

Frank Gaffney (00:10):

Welcome back and a very special welcome as we are fond of saying about this time each week to our next guest. His name is Bill Walton. He is the host of The Bill Walton television podcast program. Terrific content. He's also a master of the universe now recovering, fortunately for all of us. He's a former CEO of Allied Capital. He is a leader of our conservative movement and a good friend and we're always delighted to showcase him and his thoughts on specifically that has to do with our economic and financial security on which he is an authority. Bill, it's good to have you back. Welcome sir.

Bill Walton (00:49):

Yeah, great, great Frank talking with you. Great talking.

Frank Gaffney (00:53):

Thank you. Lots of things to talk about. Dollar displacement Bill, is top of mind. We've been talking about this for a long time. I think you're among those who think it can't really happen or really happen anytime soon if I'm not mistaken. But it won't be for want of trying, that's for sure. Talk a little bit about this latest development with the Brazilian Marxist president, Lula da Silva, who was in Beijing in recent days talking up the idea with his allies in China.

Bill Walton (01:28):

Well, just a bit of context, the United States is paying a huge price for the Biden administration's, I would say insane focus on three things, which is climate, equity and Ukraine. And they're forcing that agenda on countries all over the world in all their dealings and their so-called whole of government approach. And the most recent manifestation of that is that Lula, as you know, recently defeated Bolsonaro, although those election results in my mind are somewhat dubious. Anyway, he's back in power and he's visiting with President Xi of China, not surprisingly, and they are making common cause also not surprisingly, and they've agreed to do business in the Chinese currency, the yuan. Now, why does this matter? Well, it matters a lot because Brazil's I think about the 12th largest in the economy. Russia, by the way is number 11. China of course is number two. And what's happening is almost all the countries in the world, except for maybe Europe, are aligning to try to find an alternative to the dollar and this is just the latest development.

Frank Gaffney (02:40):

Yeah and Macron of France, who aspires, I gather to be the next president of Europe, seems to be interested in moving in that direction or at least not continuing to rely on the dollar as the reserve currency. So Bill, the implications of this, if it were to come to pass, are dire, I think it's fair to say. Are there things that we could be doing at the moment to try to stave it off, do you think?

Bill Walton (03:09):

Well, I think we need a new administration. This administration seems disinclined to do any things that would help. I think first we need to decide where we want to push Ukraine. I think we've concluded that the sanction regime that we've imposed on Russia has not accomplished what we wanted to accomplish. And in fact, Russia by some accounts has a stronger economy than ever and has forged ties with China of course, and India and a lot of other countries around the world that are also not really big friends of the United States. And so our Ukraine adventure is pushing all these countries into the arms of each other and away from us. The other thing is that we've got a climate change agenda and every single international agreement that we're negotiating as climate is the number one risk, which Lloyd

Austin, our Secretary of Defense and Mark Milley, our joint chief of staff chairman has said climate is a bigger risk to us than China. And so when you got people like this in charge we're going to make incredible number of blunders in promoting America's interest.

Frank Gaffney ([04:26](#)):

To say nothing of of course, just having the printing presses running endlessly on our currency.

Bill Walton ([04:33](#)):

Well the United States could-

Frank Gaffney ([04:34](#)):

Discourage its investment.

Bill Walton ([04:35](#)):

... could slash its spending. That would be a good place to start and-

Frank Gaffney ([04:38](#)):

That would be a key piece of it.

Bill Walton ([04:38](#)):

The Federal Reserve could stop buying the treasury bonds, although that's not likely to happen.

Frank Gaffney ([04:45](#)):

Yeah. Well the last resort, aren't they? And that's where we are, I gather. Bill, just more generally broaden the lens a little bit, China trade seems to be expanding as is its role, the Chinese governments, in trade financing as well. Does this portend, again, an irreversible shift in their direction, do you think?

Bill Walton ([05:08](#)):

Well, Richard Nixon famously said there are no permanent victories in politics and I'd also say that there's no permanent change or in interest in economics and sure enough the Chinese economy after their lockdowns, their zero COVID lockdowns, which basically were terrible, they've unleashed the economy again and their exports have risen 12, 15% during the last quarter and they're beginning to reengage with the rest of the world and so China's coming back economically and that's something else we need to be concerned about.

Frank Gaffney ([05:46](#)):

Also, this question of trade finance Bill, we're going to talk in the next block a little bit more about some of the things that they're financing in the way of Belt and Road, I call it colonial infrastructure build out. But to the extent, one of the things that Lula did when he was in China was visit their Development Bank, which is being described by our friend Steve Bannon as the BRICS Bank. Brazil, Russia, India, China as in South Africa, and now others associating with it as well. Talk a little bit about the degree to which China is able, in fact, to use mechanisms like this bank to finance a lot of things. And are they doing it with our money at the end of the day?

Bill Walton ([06:37](#)):

Well, in part with our money, but this is again part of China's global strategy to co-opt and control the international organizations, which at one time were dominated by the United States and Europe. Those days are over. And probably the most interesting and telling thing is the person they installed as the head of this bank is a former aide to Lula and she was a freedom fighter, Marxist, I don't know, about 20, 30 years ago, and is dedicated to cultural and economic Marxism worldwide, and that's our president of the Development Bank. And so once again-

Frank Gaffney ([07:22](#)):

Not a good sign.

Bill Walton ([07:24](#)):

Well, look at the head of the World Trade or the World Health Organization. I think we're seeing a pattern here.

Frank Gaffney ([07:30](#)):

An Ethiopian communist. We are indeed and that's a point to which I hope to return on the other side of a very short break with you, Bill Walton. I think it's really indicative of the strategy for using, as you say, these super national entities to help advance the agenda of world domination by the Chinese Communist Party. Be right back with more right after this.