

Speaker 1 ([00:10](#)):

We're back, and we are joined by Bill Walton. A man we are privileged to have with us with regularity. He breaks from his own television program to join us. The Bill Walton Show, it's a terrific podcast, which covers a lot of the issues that we think are really important as well, and we're always pleased to be able to pick his brains as a result of his own interviews. Bill is a former master of the universe up on Wall Street, President of Allied Capital, and a conservative movement leader here in Washington, the Council for National Policy. We're always thrilled to be able to take stock with him of the things that he cares about with all of those very informed perspectives. Bill, welcome back to Securing America. Good to have you.

Speaker 2 ([00:53](#)):

Frank, glad to be back. I hate to tell you, I even went to Davos once as a master of the universe.

Speaker 1 ([00:59](#)):

Oh no. All right. Well as a recovering master of the university, we're gonna-

Speaker 2 ([01:01](#)):

I have to tell you all about it.

Speaker 1 ([01:02](#)):

We're going to talk with you a little bit about the events that have been taking place there this week. Bill, let me ask you first, though, we had a brief conversation a moment ago with Sam Fatus about this video that Donald Trump released this week. I'm not entirely sure whether he's really running for president or not, but whether he is or he is not, this video it seems to me marks an important role for him, even if it's just as an elder statesman, setting the stage for the kind of public policy debates we really have to have.

([01:42](#)):

Or perhaps indeed, as the no kidding presidential candidate that he says he is. Either way, this was a really important lay down of markers about what the Chinese Communist Party is up to in America. In terms of, as we talked about with Sam, access to our politicians or purchasing of our farmland or other intellectual property or theft of it for that matter. And I'd be interested in your thoughts about, well the video if you care to, but more generally the necessity of really getting our arms around what a problem this is, especially in this sort of public policy moment.

Speaker 2 ([02:27](#)):

Well Donald Trump has been talking about China for what, 40 years now? Since he was 35. And he was right then, and he's even more right now. And whatever you think about Donald Trump, I can't think of anybody who's better positioned and has seen firsthand what China's up to and had his entire trade policy through Bob Lighthizer and the rest, oriented towards making America more secure. He didn't get there because he 'lost the last election'. But he still knows more than anyone, any of us, about what's going on. And he is right. I mean, the interconnections and the assiduous way the Chinese have infiltrated themselves into every American company. Not every, but a lot of big American companies, especially technology companies. I mean, you look at Apple, there's stories now about Apple trying to make movements to think they're going to do less with China. They can't, I mean, China completely

controls Apple. So whatever you think about them, their degrees of freedom to extricate itself don't exist.

Speaker 1 ([03:34](#)):

Yeah. Well, and think about the implications of that. If China controls Apple, what do you think they've got exactly on your iPhone-

Speaker 2 ([03:34](#)):

Exactly.

Speaker 1 ([03:44](#)):

Among other pieces of equipment that you may be using?

Speaker 2 ([03:46](#)):

One of the stunning things about the debates today is how ignorant and how blissfully happy people are about their security because they've got an iPhone or they depend on what they can see around them that works now. And we'll talk about our infrastructure and our electrical grid in a minute, but even the iPhone we take for granted. That's almost entirely the product of our relationship with the Chinese. I think we're going to see, should we end up with another inevitable pandemic, just how dependent we are on the Chinese for pharmaceuticals and critical drugs.

Speaker 1 ([04:25](#)):

All of those supply chains, yeah. It's just mind boggling.

Speaker 2 ([04:29](#)):

And we've got hundreds. We've got what, almost 3,000 American companies operating in some way or other in China, and then we have China operating here. The Biden administration still doesn't get it. They're doing some tough things, but then you see Janet Yellen going to China trying to make nice saying, well gee, we didn't really mean all those bad things we've said, and we want to be strategic partners with you. You've got to be kidding.

Speaker 1 ([04:57](#)):

Well, they're not kidding unfortunately. And as we talked about at length with Sam, that may have something to do with the fact that the Chinese have in fact bought and paid, it seems, for a number of politicians.

Speaker 2 ([05:12](#)):

Yeah, lead capital is a problem.

Speaker 1 ([05:12](#)):

Huge problem. And it's not just in the political space as you know, it's in the economic as well, among others. Bill, I did want to pivot though to something that you touched on, and that was in the video by Donald Trump. And that is concern especially about the fact that the Chinese have, well literally gotten inside our wire with respect to the so-called grid, the electric infrastructure of our country. And we've just this week helped roll out a really powerful new video called Grid Down Power Up, which lays out a

variety of the very serious vulnerabilities, which you've covered very handsomely with your show. With the late Peter Pry among others of us.

[\(06:03\)](#):

This problem of the Chinese penetration has now been manifested by the 300 high voltage transformers that are the backbone of the grid, that were in place when Donald Trump said, "Hey, we're not going to have more Chinese equipment in our grid." Only to have that executive order suspended when Joe Biden came into office. And I just learned this week in the course of rolling out this new film at a wonderful premiere in Hollywood, and then-

Speaker 2 [\(06:40\)](#):

Great film.

Speaker 1 [\(06:41\)](#):

And in the state capitol in Austin. That there are now a hundred more of these Chinese high voltage transformers in the grid today than there were when Donald Trump was president, thanks to the Biden suspension of his executive border. So give us a sense Bill, of the gravity of these vulnerabilities of our grid, how they might be exploited by hostile powers like the Chinese Communist Party and what we have to do about it.

Speaker 2 [\(07:10\)](#):

Well there's so many places to go with that Frank. First, let me thank you for introducing me to the wonderful Peter Pry who did all the great work on this, and we all stand on his shoulders-

Speaker 1 [\(07:21\)](#):

Terrific guy.

Speaker 2 [\(07:21\)](#):

To try to figure out what the risks are. It's astonishing. Our electrical grid, there are basically three sectors in the United States, not that that's terribly important. But they're all, one sector goes down, everything else is affected. We don't understand how dependent we are on how that operates and how fragile it is to a state actor wanting to take it down like China, which could use various programming techniques to shut it down. But then it's also vulnerable-

Speaker 1 [\(07:53\)](#):

Especially with their own transformers, which we know are or least have very strong evidence-

Speaker 2 [\(08:01\)](#):

They do know-

Speaker 1 [\(08:01\)](#):

They can do remotely-

Speaker 2 [\(08:03\)](#):

They know how they work, and they know how to turn it on, and they know how to turn it off.

Speaker 1 ([08:03](#)):

They certainly do.

Speaker 2 ([08:05](#)):

But it's not just the state actor Frank. If you wanted to take some nefarious people, they could spend not too much time on the internet learning how to do some things to blow up these critical transformers and shut the thing down. And I alluded to it-

Speaker 1 ([08:21](#)):

And people are attacking parts of it every day it turns out, or just about.

Speaker 2 ([08:25](#)):

And we don't understand-

Speaker 1 ([08:26](#)):

Transformer substations.

Speaker 2 ([08:27](#)):

I don't think there's a comprehension how dependent we are on these technologies we've taken for granted. And at the core of it is the electrical grid and electricity. And the climate madness, which is putting us in the hands of wind and solar, which is highly unreliable, can't provide anywhere close to the power we need to power the grid.

Speaker 1 ([08:50](#)):

That base load, yeah.

Speaker 2 ([08:51](#)):

You think you have a bank account, how do you know you have a bank account? Well you go on your computer and you look it up and there's the website and it tells you how much money you have. Well, if the grid goes down, there isn't going to be an internet. You're not going to know what you have. And if you put millions-

Speaker 1 ([09:07](#)):

Let alone get access to it.

Speaker 2 ([09:10](#)):

Exactly. So I'm a big investor in equities, stock market. And in the bad old days, I actually remember this, you used to get stock certificates when you'd buy something.

Speaker 1 ([09:21](#)):

What a concept.

Speaker 2 ([09:22](#)):

Now it's just a digital entry in some ledger somewhere. We're all enormously vulnerable. And the thing that's so maddening, and I think the documentary points this out, it doesn't take much money to make it much more difficult to shut it down.

Speaker 1 ([09:38](#)):

Yeah. And Bill, that's the real good news at this moment. As you know, we've had these spending bills popping up all over the place, but one of them was for infrastructure, \$1.2 trillion worth of money for infrastructure. Our calculation is that a third of 1% of that money would basically take care of the most serious of these vulnerabilities of our electric grid. And unfortunately, I think unless this movie, Grid Down Power Up, which you can find at griddownpowerup.com, by the way folks. Together with a platform that you can tap into at the end that gives you the ability with a click of a mouse, basically to get in touch with people who nominally at least represent you, to insist that they take steps to assure that that funding is actually applied to make sure that this grid is protected. Because as Bill Walton says, we all depend critically upon it. You've got 30 seconds quickly.

Speaker 2 ([10:46](#)):

Well, I hate to be deeply cynical, but I am. You look at all those big bills that are going. They all have beneficiaries, and as Al Gore freely admitted, most of the Inflation Reduction Act went to green energy subsidies, including tax subsidies. If you spend money repairing the electrical grid, nobody seems to benefit from that, with a direct-

Speaker 1 ([11:10](#)):

A donor to the-

Speaker 2 ([11:13](#)):

Democratic Party.

Speaker 1 ([11:14](#)):

Democratic Party. As Bill said, as I can tell... Bill wait, hold this thought because we're going to come right back to it. Unfortunately, there are lots of people who are Democrats who will perish along with Republicans. Because it isn't going to matter what your partisan affiliation is if the grid goes down.

Speaker 2 ([11:32](#)):

No.

Speaker 1 ([11:32](#)):

We all have a vital interest in fixing it. So we're going to come right back with more with Bill Wilson. We're going to talk a bit more about, well among other things, what else Al Gore has been saying, notably in an historic rant at Davos. We'll be right back with that and much more, right after this.