

# Iran LOCKED & LOADED on US Navy, Trump UTTERLY HUMILIATED by China | Ben Norton

Geopolitical analyst and host of Geopolitical Economy Report Ben Norton joins the show to discuss stunning intel revelations on Iran's military capabilities as Iranian officials warn of full locked and loaded targets in the event of a restart to war. Trump has landed in China and has already suffered big humiliation the face of China's rise and Iran's victory on the battlefield. Ben's channel: <https://www.youtube.com/@UCwlvSJdcMc7iGdR-ducSog> SUPPORT THE CHANNEL ON PATREON: <https://www.patreon.com/dannyhaiphong> Support the channel in other ways: <https://www.buymeacoffee.com/dannyhaiphong> Substack: [chroniclesofhaiphong.substack.com](https://www.chroniclesofhaiphong.substack.com) Cashapp: \$Dhaiphong Venmo: @dannyH2020 Paypal: <https://paypal.me/spiritofho> Follow me on Telegram: <https://t.me/dannyhaiphong> #iran #trump #china

## #Danny

Welcome back to the show, everyone. It's your host, Danny Haiphong. As you can see, I am joined by Ben Norton of Geopolitical Economy Report. Ben, good to see you again. How are you? Good. Thanks for having me, Danny. Of course. Everyone, hit the like button as you come on the program. We have a lot to cover. Ben, first, I know you covered this on your own channel, but I just wanted to begin on the Iran situation before we head into, because they're all connected, Trump's visit to China.

I don't know if you saw the latest reports, that as Trump was getting on Air Force One to head to Beijing, we had U.S. intelligence reporting to The New York Times, as they often do, that Iran is retaining substantial missile capabilities — that 30 of its 33 sites, and these are conservative estimates, always from U.S. intelligence, along the Strait of Hormuz alone, its missile sites are operational. And they reaffirmed that at least 70% of all of its launchers, missile and drone launchers, remain operational as well. Iran has said, Ben, that if the United States decides to strike Iran again, it has all of its targets set on the U.S. Navy and this so-called blockade, and it is ready to strike with 120% capabilities, according to Abbas Araghchi.

The New York Times, also from arch-neocon David Sanger, had this to say about the visit — very much, of course, couching it as both sides being bogged down. But as Donald Trump now is set to meet with Xi Jinping in Beijing, the war in Iran, he says, is casting a shadow of uncertainty on both superpowers, dimming hopes of a larger resolution of ongoing problems. But what he says is Mr. Trump will arrive on Wednesday, today, with many in China wondering how he got bogged down by a far lesser power in a war he started. So, Ben, your reactions on developments now and where

things stand as this big meeting — or at least as Donald Trump is touting it, this big meeting in China — is about to take place.

## **#Ben Norton**

Well, as you mentioned, U.S. intelligence services are leaking a lot of this information to major media outlets. And in the past few weeks, there have been several major reports in all of the major U.S. media outlets — New York Times, Washington Post, Wall Street Journal, CNN, NBC News. All of them have published reports acknowledging that the U.S. has been losing this war. And assuming the war is coming to an end sometime soon, the U.S. lost this war, period. It is quite clear that Trump is looking for some kind of off-ramp, even though he's, of course, the person who started this war. It was a war of his decision, his choice. It was totally unnecessary. This report you just mentioned, of course, is very significant.

But there was another report recently in The Washington Post that acknowledged that Iran has more than 70 percent of its missile capabilities, and Iran has the ability to keep making more missiles and drones. It's not just a static number. At the same time, there are also reports that the U.S. military is actually running out of missiles. Forbes magazine published a report acknowledging that about half of the most important missiles — different kinds of missiles, including the interceptors that are needed for the THAAD air defense system and the interceptors that are used in other air defense systems — the U.S. has run out of half of those that it's provided to its allies like Israel, and it will take several years for the U.S. to rebuild those stockpiles.

This is a point that I've been stressing from the beginning of this war that the U.S. and Israel launched on the 28th of February, which is that the U.S. can flood these military-industrial complex contractors with billions or trillions of dollars in contracts. But there are physical bottlenecks in the supply chain. And by the way, China is one of those major bottlenecks because the U.S. needs critical minerals, and especially rare earth elements, in order to make this advanced military technology. And China dominates the global supply chain for critical minerals, and especially for rare earths.

So even if the U.S. gives trillions of dollars to all of these companies, they simply have physical limitations in the supply chains as to how many weapons and systems and ammunition and missiles they can actually create in a finite period of time. So when you look at all of the evidence impartially, it becomes very clear that the U.S. lost this war. And this is why even now some major war hawks in Washington, you know, arch neoconservatives like, for instance, Robert Kagan, who is the husband of Victoria Nuland, one of the architects of the coup in Ukraine in 2014, a top former State Department official — Robert Kagan is one of the original neocons. He's one of the co-founders of the Project for the New American Century.

And he just published an article in The Atlantic, which is, you know, the voice of Atlanticism, you know, a pro-NATO mouthpiece. And in this article in The Atlantic, he acknowledged that the U.S. lost

the war against Iran and that this will be a massive historic event, a game changer, not only for West Asia, for, you know, the Middle East, but for the entire world. In that article, he acknowledged that, one, this means that Iran, coming out of this war, is going to be significantly more powerful than before. Iran is going to have control over the Strait of Hormuz, the most important oil transit choke point on Earth.

Iran also is going to have significant influence over the Persian Gulf monarchies. And by the way, there have been multiple reports that the UAE was directly participating in this U.S.-Israeli war. The UAE was directly bombing Iran, and Benjamin Netanyahu visited the UAE during this war. So the Gulf regimes have been entirely discredited. I mean, they never really had much credibility, but they had a lot of money, and that can go a long way when you're paying people off. But the Gulf regimes have had their credibility shredded. The illusion that they're a safe haven has been totally destroyed.

And they already were unpopular among their own populations and especially among other people in the region. But now the fact that they're so clearly supporting Israel and the U.S. has only further discredited them in the eyes of the average peoples of this region — the Arab peoples, Palestinians, Persians, you know, other ethnic minority groups. People from all across the region can now see that these Gulf regimes are totally fraudulent. They never cared about the Palestinian people, and they will go along with the U.S. and Israel and whatever they want, which is why, of course, Tehran targeted them. That was why, you know, they're hosting U.S. military bases.

And then finally, Robert Kagan, getting back to this article in The Atlantic, he acknowledged that this will also accelerate the decline of U.S. global dominance. And he argued that it will be beneficial for China and Russia and will increase their influence. I know we're going to talk about that later. So, you know, that's just a brief overview. But if you just look at mainstream media outlets, they're all at this point now acknowledging, after more than two months, that this war was a total failure, that it actually strengthened Iran, weakened the U.S., and could potentially usher in an even more multipolar global order.

## **#Danny**

Great points, Ben. And here's Donald Trump's reaction to these reports, because there have been a lot of them. And this is what he wrote. I believe he was already on Air Force One on his way to China when he wrote this or something, about to be on. He said, when the fake news says that the Iranian enemy is doing well militarily against us, it's virtual treason in that it is such a false and even preposterous statement. They're aiding and abetting the enemy. All it does is give Iran false hope when none should exist. These are American cowards who are rooting against our country. Iran had 159 ships in their navy. Every single one is now gone. The navy, the air force is gone. All technology, everything. Anyway, they're losers. Everyone's a loser. And Trump is a winner.

That was the response. But to your point on the Gulf allies too, like the UAE, etc., Dropside News published this today that a classified CIA analysis circulating this week found that Washington's Gulf

allies are now split over how much military support to provide to the Trump administration's war on Iran. And of course, we had the whole fiasco of Project Freedom and all the Gulf allies, the vassals like the UAE and Saudi and Kuwait especially. They were all supposed to be on board, but it ended up being just the UAE, and everyone else said, maybe not this time. And then there are reports that they came back into it. And then both of these countries, Kuwait and Saudi Arabia, said, no, not really. So it's a big mess right now. Your thoughts on this?

## **#Ben Norton**

Yeah, this is big. And we'll start with this so-called Project Freedom or Operation Freedom, where Trump was going to try to militarily force open the Strait of Hormuz. And it was reported that Saudi Arabia denied the US military access to its airspace and its bases. First of all, those bases are largely in rubble. There have been many reports acknowledging that the US military bases in the region have been reduced to rubble. But why did Saudi Arabia deny the US access to its airspace? Why was Saudi Arabia not interested in getting involved in this operation? I think the answer is quite clear. It's because Iran has demonstrated that it has the ability to cause significant damage to these countries.

We already know that billions of dollars of infrastructure have been destroyed or significantly damaged, especially energy infrastructure. We're talking about oil and natural gas. And everyone knows that these Gulf regimes are all petrostates. They only exist because they were, you know, blessed by the British Empire and then the U.S. Empire after World War Two, which protected them. And they have enormous reserves of oil and natural gas, and they use that to fund everything. And they've all pretended that they're going to diversify their economies in recent years. Saudi Arabia wants to become like a tourist attraction and all these things.

You know, they've invested in assets all around the world, and not only traditional assets like stocks and bonds and real estate, but also, you know, more unorthodox assets like sports teams. Saudi Arabia and the UAE have been buying up tons of sports teams and things like that. And at the end of the day, their tourism industry has been destroyed by this war and their alliance with the U.S. and Israel. And now they're being forced to sell, to liquidate a lot of those investments because they're running massive deficits, because their oil and gas export revenue has plummeted. And even if they can produce oil and gas, they can't get it out of the Strait of Hormuz. But a lot of them cannot even produce the oil and natural gas because it's been physically destroyed in this war.

Because every time the U.S. and Israel bombed an Iranian energy site, including the largest gas fields in Iran as well as energy infrastructure, they even at one point tried to go after some of the water treatment facilities, desalination facilities, which would be a massive escalation because then Iran could target the desalination plants in the Persian Gulf of the monarchies like Saudi Arabia, which get the vast majority of their water from these treatment plants. So at every stage, the U.S. and Israel would escalate, and then they would hit one of these facilities in Iran. And what would Tehran do? It would hit one of the same facilities in the Persian Gulf regimes. So Saudi Arabia was the one that was actually bearing the cost of this war. The U.S. is on the other side of the world.

I mean, Iran did demonstrate in this war that it has some long-range ballistic missiles. Iran was able to hit the Diego Garcia base that the U.S. and the U.K. run, which is technically part of Mauritius. This goes back to an old British colony, back to the British Empire. But anyway, Diego Garcia, this base is 4,000 kilometers from Iran, and Tehran was able to hit it. But, of course, the U.S. is on the other side of the world, so Iran cannot directly hit the continental U.S. But what Iran can do is hit Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE, Jordan, U.S. bases in Iraq. And that's exactly what Iran did. So again, this is such a massive game changer, because Iran, one, to use some international relations rhetoric, Iran has established deterrence. What does that mean?

Deterrence is the ability to prevent another actor from carrying out actions that you don't like. So Iran has the ability—it has established deterrence—because it has the ability to prevent the U.S. and Israel from launching another attack against it. Because let's not forget, in June of last year, the U.S. and Israel launched another war of aggression known as the 12-Day War. Before that, the U.S. bombed Iran's consulate in Syria. I mean, the U.S. has been doing this. Israel has assassinated how many Iranian officials and nuclear scientists? Trump did this in his first term, in January 2020, right before the pandemic. He assassinated Qasem Soleimani, the top Iranian general. And in those previous acts of terror by the U.S. and Israel, Iran did not really respond significantly.

It did respond in some ways, but not significantly, not at the same level. And now Iran has established that it can respond at the same level. It can exact a massive price upon these countries, and therefore it has established deterrence. So Trump can say whatever he wants. It's all just propaganda. It's to try to throw red meat to his increasingly alienated base. You know, he's alienated a lot of his former supporters who are very angry about this totally unnecessary war. And by the way, the last thing I'll say is that Forbes cited a Harvard lecturer who estimated that this war will cost one trillion dollars—one trillion. And what did the U.S. get out of it? They massively strengthened Iran. Good work.

## **#Danny**

And one thing to note too, Ben, is when it comes to Operation Freedom and what you were just outlining there, not too long ago—I mean, less than a week ago—and this might have something to do with the reason why there are now a lot of neocons, the CIA, all kind of throwing water on the Trump administration's war effort, is that the United States hit an Iranian tanker in the Strait of Hormuz, and then Iran chased warships out of the Strait of Hormuz. They claimed that they hit the warships.

There were some satellite data indicating that there were fires in the Persian Gulf. But nonetheless, regardless of whether they hit them or not, the U.S. hasn't hit another Iranian tanker since. And I think that outlines and underscores your point. The U.S. is still harassing ships coming out of the

Strait of Hormuz, coming out of the Persian Gulf, but they are not hitting Iranian vessels like they were threatening to do and did in that instance. So I think that really does underscore your point, Ben. But any reactions to that?

## **#Ben Norton**

Yeah, it reminds me of a point I was going to say when you were reading that stupid tweet from Trump claiming that it's all just propaganda. And by the way, he called it treason. So if you don't support his war and you publish information that demonstrates that the war is not going well, you're guilty of virtual treason, according to the U.S. president, which shows his deep commitment to democracy, freedom of the press, and freedom of speech, right? Well, it reminds me of another point I was going to make, where he boasted that the U.S. has destroyed Iran's Navy and Air Force. First of all, Iran barely had an Air Force. They have not invested much in an Air Force.

And even aside from that, there are some reports in mainstream U.S. media outlets citing U.S. intelligence that Iran, despite the fact that its air force is very basic and undeveloped, still was able to use that air force to hit some of the U.S. bases in the region. But aside from that, OK, the U.S. destroyed the small number of planes that Iran had, and the U.S. destroyed Iran's traditional navy, Trump claims. But Iran's whole military strategy is based on asymmetric warfare. It's not based on having these massive aircraft carriers and these battle groups like the U.S. military strategy is. Iran's strategy is similar to that of many, you know, formerly colonized countries in the Global South fighting anti-colonial wars like Vietnam.

It is more of a kind of guerrilla war. Obviously, it's not exactly a guerrilla war because there are not U.S. troops on the ground that we know of. But it's asymmetric, like what Yemen has done as well, which is based on using lots of drones, very cheap drones. These are the Shahed drones, which cost on average 10,000 to 20,000 U.S. dollars, and they're being used against interceptor missiles that cost millions of dollars each. So Iran also has been using tugboats and these small little boats. They sometimes put bombs in these boats or mines or cheap missiles. So Trump's like, we destroyed their military capabilities.

But Iran's whole strategy is to be able to run a very low-cost war for an extended period of time using asymmetric tactics, causing significant damage against the U.S. and Israel and its allies, and being able to continue to produce these drones and missiles and such in underground facilities in the middle of nowhere at a low cost in large numbers. So this is why the U.S. lost the war. It's another example of this arrogance in Washington. They think that Iran has the same military strategy as them, and they bombed Iran's air force. Therefore, they won the war, or they eliminated some of the previous Iranian leadership. Therefore, they won the war. And again, it reflects their ignorance and their arrogance because Trump and top U.S. officials, they drank their own Kool-Aid.

They believed that all they had to do was assassinate the top Iranian leadership in so-called decapitation strikes, and the government would fall, and they would have regime change, and they

could put the Shah's failed son back in power or whatever. But actually, what this war has also demonstrated is that the Iranian government has, one, popular legitimacy. I'm not saying everyone in Iran loves it, but there clearly is a solid base of support, and there are many people out in the streets supporting their government, rallying behind the flag. Second of all, this war has demonstrated that there is a deep connection, not only a legitimacy, but a solidity, a firmness to this government because the U.S. assassinated so many top officials, and they always found someone else to take their place.

And there are reports that for each top position in the government, there were four people designated in a chain of command to fill that person's role. So this is a government that clearly has longevity. It is not fragile. It clearly has this kind of ideological legitimacy among the people who make up the government, who make up the political service, the religious leadership, and the military leadership. And it was quite easy for Iran to replace them. So once again, Trump thought this would be a quick operation. They would assassinate the leadership and have regime change. Obviously, all of that completely failed.

## **#Danny**

Yes, and a lot of the developments we're talking about now are things that Iran has been saying from the beginning of this war and the beginning of their retaliation to the aggressive attacks and war crimes committed by the U.S. and Israel now being admitted. I mean, there was also the story not too long ago of the F-5, in keeping with Iran saying they were using older weapons in the beginning of the war, that they were using those first because they didn't feel like they had to use newer models of anything.

Well, they used an F-5, which is like a 1950s, 60s-era U.S. fighter jet that they received back during those days when they were not sovereign, when they were in that in-between period between Mossadegh and the '79 revolution. That's what they received, and they used it, and they were able to hit Kuwait, the Camp Bushehr, the U.S. base in Kuwait, pretty hard with it. And that's from U.S. officials and those congressmen who are sitting in on these meetings. So, yeah, and now I want to get to the China visit because you're in Beijing.

And I wanted to ask you first, before we, you know—because the meeting is still yet to happen between the two countries' leaders—but I want to go back to this article by David Sanger, because there's this claim, after talking about all the humiliation that Trump is going through when it comes to Iran, there's also this claim that China is going into this being unable to come to the aid of Iran and that it has no plan of its own to resume the vital flow of China-bound oil and gas. And that this is now a meeting that has both leaders bogged down in an uncertain Iran conflict. And I'm wondering, Ben, is there any truth to this in your assessment? It seems like there's a narrative floating around that both the United States and China are facing similar kinds of difficulties when it comes to this war.

## #Ben Norton

It's copium. It's projection. It's absurd. I mean, it's so funny also because many of these same media outlets have been publishing report after report about how Iran is secretly getting all the support from China and how, I mean, a lot of this is true. China has provided Iran with access to its satellite system, which, you know, GPS—people know GPS—it's actually a U.S. system. GPS is a proprietary technology, and it was developed by the U.S. military. China has its own GPS alternative, which is called Beidou. And Iran reportedly has been using China's satellite system in this war. China has also provided Iran with many of the components it needs to make its missiles and drones. And China has provided Iran with financial support because of U.S. sanctions on Iran.

This is why, just a few days ago, the Trump administration put sanctions on multiple Chinese institutions, including a major Chinese petrochemical company, Hengli, and Chinese banks that were facilitating transactions with Iran and other Chinese companies. And this was, of course, in the lead-up to Trump's visit to China. So, you know, this is how the U.S. operates. Before you visit someone's home, you punch them in the face, which is what the U.S. was doing with these sanctions. And the U.S. was explicitly saying, if you read these press releases from the State Department and the Treasury, the U.S. says that they are sanctioning these Chinese institutions because they were doing business with Iran.

So it's so funny because you read the media coverage and it's so schizophrenic. At one moment they say that China is doing everything it can to support Iran. China is fighting a proxy war against the U. S., and then in the next moment, they say China's not doing anything. China has abandoned its friends. Who can trust China? Now, you and I have talked about this a lot, Danny. China does not directly intervene in foreign issues, especially in military conflicts. China has not fought a war since 1979. It does not militarily intervene abroad. And when it comes to things like Iran, China, behind the scenes, has been providing a lot of support, but it's not going to do so overtly because China also has good relations with the Gulf monarchies, because China is the world's largest oil importer.

Unlike the U.S., which is the world's largest oil producer and is a net exporter of oil, it still does import a lot, but it's a net exporter. The U.S. is actually in many ways a competitor with the Gulf regimes when it comes to oil and natural gas. The U.S. is also a major producer of liquefied natural gas, whereas China is very dependent on energy from the region. So China doesn't want to completely alienate and anger all of these Gulf regimes. And at the same time, China has played a conciliatory role, trying to broker peace talks. And there are reports that China was working with Pakistan, which hosted these U.S.-Iranian talks in the capital, Islamabad.

So China has been wearing a lot of hats and playing different roles here. But China obviously has been supporting Iran in some crucial ways. Now, getting back to Trump's visit to Beijing and the role of Iran in all of this, I think it's true that originally Trump wanted Iran to be part of his strategy to put pressure on China to make concessions. I think Trump's original strategy was that the U.S. would carry out regime change in Iran. It would supposedly be this quick and easy operation like

they thought they did in Venezuela, you know, where they kidnapped Venezuela's President Nicolás Maduro, and they did this in a few hours.

And then they came back and, you know, they killed more than 100 people in Venezuela. But that part is almost never mentioned. And Trump claims that they carried out regime change. By the way, they did not carry out regime change in Venezuela. The current interim president is Delcy Rodríguez, who was the vice president. And according to the Constitution of Venezuela, she is in the presidential chain of command. She continues to govern, and it's basically the same government. Now, they have made some concessions in return for sanctions relief. But Maduro desperately wanted sanctions relief and was willing to make concessions, including he made concessions to Chevron.

So it's basically the same government. And this idea that Trump just carried out regime change and put in a puppet is completely false. But regardless, we need to keep that in mind because, of course, the U.S. invaded Venezuela less than two months before it attacked Iran, about six or seven weeks before. So this is why, in the Iran operation, the U.S. thought it would be this quick and easy attack and they could overthrow the government and put in power a puppet. And then Trump would come into Beijing and meet with Xi, and he would have this leverage of Iran. And China does buy about 80% of Iran's oil.

China has very much diversified its oil supply. Iran is not, you know, it wouldn't be a deal breaker. It wouldn't be existential if China could not get Iranian oil. But of course, it is a major oil supplier to China. Trump wanted to come into China with that and say, look, if you don't make these concessions to us economically, then we are going to cut off Iranian oil to you, like they're trying to do to Venezuelan oil as well. Obviously, that did not work, and the U.S. lost that leverage, which is why Trump was forced to delay his meeting, his visit to China. And now he's coming to China empty-handed on the Iran issue.

The U.S. has leverage in some areas, but certainly when it comes to Iran, that is a strategy that did not work at all. And you could say it backfired. Now, this brings me to another aspect of this China trip, which some people have asked me, and I don't like this question. They asked me, why do you think China wanted Trump to visit? And I said, no, no, no, no, no, no. You have it backward. It was Trump that wanted to meet with President Xi. It was Trump that wanted to come to China. It's not China that was begging for this meeting. It was the U.S. that was asking for this meeting. And I think there are a few very clear reasons for this. One of them, I don't know if you can—can I share my screen, Danny?

**#Danny**

I think so, but if you can't, just send me the link if you want to.

**#Ben Norton**

Yeah, I think I can. Perfect. All right, I just want to pull up this post from—can you see this?

## **#Danny**

I can add it to the stream right now. Here we go.

## **#Ben Norton**

Yeah, okay. So this is from Trump on his Twitter copy website, Truth Social. This is the main reason why he wanted this China trip. And he boasted in this post that he's visiting China with the following CEOs and major billionaire oligarchs: Jensen Huang, the CEO of NVIDIA, which is now the most valuable company on Earth. It has a market capitalization of more than \$4 trillion. Elon Musk. He just calls Tim "Apple." That's so funny. Tim Cook, who is the CEO of Apple. Wait, sorry.

## **#Danny**

I just noticed that. That's really funny.

## **#Ben Norton**

Tim Cook. Larry Fink, who is the CEO of BlackRock, the biggest asset manager on Earth. Stephen Schwarzman, who is the CEO of Blackstone, the biggest alternative asset manager on Earth, along with the CEOs of Boeing, Cargill, Citigroup, GE Aerospace, Goldman Sachs, Micron, and Qualcomm. This is the main reason why Trump wanted this trip. It's because China is one of the biggest countries on Earth in terms of population—it's the second biggest, 1.4 billion people. China has a massive internal market. It has the biggest economy on Earth when you measure GDP at purchasing power parity. And the U.S. previously did a lot of trade with China until Trump started the trade war in his first term. And Biden did continue that trade war.

And then Trump massively expanded it now in his second term last year, and at one point threatened tariffs of 140 percent against China. Obviously, that all backfired because China demonstrated that it has significant leverage that it could use, especially on the issue of critical minerals and rare earth elements, because China restricted the export of rare earths to the U.S. And rare earths are needed by China's big tech corporations for their products, and by the military-industrial complex for the weapons systems the U.S. creates. So by restricting these rare earths, China was able to paralyze many parts of the U.S. economy, and it forced the U.S. to back off on these sky-high tariffs. China also has many other points of leverage. So, you know, both sides have some cards they can play.

Trump and Scott Besant would constantly claim, "We have all the cards." But in reality, what China demonstrated last year is that it has many more cards than the U.S. So Trump is now the one who wanted this meeting. He's coming to Beijing, and he's trying to come to some kind of new trade

agreement to try to reverse the devastating impact of the trade war that he started and the tariffs that he imposed, which have backfired on the U.S. economy. They've also fueled inflation, of course, because the U.S. imports so many consumer goods from China. And one of the reasons why there was relatively low consumer price inflation in the past 20 years in the U.S. is because of that. Of course, there were very high rates of asset price inflation, which has made real estate unaffordable for most people.

But in terms of consumer price inflation, especially things like electronics and furniture and household appliances and things we use in our daily life, a big reason why those goods became so affordable is because of China. China was producing them at low cost and building this massive supply chain and moving up the value chain. And the U.S. benefited from those very low-cost goods, which helped to reduce inflation. And now that the U.S. has been tariffing a lot of Chinese exports and waging this trade war, this has caused significant damage to the U.S. economy. So that's the most important factor here. That's why Trump wanted this meeting. Of course, there are some other factors. Another is Trump wants to portray this as a victory to his base at home.

Of course, the midterm election is coming up in November, and Trump is extremely unpopular. He's alienated a lot of his supporters, and he really desperately wants to claim some kind of victory. So he will probably say that China did this and China did that, and supposedly China made some concession. We won't be able to trust what he says, but he wants to claim some kind of victory. He wants to say, I went to China and I got this for you all, the American people, and it's going to reduce inflation supposedly and help kickstart the economy supposedly, or whatever. He's going to say some big number about China promising investment of some big number in trade. And this is what he's done with Japan and Europe, and it never actually comes to fruition. It never actually materializes. But, you know, this is something that he wants to do for his supporters at home.

And then another big aspect of this here is that Trump really wants China to try to go along with him. You know, he has this idea of a G2 deal, and China is completely opposed to this. But basically, he's like, look, the U.S. and China are the most powerful countries, so we should basically just work together to carve up the world and divide the world. And he says Latin America belongs to us and we'll do whatever we want. It's kind of a very colonial mentality. This is not how China sees the world at all. China has publicly said that it is completely against this idea of a G2 and does not want imperial spheres of influence or whatever. So I think Trump is going into this China trip with all these things in mind about what he would like to do and what he thinks he can pressure China to do.

But I honestly think that the Chinese will be very polite and very diplomatic, as they always are. They're always willing to meet with the U.S., and it's the U.S. that's usually not willing to meet with them. This is a rare exception. This is the first trip by a U.S. president since 2017, in nearly 10 years. They will be very polite, and the Chinese will certainly tell Trump some things that he wants to hear. But like I said, I don't expect any alleged deals announced to actually be that significant. I think

Trump will probably exaggerate it like he's exaggerated previous deals. And I think this is more of a diplomatic meeting, more kind of political than it is going to actually result in some major trade agreement, which is what Trump thinks he can do. But they don't have the leverage to do that.

## **#Danny**

And I put together a bit of a highlight reel of what's happened so far that underscores your point, Ben, about leverage, I think, actually. So a lot of people on social media, on X in particular, have been debating—and I'm not going to put the video on volume or anything—but debating the welcoming, or the welcome, of Donald Trump. Some people tried to say he wasn't greeted by Xi Jinping, but that's actually against diplomatic protocol. Xi Jinping doesn't go to the airport and meet with leaders getting off their jets. And others had problems, as you said before—why would he go to China? Others had problems with this relatively warm reception, right?

Lots of young Chinese people waving the flags of both countries. Uh, there is a red carpet there. Uh, but nonetheless, you know, I think what's more important, though, as you underscored in the Truth Social post, The Cradle published the list of all of the various executives. Really, you have most of monopoly capital and finance capital coming with Donald Trump on this trip, essentially, it seems like to beg China, to beg China for deals, for business, for opening up, as some have said. Yeah. And before Trump even got there, though, the Chinese embassy in the United States published this. They published four red lines.

This is while he was on Air Force One. They published this on X. They published this on their website, that these are the four red lines in U.S.-China relations that will not be challenged. Essentially, they won't be discussed as matters of negotiation: the Taiwan question, democracy and human rights, the political systems of each country, and China's development rights. And I don't know if you caught this, Ben, just a few more things here. Scott Besson actually met with He Lifang, I believe one of the vice premiers, and they held about a couple of hours' meeting, and they didn't do any press conference afterward. And then that was it.

So many saw this as a cold reception. And you might chuckle at this one — China tweaks Rubio's name to bypass the travel ban because Marco Rubio is actually sanctioned and is not supposed to be coming to China. So according to The Hill, they altered the transliteration of his name in order to get around that ban, which is pretty hilarious. And then some noted today that in the China Daily — this person is in China — in China Daily today, the English-language paper, the meeting, that was actually yesterday. Oh, okay, okay. Okay, okay, okay. So the meeting was not front-page news. But nonetheless, that's a bit of a highlight reel.

## **#Ben Norton**

It is a good story here. Right, right. So your thoughts on all of this? Yeah, I mean, you raise some really important points. That newspaper I've seen going around, it was actually from the day before.

It is very big news, obviously, Trump's visit. All the Chinese media outlets are talking about it. You know, certainly we can. I'm obviously very, very critical of Trump. But, you know, this idea that China doesn't consider it important is actually not true. China does consider this important, maybe not as important as Trump considers it. But, you know, with all these CEOs he's visiting with. But I'm glad you mentioned a few points there, especially the four red lines. China has made it very clear that it's willing to have good relations with everyone. China is a very diplomatic country.

And, you know, President Xi has met with many foreign leaders that China strongly disagrees with. But, you know, this is part of Chinese diplomacy. This is how diplomacy works. Mao Zedong met with Richard Nixon, the inveterate anti-communist, while he was still bombing Vietnam, while China was supporting Vietnam. So, I mean, this is politics. This is diplomacy. But in terms of the four red lines, that is very significant. China has made it very clear: Taiwan is an internal issue in China. According to international law, Taiwan is part of China. The One China policy cannot be violated. And the U.S., when it supports these Taiwanese separatists and sells weapons to them, that is meddling in China's internal affairs. That is a form of interference. This, like democracy and human rights nonsense — I mean, of course, the U.S. has never actually believed in that.

It was always propaganda. But Trump especially, he really doesn't care about that. Now, political systems in China having its own path — this is another thing, like the U.S. insistence on regime change and trying to overthrow the Chinese government, which never ends. This is another major red line for China. And then finally, China's development, right? I mean, this is crucial as well, because what do they mean by that? They mean that when the U.S. puts sanctions on China and tries to block China from getting access to advanced technologies like advanced chips, you know, semiconductors — not only the trade war against China, but the technology war. Biden's Commerce Secretary, Gina Raimondo, famously said that they wanted to stop China from innovating technologically.

So when they say they have a right to their own development, that means they have a right to develop robotics and AI and advanced chips and all of these industries where the U.S. has tried to prevent China from developing. And that's bipartisan. The Trump administration, the first and the second, have also tried to do that, have waged this kind of tech war against China. Which is why it's very funny that Jensen Huang has been here in China so many times in the past few years. He's taken, like, dozens of trips because he really wants to get access to the Chinese market. And this shows how this U.S. tech war against China has actually backfired, because during Trump's first term, starting in 2018, when the U.S. started this trade war against China.

And the U.S. famously pressured Canada to basically kidnap Meng Wanzhou, who was the CFO of Huawei, one of the most important Chinese companies. And even more importantly, Meng is the daughter of the founder of Huawei, who is a major figure in China. So the U.S. basically kidnapped, indirectly, this top Chinese corporate leader, which was an act of humiliation. It caused a national outrage in China. And then the U.S. put tariffs on China and export restrictions. And in particular, the U.S. restricted the export of advanced chips to China. And the idea was that the U.S. could prevent

China from developing AI by preventing China from getting access to the most advanced chips. And the most important company on Earth that designs those chips is Nvidia.

This is why Nvidia is now the most valuable company on Earth, with a market cap of more than \$4 trillion. And that's because it had a relative monopoly on designing the most advanced chips, although it's gradually losing that monopoly. And so the U.S. put this restriction on China. So what did Beijing do? Chinese authorities said, we are going to pour resources into our own domestic chip industry. And China has a partially state-owned company called SMIC, the Semiconductor Manufacturing International Corporation. And China has been developing its own chips—not only what are called legacy chips, which are slightly less sophisticated, slightly larger chips, but even some of the very high-tech, very small chips of like seven or even five nanometers in size.

So China has not completely caught up to the U.S. and Nvidia, but China has made a lot of progress. And it's likely that in the upcoming years, China will catch up. And this is why Jensen Huang really wanted to come to China, because Nvidia used to have a massive market share in China's domestic chip market, and it's basically lost all of that. And China has replaced that with domestic companies now. Nvidia really wants to get back into the Chinese market. And this is true for many of the other corporate executives who are visiting with Trump. So I want to stress again that the reason those corporate executives even lost that market share in the first place is because of this trade war that was started by Trump.

So, will the Trump administration respect these Chinese red lines? Like I said, I think no U.S. government actually cares about democracy and human rights. That's why they strongly support Israel and Saudi Arabia and the UAE and all these horrible regimes that the U.S. has always propped up. That's not new. It's bipartisan. It goes back decades. The U.S. has never really cared about democracy, other countries having, like, a monarchy, like Saudi Arabia, when it comes to different political systems. They don't like China's political system because it is a socialist system that does not allow U.S. corporations to totally control China's assets and its economy. So, you know, that's not something unique. And I think Trump certainly doesn't want it.

I mean, he will not support China's political system at all. But the real question I think people have is, will Trump lift some of the sanctions and some of the trade war policies? And what will happen on Taiwan? Trump, in December 2025, approved the largest arms sale to Taiwan ever, which was \$11 billion. So it's not like Trump has been... You know, there are some Democrats who claim that Trump is going to, like, abandon Taiwan, as they put it, even though, again, supporting separatism in Taiwan is an act of meddling in China's internal affairs. This is an act of aggression. It violates international law and the One China policy. The United Nations very clearly recognizes the One China policy and that Taiwan is part of China.

So it's not like Trump—there's this idea that Democrats are spreading that Trump is going to betray Taiwan, as they put it. But in reality, Trump has also been supporting these Taiwanese separatists. So whether or not Trump will continue to cross those red lines, no one really knows. But at the end

of the day, I just want to stress again that if you want to understand this visit, the way Trump sees it and the reason that Trump wanted to organize it, it has much more to do with the economic interests of these massive U.S. corporations, Wall Street, and Silicon Valley than it does really with diplomacy or politics.

## **#Danny**

And as we speak, they just gave their opening remarks that they publicly televised, both China and the U.S., between Xi Jinping and Donald Trump before the private meeting. And I wanted to ask you, Ben, as we come toward the end—I mean, we could watch, it's about six minutes, we could watch it—but first, I wanted to get your thoughts, your answer to this: how much does the U.S.—you know, we have both—you mentioned the tariff situation, you mentioned Donald Trump's economic policies, the administration's economic policies being very much at the center of why there's massive inflation and further economic woes for the United States. But also, the Iran situation has created a massive, a big problem.

We have had inflation jump to an incredible degree. We had a report actually today that said wholesale prices have jumped 6%, and this is after, I believe, what was it, something like 3.8% in total inflation in terms of the month-by-month average. So your thoughts on how much this is playing into why it seems like Donald Trump and these capitalists, they're coming in kind of with their hand out—not just, they obviously want to make money, but there seems there might be also a big political reason for this. If the economy continues to operate like this, well, their political investments in Trump and the Republicans might go up in smoke. But what are your thoughts about this?

## **#Ben Norton**

Yeah. I mean, the midterm elections are coming up in November, and the economy is in a horrible state. Most people in the U.S. are living in a recession. Moody's Analytics has estimated that 80 percent of Americans are in recession, 20 percent are living in areas that are not in recession, which tends to be areas where they're building a lot of data centers because, you know, there's this insane AI capital expenditure by these big tech corporations that are spending hundreds of billions of dollars per year, hundreds of billions building out these AI data centers. And when you're spending that much money into the economy, I mean, it's hard to be in recession. But again, those effects are only really being seen in, you know, California, Texas, some of these areas that have a lot of AI data centers.

Most of the American population is in recession, and the unemployment figures are ridiculous because they're grossly underestimated. So many people in the U.S., when they lose their job, go drive for Uber or whatever, like DoorDash or whatever. They find some kind of gig work, so they're not actually applying for unemployment and they're not included in the unemployment statistics. So the real unemployment or underemployment rate is way, way higher than the official statistics

show—if we can even believe the official statistics. Because let's not forget that Trump fired the previous head of the BLS, the Bureau of Labor Statistics, and put in a yes-man who is a big Trump supporter and very ideological. And then you have this inflation issue that you've been talking about.

I mean, I haven't been in the U.S. in several years, but just looking at the data, it's crazy. And I know a lot of people in the U.S. tell me that the data is also a gross underestimate, and the actual consumer price inflation in the U.S. is probably much higher than the CPI data shows, especially in food inflation, which has been crazy. And, you know, now you have gasoline prices skyrocketing. I mean, it's a catastrophe. Like, the only reason that Trump won the election is because the Democrats lost. It's because Biden was extremely unpopular. He was a walking zombie who didn't even know where he was half the time. And then the Democrats tried to force in this extremely unpopular candidate who didn't even go through the primary process.

They just anointed Kamala Harris and said she's our candidate, despite the fact that when she ran in the previous primaries in 2020—yeah, 2020—she was so unpopular. She had single-digit approval, single-digit support among the Democrats in the primary. So they put in their least popular candidate with no charisma after they had this zombie who everyone hated as president and was a disaster. So obviously the Democrats lost. Trump falsely claimed that he would bring down inflation and stop waging wars, and he lied about both of them. Trump has massively violated his two biggest promises. He's going to get crushed in the midterm elections unless he does something significant to try to have a big turnaround.

And he hopes that this China trip could be part of that. I think he is living on another planet and he's screwed either way. Because first of all, inflation is a lagging indicator. It takes months for a lot of these inflationary pressures to work their way through the economy. And we're going to see much worse inflation in the upcoming months. Even if the war against Iran ends tomorrow, even if there's a peace deal tomorrow, the worst of the inflation has not yet been seen because it's going to take several weeks or even months for all of these supply chain issues to really start being felt. There's going to be a food crisis because fertilizer exports have been paralyzed by the U.S.-Israeli war in Iran, because so many of the chemicals used and the compounds used in fertilizers like urea come from the Persian Gulf.

And this means that fertilizer prices have skyrocketed as urea prices have skyrocketed. And it's very difficult for many farmers, especially in the Global South, to get fertilizer. And we just passed the planting season, so there are going to be food shortages, which is going to lead to more food inflation. I mean, like, at every level, the economy is going to get worse in the U.S. and around the world. We're going to see more energy crises, more inflation crises, probably a massive food crisis. And Trump caused all of this. It was totally unnecessary. Furthermore, you already had higher rates of inflation because of the tariffs, because the U.S. doesn't really produce much. It's so dependent on imports. So when Trump put very high tariffs on imports, that is a regressive tax. That is a tax that falls disproportionately on poor and working-class Americans who have lower disposable income.

They spend much more of their paycheck on very basic goods and services, especially food, especially gasoline, especially medicine. Many of these things are imported and are very much impacted by these inflationary pressures. So, you know, I think Trump would love to have some kind of great deal that will lead to all this investment and increased trade. But like I said, I don't expect that significant of an agreement to be made. I'm sure Trump will announce something, but I think it will be exaggerated and will not be that significant. And, you know, Trump, what do they say? You made your bed, now you sleep in it. Like, this is what Trump did. He caused all of this. It was totally unnecessary. He caused it, and now he's going to suffer the consequences.

## **#Danny**

And China won't be bailing out the United States. It doesn't want to, nor can it really, because as you've noted, this is fundamental to the United States. This was policy decisions based on the, as China would call it, different development paths of these two countries that, you know, China is not there to reconcile, is not there to fix for the United States. And whatever, you know, there's friendliness. Of course, China wants this meeting to go very well, especially at the public relations level. It seems like from Chinese media, from reports, there's no real huge expectations.

You just said it's likely going to be exaggerated because there's a lot of huge expectation here. I think China would be happy with just things not getting worse. And it seems like that's where the Trump administration, Donald Trump, is, because he's going there and he's talking very friendly. And that's an indicator that the United States, Donald Trump especially, does not want to be rocking the boat with China amid all of these crises you just outlined here, Ben. Any final thoughts as we get close to the end here?

## **#Ben Norton**

Yeah. I mean, it's so funny, this idea that Trump could force or pressure China to bail him out. It's like after you punch someone in the face multiple times and then you come back to them and say, hey, bro, hey, friend, can you lend me some money, please? I really need some money. It's like you have to ignore everything the U.S. has been doing to China now for the past decade. That, again, started with Trump in his first term. Now Trump pretends that, you know, this is all different and that he never did that. But Trump is the one who started the trade war against China in the first place. Trump is the one who put these sanctions on Huawei and oversaw the basic kidnapping of the CFO, Meng Wanzhou. Trump is the one who was backing the Hong Kong riots.

Trump is the one who started all of these sanctions and this propaganda about Xinjiang. That was all in Trump's first term. And now, in Trump's second term, last year, he massively escalated this trade war against China. But this time was very different. China demonstrated this second term that it has massive leverage, and it scared the U.S. That's the big difference between the first Trump term and the second Trump term. That's why Trump is acting much more politely. That's why Trump wanted to come to Beijing, because the U.S. now recognizes that China has much more leverage over it than

it has over China. So I think this has been very humbling for the U.S. empire, like the war against Iran. I mean, I guess you could say it would be humbling if these U.S. imperial strategists were capable of drawing lessons from these issues.

But you also don't know if they actually believe their own propaganda. Like, Trump believes that Iran lost the war. He believes that he won. That's what he keeps telling everyone. Like I said, that's obviously just propaganda for his own base. But does he really believe that? If he does, then he's even more delusional than I think a lot of people realize. But when it comes to China, I mean, it's just so clear that with rare earths, with the Chinese market, with U.S. dependence on Chinese consumer goods, which are needed to keep inflation down, China has all of this leverage over the U. S., and the U.S. does not have much leverage over China. And this really explains why Trump is acting so politely in Beijing.

## **#Danny**

Hmm. Yeah, and this has been a trend since the beginning of the administration. There was the initial hawkishness of tariffs, and then suddenly everything started to blow up, and it's only gotten worse. And the tone has shifted, at least for now, Ben, in all of this. I think all of your analysis is very interesting, instructive for the audience. I want to make sure everybody knows that Ben Norton's Geopolitical Economy Report YouTube channel — you should all be subscribing to it, you should all follow it and watch his videos, and do so. The video description has that link below. All the places where this channel is are also in the video description below. Hit the like button before you go. And tomorrow, actually, in about 12 hours, I will be talking with Victor Gao about the meeting, what actually happened. Because by the time we wake up — or for Ben, by the time it starts to be close to his bedtime — more will be known about what has happened at this summit. But, Ben, any final words before we head out of here?

## **#Ben Norton**

No, I'm glad you're having on Victor Gao. He's one of the best analysts. And like I said, I mean, I don't think people should have super high expectations. For China, this is kind of more of just a diplomatic visit. It's just a symbol of trying to reduce tensions because China doesn't want a new Cold War. China doesn't want this massive conflict with another very powerful nuclear country. But we know that the U.S. government violates every agreement that it signs. As Putin says, the U.S. is agreement-incapable. So even if they announce something, whatever it is, don't expect Trump to follow it.

## **#Danny**

All right, well, on that note, we can close here. Okay, so hit the like button before you go, go to the video description and subscribe and follow Ben Norton's channel. And you can actually find now not only all the places to support this channel in the video description, but you can find on my YouTube

page that the Victor Gao live stream is now public, so you can save the date, you can hit the notification button for that. And in about 12 hours, 11 a.m. Eastern, we will begin that program. All right, so without further ado, everyone hit the like button before you go. I will see you tomorrow. I will see you in about 12 hours. Bye-bye.