

Speaker 1 ([00:00:04](#)):

Welcome to The Bill Walton Show, featuring conversations with leaders, entrepreneurs, artists and thinkers, fresh perspectives on money, culture, politics, and human flourishing. Interesting people, interesting things.

Bill Walton ([00:00:25](#)):

We're here today to talk about Erik Prince's recent paper entitled Too Big to Win: How the Military and Industrial Complex and the Neocons Keep America Losing. Some of the quotes from this that I think tell you what this is about is, "The current policy model of the US security assistance is broken and counterproductive. The US military is the most expensive military organization in 3000 years of human history and has degenerated into an instrument for selling or grifting overpriced military hardware to countries that struggle to use it, let alone maintain it." And here at home, and this is something I deeply agree with, which is America continues to wage futile forever wars of convenience because Washington believes we are immune to reality and evolve beyond history. A lot to get into here.

([00:01:27](#)):

And to get into it, I'm back here also with Dr. Stephen Bryen, who's been a guest on the show. I don't know. We've talked some six or seven times on various topics. And Stephen's a formidable expert in military expertise defense strategy, Morley Safer, if you remember him of 60 Minutes, said, "Dr. Bryen was the Pentagon's top cop, the man whose job it was to ensure that sensitive technology would be kept from enemies, potential enemies and questionable allies." And also, Eileen Shannon of Time Magazine said, "Stephen Bryen is the Yoda of the arms trade. He was formerly Defense Department's export Czar. He knows every sinkhole in the regulatory swamp. Ignore them at your peril."

([00:02:17](#)):

Well, I've been looking forward to this conversation for a while to have Erik and Stephen talk about the issues, and today we want to cover sort of what our defense looks like today, what it should be, what's wrong with it, where we can go from here and dig into a lot of the details about all this. Erik, why don't you just start us out with why you wrote this and what we're going to do about it?

Erik Prince ([00:02:43](#)):

I wrote it off the top of my head, I guess out of frustration at the just continued losing policies that we've been stumbling upon for the last 30ish years, ranging from really missing the opportunity to engage positively with Russia after the Soviet Union collapsed to continuing to push NATO, which is not an alliance, it's a protectorate. And so we've pushed and pushed and pushed and pushed that border of NATO right up against the Russians and they have serious security concerns about that to how the entire GWOTs, Global War on Terror, was fought, that defense spending since 2001 represents about a third, almost 40% of our debt. And what have we gotten for it? We replace the Taliban after 20 years with the Taliban and in Iraq, we basically turned it over to the Iranians, to Iranian Subversion. And I guess in my unique career path, I was at many of those pivotal moments, the sliding door moment that if a decision was made in a better way, we'd be in a lot different place today as a country.

Bill Walton ([00:04:00](#)):

Well, when I started the show, I sort of buried the lead, Erik happened to have a little job, he founded Blackwater, a private security company that was integral to what we're doing in Iraq. He was a former Navy SEAL officer and now has a private equity firm and also is still engaged in private military contracting around the world. And you're still quite active in all the-

Erik Prince ([00:04:25](#)):

I still pay attention.

Bill Walton ([00:04:26](#)):

You're still paying attention as a man on the field. So that's an interesting place to be. Stephen, what's your take on where it's at?

Stephen Bryen ([00:04:35](#)):

Well, I completely agree on the Russian thing. I think that we had a great opportunity with the collapse to the Soviet Union, something I worked hard on in my way-

Bill Walton ([00:04:46](#)):

I think you helped it collapse.

Stephen Bryen ([00:04:47](#)):

I did, and I did happily do that. But it also opened up the possibility of working out deals with the Russians that could have been very progressive, I think is the best way to put it, and taken the pressure off of Europe and changed the whole strategic landscape, let's put it that way and at a time when we had a rising China, so not having two major adversaries would've been very much in our interest.

Bill Walton ([00:05:21](#)):

I mean, I was happily doing private equity Wall Street stuff back then, I wasn't paying that much attention. It seemed like after the Cold War ended or the Soviets fell apart, we should have put our arms around Russia and did what we did with Germany and Japan really after World War I, bring them to the world.

Stephen Bryen ([00:05:41](#)):

Yeah, there was talk about that. But then we did the reverse. We tried to infiltrate for the Russians and to knock off the Yeltsin government and subsequent government there. And then we sided with the Chechen revolutionaries, which was complete nuttiness on our part. Why would we do that? If we were fighting terrorism, which we claim we were, then this would've been the perfect opportunity to find common cause with the Russians and to help them. They ended up dealing with it in a rather brutal way, to say the least. But I think we could have done much better and we could have been helpful if we did the reverse.

Bill Walton ([00:06:26](#)):

Well, this was because of the military industrial complex we couldn't shut it down, we needed to keep the war machine going.

Erik Prince ([00:06:35](#)):

If the reason for NATO and the reason to spend that much in defense was the existential threat that the Soviet Union presented, well then when the Soviet Union went away, when the Warsaw Pact withered, then why were we spending that much?

Stephen Bryen ([00:06:50](#)):

And a lot of people asked, "Why do we need NATO?"

Erik Prince ([00:06:52](#)):

Exactly, agreed.

Stephen Bryen ([00:06:54](#)):

It doesn't have a role now. And instead we went, "Well, now's the time to expand NATO." And there's this terrible litany of promises made to the Russians about we're not expanding, starting with Clinton saying, "Oh, we're not expanding," and then of course, doing the reverse. And I think the Russians had it up to here.

Erik Prince ([00:07:16](#)):

And I think especially I think Americans, we watch our own World War II movies and think the United States Army defeated the Nazis, we lost 250,000 soldiers eastern in the European theater in World War II, the Soviets lost 22 million. While the US was still messing around in North Africa, the Soviets lost 1.2 million soldiers at Stalingrad alone. But they did that and they erased 800,00 Germans from the German order of battle by order of magnitude. So just what really won, I would say, America's major contribution to winning World War II in Europe was our industry. And our industry is a fraction-

Stephen Bryen ([00:08:04](#)):

And it supported the Russians because the Lend-Lease program was primarily for Russia or the Soviet Union.

Erik Prince ([00:08:11](#)):

Right. 600,000 trucks made it possible for Zhukov to go from Moscow all the way to Berlin in trucks, because the German army at that point was only about half mechanized, plus a lot of horses.

Bill Walton ([00:08:24](#)):

So many places to go with this, but after World War II, the Russians had lost 22 million people, Steve and I were talking before, we wouldn't have won the war without the Soviets.

Erik Prince ([00:08:40](#)):

It would've been a very different fight.

Stephen Bryen ([00:08:43](#)):

I think that you can't rewrite history, it's impossible, but I think there would've been a lot of opposition to staying in the war if we were doing it by ourselves. It wouldn't have been the same atmosphere at all.

Erik Prince ([00:08:59](#)):

Was America ready to have 4 million casualties or 10? I don't think so.

Stephen Bryen ([00:09:08](#)):

Yeah, I agree with that. And we resisted it, of course, the British resisted it too because they had memories of what happened to them in World War I and the terrible losses they took so they didn't

want to commit to intervention, especially in France, early, they didn't want to commit to it at all, in my opinion, they were pretty much forced into it by Roosevelt and by Stalin who said, "This is the way it's got to be." And the Russians were looking for us to pull off some of those Nazi divisions from the East to make it easier for the Russians to advance. And they claimed, and they were right, that they were paying the highest price, very much they were. But I think the war would've been a totally different affair altogether.

Erik Prince ([00:10:01](#)):

And I guess very germane to now, the high water, the last big attack of the Nazi army against the Soviets was at the Battle of Kursk.

Stephen Bryen ([00:10:11](#)):

That's right.

Erik Prince ([00:10:11](#)):

The biggest tank battle in history, 6,000 tanks the summer of 1943 and in very much the same terrain that you're seeing the Russians fighting now against the Ukrainians.

Bill Walton ([00:10:23](#)):

Well, let's talk about tanks. I want to get back to NATO and why we needed NATO in 1991 and in particular, why do we need it now? But let's first dive into the really interesting subject of tanks.

Stephen Bryen ([00:10:37](#)):

Or whether they're still relevant.

Bill Walton ([00:10:39](#)):

That's my question. What do we-

Stephen Bryen ([00:10:41](#)):

Kursk was a very interesting battle because a huge number of tanks were destroyed in that battle, including a huge number of Russian tanks. It got so bad that the Russians were digging their tanks into revetments and using them as fixed artillery, because otherwise, if they put them out on the field, they were getting blown away. And this was maybe the last really great tank battle that ever took place.

Erik Prince ([00:11:10](#)):

Never say never.

Stephen Bryen ([00:11:11](#)):

Never say never. But it also showed that tanks, armor as such, you could use it to make a breakthrough, but you're going to pay a high price, a very high price. And now we're seeing today, fast-forward, how many years is it? 75 years. Fast-forward to today, and what we're seeing in Ukraine, you mentioned this, Kursk is very near to Ukraine, it's not far away.

Erik Prince ([00:11:39](#)):

Just north, yeah.

Stephen Bryen ([00:11:42](#)):

Yeah. We've put a tank on the battlefield that apparently now the administration has told the Ukrainians not to use them because they're going to be destroyed.

Bill Walton ([00:11:54](#)):

Well, isn't that the bigger picture what we learned from this venture in Ukraine? There's a lot of stuff that we've been building we thought was going to be effective, turned out to not be effective?

Stephen Bryen ([00:12:03](#)):

Well, like all the German Leopard, which was supposed to be the great game changer, that turns out to be the great coffin.

Erik Prince ([00:12:10](#)):

And maybe it worked if your premise was only fighting against other tanks, but the enemy always gets a vote. And the first big strategic offset was supposed to be nuclear weapons back in the '50s and '60s, '70s. And then precision weapons and the US had amazing precision weapons, you saw that in Gulf War One and in 2003, now everyone has precision weapons and now you can take an FPV drone, a little kid's racing drone with seven inch blades, take a beer can size 3D printed charge, put it on there, drive it into the back of the tank, right into the bustle, it's a vulnerable spot. And for-

Bill Walton ([00:12:50](#)):

What's a bustle?

Erik Prince ([00:12:50](#)):

It's the back the rear end of the tank-

Stephen Bryen ([00:12:54](#)):

The rear end of the tank. Cute name for a tank.

Erik Prince ([00:12:55](#)):

That's the bustle of the tank and you drive that FPV drone because it's super maneuverable, and you drive it right in and you clack it off, and now you've just taken out a tank. So the precision weapons are prolific now and cheap and available. So A, the Russian army is getting a lot smarter fighting. There is nothing like the cauldron of battle that will force people to be educated quickly. And two, all the high dollar American stuff is not in high demand because it doesn't work. You have a \$200,000 Javelin missile made by Raytheon with a \$300,000 control launcher unit, Ukrainians can only fire that the first time because the second time, once the first tank is burning, the next other Javelins guide themselves into the hottest burning tank so that Ukrainians have to use a \$30,000 Stugna missile made by them that does the same thing to hit tanks 2, 3, 4, and 5.

Stephen Bryen ([00:13:55](#)):

In other words, what's happening is the IR seeker is finding the hotspot.

Erik Prince ([00:13:59](#)):

Yes.

Stephen Bryen ([00:14:00](#)):

Is what he's saying. And so it only sees hotspots, it doesn't have any brains. It goes after the hot spot.

Erik Prince ([00:14:08](#)):

Yes. So the jamming that the Russians are doing is very good, and it's blinding a lot of this super exotic American tech. And so we've had 20 years of fighting against guys in flip flops, a relatively unsophisticated enemy, now we're fighting US Tech.

Stephen Bryen ([00:14:26](#)):

Now we have a real land war, a real land war.

Erik Prince ([00:14:30](#)):

Yes. And the US stuff is not doing well.

Stephen Bryen ([00:14:32](#)):

Well, first of all, the Abrams tank is too big, too heavy. It sinks in the mud, it gets stuck, the Ukrainians don't like it. The German tank is very hard to maintain, keep running, and it doesn't do the job. They've been knocking those off. And with the FPV drones, the whole question is whether the tank has a future.

Bill Walton ([00:14:59](#)):

Well, let's talk about weapons development, because I first met Erik over 20 years ago, I was in the private equity business, and I thought Blackwater might be an interesting thing to invest in. And I somehow got ahold of one of your people and they said, "Well, Erik will meet you at the airport." And I went out to Dallas and I was waiting at the fixed-based operator, FBO, and there were all these interesting people sitting in the lobby in Saudi Arabian, army uniforms and South America and that sort of thing. Well, we're all going to go down to visit Blackwater, so we all get on the plane twin engine. What kind of plane was that?

Erik Prince ([00:15:39](#)):

Probably a Casa.

Bill Walton ([00:15:39](#)):

Casa?

Erik Prince ([00:15:40](#)):

Yep.

Bill Walton ([00:15:40](#)):

And we're all sitting on the plane. I'm looking around for Erik Prince. Well, the pilot comes in and that's Lieutenant Prince and he gets in and he flies us down to Blackwater. And it was an extraordinary day. And the thing that you were doing at the time was you were building an alternate vehicle, all-terrain

vehicle, I don't remember what it was, but it was vastly cheaper, it was better and more effective than what the Defense Department was creating.

Erik Prince ([00:16:11](#)):

And we passed all the tests, all the explosive tests, and they wouldn't buy it because really it was an early lesson that Pentagon procurement is not about merit, it is about politics.

Stephen Bryen ([00:16:22](#)):

That's always been true.

Erik Prince ([00:16:23](#)):

It's the Sovietization of what I thought was a market-based decision-making.

Bill Walton ([00:16:28](#)):

Well, I loved your business because as private equity, you're always looking for niche companies that can do things better, faster, cheaper. But I think we talked about it, I thought, "Well, Erik, your business has got a little political risk here because of all the good things you're doing in Iraq, it's easy to make Blackwater a political target." And that's exactly what ended up happening because I think you were making the Defense Department look bad.

Erik Prince ([00:16:58](#)):

Well, and worse than that, the big defense contractors don't want any competitor that's going to come in and mess up their very bloated pricing structure because we focused on doing firm-fixed price contracts because we understood our costs.

Stephen Bryen ([00:17:11](#)):

That was a mistake.

Erik Prince ([00:17:13](#)):

What's that?

Stephen Bryen ([00:17:13](#)):

It was a mistake to try and sell something cheaper to the Pentagon.

Erik Prince ([00:17:17](#)):

I should have called Stephen.

Stephen Bryen ([00:17:22](#)):

I would have told you that right off.

Erik Prince ([00:17:23](#)):

Call Yoda.

Bill Walton ([00:17:24](#)):

Yoda will say.

Stephen Bryen ([00:17:29](#)):

It never works.

Erik Prince ([00:17:29](#)):

Well, it did work. I mean, it worked for the taxpayer, but it didn't work for the Pentagon-

Stephen Bryen ([00:17:33](#)):

No, they won't buy it.

Bill Walton ([00:17:34](#)):

Did they end up buying anything?

Erik Prince ([00:17:36](#)):

The vehicle? No.

Bill Walton ([00:17:38](#)):

But why is it so broken, Stephen? You can see the big defense contractors who absolutely have every lobbyist on the planet to make sure that the budget ends up-

Erik Prince ([00:17:47](#)):

A brigade of lobbyists in Washington.

Stephen Bryen ([00:17:49](#)):

Well, and they have the support of the congressional committees-

Erik Prince ([00:17:54](#)):

Who are paid by the lobbyists.

Stephen Bryen ([00:17:56](#)):

Authorize and then appropriate the money. And then from a human point of view, the people who work in industry work in the Pentagon and vice versa so it's a revolving Chairs is what's called. So you have a system that's very tight and it's very hard to introduce new ideas, and cheap is not one of those new ideas that they like.

Erik Prince ([00:18:23](#)):

Yeah, I mean the idea of, and again, the cauldron of battlefield learning, adapting an FPV drone for 12, \$1,500 a piece versus a 200, \$300,000 missile system. Again, the Russians are learning. And it used to be that if you shot at them with artillery or rockets, it would take them an hour, hour and a half to shoot back. Now it's down to two minutes, three minutes.

Bill Walton ([00:18:54](#)):

Their experience in Ukraine's made them a lot better?



Stephen Bryen ([00:18:57](#)):

Absolutely, yeah. They also have copied us to some extent. I mean, they've learned a lot about how you integrate your forces, how you get your command to control straightened out, how you can handle multiple threats at the same time. And they've learned that from us pretty much. Of course, they apply their own approach to it. But we've seen that develop in the first part of the war in Ukraine, they were terrible. They blundered all over the place.

Erik Prince ([00:19:24](#)):

Blundered, huge logistics problems, very, very vulnerable.

Stephen Bryen ([00:19:28](#)):

They got stuck on roads when they shouldn't have been on roads. I mean, they did just about everything wrong, and they paid a very high price for it.

Erik Prince ([00:19:36](#)):

I mentioned in the article that, again, offering a market-based solution that was historical, going back to Lend-Lease, when the US provided lots of stuff to the Brits or the Soviets fighting the Nazis. There was 200 some aircraft that were already scheduled to be retired from the US Air Force, including 58 F15s, 50 F16s, and I think 42 A10s all perfect for deterring Russian invasion. And Biden could have done two things, he could have announced, of course, Ukraine is never going to be part of NATO, but they're going to have an Air Force here and flown those aircraft to Ukraine, put a Ukrainian roundel on them, let contractor pilots fly it for a year and a half until the Ukrainian pilots are trained up and done. 140 extra Western combat aircraft dispersed around Ukraine well flown would've chewed up any Russian ground force. And yes, they have a lot of missiles, fine.

Stephen Bryen ([00:20:37](#)):

But they have good air defense.

Bill Walton ([00:20:39](#)):

But if we had said, "We're not going to push NATO on, Ukraine into NATO," would that have shut this thing down?

Erik Prince ([00:20:49](#)):

I think so. And if you had made Ukraine live to what the original Minsk Agreement was.

Stephen Bryen ([00:20:54](#)):

That would've been a better idea

Bill Walton ([00:20:56](#)):

And what was the original Minsk Agreement?

Stephen Bryen ([00:20:59](#)):

Well, it had a number of provisions.

Bill Walton ([00:21:01](#)):

We're now going to start blaming all sorts of people when the Ukraine thing goes bust probably just before the election.

Stephen Bryen ([00:21:07](#)):

I think the key provision was about Donbas. And the key provision was that Donbas would become autonomous, but still would continue to function under Ukrainian Law and it would require the Ukrainian Parliament to authorize that, which it would refuse to do. So instead of trading territory for peace, this would've been a much better solution because it wouldn't have changed the territorial boundaries other than Crimea, which would stay out and stay part of Russia. And then it turns out, and this is a very interesting business because the Russians kept saying, "We had Minsk 2, we had Minsk 1 and then Minsk 2, and we're willing to support that." And the Ukrainians said, "No, no, no, no, we don't want to do it," or whatever.

([00:22:00](#)):

But if you really look at what happened is that no one in the West ever thought it was serious. Angela Merkel, who was then chancellor and subsequently said, "Well, we are just faking the Russians, we're just keeping them on the burner, so to speak. But we never were serious about this. We didn't want to do it." So there was nothing to negotiate at the end of the day. It was a shame because this whole war could have been avoided.

Bill Walton ([00:22:27](#)):

I'm beginning to think she was about as competent as Joe Biden. I mean, she's already destroyed their energy industry.

Stephen Bryen ([00:22:32](#)):

I don't know, given her background, because she grew up in East Germany, given her background, I'd have thought she'd have figured it out, but I guess she didn't.

Erik Prince ([00:22:43](#)):

And even worse, they're shutting down nuclear reactors, fully functioning ones ahead of schedule.

Bill Walton ([00:22:50](#)):

In Germany?

Erik Prince ([00:22:50](#)):

In Germany to worship at the Green Altar.

Bill Walton ([00:22:53](#)):

I think they've done that.

Erik Prince ([00:22:54](#)):

Yeah, yeah they did.

Bill Walton ([00:22:55](#)):

No, the last one's done. They've shut them all down.

Stephen Bryen ([00:22:58](#)):

And now we're cutting off Russian uranium to run our reactors. I mean, isn't it nutty?

Erik Prince ([00:23:09](#)):

Which is exactly why the Russians are very active throughout the Sahel with Wagner Group to get control of more of the world's uranium supply.

Bill Walton ([00:23:17](#)):

Talk about Wagner Group. Stephen and I talked about them early on, I mean, I won't speak for Stephen, but I thought the Ukraine thing was a catastrophe from the very beginning and that we should have done a lot of things to stop it and we didn't do any of that. But the Wagner Group, is that a private military contractor really?

Erik Prince ([00:23:36](#)):

It is a Russian private military contractor, yes. And it was first used in the seizure of Crimea and Donbas in 2014.

Stephen Bryen ([00:23:46](#)):

They were the little green men.

Erik Prince ([00:23:47](#)):

Exactly, exactly. Now,

Stephen Bryen ([00:23:49](#)):

Little green men.

Erik Prince ([00:23:51](#)):

When they came in with green uniforms-

Stephen Bryen ([00:23:53](#)):

Nameless special operations soldiers.

Erik Prince ([00:23:54](#)):

Oh, okay.

Stephen Bryen ([00:23:57](#)):

No identifiers.

Erik Prince ([00:23:58](#)):

The Russians pitched me in 2011. This is reset, everyone was loving Russia. And I went to Moscow in 2011 and they said, "Please come and build a Blackwater capability here. We'll give you the land, we'll give you the facility. Do something to employ our veterans in Russia."

Bill Walton ([00:24:19](#)):

And Blackwater capable facility, I mean, you-

Erik Prince ([00:24:22](#)):

No, so I'd sold the US entity in 2010.

Bill Walton ([00:24:27](#)):

I know, but I just want to explain what you did. It was a massive training operation among other things.

Erik Prince ([00:24:31](#)):

Yeah, we started as a training facility. It was the largest private weapons facility in the world. It became 55 ranges, big track, big ramming pad, five chute houses, three fighting cities. We trained between 800 and 1000 people a day.

Bill Walton ([00:24:48](#)):

And a great place to go do diligence on a deal.

Erik Prince ([00:24:51](#)):

And we were the largest private holder of weapons as well, I remember that.

Bill Walton ([00:24:59](#)):

Anyway, so continue with your Russia-

Erik Prince ([00:25:01](#)):

So everything the left loves to hate,

Bill Walton ([00:25:02](#)):

But I just wanted to explain what it is you do.

Erik Prince ([00:25:05](#)):

Yeah. And then the Russian said, "Please come and do that here." And I obviously said, "Thank you, but I can't do that," and I left and had no further discussions. But they were looking for something which has appeared all through history, and that is private sector on the battlefield organizing resources to do the bidding of a state. And that's exactly what they did in Ukraine, it's exactly what they did in Syria, in Mozambique, in Central African Republic, in Libya, and now all through the Sahel displacing them. They just facilitated kicking the US out of two very expensive brand new bases that we built in Niger, out.

Bill Walton ([00:25:48](#)):

Haven't we been kicked out of five countries in the last three or four years?

Erik Prince ([00:25:53](#)):

Yep.

Stephen Bryen ([00:25:53](#)):

That's our good African policy.

Bill Walton ([00:25:55](#)):

Good work. But let's talk about the concept of private military contractors because I think about Renaissance Italy, I mean, all these city-states had these independent contractors that go from state to state, worked for the highest bidder, but it still seems like a good idea from my world-

Stephen Bryen ([00:26:15](#)):

Well, it was and it wasn't because it almost replaced the government of Russia.

Bill Walton ([00:26:22](#)):

Wagner did?

Stephen Bryen ([00:26:24](#)):

Yeah, yeah.

Erik Prince ([00:26:24](#)):

Wow. That wasn't as serious effort.

Stephen Bryen ([00:26:25](#)):

Well, I think it was actually. And we could debate that, but I think it got out of hand, no doubt about that.

Bill Walton ([00:26:34](#)):

You guys don't have to agree.

Erik Prince ([00:26:38](#)):

We're near Washington DC, across the street from the White House is Lafayette Park. There's four statues, Lafayette, Rochambeau, von Steuben, Kosciuszko, two Frenchmen, a Prussian, and a Pole. Kosciuszko, Founder of American Artillery. von Steuben, First Inspector General. The two Frenchmen, battlefield commanders. All four of those guys were foreigners that came and built the continental army. So those were mercenaries, contractors, whatever you want to call them.

([00:27:06](#)):

America before that, Jamestown, Massachusetts Bay, Plymouth colonies were companies started by companies listed on the London Stock Exchange. And they hired guys like Miles Standish or John Smith, you probably remember those names from childhood. Those guys were former professional soldiers that were hired by those companies to secure those settlements. So America was founded by companies with PMCs, not by the British Army, not by some crown representative. That's how America was founded. So this idea of the private sector appearing and doing difficult things in that space, it is the world's second-oldest profession.

Bill Walton ([00:27:50](#)):

I'll let that one go, but I'm a capital allocator, one of my core competencies is allocating capital, doing it prudently, getting a high return on it, not wasting capital, things like that. It seems like government does just the opposite, it seems like it just wastes capital with no regard for return or anything.

Stephen Bryen ([00:28:18](#)):

What does that mean, return on investment in the Pentagon?

Bill Walton ([00:28:23](#)):

Well, I was going to turn to you and say, "Steve..." But explain yourself because how do we...

Stephen Bryen ([00:28:32](#)):

There's no cost consciousness in the sense that you or I would understand it.

Bill Walton ([00:28:36](#)):

Not just in the Pentagon, but any place-

Stephen Bryen ([00:28:38](#)):

In the government, yeah.

Erik Prince ([00:28:40](#)):

It's the embodiment of socialism where when you divorce cost from spending, you have no information, right? You allocate capital based on demand versus what something costs. In the Pentagon, what something costs, ask a general what something costs, they have no idea. Ask any of the people actually deciding what it actually costs to fly a plane, to deploy 1000, nobody thinks like that at all, at all. And that's the embodiment, that's what we were contesting in opposing the Soviet Union was that paradigm of a pure Bolshevik socialism.

Stephen Bryen ([00:29:23](#)):

Well, we used to say the Pentagon was the last great vestige of socialism in America.

Erik Prince ([00:29:31](#)):

Yeah. Look, I went to Hillsdale College, I was an Austrian economics major, and my professor said, "Mr. Prince, you've just graduated with an Austrian economics degree. Why are you going to serve in the largest socialist organization yet on the planet?"

Stephen Bryen ([00:29:43](#)):

Same thing, yeah.

Erik Prince ([00:29:44](#)):

I said, "Sir, it's at least provided for in the Constitution. It says, 'Congress shall raise a Navy.'":

Bill Walton ([00:29:50](#)):

And you were technically a Navy lieutenant but even though the field was a little more-

Stephen Bryen ([00:29:55](#)):

It's a bigger problem because the idea that you have infinite resources to fight wars is a non-starter, in my opinion it's a non-starter.

Bill Walton ([00:30:05](#)):

Absolutely.

Stephen Bryen ([00:30:06](#)):

And I think we're finding that the Ukraine thing, we're finding that out pretty hard way because the amount is, what do we have in there, about 100, 150 billion, something like that?

Erik Prince ([00:30:18](#)):

So far?

Stephen Bryen ([00:30:19](#)):

So far.

Erik Prince ([00:30:19](#)):

Hundreds.

Stephen Bryen ([00:30:20](#)):

Hundreds?

Erik Prince ([00:30:21](#)):

There's been multiple tranches of 50, 60, 100 billion.

Bill Walton ([00:30:25](#)):

So the headline number is 150, but the reality is probably double that?

Stephen Bryen ([00:30:28](#)):

Yeah, or more.

Erik Prince ([00:30:29](#)):

Sure. Because they'll value something what they gave them at what he bought it for 20 years ago, and we're going to replace it at five times that value.

Stephen Bryen ([00:30:37](#)):

Precisely, precisely.

Erik Prince ([00:30:39](#)):

It's ugly. It's really ugly

Stephen Bryen ([00:30:43](#)):

From that point of view. And the lack of performance ought to open some eyes you'd think in Pentagon planning, "Wait a minute, what have we got wrong here?" I mean, look at air defenses. You mentioned airplanes, but also air defenses, we don't have any.

Bill Walton ([00:31:00](#)):

So I'm going to jump to one of my conclusions.

Erik Prince ([00:31:02](#)):

And the Chinese just bought a piece of it.

Bill Walton ([00:31:04](#)):

I was involved in the Trump transition overseeing financial agencies, I've kept my hand in who should be in what role in the government. My favorite choice right now for the next defense secretary is this guy sitting here because I think we need a radical rethink of how we allocate our military resources.

Stephen Bryen ([00:31:26](#)):

I would suggest he would never get through the confirmation process.

Bill Walton ([00:31:29](#)):

Well, then I'll make him a special advisor to the president.

Stephen Bryen ([00:31:32](#)):

Special advisor, maybe, yes.

Bill Walton ([00:31:34](#)):

The confirmation would be definitely entertaining. Bork would've been easier.

Stephen Bryen ([00:31:41](#)):

Look at the Houthi thing for a minute. It costs between 1 and 2 million dollars for every missile that's fired at it.

Erik Prince ([00:31:47](#)):

And they double tap for every drone.

Stephen Bryen ([00:31:48](#)):

And they double tap, right.

Bill Walton ([00:31:49](#)):

What's double tap?

Stephen Bryen ([00:31:51](#)):

Two missiles per drone.

Bill Walton ([00:31:54](#)):



Okay.

Erik Prince ([00:31:55](#)):

Yeah. So one \$30,000 Iranian drone flying at the ship.

Stephen Bryen ([00:31:58](#)):

\$2 million.

Erik Prince ([00:32:00](#)):

2 \$2 million missiles, 30,000, billion.

Stephen Bryen ([00:32:03](#)):

So you would think someone would do the math.

Erik Prince ([00:32:05](#)):

Bad math.

Stephen Bryen ([00:32:06](#)):

And say, "Well, maybe that's not the way to handle this."

Bill Walton ([00:32:08](#)):

So is it a hopeless cause to think we could rethink this? We wanted to start with a fresh piece of paper here and say, "What do we need and who are the people to do it?"

Stephen Bryen ([00:32:18](#)):

Well, I would have a crash program to figure out how to deal with drones.

Bill Walton ([00:32:25](#)):

Okay. So's the immediate tactical issue?

Stephen Bryen ([00:32:27](#)):

Yeah, because we don't have an answer to that.

Erik Prince ([00:32:29](#)):

A cheap way.

Stephen Bryen ([00:32:30](#)):

A cheap way, yeah. An effective way and cheap way, yeah.

Erik Prince ([00:32:34](#)):

Look as simple as a smart flak. Remember the Germans were shooting 88s and they shooting at our aircraft over Germany at 20 and 25,000 feet, and they were hitting, now with a 100 millimeter or a 60 or

a 30 millimeter cannon, high velocity, you can have programmable bursting rounds so you could knock that aircraft at even high altitude out.

Stephen Bryen ([00:32:58](#)):

I think so. I think that's a very valid point. I mean, years ago I was the head of a company called Finmeccanica in North America, which is a defense company. And we had proposed a system of using the 76 millimeter gun.

Erik Prince ([00:33:18](#)):

Auto malar?

Stephen Bryen ([00:33:19](#)):

Yeah, auto malar. Now, at the time, the Navy said, "We don't want any guns anymore."

Erik Prince ([00:33:28](#)):

What?

Stephen Bryen ([00:33:28](#)):

"We don't want any guns anymore."

Erik Prince ([00:33:30](#)):

Because they just want a navy? Oh god.

Stephen Bryen ([00:33:33](#)):

They just want to have missiles. It's all going to be missiles.

Erik Prince ([00:33:34](#)):

And I like guns because people say lasers or directed energy. You know what? There's clouds, there's salt air. You know what doesn't affect it?

Stephen Bryen ([00:33:40](#)):

We can make guns very smart now. Yeah, and they're cheap, exactly. But they weren't interested. I sat right across from the guy. I can remember the meeting, he said, "Well, we're just not interested. We don't want guns anymore."

Bill Walton ([00:33:57](#)):

So this is The Bill Walton Show, and I'm sort of slack jawed here. I'm learning about a navy that no longer thinks it needs guns here with Erik Prince and Stephen Bryen.

Stephen Bryen ([00:34:08](#)):

Well, they're taking the guns off. They took one off yesterday.

Bill Walton ([00:34:13](#)):

Well, the question I have for both of you, really, with this vast experience, it seems like when we're fighting wars now, there's just an unreality to this, a disconnect. I think of Lindsey Graham getting in front of a camera and talking about we're going to send people to do this, or young men to do that. And it seems like you step back and nobody in Washington seems to have any skin in the game. Erik, you wrote about this in your piece, that's surrogate warfare.

Erik Prince ([00:34:46](#)):

Surrogate warfare.

Bill Walton ([00:34:48](#)):

And so we're really in this world where we think there's these costless decisions, and yet we send out people to fight and die and we never really quite win because we're never committed to it.

Stephen Bryen ([00:35:00](#)):

Well, you don't want us to be committed to it right now, I mean, this is a very dangerous decision.

Bill Walton ([00:35:06](#)):

Well, not Ukraine. I'm talking about abstractly. I'm not talking about Ukraine, I'm thinking about the next adventure and there will be a next adventure.

Stephen Bryen ([00:35:16](#)):

And a lot of people did to that war.

Bill Walton ([00:35:20](#)):

Erik writes something here, says, the reality is the American Civil War, World Wars of the 20th century, Germany lost 5.3 million of 17.7 million men aged 15 to 44, 30% of their male population. And the brutality is this is the reality of winning wars.

Stephen Bryen ([00:35:41](#)):

That's right.

Bill Walton ([00:35:42](#)):

And we're not in that reality. We're not committing ourselves.

Erik Prince ([00:35:46](#)):

The whole premise of the GWOT. Was this over-love of technology. And you think you would just-

Bill Walton ([00:35:53](#)):

GWOT? Help me out.

Erik Prince ([00:35:54](#)):

Global war on terror.

Bill Walton ([00:35:55](#)):

Global war on terror? Okay.

Erik Prince ([00:35:56](#)):

And they thought that if you just remove the head, surgically, remove the head of the snake, that the snake will wither and die, and then it flies in the face of that 30% number you're talking about, you win by destroying the base of the pyramid, the manpower, logistics, finance. This high-tech voyeurism that became finding the one guy to smack him clearly doesn't work. And that's why we had 20 years of war. A response after 9/11 was fully appropriate, it should have looked like a Scipio Africanus punitive raid where Scipio Africanus was sent by the Roman Senate after Carthage had been raiding all through Rome, remember Hannibal marched elephants all the way across the Alps into Rome, killed a lot of people.

Stephen Bryen ([00:36:44](#)):

Almost won.

Erik Prince ([00:36:45](#)):

Almost won. And they Scipio Africanus and he smashed Carthage and it ended as a society, as a civilization, salted the fields, the whole thing. A punitive raid in Afghanistan would've been appropriate, kill hundreds of thousands of Taliban and Al-Qaeda anywhere in Afghanistan or even go to the tribal areas to say, "Do it again, and we're going to come back and do five times as many." They would've understood that. It would've been significantly cheaper in blood and treasure and toil and American lives and even in Afghan lives.

Stephen Bryen ([00:37:18](#)):

Well, I think that's true. I don't disagree. The problem is political. The problem is, would the American people support that kind of initiative, that kind of war?

Erik Prince ([00:37:31](#)):

In the first six months after 9/11? Yes. 20 years later? No.

Stephen Bryen ([00:37:36](#)):

No. I would think that's right.

Bill Walton ([00:37:39](#)):

But in terms of skin in the game, you write something that was striking. After the Roman Empire lost a crushing defeat at the Battle of Cannae.

Stephen Bryen ([00:37:48](#)):

Cannae.

Bill Walton ([00:37:49](#)):

Cannae, Roman Senate immediately became 40% under man because the Roman leaders served in the defense of the Republic, and they put on their battle dress, if you will, their tunics and they went to war, personally were engaged in the battle.

Erik Prince ([00:38:05](#)):

So we're now suffering all-volunteer army, great in concept, but the fact is you have one half or 1% serving in the military, another three or 4% of the population that knows the half percent, leaving 95% of the population with no clue, let alone no skin in the game, to live with the consequences of sending troops into half-assed battles and campaigns of never wars run by bureaucrats in Washington that don't have to live the decisions. Fine, if you want to send lawyers and let them decide when they can drop a bomb, fine, make the lawyers attach as riflemen to every unit first for the first six months of their deployment, then you'll have better decisions from lawyers.

Bill Walton ([00:38:47](#)):

Well, decisions from lawyers.

Stephen Bryen ([00:38:52](#)):

Yeah, you might want to question that one.

Bill Walton ([00:38:54](#)):

But we were talking about this earlier that maybe the all-volunteer army was a very bad idea because-

Stephen Bryen ([00:39:01](#)):

I think it divorced the American people from the American army, took the army out of America, essentially.

Bill Walton ([00:39:09](#)):

And the way that ended up though is fascinating because with the woke military now what happened was we recruited young men who wanted to fight, they were a certain type of person that was willing to go into battle and risk their lives and die for their country, and pretty attractive people. And now with the woke purges of the military requiring everybody to have a vaccine, doing this sensitivity training, they're driving all those people who wanted to be warriors out of the business of being warriors.

Stephen Bryen ([00:39:41](#)):

Yeah, I think that's true.

Bill Walton ([00:39:43](#)):

We're ending up with nothing.

Stephen Bryen ([00:39:44](#)):

Well, my daughter served, she left the army as a lieutenant colonel, she had two tours in Iraq. And her view of it is pretty much what you say. I mean, it's very disappointing to them to see what's being done.

Bill Walton ([00:40:00](#)):

I can't imagine recruiting now, even for the SEALs, I mean, the recruiting numbers are terrible because nobody wants to go in and subject themselves to all this stuff.

Erik Prince ([00:40:14](#)):

So Westmoreland was appearing before Congress after he screwed up in Vietnam and then the Army made him the chief of staff of the army, so typical. And he was debating against Milton Friedman in Congress over going to an all-volunteer force. And Westmoreland said, "I don't want to lead an army of mercenaries." That's what he called an all-volunteer force, people that were paid a market wage for their service. And Friedman's answer was, "Well, sir, then I'm happy to be served by a mercenary butcher, barber, and accountant. Because if you're not getting paid a market wage, you're a slave." So interesting counterargument.

[\(00:40:51\)](#):

So again, and I hate to sound like the constant proponent of a contracted solution, but it is as old as warfare itself. And when the military repeatedly finds itself unable to do a job, something will fill that force. Either the enemy is going to fill it or a contracted solution.

Bill Walton [\(00:41:12\)](#):

Or you lose.

Erik Prince [\(00:41:13\)](#):

Or you lose. Well, that's what I mean. The enemy is going to fill that space and they're going to feed it to you at the end of a bayonet.

Bill Walton [\(00:41:21\)](#):

Go ahead.

Stephen Bryen [\(00:41:22\)](#):

Well, I think there's, in narrower sense, there's a war on terror, let's call it that, sometimes it's not exactly terror, but okay, it's a war on terror.

Bill Walton [\(00:41:34\)](#):

I never liked that term. I don't know what terror is.

Stephen Bryen [\(00:41:36\)](#):

Essentially it's the war against third country threat. And then you have the third country being defined as poor, less capable countries, although if we get to Iran it's not really the case. And then you have land wars like you're seeing in Ukraine, which are full-scale land war. You look at that war and if you put a little graininess in the pictures, it would look like World War II.

Erik Prince [\(00:42:00\)](#):

Exactly.

Stephen Bryen [\(00:42:01\)](#):

Yeah. And a little bit like World War I, when you consider the trench warfare, trenches, right? And we're not ready for that, we can't do that. I want to get off on this because it's bothering me, there's a lot of talk about sending in NATO troops to Ukraine, complete-

Erik Prince [\(00:42:24\)](#):

Terrible.

Stephen Bryen ([00:42:25](#)):

Lunatics. Because if there's a war in Europe, the first thing that's going to happen is we're going to lose it. We don't have the forces in Europe. The American army is mostly an expeditionary army, it's not on our territory or near our territory, it's far away from our territory. So it's all expeditionary, all has to be fed from outside. So it's much smaller in terms of fighting force than you would have as a national land army facing another national land army. I think it's a very grave danger that people think, Lindsey Graham being one of them, that it would be a good idea for us somehow engage in a land war.

Bill Walton ([00:43:07](#)):

It's just another version, Lindsey Graham tells us we're going to fight until the very last Ukrainian dies.

Erik Prince ([00:43:14](#)):

Do you know what's the common amongst all these European leaders that want to make those kind of decisions? They don't have children. Macron, no children.

Bill Walton ([00:43:24](#)):

Literally not their child.

Erik Prince ([00:43:25](#)):

Merkel, no children. Theresa May, no children. That Ilk, no children.

Stephen Bryen ([00:43:33](#)):

Or at least no children in the military.

Erik Prince ([00:43:36](#)):

No, but no children at all. Angela Merkel never had children. Macron married his mother, no children. I mean, she's 25 years older than him. And that's fine if people don't want to have children, fine, but you have a different perspective on intergenerational decision-making if you don't have kids.

Stephen Bryen ([00:43:57](#)):

Well, I'm not sure how far you can carry that sociological argument, but let's say it's valid, fact of the matter is you still have to count. You still have to say, how many-

Erik Prince ([00:44:10](#)):

Math still matters.

Stephen Bryen ([00:44:11](#)):

Math matters. "How many troops do I have? What kind of equipment do I have? What kind of stockpiles do I have? Where are they located? What will happen if they're attacked?" And I hate to say it, but these people are acting like morons, aside from exposing their own countries to attack by Russia and Russia being exposed to attack by, the US has pretty good air power so it would be-

Erik Prince ([00:44:38](#)):

Bill, that's why I say in the article, all these people that are the measured response kind of people in Washington, I say, fine, they should have their children drafted and sent to frontline combat units so that they can live, their families, their children can live with the decisions they're making.

Stephen Bryen ([00:44:57](#)):

Well, and keep in mind that the French threats are not to send French citizens for the most part.

Erik Prince ([00:45:05](#)):

Legionnaires.

Stephen Bryen ([00:45:05](#)):

They're Legionnaires, Foreign Legion.

Erik Prince ([00:45:07](#)):

But the Legion is led by French-

Stephen Bryen ([00:45:09](#)):

Officers.

Erik Prince ([00:45:10](#)):

Native born French officers. So it's not all foreigners that they're sending.

Bill Walton ([00:45:18](#)):

We're wandering in a very interesting territory here. We're talking about the culture, changing the culture that has as badly infected our ability to wage a war effectively. And we're not willing to do what's necessary. So then the question is, we shouldn't be fighting these wars at all. Or if we do it, we've got to do it to win and we're not ready to do that. But then continue.

Stephen Bryen ([00:45:47](#)):

No, you've put your finger right on the dilemma, the problem.

Erik Prince ([00:45:52](#)):

No place for half measures.

Bill Walton ([00:45:54](#)):

So let's back up, we've been talking about conventional war, and I've got to get you guys, I could keep you here all day, but you have other things... I can't believe you have other things to do besides talk with me about. But anyway, we've been talking about a conventional European war, World War I, World War II, conventional weapons, we haven't really talked about the nuclear piece of this nuclear. And is where is that now? Where is that in the equation?

Stephen Bryen ([00:46:25](#)):



Well, the Russians just did a nuclear exercise because we did one. I think the nuclear threat, I don't see any reason to use a nuclear weapon by either side for any reason at this point. And I'm not sure there's ever any reason to put it another way around to use a nuclear weapon. It's such a destructive thing. And if you have an enemy that doesn't have any, maybe you could get away with it, but the Russians have thousands of them.

Bill Walton ([00:47:01](#)):

But that's a rational leadership crew. I mean, what about the irrational leadership? What about an Iran that has a religious-

Erik Prince ([00:47:09](#)):

Or North Korea.

Bill Walton ([00:47:09](#)):

Or North Korea. I mean, you're talking about rational actors. And the thing about this Ukraine situation with Russia, I think Putin has actually shown more mature leadership of this and more responsible stewardship of the war than has the NATO and the United States.

Stephen Bryen ([00:47:29](#)):

Well, he doesn't want it to spread.

Bill Walton ([00:47:31](#)):

Yeah. Well, so he's the adult in the room that we want.

Stephen Bryen ([00:47:35](#)):

Yeah. I mean, from that point of view, I think he's consistent because there's been a lot of provocations from Russia's perspective that could have led him into a bigger war. The sinking of the Moskva, the attack on the Kursk Strait Bridge, just a few examples, the introduction of long-range attack guns and Storm Shadow and Scalp and other missiles that can hit Russian territory have been all provocations from Russia's point of view and he has not responded to those in a way that would widen the war. And I think that's kind of interesting.

Erik Prince ([00:48:14](#)):

Yeah. Conventionally, it would be more difficult for the Russian army to take on hundreds of thousands of additional NATO troops that would be sent into the breach but we don't need any kind wider NATO war over Ukraine.

Stephen Bryen ([00:48:26](#)):

Well, and Russians have about 500,000 soldiers on standby so they would outnumber any NATO force that could actually be put together.

Bill Walton ([00:48:39](#)):

Before we get out of here, let's talk about China. Where's China and their military capabilities? I keep reading that they're building warships at five times the rate that we are, and that they've got a space warfare capability.

Stephen Bryen ([00:48:56](#)):

We should send the Pentagon planners over there to help them.

Erik Prince ([00:49:03](#)):

You mentioned that the US military is very expeditionary and military power is about how much combat ability you can marshal at one point, at the Schwerpunkt, at the inflection point. And so for the US military to try to say, "We're going to be dominant everywhere all the time-"

Stephen Bryen ([00:49:23](#)):

Not possible.

Erik Prince ([00:49:24](#)):

Not possible. And so as China builds more and more relative power concentrated very close to mainland China, to have the US spread that much combat power that far from our shores, and especially my frustration with Pentagon leadership and planners and all the rest is they're so conventional in thinking that it seems like if it came to a conflict with China over Taiwan, the Pentagon would run its playbook and it would lose. And I don't care how many missiles we have to shoot down their missiles, they can produce lots more missiles.

Bill Walton ([00:50:00](#)):

Well, we've run those exercises though, and every time we lose.

Erik Prince ([00:50:03](#)):

Correct.

Stephen Bryen ([00:50:04](#)):

Yeah, but they're always closed games. I mean, it's only defending Taiwan, it's not beyond that.

Erik Prince ([00:50:09](#)):

Look, I think the only thing that you can credibly deter Taiwan with is a home guard because it's the one thing that the CCP cannot calculate for. If you think about the American Revolution, there was 30% that were pro-Crown loyalists, 40% in the middle that didn't really care, 30% that were pro-liberty but you only had 10% of the 30%, 3% of the population, that actually fought in the War of Independence. If we trained up 3% to the Taiwanese population, the motivated police, firemen, civil defense people, the CrossFitters, the marathoners, the most interested part of their military so that's 24,720,000 people and you equip them with some basic weapons, some basic drones, some EFPs, some RPGs, that would be an incalculable force, very difficult, and five times as large as the Taiwanese Armed Force is already. I think that would give the CCP pause. Because if they're going to go, they have to go quickly. They cannot have a two-year drawn-out battle to take Taiwan because they could not sustain.

Stephen Bryen ([00:51:19](#)):

Their economy would crash.

Erik Prince ([00:51:20](#)):

Exactly.

Stephen Bryen ([00:51:21](#)):

Yeah, I agree with that.

Erik Prince ([00:51:23](#)):

And they're highly subject requiring hydrocarbon imports and food even, all of which could be restricted.

Stephen Bryen ([00:51:31](#)):

Well, we've not done well by the Taiwanese, to be honest.

Erik Prince ([00:51:35](#)):

No. Democratizing force in Taiwan, letting the people have the means to defend themselves.

Stephen Bryen ([00:51:41](#)):

And it would require reform on the Taiwanese part too, let's face it. They have a very old-time style army that needs reform. Their best service is the Air Force, in my opinion.

Erik Prince ([00:51:57](#)):

And again, everything, every location, every airfield, every bunker, everything has been pre-registered for a Chinese CCP missile.

Stephen Bryen ([00:52:05](#)):

Oh yeah, that's why you need to use highways and you need to have a short takeoff and landing aircraft, which we deny them.

Erik Prince ([00:52:13](#)):

Or 700,000 people with guns.

Stephen Bryen ([00:52:15](#)):

And you need that too.

Erik Prince ([00:52:17](#)):

And you can turn every village, every street corner, every urban area, into a multi-layer bunker complex.

Stephen Bryen ([00:52:26](#)):

And we don't know how well the Chinese would fight.

Bill Walton ([00:52:29](#)):

So let's get into the advice business here. Let's imagine that Trump wins, he's president. It's now January/February 2025, and we're advising Donald Trump on what to do with the military vis-a-vis China and Taiwan, what do you say?

Stephen Bryen ([00:52:50](#)):  
Well, build up Taiwan, I think.

Bill Walton ([00:52:52](#)):  
Okay. Homeland security?

Stephen Bryen ([00:52:56](#)):  
Yeah, that's part of it.

Erik Prince ([00:52:56](#)):  
A billion dollars spent in building a home guard properly and equipping it is way more effective than all the exotic weapons the Pentagon wants to sell.

Bill Walton ([00:53:04](#)):  
Okay. And that's a drop in the bucket compared to where we've toasted money elsewhere.

Stephen Bryen ([00:53:08](#)):  
Oh yeah, it's dump change.

Bill Walton ([00:53:10](#)):  
Okay. And I would think there might be some private military contractors that could help them do that. But there is a role here for somebody that actually understands how it works.

Erik Prince ([00:53:24](#)):  
Or you send 5000 special forces trainers.

Bill Walton ([00:53:28](#)):  
Right, yes. Well, that's the thing. You don't need a lot, just special ops people could do.

Erik Prince ([00:53:33](#)):  
You don't have enough guys to do that. So yes, of course.

Stephen Bryen ([00:53:37](#)):  
Yeah. We've only just recently started to increase training of the Taiwanese, even there very modestly. We went from 100, not even 100, maybe 50 trainers to 200 trainers. It's nothing. I think Erik's point is well taken, we have to send the right trainers, the right trainers to Taiwan to teach them the tactics that they will need to do to stop the physical invasion of the island. It's not a small country, Taiwan.

Erik Prince ([00:54:10](#)):  
Very, very rugged terrain.

Stephen Bryen ([00:54:12](#)):  
Very rugged.

Bill Walton ([00:54:12](#)):

Well, and also thousands, several hundred islands.

Stephen Bryen ([00:54:15](#)):

Well, yeah, but the big one, the main island one, they have the Paracels, they have, so they have some islands, but they're right against China.

Erik Prince ([00:54:28](#)):

Yeah, the close like Quemoy and Matsu are within artillery range.

Stephen Bryen ([00:54:31](#)):

Quemoy is Kinmen, yeah. And yeah, you can see-

Erik Prince ([00:54:36](#)):

You could probably shoot a mortar.

Stephen Bryen ([00:54:37](#)):

You can see the Chinese cities on a clear day from the island.

Erik Prince ([00:54:41](#)):

So those are not strategic necessarily to Taiwan. The main island where the chips are, that's why we care. 90% of the chips made by Taiwan are the high-end that are required in our economy, required to the cameras filming this conversation and the phones that people are watching it on.

Bill Walton ([00:54:58](#)):

And yeah, Taiwan semiconductor is a little strategic importance to everyone, we need to keep that. All right, well final word here, Erik, there really is no final word, we really covered just the tip of what we ought to be covering. But one of the things you concluded your article with is that there is more of a role for the private sector in these solutions, and I am biased to agree with that.

Erik Prince ([00:55:26](#)):

I take a historical perspective and I see what the private sector has played throughout the millennia and will do so in the future regardless of how blockheaded people in Washington want to be because they're going to figure it out one way or the other, whether it's in the last ounces of at their most desperate hour, they're going to figure it out, the private sector... Look, honestly what stopped the initial invasion of Ukraine were average Ukrainians picking up guns and anti-tank missiles from the armory. That was the best decision the Ukrainian government made was they opened their weapons and said, "Here, come, come and take." And they did. And that's what stopped the initial push of the Russian army.

Stephen Bryen ([00:56:08](#)):

Well, I agree with that. I think that we need to find a way to bring real innovation into our defense thinking. And it's not going to come from the system unfortunately, because the system responds to directives that come from DoD, from the Pentagon that says, "Build this this way, these are the requirements, meet the requirements," and then they always favor the big companies.

Bill Walton ([00:56:38](#)):

I think that's a pretty good blueprint. I think that'd be good advice. Trump would be receptive to that and I think it covers the waterfront, including the higher tech things like space warfare. We'll get Elon Musk involved.

Erik Prince ([00:56:51](#)):

Well, think about it, think about it. I was born in the summer of 1969, summer of Woodstock in Apollo 11. And if you'd said then that 50 years later the only way you get to the International Space Station is on a private contractor's rocket, they would've laughed you out of Johnson Space Center.

Bill Walton ([00:57:06](#)):

And now it's a reality.

Erik Prince ([00:57:07](#)):

So this idea of what is inherently governmental shifts, shifts with the ebb and flow of technology.

Bill Walton ([00:57:12](#)):

There's nothing that this government does that it can do better than the private sector. So that's my final word on that.

Stephen Bryen ([00:57:19](#)):

Well, look at his satellite communication system.

Erik Prince ([00:57:22](#)):

Starlink, it's spectacular.

Stephen Bryen ([00:57:25](#)):

Starlink is spectacular, and the Pentagon didn't want it. Now they're doing it because they're embarrassed into it and it works. But I think it's the piece of genius and that's what we need, more genius.

Bill Walton ([00:57:36](#)):

Okay, we're going to stop because I like to get out of here on an optimistic note and a line of action. And we got both and I forgot we've got to stop for an important update on technology and our security and we have something in this box called a UP phone that I am now the proud owner of.

Erik Prince ([00:57:57](#)):

Good.

Bill Walton ([00:57:57](#)):

So I'm a customer.

Erik Prince ([00:57:58](#)):

Welcome aboard.

Bill Walton ([00:57:59](#)):

Tell me about what's in this box.

Erik Prince ([00:58:00](#)):

So this resulted from a rage phone call three and a half years ago after the 2020 election and seeing big tech cancel certain voices, certain apps, certain platforms. And I said, "We're never going to make big tech better by complaining about it, only by competing." And so we put a team together and we built a phone completely independent of the Google and Apple universe. This is our hardware, our operating system with all our own code based on an Android kernel.

([00:58:27](#)):

The difference is this phone doesn't have an advertising ID and so your phones, their advertising ID actively works with all the apps sitting on your phone to collect and harvest and export your data, where you go, what you buy, who you call, what you browse, turns the microphone on, turns the camera on, turns the GPS on. This phone doesn't. So this phone is all about protecting your first and fourth amendment rights, the right to free speech and the right to be free from illegal searches. And now with Congress having just passed this horrific, massive expansion of FISA, now any of the cell phone data that's out there, what you've brought, any of the stuff I talked about, now any federal agent can go to that company and order the company to turn it over without a warrant and without probable cause.

Bill Walton ([00:59:20](#)):

Okay. Two things. I've got a phone I mostly hate, it's an iPhone and it's got all these apps on it, way too many apps. Does this allow me to control the amount of stuff that gets dumped onto this phone?

Erik Prince ([00:59:34](#)):

Yes. This is the first phone with actually a privacy center, which is a firewall, which allows you to hard off what is allowed to come off the phone. And we have our own apps.

Bill Walton ([00:59:44](#)):

On camera, can we see that?

Erik Prince ([00:59:45](#)):

Yep.

Bill Walton ([00:59:45](#)):

Yeah, okay, good.

Erik Prince ([00:59:47](#)):

This phone also has a kill switch, which separates the battery from the electronics so it physically air gaps it so that off is off.

Bill Walton ([00:59:54](#)):

Because we can't take the battery out of the phone.

Erik Prince ([00:59:55](#)):

Exactly. Your phone, you can't turn off.

Stephen Bryen ([00:59:56](#)):

It's on all the time.

Erik Prince ([00:59:57](#)):

And this phone even has-

Bill Walton ([00:59:59](#)):

I know, it talks to me in the middle of the night.

Erik Prince ([01:00:00](#)):

This even has a dump feature. So if someone says, "Bill, Mr. Walton, give me your phone, I'm here to search it." "S You say, sure officer," and you can unlock it with a certain code and it wipes the phone. This is the answer to an overreaching big tech, an unhealthy convergence of surveillance capitalism with Big Brother.

Bill Walton ([01:00:19](#)):

Okay. Can I keep the phone number?

Erik Prince ([01:00:22](#)):

Yes.

Bill Walton ([01:00:23](#)):

So I've got a phone number for this, I can transport it over?

Erik Prince ([01:00:26](#)):

Correct.

Bill Walton ([01:00:27](#)):

Now what system is this on? Verizon? What do you run on?

Erik Prince ([01:00:32](#)):

You can use T-Mobile or AT&T. Verizon wants to nick for another half a million bucks to connect to their network. We have a better things to do with a half million bucks. So AT&T and T-Mobile.

Bill Walton ([01:00:40](#)):

Okay, so I've got to give up Verizon. Now what do I give up if I give up Verizon, if I can't keep my phone number?

Erik Prince ([01:00:47](#)):

You actually get better domestic and international coverage from either T-Mobile or AT&T.

Bill Walton ([01:00:51](#)):



Okay.

Stephen Bryen ([01:00:53](#)):

Yeah because it uses the European standard.

Erik Prince ([01:00:55](#)):

Yeah, it is used the GSM instead.

Bill Walton ([01:00:57](#)):

Well, you had one of these phones, you said you bought one in Italy.

Erik Prince ([01:01:02](#)):

No, you would not have bought that in Italy. We did 500 units last fall, and then we just got 10,000 production units in last week.

Stephen Bryen ([01:01:10](#)):

I had a couple called-

Erik Prince ([01:01:10](#)):

That we are shipping today.

Stephen Bryen ([01:01:11](#)):

Fortress Phone that was a totally secured phone in the sense that you had to have another Fortress Phone to talk, fully encrypted.

Bill Walton ([01:01:23](#)):

So I'd ordered another iPhone, I needed a bigger screen, I have aging eyes, and so this has a bigger screen, so that solves that problem. What am I going to lose if I give up the Verizon?

Erik Prince ([01:01:36](#)):

You're going to lose big tech. You're going to lose a digital proctology exam from Big Tech every day. I've talked to so many people, Bill, and they said, "I was talking to my wife about needing a new mattress," and the next day they're getting advertising for mattresses. Now, they didn't call about it, they didn't search about it or send a message, they were talking, on your phone, not on an Unplugged phone.

Bill Walton ([01:02:01](#)):

But I thought your story was the next day the mattress was delivered.

Stephen Bryen ([01:02:07](#)):

They sent the bill.

Bill Walton ([01:02:08](#)):

They just sent the bill there. They debited your credit card, you're done, buddy. That is an issue. I mean, we notice this all the time, you have the random conversation and next thing you know, it's fulfilling your every need.

Erik Prince ([01:02:22](#)):

An Unplugged phone will not do that to you. So if you're sick of carrying Mark Zuckerberg around in your pocket or on your shoulder listening to everything you're saying, get an Unplugged phone.

Bill Walton ([01:02:30](#)):

So I've already got one, I do own this. Now if I go online on the internet and I read the reviews, people say, "Well, it's not really that secure because it's got to use the towers that are in place," what do the critics say about this?

Erik Prince ([01:02:48](#)):

Look, anything that emits electrons can eventually be tracked. But the fact is that we prevent the ad ID from exporting all of your data and you're just a sieve right now. We curtail about 98, 99% of that.

Stephen Bryen ([01:03:04](#)):

You have to get rid of Google Mail.

Erik Prince ([01:03:08](#)):

We don't have it.

Bill Walton ([01:03:10](#)):

No Google Mail?

Erik Prince ([01:03:11](#)):

No Google Mail.

Stephen Bryen ([01:03:12](#)):

You can't use it because everything you write on Google Mail belongs to them.

Erik Prince ([01:03:18](#)):

Look, Google is-

Bill Walton ([01:03:20](#)):

Yeah, I don't use Gmail.

Erik Prince ([01:03:20](#)):

Such a large and wealthy company because it's an advertising company built on the premise of they give you free stuff and they collect everything.

Bill Walton ([01:03:28](#)):

Well, how do you make money?

Erik Prince ([01:03:30](#)):

We sell the phone. So we make money on the phone.

Bill Walton ([01:03:31](#)):

So hardware, you sell a piece of hardware and get a margin on that?

Erik Prince ([01:03:35](#)):

At month 13, you pay us \$12 a month for use of our operating system.

Bill Walton ([01:03:38](#)):

Okay. And that's a continuing fee?

Erik Prince ([01:03:40](#)):

Correct. And that includes use of our messenger, our VPN, antivirus, and the operating system.

Bill Walton ([01:03:46](#)):

So the first 12 months, that's free?

Erik Prince ([01:03:48](#)):

It's included in the price of the phone. And they're \$989 you can order at Unplugged.com.

Stephen Bryen ([01:03:54](#)):

Do you have an email?

Erik Prince ([01:03:58](#)):

Proton Mail is in our store?

Stephen Bryen ([01:03:59](#)):

Proton Mail? Okay.

Erik Prince ([01:04:01](#)):

And then we're doing a couple of other private labeled ones too.

Bill Walton ([01:04:03](#)):

Now I'm using Microsoft Outlook email on this. Is this on this? Is that transferable on one of those?

Erik Prince ([01:04:11](#)):

Yep.

Bill Walton ([01:04:11](#)):

Okay. Maureen, what else should I be asking here? Is it easy to transfer it over? How long is it?

Erik Prince ([01:04:20](#)):

Yes. I transferred all my stuff over in like three minutes.

Bill Walton ([01:04:23](#)):

That's easy.

Erik Prince ([01:04:25](#)):

And we have good tech support that speaks English as a first language.

Bill Walton ([01:04:28](#)):

Where's your tech center?

Erik Prince ([01:04:30](#)):

It's in the US somewhere, I've called it.

Bill Walton ([01:04:32](#)):

Okay, all right. So we get a good tech support?

Erik Prince ([01:04:34](#)):

Yes.

Bill Walton ([01:04:36](#)):

What else should I ask about this?

Stephen Bryen ([01:04:38](#)):

Well, no, it's an interesting update.

Bill Walton ([01:04:40](#)):

What do we pay for this?

Erik Prince ([01:04:40](#)):

\$989.

Bill Walton ([01:04:41](#)):

Okay.

Erik Prince ([01:04:44](#)):

Comparable in speed, storage, camera quality to the high-end stuff of the other guys, but again, this one's not collecting and exporting all of your data.

Bill Walton ([01:04:52](#)):

Kenny, what else should I ask him here? Kenny's my tech. Camera features. Is this camera the same as the one on the new iPhone? Is this a high definition?

Erik Prince ([01:05:02](#)):

I think it's even made by the same manufacturer.

Bill Walton ([01:05:05](#)):

Okay, so we get the same high quality we get with the iPhone?

Stephen Bryen ([01:05:09](#)):

Where's the phone made?

Erik Prince ([01:05:11](#)):

Indonesia.

Bill Walton ([01:05:12](#)):

Indonesia.

Erik Prince ([01:05:13](#)):

Supply chain specifically selected did not come from China.

Bill Walton ([01:05:18](#)):

Well, Indonesia is growing quite nicely. That's the untold story about what's going on in the world.

Erik Prince ([01:05:23](#)):

The Singaporean economy.

Bill Walton ([01:05:25](#)):

Indonesia, Malaysia, India, all those, that whole area of the world is growing nicely without a bit of help from us. Okay, thank you. Okay, here's the number you dial, how do we...?

Erik Prince ([01:05:42](#)):

Unplugged.com.

Bill Walton ([01:05:43](#)):

Unplugged.com. And I've already bought it, so I'm all in and looking forward to it.

Stephen Bryen ([01:05:51](#)):

I always thought you were a little Unplugged, so that's fine.

Bill Walton ([01:05:54](#)):

I actually am a little unplugged. I'm a little unmoored. One of the girls in high school said, "Your head's in the clouds sometimes." But my friend said, "Yeah, but his feet are on the ground."

Stephen Bryen ([01:06:07](#)):

Oh, there you go.

Bill Walton ([01:06:07](#)):

And that's sort of the way I operate.

Stephen Bryen ([01:06:09](#)):

Thank you, Bill.

Bill Walton ([01:06:10](#)):

Thank you. Stephen Bryen, Dr. Stephen, Bryen, Erik Prince, great guys. Going to have you back. We solve most of the issues of the world, but not all time, you'll be back next time.

Erik Prince ([01:06:19](#)):

Next time, there'll be more issues.

Bill Walton ([01:06:20](#)):

Okay. Anyway, thanks for joining. As you know, you can find us on all the major podcast platforms and on CPAC now on Monday night, we've also got a great Substack page with the video and some other writings on it. And as always, get in touch, let us know whether you like this and other shows that would help you learn about how the world works. So anyway, thanks for joining and talk soon.