

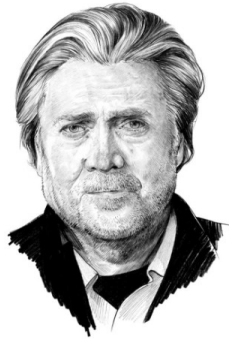
Q &amp; A

## Steve Bannon on Hong Kong, Covid-19, and the War with China Already Underway

"If we blink, we're heading on a path to war, to a kinetic war, if we don't stop it right now. The elites are going the wrong way."

BY DAVID BARBOZA — MAY 24, 2020

*Since leaving the White House as chief strategist to President Trump in August 2017, Stephen K. Bannon has focused almost exclusively on China. He is a member and co-founder of the "Committee on the Present Danger: China." He has formed an alliance with a Chinese fugitive billionaire named Guo Wengui, and his daily radio show, "War Room," launched an entire section devoted to China's role in the coronavirus pandemic. As a regular commentator on Fox News and the subject of two recent documentaries, "American Dharma" (2018) and "The Brink" (2018), Bannon is sounding the alarms about what he says is a war that has already begun. The Wire spoke to Bannon twice over the past two weeks, first on May 12 and then again on May 23. What follows is a lightly edited interview.*



Steve Bannon  
Illustration by Lauren Crow

**Q. On Thursday, Beijing announced that it was planning new national security laws that could give China's leaders greater control over Hong Kong and undermine civil liberties in the semi-autonomous territory. This looks like a bold move by Xi Jinping and Beijing's leaders aimed directly at anti-government protests and dissent. What's your view of the events now unfolding in Beijing and Hong Kong?**

**A.** Well, this is big. In December, the Senate passed and the House passed, with only one dissenting vote, the Hong Kong Freedom Act [officially known as the 2019 Hong Kong Human Rights and Democracy Act]. I think certain requirements have to be certified by the end of May, or the first of June. It's up for certification right now. And I think it calls for a review of our underlying trade agreements [with Hong Kong]; the whole thing that makes Hong Kong such a great place for capital markets;

and the underlying trade arrangements with the United States, including financial matters. Obviously, [the Hong Kong Human Rights and Democracy Act] can't be certified now. This breaks all potential for certification. My strong recommendation is [for the U.S.] to go as hard-core as possible. You pull that immediately. Pull all the underlying trade arrangements we have. Also we stop and limit any activity with the [state-owned] Bank of China, or any mainland Chinese banks. The Bank of China is right there [in Hong Kong]. You restrict all activity with their money centered banks and the United States. Additionally, you go to immediate sanctions; you sanction the individuals, including the Foreign Ministry guys. And if the Politburo passes this, you go to immediate sanctions on those individuals too.

We should call a [UN] Security Council meeting immediately and dare China, as a permanent member, to block it. The world community ought to do this. On Monday morning, a holiday, the President's got to call a Security Council meeting and dare China to fight it. This is exactly like [what happened to] Czechoslovakia and Austria. We're in 1938. For Hong Kong, this is that moment. If we blink, we're heading on a path to war, to a kinetic war, if we don't stop it right now. The elites are going the wrong way. This is not a cold war. This is a hot information and economic war, and we're sliding rapidly. We are inexorably going to be drawn into an armed conflict if we don't stop this now. Now, I'm all for using multilateral institutions. But the United States has to stand up here. Yesterday, the Canadians, British and Australians put out a joint statement. It's now time to take it to the UN Security Council. This is an abrogation of a treaty that was signed, and essentially ratified by the United States Senate. We did backup legislation for this.

**Your position sounds incredibly aggressive.**

Look, no one in the world wants war, but to avoid it you can't look the other way. The only thing these dictatorships understand is when you stand up to them. What they [Beijing's leaders] have done is not just outrageous, it breaks with the rule of law. Forget about the [U.S.-China] [trade deal](#) now. It's not relevant if they do this now. This [the agreement tied to the 1997 Hong Kong handover] is one of the most important treaties of the 20th century, agreed to by all parties, and basically underwritten by the people of the United Kingdom and

the United States. Listen, Prince Charles wrote in his memoirs that when the Queen's yacht was leaving Hong Kong in 1997, after the handover, he turned around in that monsoon rain and he looked back at the flag. It was the flag of China that now fluttered over Hong Kong. And his thought was: "I feel terribly that I have left Martin Lee [a Hong Kong politician and pro democracy leader] in the hands of the Chinese Communists." Prince Charles was prophetic. This gets to the core of what the West stands for, what the industrial democracies stand for; we either stand for the rule of law, or we don't. The United Nations Security Council either stands for the rule of law or it doesn't. Martin Lee and Jimmy Lai [the media tycoon] were just arrested. Lee is 81 years old!

**What do you say to those who argue that you're demonizing China?**

I'm not demonizing China. This isn't about the "Wuhan Virus" or the "China Virus." It's not about China. It's about the Chinese Communist Party. Every week, and just today, I did a two-hour cable TV special, "Descent into Hell: Part 6." I'm the only media executive in the United States who has ever given a platform to the unfettered voices from mainland China, to talk about what it is like to live through this totalitarian dictatorship. I've done 12 hours of it in the last six weeks. Now, I block their faces, but their voices are heard. It's heartbreaking. And the feedback we get from the American audience is great. They can't get enough of it. They had no idea about the suffering. America thinks they're all Chinese Communists. I say, "You understand, they don't own any land. There's no personal property ownership. There's been no land reform since 1949."



Steve Bannon listening to President Donald Trump at a White House meeting on cybersecurity  
Credit: Chip Somodevilla/Getty Images

**Are you working with people in the Trump administration or members of Congress on any of these issues?**

I don't want to say who I talk to in the [Trump] administration, but I talk to people in the administration multiple times a day. And I've not stopped working with Congress. The Committee on the Present Danger [officially, the Committee on the Present Danger: China, an organization Bannon co-founded to combat the rise of China], we're [working] with Congress nonstop. And we are [trying to work with Senator Marco] Rubio and [Senator Tom] Cotton and [Senator Josh] Hawley, and [Senator Ted] Cruz. There's a whole group of super hawks [talking about the China issues]. And my question is: where's [House Speaker] Nancy Pelosi? I want the 1990s Nancy Pelosi. Her political life started because of her concern, out of San Francisco, for [what happened in 1989 in] Tiananmen Square. Nancy Pelosi went to Tiananmen [Square] in the '90s and she was hassled by the police. She was a fire breather!

The U.S. China [Economic and Security Review] Commission does a terrific report every year, and some of the best people working on it come from her staff. Where is Nancy Pelosi on this joint task force in Congress? She's let her Trump derangement syndrome actually block her incredible record on human rights, in support of the Chinese people. What I love about Nancy Pelosi, and what she's done historically, is she's got it. It's not about China, and it's not about the Chinese people. Nancy Pelosi is among the first politicians to pick it up. She was anti-CCP [Chinese Communist Party] even before Trump. He was on [the case of] Japan in the '90s. Nancy Pelosi was the first woke politician [on the challenge of the Chinese Communist Party]. But now, in a moment of crisis, she's MIA. She hasn't stepped into this like she did in the 1990s. We need her leadership; the world needs her leadership.

**Tensions have clearly deepened between the U.S. and China, and some analysts say that on the topic of China, the Trump administration sounds increasingly like Steve Bannon. Is that what's happening?**

The reason we won in 2016 is because of China and trade. I mean, if you go back, even President Trump has admitted it. He said this during the State of the Union address, and he says it now all the time. And this is what [the] 2020 [election] is going to be. This is the *only* thing that matters. Not that the pandemic hasn't changed world history, but even with the pandemic, China is the only thing that matters; the only thing that works.

**Let's take a step back. What has happened to the U.S.-China relationship in the past eight to ten weeks with the global pandemic and the disputes over the handling of it, and with the U.S. and China both pointing the finger at one another? Is this a terrible development or something that you viewed as inevitable or even necessary?**

The single most important thing is that it has clarified things. It's made things crystal clear. We're in a war with the Chinese Communist Party. That's what we're talking about. It's not China as an entity; and it's certainly not the Chinese people. In fact, they are the biggest victims. This is the Chinese Communist Party, with their callousness, their deceitfulness, their inhumanity, and their disregard for any values. This has come to the forefront. That's what this pandemic has done. It has exposed to the world exactly who they are, what they are, what they will do and what means they will use to get to the ends they want. They obviously want to become the world's hegemonic power, under their totalitarian rule. The other things it has exposed is who are their useful idiots, fellow travelers and running dogs.

| BIO AT A GLANCE   |   |
|-------------------|---|
| FULL NAME         | Stephen Kevin Bannon  |
| AGE               | 66  |
| RESIDENCE         | Washington, D.C.  |
| CURRENT POSITIONS | Conservative media and political strategist,<br>War Room: Pandemic radio show host,<br>Member of the Committee on the Present Danger: China |
| FORMER POSITIONS  | Trump White House Chief Strategist, Executive Chairman of Breitbart News  |
| EDUCATION         | Virginia Tech, Georgetown, Harvard Business School  |
| CHILDREN          | 3   |

**And who are they?**

[Laughs] It's a combination of the city of London [Britain's financial center] and Wall Street and global corporatists, and even certain media outlets. Let me be specific. There are all these Sunday TV shows on for hours and hours. And on Mother's Day there was a complete beat-down on President Trump and the administration's handling of the pandemic and the economic crisis. And except for Peter Navarro [an assistant to President Trump, and director of Trade and Manufacturing Policy], and Tom Cotton, on Maria Bartiromo's [Fox] show, China never came up on the rest of the Sunday shows, or virtually never came up. When you look at the mainstream media, it [China] is not part of the immediate conversation. And to me, that's just unacceptable. What we have here is a global pandemic. We're in the early stages of it. It's already triggered an economic crisis, both demand destruction and also destruction of the supply chain and the supply side. This is an economic crisis of both demand and supply, which the world has never had at the same time. It has triggered a massive financial crisis. What happened in 2008 pales in comparison. The United States right now has put in between \$9 trillion and \$10 trillion of fiscal payments on the balance sheet of the Federal Reserve. And it's on such a massive scale that people are having a tough time getting their heads around it. And all this could have been avoided if the Chinese Communist Party had a modicum of decency and a modicum of respect for their own people, for the Chinese people.

**It sounds like you believe some of the conspiracy theories about the origins of the virus, that China may have done this intentionally. Is that right?**

I don't believe in conspiracy theories, but I also don't believe in any coincidences. If we find out that it was part of some experiment they were doing that went awry, or if we find out later that it was part of some biological weapons program they are not supposed to have... All of that is being investigated right now, not just by Five Eyes (an intelligence alliance made up of the U.S., U.K., Canada, Australia and New Zealand), but by many others. We'll find that out over time, particularly as we get closer to the source in Wuhan.

But what we do know — and this is just a matter of fact — is that from the first week of December, and at least until the 20th of January, they hid this. And they particularly hid this from the Chinese people. They also hid this from the world. And they actively lied about it. They knew they had human-to-human transmission. They knew they had community spread no later than the third or fourth week of December 2019. They prosecuted many of the heroes of Wuhan who tried to get word out to their fellow citizens. As you know, they prosecuted Dr. Li [Wenliang, the early whistleblower who died of Covid-19 at the age of 33] and other heroes. And they made them sign rumor mongering confessions, which is one of the worst things you can do in China. Then they tried to suppress this. They never told the people who were traveling in and out of Wuhan until it was absolutely necessary. And thank God for one thing: this was the Lunar New Year time period, when they were forced to come forward and stop travel inside of China. Every year, that's the largest migration in mankind's history. They stopped that because they knew that it would explode all over China. We have no earthly idea how bad this thing could have been. So we're very lucky in that regard, but not because of their acts. Their acts of commission, their acts of shutting down travel inside of China while allowing unsuspecting Chinese to fly throughout the world and spread the disease. They went from a net exporter to a net importer of personal protective

equipment (PPE), knowing full well that PPE would be the deciding factor for the first line heroes, the first responders, doctors and nurses in the ICUs. They understood that the rest of the world could not even test without PPE. They were vacuuming up PPE in Europe, vacuuming up the United States, and they were vacuuming up Australia and Brazil.

This is equivalent to premeditated murder. And that's why this has to be adjudicated at some point in time. They have to be held accountable because of the cold-blooded nature of this. This is shocking, even by the low standards we've held them to. The University of Southampton in the United Kingdom did a [study](#) that showed that had they just come forward in the last week of December or the first week of January and admitted that they had human-to-human transmission and community spread that 95 percent of the deaths, 95 percent of the agony, 95 percent of the economic destruction could have all been avoided.

**For some time, you've been broadcasting a radio show from the basement of your Breitbart Embassy. And at some point, the name of the show was changed from "WarRoom" to "WarRoom: Pandemic." You seemed to be making a lot of this before Americans or even the White House took it seriously. Why is that?**

I have a very good feel for China. I've lived there. I've been around China since the 1970s. I was a naval officer on a destroyer in the Pacific [7th] Fleet. Also, it's knowing Miles Guo [the billionaire Chinese fugitive known alternatively as Guo Wengui or Miles Kwok] and the "Whistleblower Movement." I'm the chairman of the Rule of Law Society and cofounder of the rejuvenated Committee on the Present Danger: China. We were also all over the Hong Kong demonstrations. We broadcast and called that shot in May 2019. And it's also just getting to know the Chinese people and the Chinese dissidents and knowing the scale [of the problem in China]. It stunned me when I first heard that there might be some type of shutdown during the Lunar New Year. And particularly when I heard they were going to lockdown Hubei Province and Wuhan in the third week of January. I think Miles and I were broadcasting on the 18th and 19th. This just shows you the provincial nature of Washington, D.C., New York, and even London. The American people should understand that these centers of power in the world don't actually have as many executives traveling around and living in these places. In a world that's interconnected, we've become very provincial.



Steve Bannon hosts War Room: Pandemic, a show about Covid-19

I was stunned. I went around and said, "Hey, I'm shifting to this." We started broadcasting an hour on it in mid to late January. And then, around the 23rd [of January], I shifted to it for the full show. I was essentially going to have a "WarRoom: Pandemic" show. And I was laughed at and mocked by people I respected. They would say, "What are you talking about? This is like some type of cold or flu that's going around China." And I said, "No, no, no. This is an historical event. This will change the history of the world." And they said, "Why would you say that? You always have your hair on fire over something." I said, "Hey, Hubei [Province, pop. 58 million] is essentially the size of France [pop. 66 million]. Wuhan, which I've been to, is nearly 40 percent bigger than New York City. They have Hubei in total lockdown and they've quarantined Wuhan." And I said, "When this regime, whose total predicate to power is economic betterment, when they go to that level and they start shutting down transportation and cancel their Lunar New Year and shut down the Forbidden City, this is big! This is a world historical event. Nothing on this scale has ever been done in human history. These people don't do anything that is not at some level of seriousness. They're not frivolous. The regime is quite deadly but they're also very serious."

And people didn't take it seriously. I was shocked that I got mocked and ridiculed. I went and did the Bill Maher show [Real Time with Bill Maher on HBO] on Feb. 8. I've been on the show a couple of times. I respect their producers; it's perfectly produced. But I only agreed to fly out there on one condition, and that was that we talk about the pandemic. And when I got there, they said: "Hey, he really wants to talk about the impeachment." And I said, "The impeachment is irrelevant. It doesn't matter. Nobody will remember this." I said, "This is everything." And they said, "Ok, as a compromise, we'll introduce you in the role of your new show, 'WarRoom: Pandemic,' but he wants to talk about Trump." And I'm sitting there going, "Hey, the whole campaign is gonna change. Everything's gonna be around this pandemic." They said, "Yeah fine, but we don't want to talk about it."



I thought back on that, and I said, “Oh my gosh. These are like the smartest guys in the world. They’re very bright.” But back then, people would look at me and say, “This is like the flu or cold, isn’t it?” And I’d say, “It’s not! It’s not!” And what drove that was simply the fact of my living in China and, quite frankly, knowing the dissident movement and the “Whistleblower Movement.”

As we look back at it, they were hiding things. They wanted to make sure that nothing came up before they signed the trade deal [January 15, 2020]. They wanted to make sure nothing exposed them during Davos [January 21-24, 2020], where they had organized their biggest contingent ever to Davos. But if Lunar New Year had not been in those weeks, if this had happened in, let’s say, in October or November, we have no earthly idea how long they would have tried to suppress this.

#### **And you believe China should be held accountable for the spread of the virus?**

They absolutely should. We should go back and look at whether it came out of the lab, or a weapons program. There’s a direct chain of title in their decisions. We know for a fact that they were [notified](#) no later than the last week of December, and there was already communication going back and forth. Dr. Li [Wenliang] was rounded up, I think, on the 30th of December, and maybe confessed a few days later to being a “rumor monger.” We also know that the batwoman [Shi Zhengli, the Chinese virologist and bat specialists from the Wuhan Institute of Virology] was notified by *Scientific American*. I think it was in the March issue and it said she was notified by one of the hospitals on December 30, and the first thing that came out of her mouth was, “I hope this didn’t come from my lab and one of my experiments.” [She is quoted the article saying, “Could they have come from our lab?”]

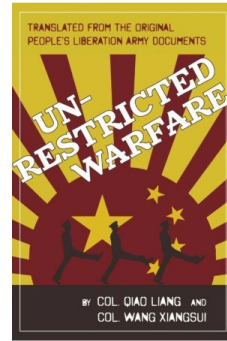
We also know that the World Health Organization and a couple of labs around China, in Hong Kong or other places, made communication and direct contact with Beijing around the first, second or third [of January]. We now know that Xi Jinping took personal responsibility starting on January 6 or 7. We know that the World Health Organization put out its press release on the 9th. Then the tweet on the 14th said that after consultation with China’s Ministry of Health that there is no human-to-human transmission or community spreading. That’s all a lie. We also know they [China] restricted travel shortly thereafter, or in China domestically. But they did not stop traveling throughout the world, particularly to Europe and the United States. And we know that they then put on an active program, starting about the third or fourth week of January to sweep up the world’s PPE. The chain of title of their cover up, the conspiracy to cover it up, and what the outcomes were is absolutely damning. This is the equivalent to Chernobyl. And that’s why I call it the “Biological Chernobyl,” because it’s the same type of approach. [New Yorker magazine editor] David Remnick’s great book *Lenin’s Tomb* shows you the paranoia that goes through these types of gangster operations. This is what happens when a regime starts to come under massive external and internal pressure. That’s exactly what you have in Beijing right now. Every decision they make shows their incompetence plus, they’re wanting to cover this up from the world. And so that is damning.

“ We ought to, quite frankly, seize their companies here in the United States. It has to be aggressive. And I’ll say this: It’s going to get there, even if people on Wall Street or American corporations don’t think we’re going to get there. ”

We just won a big victory on the [Federal] [Thrift Savings Plan](#) [🔗](#), which I think is the first of many. We need this. They’re engaged in economic warfare. You need to take it up to a hot war, economically. And that means a combination of sanctions. I think JASTA [Justice Against Sponsors of Terrorism Act] very quickly [strips them of their sovereign immunity](#) [🔗](#) for this action. I think you need to seize the assets of the leadership throughout the world, in Switzerland, in London, Belgravia, Midtown Manhattan, and the eight princeling families. All of their assets have to be seized. You have to start this with lawsuits around the world, from both citizens and governments. This could be tens of trillions of dollars. And we ought to talk about our debt. We ought to wipe out our debt. We ought to, quite frankly, seize their companies here in the United States. It has to be aggressive. And I’ll say this: It’s going to get there, even if people on Wall Street or American corporations don’t think we’re going to get there. This is the age of recrimination against the Chinese Communist Party, not the Chinese people but the Chinese Communist Party. We’re just beginning. When people understand the full nature of this, whether it’s in Italy, France, South Africa, India, or the United States, people are going to demand retribution.

**You make it sound like the U.S. and China are on the brink of war.**

We're not on the brink of war. We are at war! This is one of the things they outlined so brilliantly in the book *Unrestricted Warfare*, about how to engage in modern warfare. This is a book written by two PLA colonels about the Gulf War. It was really conceived of in the mid 1990s but published in the late '90s. We got bootleg copies of it from the institute in the Naval War College. But now, that book, which I argue is the most serious book on strategy since Clausewitz, is telling, in that they lay out war [strategy]. There are three different types of war. They say: there's information war, which assumes cyber; there's economic war; and then there's kinetic war. And their point is, "We never really want to get into a kinetic war with the West. They have obviously shown over the last couple of millennia that they're pretty good at kinetic war. So there's no need to do that. But we have other means to do it." And if you look at their playbook, they've done it very well. And honestly, they have been engaged in a cold economic and information war with us over, I think, the last six, seven or eight years. But it's gone hot recently.



And let me be specific. The West should have understood in the spring of 2019 that a fundamental inflection point was hit. Three things happened. Number one, they had their first big meeting of the One Belt, One Road Initiative [in Beijing], which I think only 25 or 30 nations showed up for. But Russia went; Pakistan, the nations of Persia or Iran, Pakistan, North Korea and Turkey. Those partners who are trying to consolidate the Eurasian landmass, they all showed up. And this was a telling moment. They basically went to kowtow to Xi Jinping and the One Belt, One Road program. Number two, immediately thereafter they made the most important geopolitical decision I think has been made in the 21st century, which was identified by [Ian Bremmer](#). And that was that we are going to decouple technologically from the West. They said, "We are going to have our own standards. You know, we're not going to build the firewall. The future Tencent, and the future [of the Chinese companies] Weibo, Alibaba, Huawei and ZTE are not going to be based upon Western technology. These are going to be based on our technology. We are basically going to break into a different camp." And number three. On the surface, they essentially failed to take the [U.S. Trade Representative Robert] Lighthizer deal, which had they signed and executed it like it was, given its transparency and given its accountability, would have fully integrated China into the western industrial democracy system. They saw One Belt, One Road was going to drive to Made in China 2025. They felt confident enough that they could break [away] from the West and really decouple technologically. And they decided then to stop what they were doing. If they signed this deal with Trump, that it's essentially a port treaty of the 19th century. All we're doing is kowtowing to the West. and So to me, it was in the spring of 2019 that then they ramped up and we went to basically the start of this hot economic war. And I think now they're full on.

And you know, the Saudi Arabian and Russian hit, the gangster hit on the American oil industry, to me is totally related to Saudi Arabia and Russia trying to be the primary supplier of oil and gas to the rising Chinese empire. In Russia, they just launched this. They just launched this [gold-backed Yuan](#) [Renminbi], and the cryptocurrency, because they were desperate to figure out how to get off the dollar as the prime reserve currency. So whether it's on trade, manufacturing, currency, or in capital markets, you're seeing a hot war right now.

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#### **You think this was all part of a plan to decouple that China initiated?**

Well, they didn't announce it. This all came out later, I think in the fall of 2019. But we realize that that decision had basically been made in April or May 2019. They made a fundamental decision to go to their own standards. And this was a basic decoupling from western technology. And to them, the future is technology. They were about to set up a system that you have to choose between the standards of the West or our [Chinese] standards. And that would lead to a massive geopolitical, and geoeconomic decoupling. Remember, their central focus geopolitically is the consolidation of the Eurasian landmass. And they're doing this with their partners: North Korea, Pakistan, Persia [Iran], Turkey and Russia. I've been saying this for years. I went around Europe talking about it. This is why it's 1938 that we are inexorably being pulled in, something that could slip into a kinetic war. And unless we confront China now in the information war and the economic war, we're going to slide into a kinetic war.

Remember, go back and listen to what I said before the pandemic. I said, "We're in a system with negative interest rates, like during the Great Depression." At that time, by 1938, all the macroeconomic tools available had been used. And we slipped into the second part of the Great Depression. Unemployment started going up. And I said [pre-pandemic], "Hey, if you don't figure out a financial and fiscal way to get out of this, we're in trouble." What they did in the '40s was they hit the reset button. Up until the pandemic, we were sliding into that anyway. And now this has exacerbated it. The pandemic is clearly a world historical event. It will be remembered as a world historical event. We have no idea how this is going to play

out, but it's already triggered an economic and financial crisis that is, quite frankly, deeper than the Great Depression.

#### How did we get here? And why is China your focus?

When I took over the campaign in August of 2016, Trump was down, I don't know 8, 10, 12 points, depending on what poll you looked at. But I told him, "Those numbers don't matter. I said there are only two things that matter: one is right track (one-third); and wrong track (two-thirds). People admire President Obama and his wife. They like them personally. But they still think the country's on the wrong track." By the way, those numbers still exist today. For years, Pat Caddell [the opinion poll analyst] has been doing his analyses of American decline, a managed decline. And for the first time, a majority of Americans felt the country was in decline; and that the elites were indifferent to that. That kind of falls into the "Thucydides Trap" argument that we are the declining power and China is a rising power, and that our elites are comfortable with that. And so as I said, "Look, what the data shows you is that Americans don't want to be in decline. In fact, they will look for any leader who will reverse this and lead them back to their former greatness. They don't want to be in decline." And that's what Trump represented. That's why he said in the State of the Union [address] that the reason he is president is because of this; he says that fairly frequently. I continue to say all the time that it wasn't immigration, although immigration is inextricably linked with this, and quite frankly very important. It was *China* and trade — that evisceration of our manufacturing base, and Wall Street actually having financed that and global corporations being uncomfortable with that. This is the decline in the United States, particularly in the great industrial heartland. It's quite frankly, a little bit of why Brexit and Trump's victory in 2016 are inextricably linked, because you saw the same thing happen in the industrial heartland of England. It's been gutted out.

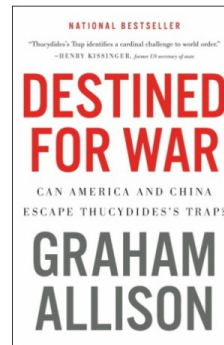
This is because the Chinese Communist Party's business model is predicated upon state-owned industries. Their biggest export is overcapacity and deflation. Remember, up until we had the pandemic we had no pricing power; you had no ability to lift prices or wages. The reason you had so much excess capacity in every major industry is because of China. And this is before China created Made in China 2025, which is the convergence of advanced chip design, artificial intelligence, robotics and maybe biotechnology. The convergence of those would make China, with Huawei as the backbone of quantum computing, basically the advanced high-value-added manufacturing centerpiece of the world, for centuries to come. And everybody else would be a tributary state. Let's be blunt. The United States would be a tributary state economically. We'd be Jamestown to their Great Britain. We'd produce pigs and oil and gas and timber.

“ This is the business model that the elites like. Wall Street, the capitalists, would always rather have slave labor than free labor, or labor that stands up for itself.... You've had the slave labor of China, delivered by the Chinese Communist Party and financed by the City of London, Wall Street, and the global corporations. ”

This is one of the reasons the trade imbalance is so tough to close. This is the business model that the elites like. Wall Street, the capitalists, would always rather have slave labor than free labor, or labor that stands up for itself. And that's what you've had. You've had the slave labor of China, delivered by the Chinese Communist Party and financed by the City of London, Wall Street, and the global corporations. They've basically made all their workers serfs, 19th century Russian serfs. And here's the tragedy of the model, the Greek tragedy, the money that did that belongs to the workers. Remember, Wall Street is basically institutional cash. What does that mean? It's the pension funds and the insurance money of doctors, teachers, nurses, the first responders, the labor unions; it's money from the working class and middle class. That's the great tragedy here and the part that's never really explained. There's a famous quote by Aeschylus, originally from a Libyan poem, "Once an eagle, struck by an arrow, said by my own hand, I'm stricken." That's where we are today. The United States was once an eagle, but we did this to ourselves. The Chinese Communist Party didn't do this to us. Our elites did it. Chinese foreign policy for three or four millennia has been to get the elites of satellite nations, and basically bribe them and give them better rewards in order to make them a tributary state. That's what is happening here.

**Back in 2017, shortly after you left the White House, you visited Henry Kissinger, at his home, to talk about China. Can you say something about that meeting?**

It's quite evident and this gets back to Henry Kissinger. Let me go back in history. When I was a young naval officer, before I got off my ship and went to Georgetown and Harvard, I was taking courses at the Naval War colleges, correspondence courses, and the very first thing that you were taught was the Peloponnesian War. I said, "Gosh, I love history. I love Plutarch. I love Thucydides. And I love studying the Peloponnesian War. But why is the first thing we study the Peloponnesian War?" And they said, "Well, you have to because it's about the declining power and the rising power." And that was the concept of two guys, [former Dean of Harvard's John F. Kennedy School of Government and author, most recently, of *Destined for War: Can America and China Escape Thucydides's Trap?*] Graham Allison and Henry Kissinger. Allison was the great nuclear strategist out of Harvard, and Kissinger had been National Security Advisor. And they believed in the concept that Russia had an economic model that worked. And Russia was essentially the rising power, and they were militarily stronger. They had a better command economy, and we had to have a detente and rapprochement and SALT treaties and all that, right? Well, Reagan comes in and he's a simple guy. They do a real analysis. Andy (the late Andrew W.) Marshall at the [U.S. Defense Department's] Net Assessment Group, and Bill Casey at the CIA, did a reassessment of the Soviet economy. And guess what? They find out that it's only half the size that they thought it was; just kind of a big miss, right? Reagan goes, "Well, how big are they?" And they say, "It's about the size of the California economy." He goes, "Why, these guys are midgets. Well, I know they've got nuclear weapons everywhere. But they're not really a competitor, because they're tiny as an economy." That was the beginning of the end of the "evil empire." We win. They lose. And the economic war that was run against them — on the defense budget and Star Wars and the Saudis [referring to their full oil production] and all of that — led to their collapse eight years later.



Well, that same group came up with the same phony construct that everybody bought into about the "Thucydides Trap," where we are the declining power and China is the rising power, but in order to avoid a kinetic war, we have to gently nudge them along until they become more like us. Right! And when I met with Dr. Kissinger [in 2017], he lays it out. And I lay out my side. And he said, "Hey, I agree with your analysis. Your analysis is 100 percent correct. But your solution is 100 percent wrong." [laughs] I said, "Well what's your solution?" And he said, "Well, over 30 or 40 years of diplomacy we could get them to..." And I said, "Are you kidding me? We don't have 30 or 40 years. I'm not even sure we've got four. Have you noticed these guys are big on dates? It's called 'Made in China 2025'; it's not 'Made in China 2055.' And there's no turning back." So it's obvious. The elites of the world have bought into this comfortable narrative. You still see it today. Richard [N.] Haass [of the Council on Foreign Relations] came out on Saturday in a full, 2,000 word analysis that was taken, I think, from his new book [*The World: A Brief Introduction*, Penguin Press 2020]. He walks through why we don't want to get into a Cold War with China, and I say, "Yes, we don't want to get into a Cold War with China, because they're in a hot war with us right now, economically. And if we stay in a Cold War mode, we'll lose." He's the president of the Council on Foreign Relations. I think he still teaches at my alma mater, Georgetown, where he's considered one of the premier voices. And Richard Haass is a very smart guy. But this to me shows you can be too smart. And that mentality will lead to the destruction of the United States. China is in a full on economic and information war with us. And they are planning, if need be, to go full kinetic. And we do not want to get into a kinetic war in the South China Sea, around Taiwan, or around other hot spots up in the northwest, up near the Sea of Japan around Korea. We don't want that. And to avoid that, we have to understand that they're at war with us and we have to engage in that war today.

#### **Is it true that after you entered the White House in 2017, China was one of the first areas you worked on?**

Well, Mike [former National Security Advisor Michael] Flynn was the very first person that was picked on Wednesday morning. In fact, we knew that President-elect Trump, Jared [Kushner] and Mike Flynn would go to Washington the next morning and start the transition with the national security advisors. And Mike and I sat down and we talked about three things that had to happen immediately. Number one, we want to de-operationalize the NSC [National Security Council] that they [the Obama administration] had. And he was going to go and do due diligence. But we wanted to go to our [former National Security Advisor Brent] Scowcroft model. Basically, Mike [Flynn] would be the one that would drive the policy out of the White House, but essentially we would help to curate the different agency or stakeholder alternatives to form a basis for decisions, and you would run the war because President Trump, you know, made a campaign pledge to destroy ISIS. We knew that was going to be a huge deal with whoever we selected to be Secretary of Defense, which turned out to be Jim Mattis. But that was number one.



Number two was to find out who all the Obama detailees were and basically get rid of them; and get our people in there. Mike was going to do that. Number three was to begin getting all the documentation on President Obama's "Pivot to Asia." It was pretty evident to me that President Obama got it; that we were too CENTCOM [United States Central Command] oriented. We were too tied into the Middle East. And although obviously that's important, it pales in comparison [to China]. In fact, it's just a theater of the great existential war with the Chinese Communist Party.

We had to see, why did he [President Obama] think that? And what was done? I think we had forward-deployed a marine brigade in Brisbane, Australia. And in fact, I think it was in September of 2014 or 2015, Xi [Jinping] came for a formal visit that [then Vice President] Biden had been the negotiator on, and they signed a document that was supposed to stop cyber intrusions into businesses and to stop the militarization in the South China Sea, both of which were key points. But the Chinese did it at an even more accelerated level afterwards. So we had to get all the documentation first for the "Pivot to Asia," and to make sure that building the China team was his top priority. And General Flynn was 100 percent [in agreement] with that. He and I talked about it during the [2016 presidential] campaign. He fully agreed. And this is the beginning of the selection of superstars, like [now deputy National Security Advisor] Matt Pottinger, Michael Pillsbury [a former government official who President Trump has called an authority on China] and Peter Navarro. And others came into the administration, like General [Robert] Spalding. That all started with those early meetings with General Flynn.

**So the "Pivot to Asia" by the Obama administration was right, but they weren't getting any traction? They weren't doing enough?**

Look, President Obama got it. I'm not saying he was in for the confrontation, but he understood it. And he even understood this when he was a senator. I would argue that Obama and Trump are presidents with some similarities. Obama ran as an antiwar populist. Trump ran not as an isolationist but "America First." There's not that much difference. President Trump is not aggressive when it comes to military power. He is not quick on the trigger. Remember that Hillary Clinton, the reason we positioned her is that she is quick on the trigger. Obama's not like that and Trump's not like that. Although, when Trump says, "I'm taking down ISIS," you know ISIS is going to get taken down. But Obama understood that we're too tied up in the Middle East, and maybe not for all the best reasons. We've got to really think through what we're doing there and get the combat troops out. We saw what Obama was trying to do, to pivot. His whole concept was a "Pivot to Asia." Now, what we found out is that in reality it became more of a marketing ploy, not a reset or a "whole-of-government" approach to confronting China as a major power.

Remember, Trump's first national security documents put the war on terror as a secondary thing and the great power struggle with China as a strategic competitor. That was all in the first year of the Trump administration. That was a huge fight because [H.R.] McMaster and these guys were still tied to this CENTCOM mentality. If you look at the Gulf War, even before then, everybody's been promoted; everybody's gotten to know each other. It's all around CENTCOM and the Middle East. That's why these guys all know each other. It's a mindset. Besides the Navy and some Air Force, there's not a deep knowledge of Asia. I mean, McMaster didn't know anything about Asia. He didn't understand economic war at all. They understand that we've got combat troops on the Korean peninsula. The Marine Corps is not that involved. Admiral Harry [B.] Harris was the guy I reached out to as the best strategist when he was at CINCPAC [United States Indo-Pacific Command]. Unlike at the end of World War II, when obviously we were a dominant power. We've let that atrophy. One thing for your readers that I want to press is this: Forget the sophistication of Washington, D.C., and New York City. These are very provincial cities with very provincial mindsets. What they are focused on is what goes on in the Beltway; what goes on in midtown Manhattan; what goes on in the Hamptons. Their lack of understanding of the world is shocking. And this is why, if you look at the leadership that we've seen in this whole process with confrontation with China, it's come from the working class in the country. I can go out to Michigan and Wisconsin and Pennsylvania, and places like that, and have a conversation with workers. And you don't have to get into a lot of fancy analysis. They understand that the factories went to China, and they understand that the opioids came in. They get it. So this is the kind of fundamental understanding that the elites have lost.

When Trump looks at the world, with "America First," you look at Western Europe; you look at the Persian Gulf; you look at the South China Sea, and you look up in the northwest in the area around Japan and Korea — those four areas. When you look at the international rules based order, those four areas, a combination of capital markets, commercial relationships, trade deals and an American security guarantee, right? The bottom line is American security. That's why we have troops in Europe; and that we have a massive amount of troops and weapons deployed to the Middle East. That's why we have the [United States] Seventh Fleet on patrol in the South China Sea. And that's why we've got army divisions at the 38th parallel in Korea, and forward deployed bases in Guam and in Japan. That is an American security guarantee.

And here's what the deplorables know. It's their tax dollars that underwrite this essentially \$1 trillion dollar [U.S.] defense budget, because of our commitments. And more importantly, it's their kids. It's their kids at the 38th parallel. It's their kids on the ships in the South China Sea. It's their kids in the Hindu Kush [the mountainous range that stretches through Afghanistan, Pakistan and other regions], and it's their kids in Eastern Europe. The question is: what is the program here? What are we really accomplishing? And are our allies really shouldering their burden? And I think that is what this is; "America First" was not "America Isolationist." Look, I was in the Pacific Fleet in the 1970s, and eventually deployed from the South China Sea and the East China Sea to the Persian Gulf. I've never seen a president more engaged in activities in the Pacific and in Asia as Donald Trump. You could take all the other presidents since Ronald Reagan or Jimmy Carter, ex-Vietnam. Take it from Nixon or the 1970s. You add all their activity about Asia combined, and quite frankly, Trump is more engaged than anybody: in North Korea, Japan and China. So you can't fault him. You can't say he's isolationist. He's been more engaged than anyone. And the American people are now waking up to this.

So I want to go back to the beginning. The pandemic, it's the difference between the signal and the noise. It's been a lot of noise. The damage has been the signal. The pandemic has really been the providential wake up call. It's changing world history. It's horrific. It has gotten everybody to see exactly what the Chinese Communist Party is, and what they're doing. Pew Research just had this amazing poll a couple of weeks ago that said that 91 percent of the American people understand that a world run by the Chinese Communist Party would be a much different and worse place than one with the United States as the dominant power. Listen, 91 percent of the American people don't even agree that the sun's gonna come up in the east tomorrow! These numbers are shocking. And by the way, this is Democrats and Republicans. The country's coming together. It's unified around [growing concerns about] the Chinese Communist Party. What we have to do and our leaders have to do, and must do, is understand that this is not about the Chinese people. They are among the most decent, hard working people on earth. And they have been abused and been a victim of this totalitarian dictatorship. And to me, that's what is so offensive about Wall Street, the City of London and the global corporatists. The "Party of Davos" has basically been in business with them. It makes me sick to my stomach. And I think it's outrageous. The biggest victims here have been the innocent people of China. And you know, hopefully, in this confrontation, when the Chinese Communist Party comes down, the Chinese people will finally have freedom.

| MISCELLANEA           |  |
|-----------------------|--|
| FAVORITE MUSIC        | Grateful Dead, Philip Glass, Wagner, Ram Dass, early bluegrass, Gregorian chants               |
| FAVORITE FILMS        | 12 O'Clock High, Bridge on the River Kwai, Lawrence of Arabia, Groundhog Day, The Wild Bunch   |
| RECENTLY READ         | The Taiping Revolutionary Movement by Jian Youwen, The Cultural Revolution by Frank Dikotter   |
| WHO DO I MOST ADMIRE? | Living: My 98-year-old dad, Dead: Admiral Horatio Nelson, Frederick Townsend Ward, the Gracchi |

**Are you saying the idea of integrating China into the global economy, getting them to respect intellectual-property rights and become part of a rules-based international order is over?**

Let me go back to the third week of January of 2017. There were two major speeches given. On Wednesday in Davos, President Xi went and gave his seminal speech to the World Economic Forum. That was the cover of *The Financial Times*. And he basically laid out the benefits of globalization, and laid it out really as China as the leader. Talk about a network effect. And the "Party of Davos" and "Davos Man" gave it a standing ovation. He was hailed as the visionary leader of the 21st century. Two days later, Trump, in the [United Nations] speech essentially gave a defense of the Westphalian system. He gave a defense of the nation state as the basic unit that we build upon. It is the highest unit that one can have, you know, that free men or free women can control and reach their fulfillment. Those two speeches are diametrically opposed to each other. And the fact is that Xi went out of his way to blame the problems of the world on the rise of populism and nationalism. OK, now that is the railroad. That's where you start and you see the efforts. This is the decoupling.

The reason we can't have what you just talked about, the integration, IP, everything like that, is that they knew what they were doing all along. In fact, "One Belt, One Road" is really just the British East India Company run in reverse. It's the same exact business model, of predatory capitalism coupled with Made in China 2025, coupled with the global rollout of Huawei. And the decoupling in the spring of 2019, with the rejection of [Trade Rep.] Lighthizer's seven vectors [U.S. trade] deal. They would not integrate and they were not prepared to integrate economically. They certainly weren't going to integrate technologically. That is part of their long term plan. They're a group of gangsters, but incredibly intelligent; very smart. And they have a purpose. Remember, the leadership of the West believes in the "Thucydides Trap." Western leaders have lost confidence in their system. They think we're the declining power in Western Europe and in the United States. And here's the thing that I

have a problem with: If you go back to Davos and the World Economic Forum, the elite of the elite bit. Every group that was there — the lawyers, the accountants, the communication specialist, the marketing specialist, the industry types — they're all in the same business; and that's the information business. Every one of those people knew about the Uighurs. They knew about the concentration camps. They know about the Muslims. They knew about what happened to Tibet and the Dalai Lama, the Tibetan Buddhists. They knew what happened to the house Christians. They knew what happened to the underground Catholic Church and Cardinal [Joseph] Zen. They knew about live organ harvesting. They knew about the police state. They knew about all the stuff with increasing the [internet] firewall that blocked the Chinese people off. They knew about the slave labor. They knew about all of it, and they did not care. To a person, they hailed Xi [Jinping] as the visionary leader of the 21st century. The Chinese model was going to be *the* model. OK, the CCP model. If you cut to three years later, we're going to have this exactly again.

Today, as we give this interview, the Chinese Communist Party has announced there's been another secondary outbreak in Wuhan. And 10 days from today, they will have tested all 11 million people in Wuhan. They're gonna sit there in 10 days, on the 22 of May, and they're gonna sit there and go: "You got the model of Donald Trump. And you've got the model of us, right? We have tested. You talked about mass testing. We've given 11 million tests in ten days. What has the United States done? What has the West done? It's not a 21st century system. Ours is!" So they are far from backing down. In fact, they're going from having started this pandemic, and having concealed this pandemic, and having quite frankly exacerbated this pandemic for their own purposes; they're gonna sit there and second guess our model. "We were able to shut this thing down and stop it. Our model works. Your model can't work" [they will say]. And so if people think the information war [coming out of China] has started, they haven't seen anything yet.

**It seems you're beginning to be pilloried in the Chinese media...**

Listen, I am public enemy number one in China because on its main television networks every day, and in the press with their [version of] *The New York Times*; their *People's Daily*, or their *Global Times*, and on their *CGTN* [China's state-run broadcaster] in London, they're beating me down every day. Why is that? They understand that I am leading an effort to hold the Communist Party accountable for this, not the Chinese people. The Chinese are victims. And that drives them nuts; that I sit here every day and say of the 1.4 billion people [in China], there are only 90 million communists, and of that only 2,000 count. And of those, only really eight families are the ones who make all the decisions — the princeling families [the descendants] from the original Long March. And in addition, I say now it's time to strip their wealth from them. These people are worth hundreds of billions of dollars. They're the wealthiest people in the world. And they are basically taking 90 percent of their wealth and putting it into the West. They are [putting it into assets] in Belgravia, in midtown Manhattan, and in Swiss banks. It's time for the people of the world to seize their assets and strip them of their power. I'm absolutely relentless. I'm never going to stop. This is my life's work, to call out these devils.

**As you know, China is likely to be an issue in the upcoming election, and as you've said before, you have been making an issue of this with the likely nominee for the Democrats, former Vice President Biden. I believe you even funded a book project researched by Peter Schweitzer that referenced Biden's son Hunter Biden's dealings in China...**

I was very engaged and involved for many years looking at Hillary Clinton and particularly the Clinton Global Initiative and the Clinton Foundation. These are the globalists and this is the way they roll. Obviously I'm a populist and I'm a fire-breathing nationalist and I'm very proud of it. And so for many years I was at *Breitbart*, and then we set up a group called the Government Accountability Institute that did a bunch of stuff on crony capitalism here in the United States; dealing with insider trading, and all the various ways that the political class makes themselves wealthy. And we did [a book called] *Clinton Cash*. I [later] made a movie about it, before I came on the [Trump] campaign. My big focus in 2016 was obviously being the voice of populism and nationalism that supported Trump and Trump's campaign. But independently, I was spending time on the Clinton side, just going after Hillary Clinton and her globalism nonstop. The book came out in 2015, in the spring. [Afterwards] Peter Schweitzer and I discussed it and I said, "Listen, why don't we leave the presidency out of it but look at the political class. And instead of the crony capitalism around companies in the [United] States and how they enrich themselves, let's look at foreign money. And [let's do it] independently, looking at both Democrats and Republicans." And what it found with regards to Joe Biden, is it came up with the Ukraine situation, with the son [Hunter Biden]. But it also came up with the China situation. And when he was researching the book *Secret Empires*, I said, "Peter, hey no offense, but Ukraine and Russia is a sideshow to a sideshow. China is the main event. And what you've found about China is stunning. I didn't know any of this." He was the one who really revealed for the first time Hunter Biden's participation in the starting of this private equity fund [that invested and did business in China]. And really, this was so fascinating in that this tied it back together.



Then-Chief White House Strategist Steve Bannon speaking at the 2017 Conservative Political Action Conference (CPAC) in National Harbor, Maryland.  
Credit: Gage Skidmore, [Creative Commons](#)

Remember, President Obama deputized [then Vice President] Biden to be his wingman, and to really take the lead on the “Pivot to Asia.” If you go back and look at that tape [that was shown] about the Ukraine situation during the impeachment [process], in the first 15 minutes or 20 minutes it shows [former Vice President] Biden talking about his personal relationship with President Xi. I think he said he had something like 30 hours of private one-on-one meetings with Xi. Remember, in President Obama’s “Pivot to Asia,” the point man was Joe Biden. This is Joe Biden who pushed NAFTA [the North American Free Trade Agreement]. This is Joe Biden

who pushed China into becoming part of the World Trade Organization; and China into getting the Most Favored Nation [status]; and China’s involvement in the World Bank; China’s involvement in the World Health Organization. That’s all Joe Biden. But the book came out in 2017 in the summer, and it didn’t really have an impact, although it went after many Republicans. In fact, it’s the book that Democrats used to [focus on] Secretary of Transportation [Elaine] Chao, because it goes after her and her family quite strongly, with her relations with the CCP [Chinese Communist Party].

So this is going to be a campaign issue in the summer and fall of this year. Biden put out a new [TV] ad this morning. “Morning Joe” got an exclusive on it. But in the discussion afterwards someone says, “This shows you that Biden is trying to outflank Trump to the right, on who is tougher on China.” I’ve said this for years: the framing device of 2020 is going to be China, because the subtextual framing device of 2016 was China — because of jobs. I just had Bob Kuttner, who’s the founder and publisher and editor of the *American Prospect* on [my own] show the other day; not exactly a right winger. And we spent 20 minutes talking about, guess what: China. He was one of the interviews I gave when I left the White House, and [back then] on Aug. 9 to Aug. 10, I said, “The biggest thing we have in front of us was China; that China was everything. It was *the* existential threat.” And we talked about this the other day because everything is related to this confrontation with China.

#### **And so China is the key to the 2020 election, and what you said about Biden’s ties to China will matter?**

It is going to matter. It’s gonna be weaponized and brought up. Is that the mainstream media? Look, let’s go across the board. The mainstream media today is taking the Chinese Communist Party side. You don’t see any investigative effort. You do see it out of [a few] individuals at *The New York Times*. You see that even at *The Washington Post*, I would argue. I asked someone at a competitor to *The New York Times*. I said, “I don’t understand why there’s not much focus on China.” They said, “Look it’s all Russia. We have a 25 person team. It’s all Russia. And, you know, we have a couple of people working on China and India.” Why is that? They said, “Well, Russia is everything. Institutionally, it’s in the DNA of this place.” It’s tough to get people to change. The Cold War was 40 or 50 years. Then you had the whole “End of History” period, right? Remember, that *was* American foreign policy. The Russians are the bad guys.

And part of it is that we don’t understand modern warfare. The Chinese do. [They believe in] *Unrestricted Warfare*. If you get into kinetic war, you haven’t done your job. That’s not the way America thinks of national security. We think of it as tanks and planes and missiles and troops. That’s war. They [the Chinese Communist Party] are more sophisticated and saying, “Hey, it’s information. It’s cyber. It’s economics. And then it’s kinetic. But you never want to fight the foreign devils in a kinetic war.” The mentality in this town [Washington] is very tough to get away from. And here’s the point: we haven’t had that much military involvement in Asia since Vietnam. We just haven’t had it. All got shifted to the Middle East. Everything in the ’70s, really from the mid ’80s, was the Middle East. Everything from the Gulf War, in 9/11 and terrorism, Iraq and Afghanistan and in Iran. All of it has been around Saudi Arabia; it’s all been around CENTCOM. It’s the CENTCOM mentality that Obama did try to break. Obama understood. And one of the reasons was that Obama had stood up against the war in Iraq. That shouldn’t be lost on anybody. But Obama was not as virulently against the war in Iraq as Donald Trump. Remember, Donald Trump bludgeons [George W.] Bush all the time about the mistake in Iraq, about the \$7 trillion that was spent there and all the troops. I’m telling you, institutionally we don’t understand economic war. We don’t understand information war. They [the Chinese government] are masters of it. One of the things that’s going to come out about [former National Security Advisor] McMaster was his inability to understand what [deputy National Security Advisor Matt] Pottinger and Peter Navarro and others are saying: that we have to engage in this economic war and here’s the way you do it. He [McMaster] was very much just a standard stock, kinetic warfare guy.

**The rhetoric sounds awfully heated, and even dangerous, don’t you think?**



I disagree. It's not heated enough. Give me a break. What are you talking about? President Trump is trying to be the statesman. Look at what they're saying! They're trying to smear us, like [the virus] came from an U.S. army lab. Hey they're full bore. Did you look at what they said about me? I'm not complaining. I'm not whining. I give as good as I get. But I don't believe [the rhetoric] is heated enough. And I don't think the actions are heated enough. They're at war with us. They're in a full blown information or full blown cyber war, full blown economic war. And we have to engage in that. It's not just the rhetoric that has to be heated, the action has to be heated. This is a fundamental difference.

“ **I don't think the actions are heated enough. They're at war with us. They're in a full blown information or full blown cyber war, full blown economic war. . . It's not just the rhetoric that has to be heated, the action has to be heated.** ”

Richard Haass and all the establishment are saying, “Now we can't get into a Cold War,” right? We're beyond the Cold War. They're now engaged in a hot war. If you go back to Xi's speech in the spring of '19, this is not us decoupling from them. They decoupled from us. Let me be specific, if there's any reformer in the Chinese Communist Party it's the brilliant intellectual strategist Liu He. He is by far the most educated, the most deeply reflective, the best read. And he understands the West as well as anybody. He took 18 months, with Wang Qishan and Xi's OK [to negotiate a trade deal] in detail. This deal with [U.S. Trade Rep.] Lighthizer was a transformational deal. This would have fully integrated things. Those seven verticals dealt with every aspect that we had. It had full transparency, full accountability and full enforcement. And it went down to the deck plate levels to talk about the details of what regulations and legislation had to be passed in China to enforce this. OK. It was breathtaking in its scale and it united the world into one economic system. And it was absolutely, 100 percent rejected [by Beijing]. When it came time for the decision makers to look at this, the hardliners in Beijing said, “What are we doing? This is nothing more than a port treaty. This is kowtowing to the West. This is us playing by their rules and in their system. Our system is better. Our technology will eventually be better. And our economics will be better. It's a better system. It's a system of command and control.”

That's why they did those things. That's why they decoupled from us technologically and let us know that. And they basically stopped that deal and said, ‘Oh, we've got to do it in phases.’ There will never be more than phase one. They need our agricultural products. They need us to take down the tariffs, and they need western capital. Remember, the key part of the deal was to have us finance the credit card business and also to buy [their] distressed debt. They're so over leveraged they needed the West to come in and start to buy [their] distressed debt. That's the key to the phase one deal, which is just a symbol. So Trump said it's the first time they ever agreed to anything [the phase one deal]. But in the spring of 2019, they let you know that war was on the horizon. They were not going to be part of the system, and not being part of the system puts you on the path to war. We're on the path to war. Anybody that can't see that is either naive or willfully blind, or just doesn't understand the region and the enemy well enough to fully grasp what's going on.

**Wait, so much of America's goods come from China, our antibiotics, our mobile phones, our clothes. Our universities are filled with Chinese students. We've had tremendous integration with China in every way over the past 20 years. How is this warfare really going to take place?**

We could break them. They live off the dollar. You cut off all the access to Western capital markets. You immediately cut off their access to Western technology. [Including] ZTE [the Chinese telecom giant]. Remember, Xi had to beg Trump not to [put them on the U.S. blacklist] because ZTE needed component parts; because they'd collapse in 90 days. If we're at war, let's treat it like war. Let's cut them off from all access to Western capital; [Let's] cut them off from all access to Western technology. Let's start playing hardball with the dollar, with currency. We have tremendous leverage. We're not going to have that forever. We have it today. Also, strip their sovereign immunity. Get them into the court system. Strip all their personal assets. Make them paupers. Just seize their assets. Start doing that and these guys will break and the Chinese people will overthrow them. That's the thing we're talking about. I'm not talking about any middle ground [negotiating] over here with these guys for 25 to 30 years. If you do that they're gonna win. Henry Kissinger said [to me] “Your analysis is 100 percent correct. Your solution is 100 percent wrong.” And I would disagree with Dr. Kissinger on one thing. We don't have 40 years. Right now, this is 1938. And if you want to avoid a kinetic war in the East China Sea; and if you want to avoid a kinetic war in the South China Sea and the nations around it, and avoid a kinetic war in Taiwan, you better get up on the horse today [and fight] the information, cyber and economic war they are running against us. I don't think rhetoric should be hotter. I think actions need to be hotter than the rhetoric.

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David Barboza is the co-founder and a staff writer at *The Wire*. Previously, he was a longtime business reporter and foreign correspondent at *The New York Times*. [@DavidBarboza2](#)

#### COVER STORY



### Pole Position

BY EYCK FREYMANN

In public, Chinese diplomats and climate negotiators deny that they see any link between climate change and geopolitics. But there is a deeply cynical consensus within China's academic and policy communities that climate change creates geopolitical opportunities that China can exploit — and must exploit before its rivals do. Greenland was the proof of concept for this strategy. And it caught the U.S. flat-footed.

#### THE BIG PICTURE



### Transsion's Triumph

BY GARRETT O'BRIEN

A look at Transsion's monumental growth, unique marketing strategies and future growth potential.

#### Q & A



### Jörg Wuttke on China's Self-Destruction

BY ANDREW PEAPLE

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