

Securing America with Bill Walton (part 1) October 24, 2022

Frank Gaffney ([00:10](#)):

Welcome back. It's that time of the week when we are privileged, almost always, to have Bill Walton in the house, virtually at least. Bill is, of course, the host of his own television program, the Bill Walton Show. He is also a former master of the universe on Wall Street at Allied Capital, and a leader of the Conservative Movement at the Conservative Movement's premier organization, the Council for National Policy, which I'm very proud to be a member. Bill Walton, it's always good to have you with us. Welcome back.

Bill Walton ([00:41](#)):

Frank, as always, great talking with you.

Frank Gaffney ([00:44](#)):

A lot to talk about. So perhaps we can jump in on sort of the today's deal in the United Kingdom where a new Prime Minister has been selected by the Conservative Party after the short lived, Liz Truss, was summarily removed over economic issues it seems, as much as anything. Talk us through what prompted Liz Truss's fall from power within 45 days of her receiving the prime ministership.

Bill Walton ([01:18](#)):

Well, when Liz Truss was appointed, was named Prime Minister, whatever the process, a lot of us were thrilled because she came out with a supply side package of reducing tax rates, cutting some regulations, unleashing fracking in the UK. And some of the people who were delighted, were Art Laughner and Steve Moore, Larry Kudlow, and Bill Walton because she was saying all the right things.

([01:43](#)):

But if you want evidence that there's a deep state of elites in the UK, as well as here, they and the bond markets revolted with violence, and also the currency markets. The pound plummeted, interest rates rose, people were predicting the economy was going to slide into a worst depression than the Great Depression. In any event, the establishment won. And unfortunately, Liz was no Margaret Thatcher. Margaret Thatcher came to the job with a set of deep convictions about the private sector. I think Liz may have been just mouthing the words. Anyway, day after day, week after week, she retreated from these, including having her finance minister resign. And then in the end she had to resign too because she lost all political support.

([02:34](#)):

So the statisticians have won again, and they're going to go back to the usual remedies that we've been seeing right now. And the central banks in United States, the Fed and also EU and the UK, worldwide, their view about taming inflation is to kill the economies. And they think that Paul Volker had it right in what he did, and they don't believe in the supply side. And so therefore we're left with... We have a new minister, Rishi Sunak, who's family was from India, he was raised in England. So he's an actual Brit. So we'll see what he does. But this looks like a setback for those of us who consider sell supply-siders.

Frank Gaffney ([03:22](#)):

And in addition to the central banks, of course, there was also a very pronounced effort by what's called The City...

Bill Walton ([03:31](#)):

The City.

Frank Gaffney ([03:32](#)):

... The equivalent of Wall Street in London, to knock the pegs out from under anything like this. Bill, is this a function of a preoccupation with short-term profits over long-term results?

Bill Walton ([03:50](#)):

Well, I was in a call this morning with some hedge fund people and The City, Wall Street, capital markets worldwide, they're nothing if not short-term. And what Liz was offering up were some longer term structural solutions to get the economy turned around. And the bond market hates that. The hedge funds hate it. And the pound, when she announced this, I think, fell below a dollar for the first time, at least in my memory.

Frank Gaffney ([04:20](#)):

I think ever.

Bill Walton ([04:20](#)):

Now, with her out and the new guy in, I think it's up to about \$1.14, \$1.15. So they're celebrating, but they're never interested in long-term structural improvements. They're only interested in the day-to-day trades. And so they won this time. And unfortunately, I think the rest of us are going to have to pay the price.

Frank Gaffney ([04:42](#)):

Well, it certainly seems that the rest of the Brits will at a minimum pay the price. And what we're looking at is not only a hard winter there, evidently, but also...

Bill Walton ([04:52](#)):

Well, we haven't even talked about the fallout from Ukraine...

Frank Gaffney ([04:54](#)):

... Short-term pain.

Bill Walton ([04:55](#)):

... And the sanctions and the cost of electricity in the UK. It's just like in the rest of Europe, they're going to have a long cold winter.

Frank Gaffney ([05:04](#)):

And Bill, when you look at this sort of combination of the power centers within the government, notably the chancellor's position, essentially the number two in the government of Britain responsible for finance, and the sort of Wall Street equivalent, the financiers, it does seem as though there's disproportionate influence being exercised and the real interest of the British people are going to be sacrificed because they will suffer the consequences of this short-term focus on profits. The preoccupation with it over long-term solutions, as you say. No?

Bill Walton ([05:52](#)):

Well, these are the people who know how to make the most noise and they can get on all the channels, CNBC, et cetera, and predict dire outcomes, if we do anything like... Of course, cutting taxes for anybody, particularly the rich, which Liz proposed, I think it was a 5% cut, is verboten in the class [inaudible 00:06:16]...

Frank Gaffney ([06:15](#)):

Bill, but let me ask you the argument there was that, well, there was just no way of paying for all of that. And that seemed exactly to miss the whole point of supply-side?

Bill Walton ([06:27](#)):

That's Keynesian structuralism, static analysis. It's if you cut taxes, there'll be no revenue gain. Well, we've seen repeatedly when you cut taxes, in fact, government revenues jump way up. I mean, look what happened with Reagan and it happened, I think, also when Trump did it. I mean governor revenues can go off the charts when you lower tax rates. That's proven, that history...

Frank Gaffney ([06:51](#)):

JFK did it as I recall. Yeah, [inaudible 00:06:53]...

Bill Walton ([06:53](#)):

But it's not the dogma. It's not the Keynesian dogma, it just happens [inaudible 00:06:58].

Frank Gaffney ([06:58](#)):

And it's not necessarily an immediate effect. I guess that was the other thing that they were claiming.

Bill Walton ([07:03](#)):

Be very wary of these pay-fors because they're static, not dynamic. And the economy reacts to incentives, and lower tax rates promote productivity and growth. In the long-term we're all winners. But that's the dynamic analysis.

Frank Gaffney ([07:19](#)):

And in the meantime, what we're seeing in Britain at least, and probably other parts of the world as well, is the taxes are going to be increased. And that is almost certainly going to be bad for British economy, and other interests.

([07:33](#)):

Bill, we got to take a short break. We'll be right back with more with Bill Walton, the host of the Bill Walton Show. You're not going to want to miss his analysis of China. Right after this.