

Frank Gaffney ([00:05](#)):

Welcome back to Securing America. I'm Frank Gaffney and we are on the road, and delighted to catch up with one of our regulars about this time each week, and that would be Bill Walton, a former master of the universe on Wall Street with Allied Capital, a \$6 billion operation, as well as a leader of the conservative movement in the United States as a past president of the Council for National Policy, of which I'm very proud to be a member. Bill is the host of the Bill Walton Show, his own television program, which you can find, among other places, at cpac.com. He is a good friend and always a valued contributor to these programs, and we're delighted to catch up with him once again. Bill, glad to have you back.

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

Frank, good to see you.

Frank Gaffney ([00:51](#)):

You were kind enough, Bill, recently to produce one of your television podcasts about our new book, The Indictment.

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

Yeah, terrific show.

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

And one of the main themes of it ... It was a good show.

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

Yeah, we put it up on CPAC last week.

Frank Gaffney ([01:05](#)):

Great, and I'm so appreciative of you doing so. The main thrust of that book, if I could distill it down to one essential point, is it's not just the Chinese Communist Party that is a mortal enemy of the United States, we have to look very, very hard at the enablers of the CCP, as it's called, here in the United States. And quite a number of them, I think probably pound for pound, the most important of them are your former colleagues on Wall Street who have been aiding and abetting the Chinese, among other things, by migrating funds on some very large scale to communist China.

[\(01:49\)](#):

I wanted to talk to you about several different pieces of this, but maybe we could start with a related point, which is that Robert Kennedy Jr. has entered the political fray in the role of a challenger for the Democratic nomination to President Biden. He has of late been most known and celebrated, I think, properly so, for his work against these very dangerous vaccines that many Americans were induced to try to protect themselves against COVID-19's virus, the so-called SARS-CoV-2 virus. Bill, talk a little bit about this candidate and, in particular, what he is saying about China that is deeply troubling, it seems to me.

Bill Walton ([02:39](#)):

Well, a lot of us begun to like Bobby Kennedy Jr. because we liked what he was saying about the vaccine and the big drug companies, and he's spot on in that. He has a very troubling position on climate, which is a big problem for me, but I didn't know what his thoughts were on China until just in the past week he appeared on, of all people, Elon Musk's podcast talking about China. And in that podcast he said basically the Chinese cannot and do not want to compete with us militarily. The United States should be deescalating military pressure on China.

[\(03:21\)](#):

And he said, "We think the world's on our side, but it isn't. The rest of the world's with us and they think China, in effect, is just fine." Well, this was really a jaw-dropping moment because when he said not many people are on our side with China, he forgot that its closest neighbors, Australia, New Zealand, Korea, Japan, are all incredibly alarmed about China and begin raising their defense budgets because the fact is China has created the world's largest navy in order to dominate the China seas, and space warfare, they're investing big time there. And that Kennedy wouldn't know this is really naive in the extreme.

Frank Gaffney [\(04:09\)](#):

And disqualifying, would you say?

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

Utterly. I mean if he thinks about the Chinese, he's quoted here saying, "They don't want war, they want peace and they want prosperity." Well, I think he hasn't been paying the slightest attention to what President Xi's been saying and doing, and all the other signals that you and I, and the rest of us have been monitoring.

Frank Gaffney [\(04:34\)](#):

The thing that's also concerning, Bill, of course, as you know, is that this would've been music to the ears of Elon Musk, as best we can tell, who has thrown in with the Chinese Communist Party to such an extraordinary degree that some say he's wholly owned by them. Your thoughts.

Bill Walton [\(04:51\)](#):

I know you often get annoyed with me, Frank, because I tend to know what these business people and investors are thinking about, and it's not very patriotic. They're in it primarily for the money. Most of the investors in China from outside China just wish this whole geopolitical thing would go away so they could get back into making money there. Well, I think Xi has other plans.

Frank Gaffney [\(05:14\)](#):

The efficiencies of the Chinese system.

Bill Walton [\(05:16\)](#):

The efficiencies, yeah. Who was that? That was Obama.

Frank Gaffney [\(05:18\)](#):

Like slave labor.

Bill Walton [\(05:20\)](#):

Yeah, we digress. But Elon Musk was just last week in China, maybe two weeks ago, and he is a rockstar in China. I mean he was [inaudible 00:05:32], celebrated, dinners at 16 course 5 star restaurants. And of course, Tesla is quite big in China, they sell a lot of cars there, their batteries are made there and a lot of the essential component. And so Musk, he's Exhibit A for the conflicts because if you think the climate agenda is really about the climate industrial complex, and that the agenda's a lot deeper and not necessarily about saving the planet for people, then Musk is on the wrong side of that one. And of course, when he is talking with Kennedy and Kennedy's saying, "The problem with the Chinese is that we're not treating them nicely enough and that we need to make peace with them in order to ... We're the problem," what he's saying, Chinese love that. And the fact that he's saying on Elon's show sends signals that are exactly the signals Musk wants to send.

Frank Gaffney ([06:35](#)):

Yeah, and very troubling, as you say.

Bill Walton ([06:36](#)):

I like him, but he's playing a dangerous game.

Frank Gaffney ([06:40](#)):

Let me ask you, Bill, about another example of this financial sector compromise, elite capture, as the Chinese call it, and that would be the role played, as we talked a little bit about last week, by a fellow by the name of Neil Shen, one of the founders of Sequoia Capital and the driving force behind its China arm, appropriately enough as he seems to be working for China. Our colleague and friends, Steve Bannon and Bob Costello have been talking about this with Derek Harvey among others of late. You've had a chance to do a little bit more research into this outfit and the implications of what Chen in particular has been up to.

Bill Walton ([07:29](#)):

Well, as I pointed out last week, this is not exactly breaking news. I mean Sequoia was founded in, I think, the '60s or '70s by Don Valentine. He was one of the Hall of Fame venture capitalists. And Sequoia's been active in Silicon Valley, of course, but in the last 20 years they set up two funds that are acting basically standalone, one in India and the other one in China. And the one in China was set up in 2005, headed up by Neil Shen. And Neil Shen, talking about rockstars, is another rockstar in China. He's celebrated as the top Chinese investor. And he also has been named the number one venture capitalist four years in a row by Forbes Magazine.

Frank Gaffney ([08:23](#)):

Costello says that you don't have that kind of luck without somebody actually putting their fingers on the scale, namely the Chinese Communist Party.

Bill Walton ([08:30](#)):

Well, the thing about venture capital in China is everybody's playing a probabilities game, and it turns out the Chinese Communist Party favors companies that have been very successful at stealing American or international intellectual property, and they treat those companies better. And I don't know whether Neil Shen's actually a member of the Communist Party or is just closely related to, but it's an insider's game. And so what Sequoia decided to do facing up to the reality of the increasing tension with China and the United States, and the rest of the world, is they're basically breaking Sequoia back up into three

parts, the US and the rest of the world, China is one piece, and then India is another piece. And the practical reason for this is that they want to be able to invest in Chinese companies without the interference of the US government. And Sequoia in China is one of the largest investors in ByteDance, which as we know owns TikTok.

Frank Gaffney ([09:36](#)):

Among other disreputable operations in China. Yeah, you're exactly right.

Bill Walton ([09:40](#)):

And so the bright floodlights of fame were about to be shown on Sequoia and they conveniently broke themselves into three pieces to, I think, deflect that. And the Biden administration, of all people, are beginning to look at screening investments out from us, from the United States, into China, something we've never done before. And that would be extremely helpful to understand where our dollars are going. Derek Scissors at AEI has calculated that almost \$800 billion has gone into China in the last four or five years and that we don't know what it went into. We have no way of tracking. And so we're beginning to look at that.

Frank Gaffney ([10:23](#)):

And my guess is it's considerably larger sum over the period since Joe Biden helped negotiate a sweetheart deal for Chinese investment off of Wall Street. But Bill, I did want to hit one other thing before we have to let you go, and that is apparently Goldman Sachs is now beginning to say to the world, "We're not going to be trying to encourage investment in China at this point." Is that correct and is there a reason for it that ought to be affecting us on a broader scale?

Bill Walton ([10:57](#)):

The woman who runs the Goldman Sachs private equity fund, which is investing in pension dollars and investment funds, institutional investment money in their private equity business, has stopped seeking investors in United States because we may decry the motivations of institutional investors, but they're not stupid. And I think they understand that investments in China, as you and I have talked about, could likely go to zero. And so just from both a patriotic standpoint, but maybe more what they're thinking about as an investment standpoint, China's rapidly becoming uninvestible.

Frank Gaffney ([11:38](#)):

It should be for both considerations, Bill, I think. Thank you for your insights on all of these matters and come back to us again with them again next week, if you would. Caroline Glick is up next with some very troubling information out of Israel. Stay tuned for more right after this.