

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

Welcome back. We're visiting with Bill Walton as we are privileged to do about this time each week. Bill, we're just tantalizing people with the idea that our friend and colleague, Kevin Freeman, host of Economic War Room with Kevin Freeman, and a regular also here at Securing America, has developed with folks in Texas and apparently there are now 12 states altogether that are actively looking at taking advantage of apparently a constitutional opportunity to essentially mint their own currency as long as it's gold or silver-backed.

([00:49](#)):

They missed, at least initially, the opportunity to get that started in Texas due to some skullduggery in the Texas legislature, I believe. But there's still a possible option there with a special session. But if not there, perhaps in one of these other 11 states. You've had a chance to look at his new book, Pirate Money, which is, I think going to be out at the 1st of August. Give us a quick book report as well as a sense of whether this idea for gold-backed currency, for example, may really be the ticket.

Bill Walton ([01:28](#)):

Well, if you want a quick overview of the financial plight we find ourselves in, his book is a great primer to do just that. I mean, it covers everything. And unlike most of these books, I mean, there are a lot of books out there that tell us how terrible things are, and I don't know what we're supposed to do, go hide. He actually has a constructive alternative, which is to create a currency backed by gold, and my working assumption forever has been that only the federal government would allow a currency to happen.

([02:00](#)):

But his teams found a provision in the Constitution, and I won't bore us with the details, that they believe allows states to do something backed by gold, which is another terrific idea if they can make it happen. But there's so many forces at work to keep it from happening because for example, the Federal Reserve Bank is working, and I think they're doing it even as we speak, in August of 2023, to roll out its central bank digital currency. And the ultimate threat of that is they'd be able to monitor every single one of our expenditures and maybe decide some were okay and some weren't. So, that's a threat.

Frank Gaffney ([02:42](#)):

And actually control our access to the money, perhaps, as well.

Bill Walton ([02:45](#)):

I see all the forces at work to keep a gold-backed currency in Texas from not happening. And I think as you pointed out to me, they got to the Texas legislature to make sure it didn't happen. But it's a good idea and good ideas ... Eventually things will get so stressed economically that we are going to need gold, I think, to ride into the rescue.

Frank Gaffney ([03:08](#)):

Yeah. And the advantage of this is that you can actually as with a credit card, essentially tap into those gold reserves on a fractional basis. You don't have to take a coin and figure out how to exchange it for something. A fascinating idea. We'll be talking more about it, I know, with you and Kevin and others, in the days to come.

Bill Walton ([03:29](#)):

Yeah.

Frank Gaffney ([03:29](#)):

Bill, I did want to, before we ran out of time, just touch on the state of decoupling from China. It seems as though Xi Jinping wants to do it and increasingly, even some of the Wall Street mavens seem to be indicating that they better diversify a bit, maybe in Japan as Larry Fink has suggested. Give us your readout on where things stand in that regard, and is decoupling, in fact, something we better get going on?

Bill Walton ([04:01](#)):

Well, it is something that's happening, but the rate at which it's happening, and you and I were laughing a bit before we did the show, which is that I think it's happening at the rate that maybe the tectonic plates of Africa separated from South America 100 million or 200 million years ago, and that we may be creating new continents, but very slowly.

([04:25](#)):

There are very interesting signals here, for example, Larry Fink, who's been all in on China, is now telling investors that maybe they ought to start looking at Japan because he thinks that China slower growth, economic growth is going to make it less investible. And coming from Larry Fink, that's quite a statement. He's proven himself quite pragmatic on so many things, for example, ESG, and he is doing it again with China. But every multinational now is looking at their data systems and deciding they need a separate IT system for China than they have for the rest of their company worldwide. And so, that's beginning to happen and on-

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

Because the Chinese are insisting on access to their data if it's China-based, right?

Bill Walton ([05:12](#)):

Well, yeah. Xi, himself, is making China uninvestible because he's shutting down all the due diligence firms in China. The firms that I used to rely on or people in private equity venture capital would rely on to find out what's really going on. Well, they're being shut down. And so, if you're an investor from outside China, it's darker than ever and more dangerous than ever.

Frank Gaffney ([05:36](#)):

Well, and that combines with the possibility that we will be at war, the old-fashioned shooting kind of war with them, which makes it even more dark.

Bill Walton ([05:45](#)):

The decoupling thing, I mean, the supply chains are massively, massively, massively interconnected. And we're paying a big price for the push to bring them into the world economy, and it's going to require somebody very smart guiding our policy to make it happen. Unfortunately, I do not see a single person of that caliber in the Biden administration.

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

Oh, I don't either. Or, with the inclination for that matter, let alone the capability.

Bill Walton ([06:10](#)):

Well, that's true too.

Frank Gaffney ([06:11](#)):

But to the extent that Xi himself is taking steps to separate us, and certainly that would be accelerated greatly if there is a war. No?

Bill Walton ([06:22](#)):

Yeah, that's a bearish signal. I mean, we talk about decoupling, de-risking, doing all these D things. Well, it's not good that Xi agrees he wants to be less connected because that means he'd be more free to go to war. But going after Taiwan, China has as many vulnerabilities as we do in the semiconductor front, and so they've got to be doing a lot of calculation about whether it's worth it.

Frank Gaffney ([06:52](#)):

Well, the question is whether seizing those manufacturing capabilities in Taiwan would be worth it in terms of adding to the dominance that they have on virtually every other supply chain?

Bill Walton ([07:06](#)):

But these are very sophisticated operations and they're very delicate and you've got all the engineering talent and all the IT talent. And it's not like seizing somebody ... It's not like the Middle Ages where you could grab somebody's city surrounded by their fortress walls. This is a very different, more delicate procedure.

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

It's an interesting question, Bill.

Bill Walton ([07:26](#)):

They're [inaudible 00:07:26] too, I'm sure.

Frank Gaffney ([07:27](#)):

Coercion is what the Chinese Communist Party specializes in. So, I wouldn't put it past them to figure out ways to-

Bill Walton ([07:33](#)):

I wouldn't either, but I'm saying-

Frank Gaffney ([07:34](#)):

... [inaudible 00:07:35] smart people in Taiwan to do what they tell them to do. Bill, we're out of time. We've got to come back to you next week about now. And in the meantime-

Bill Walton ([07:42](#)):

By the way, Frank, one quick thing. That's the way China would've ultimately take Taiwan is if they do it from inside.

Frank Gaffney ([07:48](#)):

Yeah. Well, that's one of the options, for sure. Bill Walton, thank you. We'll be back to you soon. Stay tuned for more right after this.

Bill Walton ([07:55](#)):

Yeah.