

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

Welcome back. Bill Walton is with us virtually. We're always delighted to have him in the house. He is, among other things, a guy following closely what is hap... And a question that we often ask him is whether it is advisable, under present circumstances, to have your money invested in China. You may not think you do. If you have money in the stock market, you almost certainly have some of it tucked away in Chinese companies because that's what people Bill used to work with think is warranted, in terms of perhaps your best interests, but certainly theirs.

([00:57](#)):

And Bill, one of the companies that has been back in the news a bit is Alibaba, a major Chinese conglomerate that specializes in E-commerce and technology and the like. It's had a rough road over the past few years. Remind us why that is and whether that ought to be a tell for people thinking about investing in it, or having their money invested by others in it.

Bill Walton ([01:24](#)):

Well, Alibaba was the creation of Jack Ma, who became the wealthiest of the wealthy, among the roughly thousand or so Chinese billionaires. And the Chinese Communist Party thought Jack was getting a little too visible, little too cocky, and so they... What's that?

Frank Gaffney ([01:44](#)):

Uppity.

Bill Walton ([01:45](#)):

Uppity. Okay. Uppity.

Frank Gaffney ([01:49](#)):

He was challenging the party.

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

I'll take uppity. Yeah, he was uppity. Anyway, so he's now downy.

Frank Gaffney ([01:59](#)):

He has been downy for awhile.

Bill Walton ([01:59](#)):

They disappeared.

Frank Gaffney ([02:00](#)):

As has his company.

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

They disappeared him for about two or two and a half, three years, and now he's back and he is back with a plan to break Alibaba up into six pieces so that he can more freely trade the pieces of the conglomerate.

([02:15](#)):

Now, there's an old-fashioned financial explanation for that, which is the markets do not like holding companies and they're big discounts on companies that own lots of disparate businesses. So by breaking it up theoretically, you could free up that value. And consequently, Alibaba went up about 18% last week. It's probably not a buy now. I don't think it's a buy ever really, for American investors because as I've worn in the past, the rules for American investors are not good if you're investing in China.

[\(02:47\)](#):

And one of the ways to think about that is what the big guys are doing. You know, look at what's happening with American multinationals, American-based, or even European-based multinationals. They're getting very wary about setting up new operations in China. And Japan, which has had a lot of relationships and investors in China, is also pulling back on their investing.

[\(03:11\)](#):

It'll take a long time for people to pull completely out, but for every new dollar that's being invested around the world in manufacturing or development, is not going into China right now, because I think people are wake have woken up to the strategic risk.

Frank Gaffney [\(03:27\)](#):

Well, they are real, and I don't know that they're being adequately disclosed to small investors in the United States pension funds and so on.

Bill Walton [\(03:36\)](#):

I think I mentioned this last time, Frank, the Chinese held their big investment conference welcoming the world into China. Well, that used to be attended by virtually every CEO of multinationals and hedge funds and investment firms. And this last time I think we only had two; Ray Dalio and Tim Cook; Ray Dalio of Bridgewater and Tim Cook of Apple show up. The rest were not there and I think that speaks volumes.

Frank Gaffney [\(04:06\)](#):

Well and those two are pretty wholly owned subsidiaries of the Chinese Communist Party it seems at the moment.

[\(04:13\)](#):

Bill, let me turn to another topic that I think is on all of our minds. I talked a little bit about a related point with George Resley a short while ago, but I'd like to get your take on it.

[\(04:26\)](#):

These Chinese Communist Party controlled apps as they're called applications for cell phones and the like, TikTok most prominently of late, but it's not the only one. In fact, CNN reported recently that this outfit called Pinduoduo, which is a sort of shopping channel and it's American affiliate Temu, apparently has been making inroads into this country as well.

[\(04:58\)](#):

And according to CNN, like TikTok, one of the beneficiaries of all of this is, surprise, surprise, the Chinese Communist Party and its ability to Hoover up data, including we're told by I think six different cyber experts around the world, using malware that apparently is extremely formidable and dangerous, grabbing everything that's on your phone and remaining there indefinitely.

[\(05:36\)](#):

I don't know whether you're up to speed on any of this, but I just wondered to the extent, again, that we're seeing evidence of the malign intent of the Chinese Communist Party, shouldn't it further encourage us to be disengaging massively from it and its operation?

Bill Walton ([05:57](#)):

Well, there's the privacy aspect, which is real and if we think they're mining our data, they are. And it all ends up back in Beijing and they do have artificial intelligence monitoring everything to look for trends and patterns and how they can use it strategically. That's happening.

([06:14](#)):

The other thing to keep in mind is that Chinese are very aware of behavior modification and it speaks volumes that the Chinese would not let the US version of TikTok into China. In China, they use some version of TikTok that basically promotes state-approved behavior. And in here, there's lots of evidence that China's using TikTok to promote things like joining anti-fob.

Frank Gaffney ([06:41](#)):

Or just hating the country.

Bill Walton ([06:45](#)):

Or just generally hating the country. It's a very, very negative. Now, if you're watching cat videos. I don't watch TikTok, but I've seen a few clips, but it's addictive and you get drawn in and your unconscious is being worked on here. And remember the old days of the Manchurian candidate and the brainwashing back from China, Korea.

([07:07](#)):

Well, that's still very much part of their culture and they use TikTok as a tool to do just that. So, this idea that we're going to be promoting free speech by allowing TikTok in America, is naive beyond imagination. It's sort of like it's naive in the way I used to be naive and I believed in unrestricted free trade with China before I met this guy, Frank Gaffney.

Frank Gaffney ([07:31](#)):

You've come a long way, baby.

([07:36](#)):

We're very appreciative. I wish I could take credit for it, Bill, but you become a formidable champion of America first, and we're delighted to have you with us always.

([07:46](#)):

God bless you. We'll talk with you next week. We'll talk with the rest of you, next time on Securing America.

([07:50](#)):

Until then, go forth and multiply.