

# Victor Gao's Warning: US Lost to Iran, China War is ARMAGEDDON

Vice President of Center for China and Globalization and former interpreter to Deng Xiaoping Victor Gao joined the program with a major warning to Donald Trump as the US-China summit in Beijing exposes the massive geopolitical headwinds plaguing the US empire from Iran and beyond.

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## #Danny

Welcome, everyone. Welcome back to the show. It's your host, Danny Haiphong. As you can see, I am joined by a special guest and friend of the show, Victor Gao. He's the vice president of the Center for China and Globalization. He is also a former interpreter to Deng Xiaoping and an incredibly experienced analyst, and one that I do rely on for the Chinese perspective on all matters as we enter the end of the Trump-Xi summit. Professor Gao, good to see you again.

## #Victor Gao

It's my great pleasure to meet you virtually and also to talk directly to your audience.

## #Danny

Yes, it is great to have you back again. Well, last time we spoke, Professor Gao, you predicted that this summit would happen. I was in China with you, we spoke in Beijing. You predicted that this summit would happen about the time that it did.

## #Danny

And now we are at the end of it. What I would like to ask you, though, is a lot has been made in the United States about the situation in Iran, especially the U.S. war against Iran. And a lot was made in the lead-up and even into the summit in the Western mainstream media about how the U.S. would confront China about Iran. Trump said he spoke about it. But I want to get your impressions on this. You know, Xi Jinping said in his remarks that the U.S. and China should handle the Taiwan question

with great care unless the two parties enter into a conflict. Is there anything China has learned about the U.S. war against Iran? And how did it influence, if anything at all, this summit that has just taken place between Trump and Xi Jinping in Beijing?

## **#Victor Gao**

Well, first of all, the ongoing state visit by President Trump to China is a very important event in China-U.S. relations, as well as for global peace and development. Secondly, the war launched by the United States and Israel against Iran is a war of aggression. China has been condemning this war and calling for an end to the war immediately from day one. And China has played an intermediary role behind the scenes. Even President Trump gave a compliment to the positive role China played before Iran was convinced to come to the negotiation table with the United States for the two-week ceasefire. Now, President Trump has been very explicit. He wants to get China's help to lobby with Iran on how to end the war.

Everyone knows that for the past 48 years, China-Iran relations have been very close, very constructive. China and Iran deal with each other with equality, recognize each other as equals. So President Trump really believes that China has a lot of leverage with Iran. However, if President Trump wants to see whether China can use its leverage regarding Iran for misusing Iran or taking advantage of Iran—first of all, China will never do that. Secondly, even if China tries, Iran will not listen to that. So I think China has been doing the right thing ever since Trump arrived in Beijing, that is, to call on the United States to stop the war right away. The United States wants to see the opening up of the Strait of Hormuz.

China does not want to see the Strait of Hormuz closed. But everyone knows that before February 28th, the Strait of Hormuz was open for free navigation. And the reason why it was closed is because of the war launched by the United States and Israel against Iran. So the best way to open up the Strait of Hormuz is to stop the war, as China has been calling on the United States to do since day one when the war started. So I hope we will be on the same wavelength to see what's the root cause of this whole mess. This whole mess was created by the United States together with Israel. Whether it was masterminded by Prime Minister Netanyahu, that's another issue.

Historians will need to really split hairs to get to the bottom of it. But as of now, if the United States wants to escalate the war, to blow Iran back to the Stone Age, for example, there will be no peace in the Middle East and we will all suffer from the consequences of the combination of three crises together: the energy crisis, the economic crisis, as well as the upcoming financial crisis. So I truly believe Chinese President Xi Jinping and the Chinese government have been calling on the United States during the state visit of Trump to China to do the right thing, to end the war. Get out of the war before it becomes another Vietnam or another Afghanistan.

## **#Danny**

Yeah. And my second question to you, to follow up on this, is regarding the Taiwan question. You know, the U.S., the Chinese embassy in the United States, before Trump landed in Beijing, published four red lines. The top one, when it comes to discussions with the United States, was the Taiwan question. And Donald Trump and the U.S. administration, the U.S. delegation, were very hesitant to make any solid comments on this particular question. And I'm curious, what do you make of Xi Jinping's words about the potential of a clash, a conflict between the two parties if this question is not handled properly today? And do you believe China has learned anything from the war in Iran that tells them anything about how the U.S. will move from here on this question in particular?

## **#Victor Gao**

First of all, the Taiwan situation is completely different from the situation involving Iran. Iran is an independent, sovereign country with a history of up to about 6,000 years. It's a proud member of the United Nations. Taiwan is a province of China. It's a breakaway province. Separatists want to achieve the so-called independence or separatism of Taiwan, which is in violation of the One China policy. China has sovereignty over Taiwan. And this One China policy is generally recognized by all the countries in the world, including, amazingly, the United States, ever since 1971, since 1972, and especially since 1979, when China-U.S. relations were normalized.

The basis for the normalization of diplomatic relations between China and the United States is for the United States to recognize and acknowledge the One China policy, Taiwan being part of China and the PRC government being the sole legitimate representative of the totality of the Chinese nation. So I don't think the United States should pretend that they don't know the One China policy. It's a binding policy. If the United States wants to break away from the One China policy, do you know what will happen? The diplomatic relations between China and the United States will be broken off, and the United States will be cut off from China. That is the harsh reality.

I don't think President Trump or any of his advisors really want to take that risk of really being cut off from China. The United States has been talking about the decoupling from China, but they don't know that real decoupling will be the moment when the United States recognizes Taiwan as a separate, independent, sovereign country. That will be a complete decoupling from the People's Republic of China and from the United States. So the risks are real. If any president of the United States wants to play with fire—and I don't think President Trump wants to play with fire—they will cause the complete severing of relations between the People's Republic of China and the United States of America. What will that mean?

That will mean China-U.S. relations will go back to zero-one or pre-zero-one. Why? Because back in 1979, China and the United States did not recognize each other. They were dealing with each other more in hostile situations. It took the courage, wisdom, and vision of former President Nixon to send Dr. Henry Kissinger on the top-secret mission to China to ask China to explore ways to break off from this impasse, eventually leading to the normalization of relations. Allow me also to emphasize one thing. Ever since Dr. Henry Kissinger's secret visit to China, China raised three preconditions for

the normalization of relations between China and the United States. And for many years, the United States has wanted to navigate away from fulfilling the three preconditions.

The first precondition is for the United States to terminate its diplomatic recognition of the Republic of China, that is, the entity in Taiwan. Secondly, to withdraw U.S. troops stationed in Taiwan. The third precondition is for the United States to terminate or cancel its defense treaty with the Republic of China, which was at that time a domestic law in the United States. Now, President Nixon didn't have enough time to do this because of Watergate. President Ford didn't have enough time because he didn't have a full-term presidency, for example, and it waited until President Carter came along on the scene, and he mustered all the political will and the resources to achieve the impossible thing—to really normalize relations between China and the United States by fulfilling the three preconditions raised by China.

Now, the question I want to ask anyone in the United States or any government official in the United States: do you really want to go back to square one? Do you really want to see China and the United States being estranged from each other, not recognizing each other? And China back in 1971, 1972, 1979 was a shadow of what China is today. Do you really want to completely estrange China? And you want to do this for the sake of Taiwan independence, supporting the separatists? Now, in my view, the United States once was in division because of the separatism by the Confederation, is that right? It took President Lincoln to demonstrate all the courage, wisdom, and resourcefulness he could find to use war to defeat the Confederation and bring the southern states back into the fold of the Union.

And ever since then, the United States has been a nation under God, indivisible. So why do you want to rank President Lincoln as one of the greatest presidents of the United States? Every American should be grateful for the reunification after the Civil War. And why should any American stand in the way of China's reunification? Come on, let's really talk about common sense and rationality. The United States will gain nothing if it wants to stand in the way of China's reunification. And Taiwan will never be allowed to be a separate country, in separation from China. This is the megatrend of the world. And I don't think President Trump is not wise enough to see the reality on the ground.

Before he left Washington for his visit to China, in response to our question, President Trump said, where is Taiwan? Taiwan is almost 10,000 miles away from continental America, whereas Taiwan is probably less than 80 miles away from mainland China. This is the reality. So I hope no one will live in a parallel universe. We should defend the unification of the United States as a result of the Civil War, as we in China want to defend the One China policy. There is only one China, and Taiwan is part of China, and no one can change that. No president of the United States, no political power in the world, no military power in the world can ever expect that they can really bring Taiwan away from the sovereign ownership of China.

**#Danny**

When you said a bit earlier, Professor Gao, that the United States should not want to decouple from China because that's what a conflict over Taiwan would do, it made me think about something you said in the past, which was that a war between the United States and China would be akin to Armageddon for the world. And that prospect of the U.S. being completely cut off from China, that's an angle that you don't hear very much, because despite the fact that Trump brought essentially almost the entirety of the U.S. business class, the major magnates in the U.S. economy, to China to make deals, oftentimes we hear it the other way around — that the U.S. should seek or should pursue a lesser relationship with China.

And in fact, a lot of the policies still on the books reinforce this. And I'm wondering if you see that changing at all after this visit, and what you think about the effect that the potential breakup or severed relations between China and the U.S. would really bring. Oftentimes it's talked about as China would suffer the most from this, but here it seems like you're saying that the United States has a lot to lose if it continues down a path of aggressiveness toward China.

## **#Victor Gao**

Well, first of all, many people in the United States have been talking about this "destined for war" scenario between China and the United States for years. And there was a very prominent professor out of Harvard who wrote a book called *\*Destined for War\**, coming up with a theory called the Thucydides Trap, implying that the United States and China are destined for a war. But that is a fallacy I want to tell everyone in the United States, because that professor, the very distinguished Professor Graham Allison, analyzed important cases of war, but all the cases of war he analyzed were conventional wars. And he wanted to apply or imply that the theory he derived therefrom could be applied to China and the United States, which are two of the very important nuclear powers.

No, that is a fallacy. I came up with my own theory called the inevitability of peace between China and the United States. Yes, you are right. I did say war should not be happening between China and the United States, because if a conventional war happens, it may soon get worse, escalated out of control into a nuclear war. And if a nuclear war happens, if a single nuclear warhead is dropped by either country against the opposite side, it may bring about, if not hundreds of nuclear bombs, then thousands of nuclear bombs. And eventually it will be Armageddon, not only for China, not only for the United States, but for mankind as a whole. No one should really enjoy the prospect of a war between China and the United States.

China's military buildup has only one purpose to serve, and that is to make Americans love peace rather than agitating for war. So I'm always talking about the inevitability of peace. And I believe the United States eventually will also come to my conclusion that a war with China is not worthwhile. A war with China will be a complete waste of time, resources, blood, and life on the American side, as well as on the Chinese side. And all of us need to join hands in promoting peace between China and

the United States. Now, if there are people in the United States who believe that they can use the Taiwan separatists as a proxy to stir up trouble between China and Taiwan across the two sides of the Taiwan Strait, I think they are indulging in fantasy again.

Why? Because if China really wants to use military means to achieve reunification, China can do that tonight and no one can stop it. And regardless of how many casualties, how much destruction, for example, this goal will be achieved. So you need to ask the right question: why has China for decades never wanted to use force to achieve unification? Why? Because China is confident that no political or military force in this world can take Taiwan away from China. That's number one. Number two is that no separatists in Taiwan will have any audacity to declare that they are not part of China. Well, separatists keep saying, "We're not Chinese, we're Taiwanese."

This is completely illogical, because a person in California can say, "I'm Californian, but I'm not American." No, he's not in the right mind, I would say. The right answer is only one: I'm a Californian and I am an American. So by the same logic, I am a Taiwanese, and on top of that, I'm a Chinese. So the separatists in Taiwan can talk about all the illogicality, insanity, for example, but logic does exist in this universe, and it will continue to exist no matter how distorted they become. So China is confident that Taiwan is part of China, and the people in Taiwan are ethnically Chinese, and they cannot deny their own ethnicity, and no political or military power in the world can take Taiwan away.

Now, based on all these convictions, why should China worry? Why should China rush to any conclusion, for example? And we have ample time to work with the United States or any other country and work with the 23 million people in Taiwan about the reality involving relations across the Taiwan Strait. I'm so glad that President Trump, before he left Washington for the state visit to China, kind of offered to discuss the Taiwan issue with China. This was very rare because normally, in important meetings like this, it's always China raising the Taiwan issue.

But I understand the American side did offer to talk about Taiwan. I'm not sure what exactly President Trump wanted to talk about, whether to continue reiterating the American commitment to the One China policy, or whether he wanted to do a deal about Taiwan. I still do not have any details about that. However, President Trump, on quite a few occasions, talked about the great importance of China as a country versus the almost irrelevance of Taiwan. He compared Taiwan to the tip of a pencil, and he compared China to a giant landmass. Now, you may or may not agree with Trump's comparison, but I think he does have a point.

I don't think it will serve the fundamental interests of the American people for the United States to give up China, which is the largest economy if we use purchasing power parity, the largest political system because the CPC membership numbers more than 100 million, and the most effective and united country in the world with the largest manufacturing capacities. China now manufactures goods, the value of which outnumbers the combination of the US manufacturing sector, the EU manufacturing sector, and the Japanese manufacturing sector. So this is the reality. Do you really

want to bump heads with China, to really create a confrontation with China, and to raise up China into the United States before Japan attacked Pearl Harbor? No, this will not be a blessing for the United States.

I think peace between China and the United States is a much better way, and how to cooperate between China and the United States is a better way. Now, in this overall framework, Taiwan is always important. It's a major semiconductor chip manufacturing place. That should be fully recognized. But nothing gives the excuse to the United States to block China's reunification or to use, for example, the semiconductor manufacturing capacity in Taiwan as an excuse, for example, to defeat China's ultimate reunification goal. China needs to be reunited, as what President Lincoln declared, that the United States needed to be reunited, the Confederation needed to be defeated, and the people in the southern states needed to be brought back into the Union. And the Union should be indivisible ever after the Confederation was defeated.

## **#Danny**

Professor Gao, you listed a whole number of ways in which China is so critically important, not just to the United States and the U.S.-China relationship, but to the world. And I don't know if you've seen the media commentary in the West, especially in the United States, about this summit, but a lot of them have been talking about how China has gained an advantage because of the Iran war, and that it appears there is an acknowledgment that in many ways the United States was coming to China for deals. But we're coming to China for deals and essentially asking China for help, for example, let's say with Iran, which maybe demonstrates China's rising stature in the world and perhaps the U.S.'s struggling one. But I'm curious what you believe actually was accomplished in this summit and why what was accomplished is significant, if anything at all.

## **#Victor Gao**

Well, first of all, I think it is not realistic and not pragmatic to say that China wins from this war launched by the United States against Iran. China wants to be on the right side of history, and China wants to be on the right side of history not only for today or this year, but for the coming 100 years, if not for the coming 1,000 years, if not even longer. Why? Because in China, we always have this tradition of looking forward into the future and thinking about how future generations will judge whether what we do today is the right thing or the wrong thing.

Now, in this war launched by the United States against Iran, Iran is being invaded and the United States is the invader, the aggressor. Therefore, for China to call for this war to end as quickly as possible is China's commitment to be on the right side of history. Because we not only need to do the right thing today, we also need to look forward to future generations, and they need to conclude, yes, China did the right thing. China called on the United States and Israel to stop the war. And even if Israel refuses to stop the war, China will urge the United States to stop the war ahead of time.

So China gains when peace prevails, and China will lose if war breaks out. If not between China and another country, if the war breaks out between another country and a third country, China loses. China gains nothing, philosophically speaking, if a war breaks out anywhere in this world. Now, on the other side, President Trump wants to be the salesperson-in-chief for the United States. And he brings about 17 mega companies. They account for probably more than 50% of the U.S. economy, more than 50% of the U.S. stock market, for example. I think President Trump should be complimented for his eagerness to peddle American products to China. Now, allow me to mention one thing.

China has the biggest demand, the largest market for American products of all kinds, and I even made a suggestion that China and the United States should really commit to increasing the bilateral trade to one trillion. Trade in goods between China and the United States should really be increased rather than reduced, and then for the additional amount to be added to the China-U.S. trade in goods, it is up to the United States to search thoroughly within the United States to come up with goods, commodities, whatever you can find to sell to China to make sure that China-U.S. trade in goods eventually will be more balanced. China has no desire to seek imbalance in China-U.S. trade. So this should be a better goal for China and the United States to work on.

And no one should be surprised that in China, the demand for U.S. goods is large, and we are in an affordable position. We can afford to pay, and we have a sustainable market still on the upside to further grow. Now, to achieve this, to sell more goods to China, the United States needs to do one thing: don't weaponize trade, don't weaponize tariffs, don't treat China as an enemy or an adversary. Treat China as an equal, level the playing ground. While the Americans want to increase exports to China, the United States should not block China's exports to the United States. And we should work together to make sure that both the Chinese people and the American people will benefit from increased and expanded, enhanced China-U.S. trade with each other. I always believe in a win-win situation for both China and the United States.

And I do hope there will be a day when China and the United States will embrace each other, hold each other's hands, and we walk in the same direction to make sure that China and the United States will benefit, and the rest of the world will also rise up with the rising tide. This will be a better world. And anyone who is opposed to my prediction and my hope probably is not working for the fundamental good of the American people. My belief is simple: if you want to hurt China today, you'll hurt the fundamental interests of the American people. Because between China and the United States, what we have been doing for the past 48 years has generated huge benefits to the Americans.

Allow me to ask a question. Which family in the United States doesn't have toys made in China? And have those toys made your kids happier when they grow up? Which American family hasn't saluted the American flag? And many of the American flags are made in China. By saluting the American national flag made in China, does it make you more patriotic or less patriotic? I think Americans

become more patriotic by saluting the national flag, and they don't care whether that flag is made in Wisconsin or in Yiwu in China. The fact that they salute the flag is more important than where that flag was made.

Allow me to ask another question. Whether Americans have Bibles at home, and do you know many of the Bibles sold in the United States, in circulation in the United States, are made and printed in China? Now, my question is simple. Dear American, have you become more religious? Has your commitment to your God become more reinforced when you read the Bible at home? And do you really care whether the Bible is made and printed in China or not? Now, I don't think a person will be a good Christian or a good Catholic if he says, if I read the Bible printed in China, it makes me less Christian and less godly. No, that's not a logical conclusion.

So I hope we need to expose the evils being preached by those people with vicious minds in the United States who want to, you know, decouple China from the United States. I want to see that more and more Americans will agree with me, as I do, that they have benefited from working with China. And the toys in their homes, the Bibles they read, the national flag they salute, many of which are made in China by my countrymen. We use the best quality fabric, the best material, we use the best skills, we spend hours after hours to make the best product with the lowest price, to make the American people happier. And why do we all of a sudden become the curse? Why do we become the enemy of the United States?

We deserve to be fully recognized as partners of the United States. And I hope President Trump is doing the right thing to bring the mega companies to China and ask them to explore the market size in China, to sell more American goods to China, and hopefully, on the precondition that America is also leveling its playing field to allow more and more Chinese goods to be sold in the United States. Especially, allow me to tell your audience in the United States, China-made electric cars, EV cars, or sustainable cars are the best in the world. And the American people deserve to use the best EV cars produced in China to be enjoyed by the American people.

## **#Danny**

That's a great point, because I've been to China several times, and not only are the EVs, in terms of quality, just top of the line in the world, but they're also inexpensive. They're less expensive than the current market in the United States. So it would make it way more accessible for Americans to access electric vehicles if the Chinese market was available to them. But right now, there is this massive tariff and, of course, a lot of so-called national security considerations that the U.S. constantly puts barriers up for. But Professor Guy, I wanted to read to you what the White House said about the results of the Trump-Xi summit.

And I'll just read it, and then I'll get your reaction to it. They said it's a very brief statement: President Trump had a good meeting with President Xi of China. The two sides discussed ways to enhance economic cooperation between our two countries, including expanding market access for

American businesses into China and increasing Chinese investment in our industries. Leaders from many of the United States' largest companies joined a portion of the meeting. The presidents also highlighted the need to build on progress in ending the flow of fentanyl precursors into the U.S., as well as increasing Chinese purchases of American agricultural products.

The two sides agreed that the Strait of Hormuz must remain open to support the free flow of energy. President Xi also made clear China's opposition to the militarization of the Strait or any effort to charge a toll for its use, and he expressed interest in purchasing more American oil to reduce China's dependence on the Strait in the future. Both countries agreed that Iran can never have a nuclear weapon. What's your reaction to this statement? And maybe if you have more information on China's position, because I don't think a Chinese readout has necessarily come out just yet, but what are your thoughts?

**#Danny**

I don't know if we've lost you, Professor Gao. Can you hear me? Yeah, I can hear you.

**#Victor Gao**

Can you see me? Can you hear me?

**#Danny**

Your picture has been frozen for a bit, but I can hear you. Can you hear me?

**#Victor Gao**

Yes, I can hear you. Can you hear me, and can you see me now?

**#Danny**

I can hear you, but you're... Yes, you should continue. Did you hear my question?

**#Victor Gao**

Yes, I heard your question. Let me answer your question. I think that is the American version of what was discussed. The Chinese version eventually coming out may be significantly and materially different from the American version. And it's understandable because each side may focus on what really matters for it most. Now, I personally would not agree with some of the assessment or analysis contained in this announcement by the U.S. government or discussed with the United States. However, on the other side, I think it's absolutely true that China and the United States need

to talk about how to normalize relations and how to reduce, if not eliminate, all the animosity or hostility in China-U.S. relations. Now, talking about trade is the most elegant thing because it really can touch upon the lives of the Chinese people as well as the American people.

I have been calling for reciprocal zero tariffs between China and the United States. How does it work? The United States has a trade deficit in goods. China has a trade surplus in goods with the United States. So we can use U.S. exports to China as the base. All U.S. exports to China would have zero-tariff entry to China, so the Americans will have an incentive to find goods to be sold to China. Zero tariffs make everything easier. Now, the equal amount to the United States should also have zero-tariff entry into the United States. On the Chinese side, there is a surplus amount in addition to the base amount. For that additional amount, it could be subject to discretionary tariffs imposed by the United States.

But that structure, what I call reciprocal zero tariff, will really open up the China market for zero-tariff entry of American goods. That will be truly a blessing for the American producers, and this will actually, ironically, help America to really achieve MAGA, make America great again. So if any American people want to join me in promoting the reciprocal zero-tariff scheme for China and the United States, I'll be very happy to work with you to make sure that we have a new trade structure which is hassle-free, secondly, it's efficient, thirdly, it encourages more trade rather than less trade, and then it incentivizes the American exporters to find more goods to be sold to China for the benefit of creating more jobs in the United States.

Now, there will be many other things China and the United States can think about and can promote. And I believe that if we have enough wisdom, resourcefulness, vision, and courage between China and the United States, there will be no obstacle we cannot overcome. And there will be no brighter future we cannot build up for our prosperity in China and the United States. This is the better version of China-U.S. relations. And I want to thank President Trump for making this long trip to China on a state visit. And I do hope both China and the United States can benefit from this close encounter and make use of this very important state visit as an occasion for us to recommit ourselves to better relations between China and the United States.

I dream of a day when the American people and the Chinese people will look into each other's eyes and say, you are not my enemy. You are not my devil. You are very much like me. Your Chinese dream is very much like our American dream. We can get along, and we can really create more wealth for both the Chinese people as well as the American people. I'm pretty sure that day will be coming along. Maybe it's not too far away, around the corner, and that will truly make America great again, and that will also make China great again.

## **#Danny**

Yeah. And Professor Gao, as we head out, I know that you have an appointment in a few minutes, so I just wanted your final reaction to this. You know, a lot was made outside of this meeting about

the global implications of the summit. And one of the big calls from a lot of those who surround Donald Trump, including someone like Lindsey Graham, was for the United States to essentially pressure China to reopen the Strait of Hormuz. And a lot of the United States' push is to get China to buy more oil from the U.S., which Trump, in the White House statement, you know, insinuated is going to happen. What do you make of this call?

You know, Lindsey Graham called China's allies dirtbags — Iran and Russia. This mentality and this kind of approach from maybe the broader U.S. political class seems to be counterproductive or counterintuitive to the very basis of this meeting. Do you see any potential hiccups and issues that might come along the way as the U.S. and China attempt to, as China, I think, put it — the foreign ministry put it — try to build some kind of constructive strategic stability? Do you find that the U.S. has the capacity for this at the current time, or do you think more work is needed down the road?

### **#Victor Gao**

If I need to sign out, two very brief points. First of all, about Senator Graham. With due respect to the Senator, if you listen to everything he's uttering, the United States will go bankrupt. Because I don't think Senator Graham really cares about the fundamental interests of the American people. He's probably more serving the vested interests, which may be many and plenty, rather than serving the fundamental interests of the American people. Listen very carefully to what he says and what he advises President Trump to do.

My bottom line is that he's not serving the fundamental interests of the American people. Why do I say this? Because I truly believe the Chinese people and the American people are not enemies. We should engage with each other. We should get along with each other. And for anyone, especially a person in a high position, trying to talk about decoupling China, putting maximum pressure upon China — he simply doesn't know what he's talking about. Does he want to be General MacArthur II? General MacArthur wanted to apply maximum pressure to China.

### **#Danny**

And what happened to General MacArthur?

### **#Victor Gao**

He was fired by President Truman, and he became a complete failure, forfeiting all the military glories he accumulated over the decades. I hope Senator Graham will pay a visit to the graveyard and the tomb of General MacArthur, and that will make him better understand what China is talking about. China is a megatrend, a reality in this world, for the United States to engage fully on equal terms. If Senator Graham wants to manhandle China, he will be failing the expectations of the

American people, and he will serve miserably, and he will let down whoever voted him into office. So, Senator Graham, please serve the fundamental interests of the American people rather than the vested interests which may push you to the forefront. That's number one.

Number two is that for China and the United States, I do believe in the inevitability of peace. I always call for peace between China and the United States, and I will fight against any force between China and the United States which wants to agitate for war between our two great nations. War breaking out between China and the United States will be a complete disaster for both the Chinese people and the American people. And China's purpose is one: defending peace for China and preventing the United States from agitating for war, and making sure that the Chinese people and the American people will live in perpetuity and in eternity in harmony with each other, rather than being dragged down into the sinkhole of war and confrontation and calamities, or even Armageddon. Thank you very much.

## **#Danny**

Yeah. Professor Gao, please be in touch. Let's stay connected. It was a great show with you today. Take care. Have a good night. I know it's about to be morning out in Beijing. I appreciate it.

## **#Victor Gao**

Thank you very much. Best wishes to you, as well as to your global audience. Thank you.

## **#Danny**

Thank you. All right. Professor Gao, thanks so much. Bye-bye. That was a great show, everybody. And I'm going to stick around actually for a little bit longer. I'm going to probably be here for 15 or so more minutes because I want to give my thoughts on what just happened. And we will then end the program with some announcements. So, yeah, Donald Trump—what is it? It's about to be Friday morning in China, and he is going to leave from China soon on Friday. I believe he's supposed to tour the Temple of Heaven, and then he is going to depart back to the United States. Now, what has happened in this meeting? Well, in my estimation, not much. Not much happened in this meeting. It was a standard diplomatic visit.

China treated Donald Trump as they would treat almost all other leaders that they actually allow to visit China, because there are still a few countries that recognize China—the ROC, the Republic of China, or the so-called government in Taiwan, represented by the ROC as the legitimate government of China. And so those countries don't get diplomatic visits. They're very small countries—the Marshall Islands, these kinds of countries. But nonetheless, those who do, China followed standard diplomatic protocol. It was a standard diplomatic visit, just with higher stakes given that it is the U.S. and China. China is the second biggest economy in GDP; the U.S. is the first. In purchasing power parity, China is the first. So two major countries, the biggest and maybe the most important

countries to the world in terms of the path of development that the world takes, they met. And some had problems with this.

And I just want to address that in particular. There are many who believe that China should not be hosting the United States in China, especially after all that has happened with regard to Iran and then, of course, broadly in West Asia in the U.S. war of aggression on Iran, extending back to October 7, 2023. And so my assessment of the meeting actually is that all that has happened is a reaffirmation, I believe, of China's own position and status in the world. So while there are those who believe China should not have done this, from what appears to be China's perspective—and what I see as China's perspective—is they see any talks with the United States that happen on a mutual basis, that occur with respect to red lines, and that ultimately bring the U.S.-China relationship to a less tense place, as positive for China but also positive for the world.

And this is objectively true. If the United States does not feel it has the capacity and the ability to target China in the same way, even for a moment—even if it is a moment, which we are in that moment actually, and I'll tell you exactly why—then that is positive. And China should glean any kind of concessions and is willing to actually give, quote-unquote, concessions to the United States in that regard as well. But framing them as concessions is wrongheaded. China benefits from any expanding trade relationship with the United States on either side—imports, exports, whatever you have, and investments in either direction. So all in all, this was a very low-pressure visit for China.

China and the U.S. had postponed this visit earlier in the spring because of the U.S. aggressiveness and the aggressive and genocidal war on Iran. And now that the United States—let's be honest about where that war is—now that the United States has indeed found itself in a position of defeat to Iran, now that we see all of the reports coming out from the neocons, from the U.S. intelligence sector, so-called community, all of them are saying the same thing. And it's not a psyop. It's not trying to pull the wool over your eyes or anything like this. No, they're all saying that the United States is in a very bad position with regard to Iran, because it is.

And because we have all seen it before, they were willing to admit it. We see what's happening in the global economy—it's overheating. The United States cannot afford to plunge into a self-made global recession before the midterms, and also in a period where any recession, any major crisis—which is due, and that's capitalism. Capitalism is built on crises in many ways, and it is cyclical for the system. But any major recession—and there are some economists that are saying that the next one coming, because of the fallout of the war on Iran, will be far bigger than 2008. If that is to happen, the U.S.'s global position falls even further, including its share of the overall economy.

And this is where I differ from those who talk about the gobbling up that the United States is trying to do with the energy markets and has found some success with regard to its blockades, let's say, against Venezuela, Cuba, and some are saying Iran. But I don't actually think the blockade has been very successful in many respects there. But even just the targeting of Iran, of Russia, of Cuba, and Venezuela, and America trying to corner these trade routes to strangle the energy markets and

make the world more dependent on the United States is all demonstrative of a strengthening position.

But I actually don't see that objectively being the overall result. With the overheating economy, with the major inflation, with the possibility of a major recession at any moment, regardless of the markets sleepwalking through the contradictions that have emerged from the Iran war, it doesn't matter. Eventually it will happen. And when it happens, the U.S. will lose not just prestige in the world, not just global standing in the sense of leadership, but it will objectively lose market share in the overall global economy. And that's bad news for everybody on that plane that went to China with Donald Trump. All of those executives lost—from BlackRock to Tesla, Elon Musk, Tesla, and SpaceX or whatever, Elon Musk, whatever he represents, X—for all of them, right?

Because the smaller the U.S. economy gets as a whole, the capitalist economy gets smaller. The worse off it's going to be vis-à-vis China. So that's what a lot of the visit actually was about. And China will actually expand trade in large part because it knows that that does not have any bearing. It's not bailing out the United States to any significant degree, especially in large part because of all the contradictions we just spoke about in this interview, which is that the U.S. is feigning and talking about more economic ties with China. But at the same time, policy-wise, there must be a significant shift in the way the U.S. approaches China if any of this is really to come to fruition to any significant degree.

So China was willing to have an actual engagement with the United States on terms that were far more favorable for China than it was for the U.S. If you noticed, the United States came into this saying that they were going to pressure Iran around the Strait of Hormuz and all of this around the war in general. And ultimately, what you had was very little of that. You had statements like the one I read out from the White House that said, oh, China opposes the militarization of the Strait of Hormuz like us. Well, that's a very vague statement in many respects. China opposes the militarization of the Strait of Hormuz because it opposes the war of aggression on Iran in general and understands.

And this is why it hasn't condemned Iran for the tolls and for its measures around what it's doing there—mining and all of this, and, you know, tracking and boarding. They just boarded a ship there linked to the UAE and are taking that ship back to Iran, seizing it in large part because they've had vessels seized. So China doesn't condemn this directly because it has made clear that the root cause of the problem is the war, and the war must cease and stop. And the only way the war stops is if the U.S. stops the war. Again, this is how diplomacy at a high level is done. This is how politics and geopolitics at a high level are done. And China plays and participates in these matters at the highest level.

While the United States brings clowns like Stephen Miller and Pete Hegseth and all these, I mean, all these really just freaks, brings them to China, they are totally ineffective. They don't really have any say or basis for anything going on. Who had a say here was the business class, the ruling elite, the

actual ruling elite. Those people—Goldman Sachs CEO, all of these forces—they are really who dictate the terms of what the United States ultimately does with China. And they came in with their hands out. They came in with their best begging hands, you know, mode ready to be turned on, because ultimately that's what they need.

They need the U.S.-China relationship to be more stable at this moment if they are to escape the economic headwinds and crisis that's about to slap them right in the face in the coming weeks and months as the hot summer comes and as the oil crisis turns into a general economic crisis. We're already seeing the reports about what's happening in the United States. People in the United States have seen an increase in their grocery prices far larger than at any point in a very long time. So, uh, this is a major crisis for the Trump administration. So the Trump administration wanted this meeting. They got it. They came to agreements that were already essentially in place, right?

The United States and China had already, when the U.S. overplayed its hand on tariffs, come to a place of agreement that they would reciprocally reduce tariffs to a degree that all sides could agree upon—essentially a concession to China itself, in large part. So ultimately, that's all we're really going to get out of this. China isn't helping the U.S. with Iran. China will do more trade with the United States if they allow it, and if they don't, China will keep going on its path that it's on, and it's not betraying anybody. It's not going to reduce its relations with Russia or Iran or anyone else. China doesn't play politics on those matters. It doesn't allow anyone to dictate to it who it trades with and what kind of benefits it's trying to garner from its economic relationships.

In fact, we saw at the same time that this meeting was happening, Iran allowed 30-plus vessels, I believe, out of the Strait of Hormuz. And many of those, the vast majority of those, were Chinese vessels. And Iran and China both said that they had come to an agreement to allow the remaining Chinese-linked vessels in the Strait of Hormuz to pass, of course, with coordination with Iran's navy. So ultimately, you know, China is not fazed, is not going to be pushed around, and wasn't, and actually found itself with an interesting dynamic where, for the first time—really, arguably for the first time in how many years since the pivot to Asia was declared, 15 or so years ago—China found itself with the United States not just willing to maybe cool it on aggressiveness toward China, but willing to actually come hat in hand and say, please, please, can you help us?

Can you give us something? And we'll give you something. But unfortunately, the reality of all of this is that there are major forces in the United States that view China, Russia, and Iran in the same light, including those who were on the plane with Donald Trump and met with Chinese officials around the business side of things. We have to note that there's a major contradiction here. Despite the major economic interests that these forces have in maintaining a relatively stable economic relationship with China, they also—and this has to be said—they also want to see, when they say China "opened up," they want to see China completely opened up. And they want to eventually see a China, and a Russia, and an Iran, and any country that has a sovereign and stable and alternative path of development—they want to see them gone.

So that has not changed, and that will not change based on any meeting. But the circumstances, the timing, and how the U.S. moves right now is really indicative of how the United States has been defeated by Iran, how the United States empire is in a very critical condition—like life support—as Trump called a ceasefire. And the United States needs any kind of, especially for Trump, any kind of optics that make it appear more stable, make it appear more powerful. You saw how Trump was brandishing images of him and Xi, and how this was such a magnificent event, how he was praised and all of this. Imagine, we are now in a moment where the United States has to go to China to brandish its image as a powerful and stable country. That, my friends and viewers, is the new world image here, right? It's a new world that has arrived.

And so we should be very aware that this was not about the U.S. posturing and trying to gain an advantage over China. This is not about China selling out or China not understanding the dangers of the U.S. empire. No, this is a very particular moment where this kind of engagement was made possible by the fact that China has risen to a point where it is now the one that the U.S. has to go to in order to brandish its image and to improve its own stature, while China—while the United States—is in a position that is far less favorable than really maybe it has been in history, at least the history of the U.S. empire becoming the hegemon in 1945 after World War II. I believe we're in the moment where the U.S. empire is in the worst position it has been, despite the fact that it has left a world of chaos and destruction and suffering, which essentially allows it to at least breathe another day.

But none of that can last. And the Iran war has been, I think, a real big wake-up call to that fact. So that's what I had to say about this. All right. And I want to say everyone should hit the like button before you go because that will keep the show boosted in YouTube's algorithm. Seriously, if you want Victor Gao to be heard, then everyone here should hit the like button before you go. I am going to be on RT Live actually in 45 minutes to talk about this meeting even further at 1 p.m. Eastern time. And then I'm going to be on D.D. Geopolitics at 1:30 for a half hour on YouTube.

So you should check out their YouTube show that will air at, I believe it starts at 1 p.m. Eastern, and I'm going to come on in the second half. Tomorrow I'll be on with Greg Stoker and Alina Sinofantos, good friends of the show, 2 p.m. Eastern time. Saturday I'll be on with Pepe Escobar, 11 a.m. Eastern time. And I'm trying to set up the next few days after that. So I'll see you all again live tomorrow, 2 p.m. Eastern time. Hit the like button before you go. The places you can support this show are in the video description below—Patreon, Substack, and much more. And I will see you then. Take care.