

Frank Gaffney ([00:24](#)):

Welcome to Securing America with me, Frank Gaffney, the program that's a kind of owner's manual for protecting the country we love against all enemies, foreign and domestic, to the glory of God and His kingdom. We're going to talk with our first guest, Bill Walton, a featured asset of this program, we like to think, and also the host of his own podcast television program, the Bill Walton Show, a man who's experienced both in Washington, now as a very prominent figure in the conservative movement and prior to that in Wall Street, notably as the president and CEO of Allied Capital, enables him to provide some wonderful insights into challenges that we're facing from those enemies, foreign and domestic. And we're going to get into, in the first block of our conversation, China, as we often do. Bill Walton, it's good to have you with us. Welcome back.

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

Frank, as always, great to see you.

Frank Gaffney ([01:26](#)):

Thank you. Let me start by asking you, we had a fascinating webinar yesterday on the so-called civil military fusion doctrine of Communist China and what it portends for the rest of us, and the context of it, Bill, was, as we often wind up talking about, what does it mean that the Chinese are seemingly mobilizing every aspect of their society for warfare against ours, including making all of their companies, state owned and non, support that war effort in various ways, including scarfing up technology and data and other resources for the party and the People's Liberation Army. On the one hand, that's all happening in China and on the other, American capitalists like those you with whom you've previously worked, the Biden administration, and others, seemingly are just determined to do everything possible to help the Chinese with their civil military fusion and more mobilization efforts. What's wrong with this picture, Bill?

Bill Walton ([02:46](#)):

Well what's wrong with the picture is it forgets that America is a sovereign country, and we have a lot of our own interests to protect. And as I've mentioned before, America was all in on bringing China into the world economy eight, 10 years ago, certainly before Xi became president, but now in light of what we're seeing about a nakedly ambitious China, Wall Street and a lot of the major multinational companies seem to have not gotten the message, and they're continuing with their aiding and abetting with what's going on in China. We're starting to uncouple a bit, interestingly, mainly because of Xi, or part in part because of Xi trying to cut back on China's dependence on the United States. China's trade with the United States, the exports to the United States, have dropped almost 40% in the last three to four months, and they're also seeing a similar drop in Europe. And so China's deliberately uncoupling, but you and I've talked about and we speculate that if you wanted to make yourself free from interdependencies if you were going to war, one of the first things you do would be unlink from critical dependencies on your trade partners, and that's what they're doing. And we're not...

Frank Gaffney ([04:16](#)):

Especially with respect to those supply chains, which we have become so [inaudible 00:04:19].

Bill Walton ([04:19](#)):

Well yeah. Frank, we've seen the headlines. Right now, unbelievably, we've got a flu season which happens every year, and we're seeing a tremendous shortage of critical drugs, including something

simple like antibiotics, and there's shortages particularly among children's flu, cold remedies, and antibiotics, and people are wondering, "Gee, what happened?" Well all of a sudden, they're waking up to the fact that a lot of our supply, maybe half, maybe three quarters, maybe 80, 90%, is indirectly or directly linked to China. And China has been going through its own zero COVID lockdowns, and they've been dispensing drugs to all the Chinese people.

[\(05:04\)](#):

And so there are probably a couple things going on. China's using all the drugs for itself, but I think you've got to wonder whether they're strategically withholding from the United States, maybe presaging what we're going to see should there be a wider conflict. We may find ourselves without many critical drugs, and it's not just the generic ones like the antibiotics and aspirin, things like that, but think about heart pressure, blood pressure pills, think about all the other pills that people take to preserve their lives. We may see some of those go missing from the pharmacies.

Frank Gaffney [\(05:40\)](#):

And most of us, including the doctors who prescribe them, have no idea that they're manufactured in China. Our friend and colleague and the subject of several of our programs, yours and mine, Rosemary Gibson...

Bill Walton [\(05:52\)](#):

Yes.

Frank Gaffney [\(05:53\)](#):

Has been warning about this for years, and we still find ourselves desperately vulnerable, just one of the supply chains that is being, it seems, constricted and as you indicate, Bill, may well be much more so in the days to come. I wanted to ask you in particular, Bill, our friend and colleague, Gordon Chang, had a wonderful introduction to this webinar. And by the way, you can see it at [presentdangerchina.org](http://presentdangerchina.org), folks, and I strongly commend it to you, but he said right out of the gate, "The United States is not at war with China." And then he added, "But the Chinese Communist Party is at war with the United States." And it's that juxtaposition and the failure, as you say, for people who profit from aiding and abetting our mortal enemy to be sure, they don't have the memo or they don't want to see that this is endangering our country. I think that's really the bottom line, and we've got to have a corrective action.

[\(06:59\)](#):

I was interested to hear the prospective chairman of the new House select committee on China, Mike Gallagher, say on, I think it was NPR yesterday, "We're going to have to selectively disengage from China," and most especially, Bill, he emphasized we're going to have to stop underwriting the enemy, and that's a message near and dear to our hearts, certainly, at the Committee on the Present Danger: China, of which you are an important member.

Bill Walton [\(07:32\)](#):

Well Trotsky said, I think it was Trotsky, he said, "You may not be interested in war, but war is interested in you."

Frank Gaffney [\(07:40\)](#):

Exactly.

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

And that's where we find ourselves...

Frank Gaffney ([07:43](#)):

This was Gordon's paraphrase.

Bill Walton ([07:46](#)):

Whether we want to engage or not, we're being engaged with.

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

Indeed we are. Bill, let me ask you about, more generally, the state of China. There is now evident major shift on the part of the Chinese Communist Party, Xi Jinping's government, away from this so-called zero COVID policy characterized by these massive lockdowns. It seems as though, as this is now underway, the disease is breaking out all over, and there are serious problems now with large numbers of people. They're still not, I think, being honest with us about the numbers of casualties and so on, but talk a little bit about what that's doing internal to China as best we can tell.

Bill Walton ([08:37](#)):

Well one word, chaos. We talked about supply chain issues and shortages, and one of the things that is a big factor is that people are theoretically going back to work in factories that have been shut down because of the zero COVID policy, and now that that's been lifted, people are more or less going back to work. But almost like in the United States, there are an awful lot of people who are simply calling in sick, and so these factories are not being reopened and a lot of critical materials, including those meant for the Chinese, are not being manufactured, so it's going to take a while for them to undo the damage. And I think the other interesting aspect of this is that they suddenly lifted this, and we've seen the protests and the protests were as severe as China's seen since Tiananmen Square, and even though the Chinese Communist Party's cracking down, I think people are beginning to see in China that there are a lot of like-minded people who can't live under this coercive government. Now whether this has got legs, you just don't know, but it's certainly weakened Xi.

Frank Gaffney ([09:47](#)):

Whether the legs will be cut up from under them as a result of this social credit system remains to be seen. Hold the thought, Bill. We're going to come right back with more with Bill Walton right after this.