

Frank Gaffney (00:10):

Welcome back. And a very special welcome to one of our regulars here, I'm pleased to say, at Securing America. His name is Bill Walton. He is the host of his own television podcast program, The Bill [inaudible 00:00:21] a man who has great experience on Wall Street as, well, a master of the universe as they call them, Allied Capital President. Also has served since he came to Washington as one of the leaders of our conservative movement as president of the Council for National Policy, which I'm proud to be a member.

(00:40):

Bill Walton, it's good to have you with us as always. Welcome.

Bill Walton (00:42):

Frank, great to be here.

Frank Gaffney (00:44):

So we were just talking with Steve King about the prospects that the Speaker's race may beget a race that will be underway in a couple of hours. We'll be recording this of course before that, but the audience will be getting it after the votes. Tell us what you make of what's going on here on the rules package and whether the Speaker's commitments will be welched upon out of the gate.

Bill Walton (01:17):

Well, even though the mainstream media, and in fact a lot of Republican establishment, tried to characterize what the 20 were doing with this blocking of Kevin McCarthy, in fact, they were doing a lot of good. And they had a very, very interesting agenda, a legislative improvement agenda, a process agenda, which sounds boring, but it's not. Just recently, two weeks ago we had an omnibus bill passed, \$1.7 trillion.

(01:48):

Little inside baseball, typically that omnibus bill would've been 12 separate bills back in the old days, which allowed people to debate and negotiate on each one of those sub items. Instead, this was rolled into one, which has been the case in recent years. What the 20 demanded was that we go back to regular order in the sense that we'd have 12 separate bills during the year and Americans would get to see what people are voting on.

(02:17):

They also asked for something outlandish. They want 72 hours to read bills before they're asked to vote in them. Well, that's a simple one. That was in the package. And then a lot of other procedural processes that allows more openness and democratic debate in inside of Congress. And while some people can quibble over their tactics, I think they got a lot accomplished.

(02:42):

What we need to worry about today is when Kevin McCarthy rolls out the rules package, is he going to do and propose what ... he will propose it, but will they get the vote to pass this? And some people believe, and I guess I count you and me among the skeptics, is that he's not going to have the votes surprisingly. And so this thing will fail. And I just want to add something-

Frank Gaffney (03:06):

Well, as we talked about with Steve, the fact that the guy exercised such iron discipline over the 200 or so of his supporters over 15 votes suggests that he has some sway with them. And if they begin defecting now, I'm wondering whether it's with his approval covertly.

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

Well, today will be an interesting litmus test to see whether he wants to follow through. We shall see. But I might remind on an historical footnote that everybody ... I'm sure everybody remembers Magna Carta 1215 when the Barons in England came to King John and said, "You've been a despot. We want you to do these things to become less despotic." And he ended up signing the document that was supposed to be a major victory for democracy, or the beginning of it. Well, what's the footnote is Jonathan Turley reminds us is that King John promptly went to the Pope and had it annulled. And so he signed it in July of 1215, but it was annulled in August of 1215. Let's hope today is not the Pope annulment day.

Frank Gaffney ([04:17](#)):

Well, let's hope so indeed. Bill, let me pivot to China. One of the things that I have to say I've been concerned about this Speaker is his ties to a very prominent outfit, not on Wall Street, but there's a lot of hedge-funding and the like out of Menlo Park called Sequoia Capital.

([04:41](#)):

Sequoia Capital has under Neil Shen, its founder, a very sizable fund called Sequoia China. And according to a report in the Financial Times back in July, this fund has some 900 companies. It's invested in China, most in the deep tech sector. That is to say a very strategic sector. And as you know very well, the Chinese are very aggressively trying to pursue dominance in things like artificial intelligence and robotics and the like.

([05:22](#)):

And that's where Neil Shen is raising money for these guys from American investors and others. And what's really worrying is that this is after he is already done some significant damage by helping fund TikTok, which we know is a weapon used by the Chinese Communist Party against our kids, and DJI, a big robotics ... excuse me, a big drone manufacturing outlet, which we now know is also being weaponized against us.

([05:54](#)):

To the extent that the Speaker has ties to guys like these, are we likely to see in your estimation, that we'll get in a China select committee proper oversight of what these guys are up to and the danger that they represent? Not just Sequoia Capital being just one example. We could go into BlackRock and Vanguard and Fidelity and others as well.

Bill Walton ([06:16](#)):

Well, I think this is an illustration of the problem we have, Frank, in defending America's interest against China's predations. For decades now, Silicon Valley has been encouraging investors from China to invest in their funds and in turn they've invested in enormous amounts of capital, billions of dollars and tens of thousands of tech companies in China. And of course, the staffing of the venture capital funds in Silicon Valley is not exactly ... It's a lot of Chinese, a lot of East Indians, fair number of people who are, I'm sure, tremendous Americans, but yet they are divided loyalties there as to ... If we get into a fight with China, whose side are they going to play on? And you think about venture capital investments, it's very hard to unwind that in a short time. And the problematic piece is-

Frank Gaffney ([07:13](#)):

Unless something like a war interposes itself, in which case-

Bill Walton ([07:14](#)):

Well, a war would-

Frank Gaffney ([07:16](#)):

... you may lose a lot of money-

Bill Walton ([07:18](#)):

... would tens to do that, but-

Frank Gaffney ([07:18](#)):

... right quick.

Bill Walton ([07:19](#)):

The problematic piece is that the venture capital community has not come out strongly in these recent initiatives that we've been pushing to disengage from China, particularly within strategic industries. They've got too much money at stake and too many returns are hoping to get. We're going to put a lot-

Frank Gaffney ([07:37](#)):

Coming out strongly seems to me, to be charitable, Bill. I think if anything, they're out strongly opposing any restrictions on such investing. No?

Bill Walton ([07:45](#)):

Well, certainly behind the scenes. Certainly in the lobbying they're doing, that's the case. Yeah.

Frank Gaffney ([07:51](#)):

And that's what, again, worries me so much about this is that one of the things that the House of Representatives is going to hopefully do is real oversight. They can't do so much on legislation for obvious reasons. It has locked itself into a budget until September. But what we're looking at and hopeful of is that we'll see some serious investigations, including what Hunter Biden has done with his family, including Joe with the Chinese, including what Wall Street is doing, what including Elite Capture more broadly has entailed.

([08:28](#)):

And this is really, I think, important for us to get our hands around because among other things we're watching the Chinese really ramping up. And you have a story you wanted to talk a little bit about, I think.

Bill Walton ([08:40](#)):

Well, here-

Frank Gaffney ([08:41](#)):

They're slowing down investments where they don't want them and they're accelerating them where they do. And that's a problem.

Bill Walton ([08:46](#)):

Well, as you know, I think we've been very effective in shutting the US capital markets to Chinese companies, whether with rulemaking or just the publicity. And they've raised very little capital in the US, but that has not stopped them from raising capital in the Chinese market, Shanghai and Shenzhen, et cetera. And they've raised about \$87 billion in 2022 with four roughly 480 companies, most of them tech companies. And part of that is that the Chinese Communist Party has told companies, "If you're not in an industry we favor, you're not allowed to do an IPO." So a lot of more mundane companies, consumer products companies, alcohol distilleries, are on the so-called red list. And if you're on the red list, which they-

Frank Gaffney ([09:40](#)):

Which in this case, is not a good thing,

Bill Walton ([09:43](#)):

Is not a good thing.

Frank Gaffney ([09:43](#)):

Red China.

Bill Walton ([09:44](#)):

You want to be on the green list. It's the same color code they use with their vaccine passports.

Frank Gaffney ([09:52](#)):

Yes, indeed.

Bill Walton ([09:52](#)):

They're fond of those colors. And so they're using that to-

Frank Gaffney ([09:55](#)):

Red has a different connotation for most other applications in China [inaudible 00:09:59].

Bill Walton ([09:59](#)):

So they're engaging in strategic industrial management. They're trying to steer capital to, quote, favorite industries. It never works because they really don't know enough to make those decisions. The markets are always a lot wiser. And so it's another case where China, in interest of gaining control, I think is going to lose some of its entrepreneurial zest.

([10:24](#)):

And I think that Jack Ma just lost control of his company. That's been a longer ordeal, but that's part of a larger effort they've done to crack down on the tech billionaires in China. And they're still feeling the heat and most of them expect to lose their fortunes.

Frank Gaffney ([10:40](#)):

Yeah. Well, if not their lives. I suppose that's another option. Bill. I just have, I think, a corrective. It seems to me that if you look at the sweep of history here, an enormous amount of money has migrated from Wall Street to China, by some estimates as much as 6 trillion. I think what you're saying is in 2022 for reasons, some of which may have to do with our tightening things up or just getting down on China. But I think it also had to do with the fact that the markets, as you talked about, have their way. \$2 trillion was lost in China, which I think discouraged a lot of American investors from heading there. No?

Bill Walton ([11:25](#)):

Well, I'm only talking about the IPO market, initial public offering, Frank, and then also [inaudible 00:11:29] talking about-

Frank Gaffney ([11:30](#)):

But also recent.

Bill Walton ([11:31](#)):

... the exchanges, that's just in 2022. But just because a company goes public in Shanghai doesn't mean American investors aren't buying it.

Frank Gaffney ([11:41](#)):

We're out of time, Bill.

Bill Walton ([11:41](#)):

That-

Frank Gaffney ([11:42](#)):

I got to go. Thank you, my friend. God bless you. We'll talk with you again soon. We'll be right back with more right after this.