

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

We're back. We're visiting with Bill Walton. Yes, a recovering master of the universe from Wall Street, but a guy who's now well up the learning curve on what the Chinese Communist Party is about, the threat that it represents to us, and of course, where you can find a lot more information about it at The Indictment.

([00:29](#)):

Bill, one of the outfits that has been shamelessly and relentlessly promoting that image of the girl with the parasol, the beautiful damsel, has been the US Chamber of Commerce. When it comes to China, they could see no evil. They were relentlessly flacking for their members, to be fair, who were under that illusion that you mentioned. Even you may have been the subject to a decade ago. Till now, as best I can tell, the Chamber has never deviated from that pro-engagement line, but there's been a development that I wanted to make sure our listeners and audience were aware of. Tell us about it.

Bill Walton ([01:16](#)):

Well, I have to reveal a dark secret, Frank. I was on the board of the US Chamber 15 years ago.

Frank Gaffney ([01:22](#)):

That is a dark secret.

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

I was deeply involved in what they were doing and I left the board because they became radically bipartisan. And then they moved to the left. And then in recent years, they've moved to be an aider and abetter of China's agenda in the US and multinationals desire to move all their business there.

([01:43](#)):

You should know, Frank, next year may mark the year that China is the largest single market for Starbucks. And that's why the Chamber, which is pushing US companies abroad, has been supportive of China. Well, one thing that's happening now that's very concerning and the Chamber's weighed in on it, is that President Xi of China and the rest of the higher ups in the Chinese Communist Party have been terribly concerned about information leaking out about China's real agendas. And a lot of it's in the public domain, and there are lots of security firms and accounting firms and consulting firms operating in China that have been providing reports to potential or existing investors about the business climate. Well, China doesn't like that.

([02:31](#)):

They've cracked down with a new espionage act and they've got an information source, you probably remember the name of it. It's a great name. It's Wild Information, terrific name. Anyway, it's a database that everybody has access to. Now people are being prevented from using that. The US Chamber just issued a statement and it says, "We are closely monitoring the heightened official scrutiny of US professional service and due diligence firms in China." And I agree with this statement. "These services are fundamental to establishing investor confidence at any market, including China." And they talk specifically about the Chinese counter-espionage law. And it's a certainty, Frank, that if China continues to lock down its information like this, the investment climate, which is already a very hostile one, I think, it'll become uninvestible for people who really care about their money.

Frank Gaffney ([03:34](#)):

Bill, you were talking earlier about a decade ago, how things looked. And a decade ago, this month, a guy by the name of Joe Biden, who was then Vice President of the United States, presided over an agreement between the United States and China, that enabled China to have access, the Chinese Communist Party effectively, to have access to our capital markets without having to subject their companies to real audits or otherwise conform to our statutes and regulations designed to give investors the kind of confidence you're talking about.

[\(04:17\)](#):

So, I mean, I guess we welcome the Chamber to the world of today, to the extent they're now more or less aligned. But it's a long time coming, man. And I just wonder whether the fact that we still don't have audits worth a dang in these Chinese companies, isn't something that we ought to be at least as worried about as the fact that these due diligence firms and the like are now being essentially hamstrung by the Chinese Communist Party.

Bill Walton [\(04:53\)](#):

Well, if Xi wants to attract foreign investment, he could not be sending stronger signals that, "You're just not welcome." And part of your belief that we looked to see real wars, instead of just war by other means-

[\(05:11\)](#):

Well, I think what's happening with this counter-espionage law is a tacit declaration of war. It's saying essentially, "We no longer need your capital. We no longer care whether you really understand what you're investing in. If you want to come in, you're going to be coming in at our pleasure and not because you've done a hard-headed assessment of the investment and decided to put money in China." That's no longer the welcoming climate that it once was five, 10 years ago. All that's changed. And it's a signal, as I said, of Xi's battening down.

[\(05:48\)](#):

There are a lot of people who think that the pandemic lockdowns were a practice run for a wartime footing for China. And a lot of lockdowns were in the provinces close to Taiwan. And so, there's an awful lot going on here. And if you look at all these individual pieces, they're ominous.

Frank Gaffney [\(06:12\)](#):

They are indeed. But Bill, let me just press you because what I'm trying to get my head around is whether we were simply led to believe that the Chinese Communist Party was open to you doing due diligence and satisfying yourself that their corporations were good investments, when in fact, it's not just as a result of this latest law, intelligence law, but a result of previous agreements including the one I mentioned, this memorandum of understanding that Joe Biden brokered, that has really denied investors. And let's face it, most investors aren't doing that kind of due diligence anyway. It's their fund managers, it's their pension fund leadership, it's the Finks, and so on. Right?

Bill Walton [\(07:05\)](#):

We talk about censorship and cancel culture. Well, China just got ranked, I think, 199th out of 200 countries worldwide in terms of press freedom. And Hong Kong, which used to be a beacon of freedom, press and all other freedoms, was taken over lock, stock and barrel by Beijing in the last few years. And I think Hong Kong is now ranked 195th.

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

So, that's part of this information lockdown. It's not only not transparent, it's a blackout really on information about doing business in China. And if you're already running a big company and you're in China, if you've got all your people there, you've probably got fairly good information sources. But certainly for new investors, I don't know how on Earth you would decide to go in to China at this point. And Xi seems just fine with that.

Frank Gaffney ([08:01](#)):

Yeah. Well, again, I think your thesis, that's part of the campaign to prepare for disengagement, cutting off flows of capital, but also as importantly, Bill, and we talk about this most weeks, the prospect that returning any of the funds that have been invested in China, is almost certainly over the side as well-

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

Well, if you can't get it out now ... And they're making it much harder to get money out of the country. It's always been hard. It's now almost impossible, but I think now would be a good time to think about that.

Frank Gaffney ([08:35](#)):

To say the least. To say the least. Bill, I'm so interested that you made the point about Hong Kong and there is this effort still underway, including in the Thrift Savings Plan of the United States military and government employees, that's their pension plan, that there's some distinction to be made between Hong Kong and the rest of China.

Bill Walton ([08:59](#)):

No more. No more.

Frank Gaffney ([08:59](#)):

We can continue to invest in Hong Kong ... And we're going to actually speak with Father Sirico in the next block about one of the tells why that's not so, namely the prosecution, persecution, incarceration, and otherwise punishment of a marvelous freedom fighter by the name of Jimmy Lai.

Bill Walton ([09:19](#)):

Who was their press [inaudible 00:09:20]? Jimmy Lou, that they [inaudible 00:09:22] and he disappeared?

Frank Gaffney ([09:22](#)):

Jimmy Lai. Yeah, we're going to be talking about a documentary about him, with Father Sirico, momentarily.

Bill Walton ([09:28](#)):

Yeah. I mean, it's egregious, Frank. Let me plug your book again. That's why people might need to have this on their desk, because this stuff pops up, you think, "Well, what's the context? It can't be that bad." It is that bad.

Frank Gaffney ([09:41](#)):

It is that bad. Bill, we have to leave it at that. Good final word. God bless you. The Indictment, check it out folks at your bookstores and Amazon, and so on. Thanks, Bill. Talk to you soon.

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

Great, Frank.

Frank Gaffney ([09:53](#)):

Next up, Father Sirico, right after this.