

Frank Gaffney [\(00:25\)](#):

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. Well, a man who has been studying closely the greatest threat we face and has come a long way baby in terms of understanding it and helping the rest of us do the same is a recovering master of the universe. A man we have the privilege of featuring each week about this time. His name is Bill Walton. He formerly was a major player on Wall Street, a \$6 billion company called Allied Capital, was his sandbox up there. And while he was there, he was interested in doing business with China. But man, he's gotten the memo since he left there, became a leader of the conservative movement and is now the host of the Bill Walton Show. A terrific TV podcast program that I highly commend to you, especially a brand new edition of it, which is going to be the subject of our first block in our conversation with Bill, namely an interview that he did with the Trump administration's Senior Trade Negotiator, Robert Lighthizer.

[\(01:46\)](#):

And Bill, you have had a chance to talk with a man who has been in the very midst of the Chinese Communist Party, and I'm anxious to hear your takeaway from your conversation with him. But first, welcome. It's always good to have you back, sir. Welcome.

Bill Walton [\(02:03\)](#):

Frank, thanks for having me on. Of course, you always remind me how many things I'm recovering from.

Frank Gaffney [\(02:10\)](#):

Well-

Bill Walton [\(02:10\)](#):

It's a long list and one of the-

Frank Gaffney [\(02:12\)](#):

... you're the better for having been through the honing fire of all of those earlier mistakes.

Bill Walton [\(02:18\)](#):

Well, I'm also a recovering unilateral free trader. I mean, I was educated in the way most of us in Wall Street were educated, that having no trade barriers was the greatest good and that we would trade freely with all the countries of the world, and they would all get richer and we would all be happier. Well, it wasn't until I learned that we're the only country in the world that seems to believe that. And in particular, there's a country which doesn't believe it even slightly, which is China. And add Bob on, Bob Lighthizer is a friend. Of course, he was US trade representative for Donald Trump the entire four years. And I believe Donald Trump thinks he was probably his best hire across the entire administration, he did a spectacular job. And Bob's been at this for, oh gosh, four decades, five decades. He was US deputy trade representative under Ronald Reagan and he's been working with companies and trade matters ever since. And been to China dozens of times, sat across the table from President Xi before President Xi was president. And he is extremely well versed firsthand in all matters China, and all matters trade. It's a great interview.

[\(03:31\)](#):

It's going to be on, it's going to be on CPAC Now tonight, and it's going to be put out on Substack tomorrow, and all the other platforms we're on. Well worth listening to because we get into the, not just the trade matters, but the cultural things that have happened when we've sent manufacturing abroad to China and how it hollowed out the middle class, and how work is important, the manufacturing work. There's a cultural component to this that's just as important as the economic and the warfare component. But the single sentence that Bob uttered in an hour-long interview that stood out for me was, after all this interaction with China, he doesn't believe there's a single private company in China. He thinks that every company in China, whether it's the big multinational tech companies that are, Huawei. I keep learning my Chinese with Frank and I'm getting there. Anyway, from that one, from the smallest middle market company in a province, they're all indirectly or directly controlled by the Chinese Communist Party. And he believes that they've all been very, very engaged in this Chinese industrial policy from the very beginning.

[\(04:48\)](#):

And consequently, he has come to believe, as you and I have been talking about, that we need to think hard and fast about how we disengage from China, recognizing that the Western elites have been inviting China into our economy and our culture relentlessly for the past two or three decades. And we've got a lot to undo.

Frank Gaffney [\(05:12\)](#):

Bill, the book that he's just published, I believe is No Trade is Free. And I think, if I'm not mistaken, he had a similar kind of epiphany as you have had. He was pretty much a free trader back in the day, was he not? And one of the things you and I were talking off-air about I've just been revisiting, Michael Pillsbury's book, The Hundred-Year Marathon. And some of the insights from that book about the grievous mistakes that we made in actually embracing the idea that if we just got enough tech trade and technology flows, and enrich the Chinese Communist Party, that it would be, well, if not exactly more like us, certainly a reliable partner in the international community as it's called. A lot of scales have fallen from the eyes, I think including Michael Pillsbury's. But does Lighthizer describe that trajectory in similar terms?

Bill Walton [\(06:26\)](#):

Well, Bob, it's interesting. Free trade's been an article of faith for most people in the business world and like many false faiths, it's failed us all. And Bob is a remarkable man in that he saw this coming four decades ago. I mean, he tells a story, and that's the reason the book is definitely worth reading, of growing up in a small town in Ohio and what the culture was like there, and the big manufacturing plant locally. And he saw firsthand the importance of manufacturing jobs to America. And he was in early with as US trade representative for President Reagan. And he's a member of a club I played golf at, and he took enormous heat, Frank, for decades because he was the steel guy. He was trying to protect our steel industry and everybody knew we didn't need a steel industry. We were going to rely on Japan and now China for steel and that was just sort of an archaic thing. Well, it turned out not to be archaic and he turned out to be exactly right.

[\(07:31\)](#):

And he in fact warned against China's entry into the World Trade Organization, I believe it was in 2000. And before that, China was doing business with the world year to year. They had an annual renewal for the right to do business with us freely. Well, by making them permanent, that automatically put the Chinese economy into full mercantilous mode and organizing all aspects of it to compete with this. And we spent a lot of time talking about how the Chinese organized companies to compete with companies

from outside of China by at first inviting them in, welcoming them in, and then saying, "Well, gee, if you want to be here, well you need to share your technology. You need to share your trade secrets. Oh by the way, we'd like to borrow some of your engineers. We'd like you to train our engineers." And then when they'd finally learned enough, they began to develop their own companies that can compete worldwide and they did it by subsidizing pricing, driving a lot of Western competitors out of business. And we wake up the next morning and find ourselves like we find a lot of the pharmaceuticals we buy, without a domestic manufacturing capability.

Frank Gaffney ([08:46](#)):

And this is the subject to which we're going to turn after the break with you, Bill. But I do want to just drill down on this. To the extent that no trade is free and that we had been essentially suckers in behaving as though as long as we could have sort of just in time supplies of everything from someplace else, that was the cheapest seller of that product, there was no need to be concerned about national security. I mean, you think about it for a minute, steel is rather critical to national security. Bob was absolutely right about that, of course. Do you sense that there's been a change in the attitude of major corporations in America along these lines or not so much? Hold the thought, because we're going to-

Bill Walton ([09:45](#)):

Well, I think-

Frank Gaffney ([09:45](#)):

Hold the thought. Hold the thought, we're going to come back to it in just a second.

Bill Walton ([09:48](#)):

The answer is yes and no.

Frank Gaffney ([09:50](#)):

All right. And we'll develop both answers momentarily. Bill Walton will be right back with us. Stay tuned for more right after this.