, yeah.

Bill Walton ([08:35](#)):

Yeah.

Frank Gaffney ([08:36](#)):

Bill, about the renminbi, there's been a sharp decline in its value relative to the dollar. What should we make of that?

Bill Walton ([08:45](#)):

Well, part of it's fundamental economic, in that the real estate market continues to be collapsing in China, economic growth could slow to 2-3%, and compare that to where they were five years ago, where they were at 10-12%. Big concerns about the lockdowns affecting supply chain and the ability to continue to be the export economy that they've always been. And so there's a fundamental reason their currency should be weak. Historically, the Central Bank of China has always supported it and kept it up. They're not doing that right now, and it is slipping. I should note, though, that all currencies right now are slipping against the dollar.

Frank Gaffney ([09:35](#)):

Which is not necessarily evidence of its strength, it's just-

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

It's astonishing, right?

Frank Gaffney ([09:41](#)):

... the strongest of the weakest. We're going to come back with more on that point. Bill Walton is in the house. Stay tuned. We'll be right back.