

Frank Gaffney ([00:07](#)):

We're back and we're visiting with Bill Walton, as we have the privilege of doing each week, the host of the Bill Walton Show. You can find it, among other places, at the CPAC channel. He had, last night, on that program a fascinating interview with Ben Weingarten. Bill, I wanted to give you a chance to talk a little bit about Claudia Rosett as well. I don't think you knew her, but you've had a chance to take stock of what she was all about and I'd love to get your appreciation of her work as well.

Bill Walton ([00:37](#)):

One of the things I think made her so effective is she was rooted in the life she lived. Her father was dean of the University of Chicago Business School and was a famous free market advocate. As a little girl, she served tea and cookies to Rose and Milton Friedman in Chicago, so she grew up by the side of the chair of some of the greatest thinkers in economics. On the way, she got her own MBA at U of C and she brought a lot of that thinking about how corporations and policy and national security interact, and I think it made her one of the really truly great reporters. She also, as you mentioned, wasn't afraid to go into the action. She was in Hong Kong, heard some rumors that something big was happening in Beijing, got on a plane, went to a hotel overlooking Tiananmen Square, and she was there. She was the only reporter who was able to report firsthand about the massacre of 10,000 protestors in... What was it, Frank, 1987, '89?

Frank Gaffney ([01:46](#)):

'89, yeah. She did it, as always, with great courage, because you were reporting from inside China.

Bill Walton ([01:54](#)):

She went to Siberia to take a firsthand look at the prison camps there, the worker camps.

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

She was based in Moscow at the time. A remarkable woman, freedom fighter, and great friend, and we mourn her passing deeply. Bill, let me pivot further to one of the topics that we always cover with you and that Claudia covered, as you say, very commendably as well, and that is China. There's growing evidence that the Chinese communist party's crackdown using counterintelligence statutes is having a very chilling effect on American companies doing business in China, and rightly so. Some, including Amazon, seem to be now bailing out in droves, according to one article. It's causing, I guess, even the banks in China, the western banks doing business there, investing our money there, and so on, are now coming to grips with a harsh reality. Namely, I guess, that Xi Jinping is not interested in their business and is willing to take matters into his own hands to make their lives very difficult indeed. Have I got that about right, and what are the implications of it?

Bill Walton ([03:16](#)):

It's ominous, Frank. We saw a year, year and a half, two years ago, Xi, President Xi, beginning to go after the large technology companies in China, exercising his whip hand over the CEOs and billionaires that were running those, because they weren't doing, in his view, the government's bidding. He also shut down all the private tutoring companies in China, because he wanted to control the flow of information to students, to make sure they were getting President Xi speak. Then, of course, they locked down the country in an egregious way with the zero COVID strategy, but just as they were beginning to open up the country and foreign investors and foreign companies doing business there were beginning to think the dust was going to settle, it is not. They've passed two different versions, each one more egregious

than the next of their national security law, and they've basically deputized every single Chinese in America, I'm sorry, in China, to protect state security.

[\(04:25\)](#):

They've really shut down the ability to US companies to do diligence or international companies to do due diligence in China. All the firms that did that have had the, I think they call it, the black men or the black police show up in their offices, and a couple of them, now, you can only see the glass doors with locks on them, because they're no longer in business. Xi doesn't want us accounting firms, the Big Four in particular, to be auditing Chinese companies. We talked about how long it's going to take business to figure this out, well, they're beginning to figure it out. Amazon just recently completely shut down its operation in China. They'd shut down one of the domestic websites a couple of years ago, but now they've pulled completely out, including the ability to buy things on their Kindle store. Airbnb has pulled out of China. Yahoo has ended its services in China. LinkedIn is getting out of China. Just recently, I think they've announced they've completely withdrawn from China. The US securities firms, which have been making a fortune in China with equity listings in part because of the work you all have done, I guess we've done, with the-

Frank Gaffney [\(05:50\)](#):

The Present Danger: China, yeah.

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

Present Danger: China. Chinese companies are not raising equity in US markets, and that was a big source of fees. The other thing is the banking system, which was purportedly so antiquated and they needed American expertise to come in and run the capital markets for them. Well, they've decided that maybe the banking system in China's not so bad, and they're locking arms and they're keeping us and other international security firms out of the business. Xi's essentially saying, "We don't need you all to run China." Now, the ominous part of that is not just that there's not a business opportunity there, the ominous part is it looks like he's battering down China for kinetic action.

Frank Gaffney [\(06:38\)](#):

For war.

Bill Walton [\(06:38\)](#):

He wants to make sure that he's not dependent on foreign companies, foreign suppliers. In particular, he doesn't want foreign companies nosing around to find out what's really happening in China. This is one we're going to have to keep covering,-

Frank Gaffney [\(06:53\)](#):

Another indicator.

Bill Walton [\(06:53\)](#):

... because it's getting worse with each passing month.

Frank Gaffney [\(06:56\)](#):

Yeah, it certainly is. At the same time, we have his new ambassador to the United States urging Chinese students to serve the motherland. Wonder what that could entail in time of war. There are some

300,000 of them in this country, Bill Walton, as you know, and it's very likely, I would say, that they and other Chinese nationals, businessmen, spies for sure. To say nothing of the subject of what we talked about in our marvelous webinar on Friday of last week, namely Chinese young men coming over in, what seems to be, organized groups bearing the hallmarks of the Chinese People's Liberation Army. Bill, we're out of time. I got to leave it at that for the moment, but we will have you back next week, God willing. I thank you for all you've done for our country and are doing now in connection with your terrific program.

Bill Walton ([07:48](#)):

Much more coming, Frank.

Frank Gaffney ([07:50](#)):

Looking forward to it. Thanks to all of you, for joining us for this edition. Come back next time. Until then, go forth and multiply.