

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

We're back. About this time each week, we have the privilege of being in the company of Bill Walton, one of our regulars here at Securing America, I'm very proud to say, a recovering master of the universe on Wall Street, the president and CEO of Allied Capital, a \$6 billion operation up there. He knows his way around the street. He also knows his way around, well, politics and Washington, DC, as a former president of the Council for National Policy, of which I'm proud to be a member, a conservative leadership organization. Bill Walton is the host, most immediately and importantly at the moment, of the Bill Walton Show, which I strongly recommend to all of you. It's a terrific resource. We're privileged to have him as a resource here as well. Bill, welcome back. Good to have you, sir.

Bill Walton ([00:57](#)):

Yeah, Frank. Great talking with you.

Frank Gaffney ([00:59](#)):

Thank you. I wanted to catch up in the aftermath of Gina Raimondo's splendid adventure in Beijing. She is, of course, the Commerce Secretary. Bill, I just wondered, what was she doing in Beijing? What are the things, I guess as importantly, she did before she went, and then what went down while she was there?

Bill Walton ([01:25](#)):

Well, we've talked about the Kabuki theater that is the Biden administration when it comes to their dealings with China. An overarching goal for the Biden administration is "We want climate change concessions." And China? China wants Taiwan. And we're two ships passing in the night. The Commerce Department, which she runs, has always historically been more interested in promoting US trade with China and vice versa, and she's still in that mode. She's getting a lot of pressure from the tech companies and the big multinationals to just be nice to China. They very much would like all the unpleasantness to go away. They're ignoring things like spy balloons flying over the United States. Gina Raimondo-

Frank Gaffney ([02:19](#)):

Preparations for war among other things, yeah.

Bill Walton ([02:21](#)):

Well, yeah, there's that. Then of course Gina Raimondo had her own email hacked while she was in Beijing. She said she admonished them and that that was not very nice and didn't build trust. Well, anyway, so she's over there. She spent three long days there. She came away with really nothing. They agreed to create two or three fairly low-level working groups. Then she's now talking about how tough she is on China because we're not supposedly going to be selling them advanced semiconductors. Well, then she says, "Well, but we don't want to let this ban on their military-oriented semiconductors interfere with the regular semiconductor trade with China, the regular semiconductor trade. She doesn't define that very well, but the [inaudible 00:03:16]-

Frank Gaffney ([03:16](#)):

But, Bill, wouldn't you be trading with an entity in the Chinese Communist Party that has the doctrine of Civil-Military Fusion-

Bill Walton ([03:29](#)):

Well, that's-

Frank Gaffney ([03:29](#)):

... which would mean everything that was going to the so-called non-military sector would be going to the military sector, would it not?

Bill Walton ([03:37](#)):

You and I have talked about Bob Lighthizer, the trade representative for Donald Trump. He'll say, point blank, there is no such thing as a private company in China. I mean, maybe the corner fish market. Essentially, all the large companies and middle market companies are either directly controlled by the party or have party people involved with it. So Gina has this fiction-

Frank Gaffney ([04:01](#)):

But even the corner market is going to do what they're told by the Chinese Communist Party. If they say, you need to be keeping an eye on one of the customers, they're going to be keeping an eye on one of the customers, no?

Bill Walton ([04:14](#)):

Well, we haven't read any reports of fishmongers disappearing in China, but I'm sure they have because they've got to tow the line as much as anyone else. I'm laughing, but it's true. The oppression is complete. But she doesn't understand the total warfare, or at least she chooses not to. It's a question whether that's willful ignorance or something else going on.

Frank Gaffney ([04:40](#)):

But she's the Secretary of Commerce of the United States. How could it be that she is willfully ignorant perhaps, or at least turning a blind eye to these things? In fairness, she did profess that she was concerned about national security. She just thought it could be somehow compartmentalized. But this would seem to be malfeasance of the first order if you are in a position like hers, knowing what we all now know about the Chinese Communist Party, Military-Civil Fusion, the theft of intellectual property, and all the rest.

Bill Walton ([05:17](#)):

Well, on the other hand, Frank, and pushing through that a bit more, her briefing book ought to explain to her that the Chinese economy is plummeting. The real estate market is imploding. Unemployment among kids, I think it's 15 to 25, is hovering around 20%, 25%. Consumer spending is down, manufacturing output is down, all the metrics. Of course, China lies about these metrics, so what we're seeing are the burnished versions of it. She has an enormous opportunity to use economic leverage to bring about real concessions, and they're not doing any of that. It's really malpractice or malfeasance-

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

I couldn't agree more. But-

Bill Walton ([06:10](#)):

... whatever mal you want.

Frank Gaffney (06:10):

Malodorous. Bill, two things. One is that, even if her briefing book didn't include all of that, she spoke with American business leaders in China. They reportedly, she explained this publicly at the time while she was in Beijing, were telling her China is, a term you've used often here, uninvestible. It's more than just, as I say, willful blindness. It, I think, really is malfeasant. But the other thing, Bill, on her way over there, she and the administration conjured up a bunch of, well, concessions, I think it's fair to say, inducements, gifts to the Chinese Communist Party. One of them was she took 27 companies listed on her own department's so-called Entities Lists, sanctioned Chinese companies, off the list as a kind of goodwill gesture. What was up with that?

Bill Walton (07:16):

Well, this is rookie negotiation 101. She thought by doing that, by making nice with the Chinese, by showing she's ready to make concessions, they'd be ready to make concessions. Well, that's not the way they think. If they see that, all they see is weakness, and they're going to push for more. So her gesture ended up hurting us, not helping us.

Frank Gaffney (07:42):

The gesture there was bad enough. Then there's the issue of what we've been told is an executive order by the president that specifically was going to try to restrict some of those technologies, as you mentioned, semiconductors, but also quantum computing and, not least, artificial intelligence. American investors were going to be told they're not supposed to put money into those companies. Uninvestible considerations aside, there were national security ones. Yet, all of that seems to have been kicked down the road for a year no less and put in the hands of the Treasury Department, which is all about encouraging such foreign investment, no?

Bill Walton (08:25):

Well, Frank, I don't know if this is off topic or not, but put yourself in a position of our dear leader, Joe Biden. Joe Biden knows that the Chinese have every single email that he has been engaged in, every single bank account, every single wire transfer, every single business partner that his son, Hunter, and he have had, everything going on. They have a complete briefing book ready to go if they want to use it that would show Joe Biden's essentially been a traitor to the country. So he's there trying to act tough with China. China's very well aware that US politicians need to say tough things about China, and what China does is they take a look at what you actually do. Your point about the executive order, the executive order does almost nothing. We've been having negotiations in the Treasury Department with CFIUS, which is the group that monitors investment [inaudible 00:09:29].

Frank Gaffney (09:29):

The Committee on Foreign Investment in the United States, yeah.

Bill Walton (09:33):

The topic's come up in the last year. Well, hey, we care about them investing here. We do, of course. We want to know what they're doing. But we have no idea what the outbound investment from the United States has gone into. We've got some very sketchy statistics, but my numbers suggest there's been about a trillion or \$1.5 trillion to \$3 trillion. Your numbers, I think you mentioned last time, were \$5 or \$6 trillion. We don't know where it went.

Frank Gaffney ([10:04](#)):

Bill, here's the thing, that when you talk about that, that doesn't even take into account, I think, what a guy like Neil Shen at Sequoia Capital has been doing to marshal America's investment resources for the purpose explicitly of transferring technology to the Chinese Communist Party, something that a venture capital firm like his specializes in.

Bill Walton ([10:30](#)):

I hate to remind us of how blindly complacent we were. I remember Sequoia held their big investment conference just three years ago, or maybe it was four years ago, in Beijing, and proudly brought in members of the Chinese Communist Party to show what strong relationships they had inside China. That is supposed to impress investors because they want people who know how to do business there. Well, now we're looking at that in a much colder light, but they were wearing it on their sleeve for a long time.

Frank Gaffney ([11:07](#)):

Well, Neil Shen, actually, I think has been an advisor to the politburo no less, and I'm prayerful, Bill, that-

Bill Walton ([11:17](#)):

He's a deep insider-

Frank Gaffney ([11:18](#)):

Big time.

Bill Walton ([11:18](#)):

... which makes him one of the richest venture capitalist in China.

Frank Gaffney ([11:21](#)):

It sure does, in the world, I think.

Bill Walton ([11:23](#)):

Yeah.

Frank Gaffney ([11:23](#)):

Bill, we have to leave it at that. I'm hoping that we'll hear from the Select Committee on the Chinese Communist Party under Mike Gallagher, that they're going to get into this issue of Sequoia Capital, but I'm not holding my breath. Bill, thank you for your time today, my friend. Come back to us again soon. It's always good to talk with you, and we look forward to doing so next week. We'll be right back with more right after this.