

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

Welcome back. We're visiting with Bill Walton, the host of The Bill Walton Show. You can find it now at [cpac.org](#). You can find it also on Substack. And we're talking about an upcoming episode, as we speak, with Bob Lighthizer, the renowned trade representative to successive presidents. Bill had a very interesting interview with him the other day.

([00:35](#)):

And Bill, I was asking you about whether the well-revised view of free trade that we've just been discussing is now operating in major American companies as well. We hear a lot about trying to diminish supply chain dependencies on China, onshoring, manufacturing and the like. I know you want to talk a little bit about pharma and what is the happening there where our supply dependency is almost complete, but set the stage for us more broadly and then we'll drill down on that particular sector.

Bill Walton ([01:21](#)):

I answered the question yes and no. The part that they are waking up to is the fact that China's become increasingly hostile under Xi in the last year or two. I think I've mentioned this before in the show, he is he shutting down due diligence firms in China, which are what Western companies use to figure out what's going on in the country. Xi doesn't want that information shared.

([01:44](#)):

He also has begun cracking down on IT infrastructures. Multinationals are now beginning to develop separate IT structures so that they're not susceptible to China's prying, spying, taking them over. That's been going on for a long time.

([02:05](#)):

Even Germany is waking up to what's going on with the Chinese. And their foreign minister is beginning to say things like, "[inaudible 00:02:14] it's time to think about decoupling." And remember Germany, Volkswagen, does almost half its business inside of China, manufactures there, sells cars.

([02:27](#)):

And also, I might add the big securities firm, Goldman Sachs, JPMorgan, Morgan Stanley, they've been not participating in IPOs of Chinese companies because, it's a fairly self-serving reason, they can't sell it. I think thanks to the work that you've been doing, and maybe I've been helping out a bit, China's uninvestable, and so US investors are very wary of that.

([02:54](#)):

The part where they're not changing is just recently, I think there was a headline in the Wall Street Journal, the major pharmaceutical companies, Pfizer, Merck, GE Health, they all have recommitted to their notion of serving the Chinese middle class. The thing to keep in mind is, the Chinese pharmaceutical industry is the second biggest in the world after the United States. It's almost 160, \$170 billion.

([03:22](#)):

The Chinese have a more wealthy middle class which is interested in health. It's a big market and they're loath to leave it, and they're still engaging in joint ventures with Chinese pharmaceutical companies there and...

Frank Gaffney ([03:38](#)):

Bill, what does that look like, when you're involved in a joint venture with a Chinese company, among other things in terms of your proprietary information?

Bill Walton ([03:49](#)):

The sanguine view is, we've got these great partners in China and we're going to learn to manufacture and distribute things together and we will share our information, they will share their information. I think the deeper view at this is a very cynical trade. Up to this point, the Chinese have really not had that much to share. Now they're beginning to, they are beginning to develop some fairly sophisticated healthcare technologies. But ultimately what you're doing is, you're signing away your right to use your own technology, your own information in China, and then when the Chinese are done with you, you're out.

([04:29](#)):

Bob Lighthizer makes a great point. Americans going into China go in, they make money, they think they're very smart. And Bob makes the point, they're being allowed to make money, they're being allowed to feel like they're making progress. When the Chinese change their mind about wanting you there, you're gone.

Frank Gaffney ([04:47](#)):

Yeah. And it's not so much the question of changing their mind, it's part of the plan. You will be used until you are no longer needed, and then you will be dispensed with.

Bill Walton ([04:58](#)):

I stand corrected. You are right, it's part of the plan.

Frank Gaffney ([05:02](#)):

And that's what's so troubling...

Bill Walton ([05:02](#)):

[inaudible 00:05:03].

Frank Gaffney ([05:03](#)):

... about the idea that American companies are continuing to think that it's otherwise. And unfortunately, I think, as you say, Bill, people do make money. At least CEOs and other captured elites make money, no doubt about that. But we may take the hindmost on most other [inaudible 00:05:23].

Bill Walton ([05:23](#)):

It's the second biggest market in the world, Frank. And if you're a CEO of a big multinational, you just can't ignore it.

Frank Gaffney ([05:29](#)):

Yeah.

Bill Walton ([05:29](#)):

And...

Frank Gaffney ([05:30](#)):

If you can have access to it, is the thing, and at what cost, and for how long.

([05:34](#)):

Bill, speaking of what the Chinese are doing in the pharmaceutical space, we have a report that is very troubling. It's been a couple of months apparently since this was discovered. A warehouse in Reedley, California, in Fresno County, was providentially discovered because it had a garden hose coming out of the back door, if you can believe it. It was supposed to be unoccupied, vacant, unused, and a building inspector caught the hose and said, "What's that about?" and started looking into what was going on.

([06:20](#)):

Turns out the place was chock-a-block with all kinds of toxic substances, including a lot of very contagious and dangerous diseases in refrigerators and freezers. They had incubators, they had unmarked vials of human fluids and the like, and not least a thousand mice that had been genetically engineered to spread the COVID virus. What, one might ask, could possibly have gone wrong with that particular operation? We don't know the full extent of it.

([07:02](#)):

We're going to be doing our weekly, Committee on the Present Danger: China, of which we're very proud to say you are a member, webinar on the subject tomorrow. That would be Tuesday, on 12:30 PM Eastern Time, and encourage people to register for it at presentdangerchina.org. What do you make of this, Bill, and what do you think are the most important takeaways?

Bill Walton ([07:28](#)):

I thought the Chinese were more sophisticated than to leave a hose hanging out the back door, but maybe not. It's part of an overall strategy, Frank. Your webinar this afternoon, I encourage everybody to pay riveting attention to, because just like with trade, the Chinese have a biotech or bioweapons industry, hard at work trying to develop weapons that they can use against the West or Chinese enemies anywhere. It's large. It's developing rapidly, and it's happening all over the world with these kind of labs.

([08:05](#)):

I don't know the particulars here. This sounds sloppier than usual, but that doesn't mean it isn't yet another part of this initiative.

Frank Gaffney ([08:14](#)):

It's a super fun site at the very minimum...

Bill Walton ([08:19](#)):

Yeah.

Frank Gaffney ([08:19](#)):

... as best I can tell, a really toxic dump. But the thing that's so concerning about it, Bill, is that, as you say, this is part of, it would seem, a biological program of the Chinese Communist Party. Whether it's through a so-called private company or whether it's just a cutout for the state...

Bill Walton ([08:45](#)):

Frank, they're...

Frank Gaffney ([08:45](#)):

... enterprises. Bill, I just have to say this. The thing that we're going to drill down on a bit, I hope tomorrow, was something we reported in our book, *The CCP is at War with America*, the Team B III report that looked into the origins of COVID-19 among other things. It's a statement from the guy who was the defense minister of China about 20 years ago. In a private setting with [inaudible 00:09:16] he said the mission of the Chinese Communist Party's biological warfare program is, quote, "To depopulate the United States so that it can be colonized by China," unquote. We're going to be drilling down on that, among many other aspects of this story. But people need to have very clearly in mind the Chinese Communist Party is at war with America and biological warfare seems to be part of their program.

([09:47](#)):

Bill, we have to leave it at that. I thank you for your time today, as always, and the great work you do with *The Bill Walton Show*. Come back to us again next week if you would.

Bill Walton ([09:53](#)):

Thanks, Frank.

Frank Gaffney ([09:54](#)):

Be right back with more, right after this.