

Frank Gaffney (00:10):

We're back for our concluding segment of this conversation with Bill Walton, former and recovering master of the universe. Now the host of The Bill Walton Show, which I strongly commend to you all. Bill, we were talking about the hijacking, the capturing, the manipulation, the exploitation of climate change. One of the sort of entities that has benefited massively from this kind of practice has been the whole green energy agenda.

(00:45):

The companies, the entities, the businesses that are involved in it. One of which it turns out is a very large... Well, the Chinese have been among the preeminent beneficiaries of all of this, which is of course one of the really ominous features of the shutting down of a fossil fuel industry in which we happen to have a great competitive advantage, by virtue of our immense amounts of oil and gas and other energy sources here. In favor of lithium and other rare earth mineral driven technologies that the Chinese happen to have a competitive advantage in, including in the batteries space. There's a governor by the name of Youngkin now in Virginia, our native states, who is taken an interesting stance against a Chinese battery manufacturing plant in the Commonwealth of Virginia. Give us the story there, why it's important.

Bill Walton (01:51):

Well, this is fascinating. It's got every aspect of what we're concerned about and also gives us some hope. I had Glenn on the show last year before he was elected Governor of Virginia, and I've known Glenn from the private equity world for a couple of decades now. And Glen came out of the Carlisle Group, which is David Rubenstein, or Stein as he would call it. And they've been... David's over the top left and progressive, and so I was worried that Glen would not necessarily be the conservative that he campaigned as, but yet he is and doing it particularly in what he is doing with the Ford Motor Company. The backstory here is that Ford wanted to put a plant to build its electric vehicles batteries, and they've been looking for places around the world, around the country, and they discovered Virginia and [inaudible 00:02:45] looked into what they were doing and said, "Absolutely not. We're not going to let this happen here."

(02:50):

Why not? Well, it turns out Ford's building a battery plant and the battery, all the technology, is owned by this company innocently called the Contemporary Amperex Technology Company, which is based in China and probably partly, if not wholly, owned by the Chinese Communist Party and it's the largest battery manufacturer in the world. And this Chinese company, and a lot of other Chinese battery manufacturers, have benefited from tens of billions, if not more, in subsidies to build a competitive position. So the Chinese long-term thinkers that they are, saw the climate thing happening, saw that batteries would be the key component, got into this, did what they did with all the strategic industries, they subsidize these businesses, drive everybody out, now they're the sole player. And here's the thing that made it really egregious, Ford would own the real estate, the Chinese companies CATL would own the technology and operate the facility. They would also qualify for massive tax benefits under the Inflation Reduction Act. I mentioned beneficiaries. Well, it's not just the usual suspects. It includes China as one of the big beneficiaries and...

Frank Gaffney (04:08):

Hold that thought. So you were telling me that the US government, by virtue of this arrangement that had been proposed in Virginia, would've been subsidizing with our tax dollars, the Chinese, to enhance their competitive position in one of these green energy technologies. Have I got that right?

Bill Walton ([04:30](#)):

You have it exactly right. And of course we're shocked that gambling is going on in this casino because these green energy subsidies have gone to lots of Chinese manufacturing companies, not necessarily directly, but as we see here with Ford indirectly through their providing the technology for the Ford manufacturing plant in Virginia. And Glen, to his credit, said "We're not going to let that happen." He said, "The Communist Party of China is a dictatorial political party that has only one goal, global dominance at the expense of the United States." And he said that Virginia cannot be a front for the Chinese Communist Party.

Frank Gaffney ([05:12](#)):

Hell. Amen.

Bill Walton ([05:13](#)):

Glenn, thank you.

Frank Gaffney ([05:14](#)):

Yes, and the question I guess that arises is what are the chances that they're going to take their dishes and dolls and go to some other state?

Bill Walton ([05:23](#)):

They'll go to New York.

Frank Gaffney ([05:23](#)):

In the United States...

Bill Walton ([05:25](#)):

Of course, they can't find anybody who'll work in New York.

Frank Gaffney ([05:28](#)):

Well, they'll find a governor willing to go along with it.

Bill Walton ([05:30](#)):

Right.

Frank Gaffney ([05:30](#)):

If not actually contribute to the subsidizing of all of this. But going back to what we started with, Bill, the fact that Donald Trump is now putting down the marker very forcefully about the threat we're facing from the Chinese Communist Party, and the fact that we now have all of these committees being stood up in the House of Representatives with a very direct mandate to find out the extent of that problem and, as importantly as anything, who is enabling it inside the United States, this unrestricted warfare by the Chinese? And then we've got governor like Glenn Youngkin stepping up. This is all very heartening, if late in the day. It's very heartening. Listen, let quickly, we've got a minute and a half. You, as someone who knows your way around the markets, picked up on the fact that after, I believe, it was about a

trillion dollar loss in investments in the Chinese tech sector, there seems to be about a \$700 billion boom at the moment. What's going on there, Bill? 45 seconds.

Bill Walton ([06:34](#)):

Well, the ever... I don't know what the word is. But anyway, what's happened in the last six months is the Chinese stock market, particularly technology companies, have gone up almost \$700 billion. They were \$1,007,000,000,000 and then they fell. They're now at \$1,007,000,000,000. They were \$1,000,000,000,000 before this rise. What's fueling it? Well, there's belief that the technology companies in China are going to make a comeback. And one of the bets that Wall Street's counting on is that the Chinese Communist Party is now taking small stakes in these technology companies, and so the market is betting that they'll be less likely to be shut down now that the Chinese Communist Party has a toehold in them. So what may be good for Morgan Stanley investors may not be good for the world.

Frank Gaffney ([07:24](#)):

Or may not even be good for the investors, but it may be good for the guys who manage their money, which is what...

Bill Walton ([07:28](#)):

Well, if you have extra money don't put it in the Chinese stock market. That would be my first... That's in the first chapter of my investment book.

Frank Gaffney ([07:35](#)):

You heard it from Bill Walton. Bill, thank you. This was an extended and really terrific interview. We always look forward to them. We'll look forward to next week's as well. In the meantime, stay well. Thanks to all of you for listening. I hope you feel better equipped to help us protect the country we love. Go forth and multiply.