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## III. Relations with China

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U.S. GOVERNORS' FORUM

# How Pompeo's War on China Has Destroyed the U.S. Economy

by Michael Billington

Dec. 10—Four former U.S. governors held a Zoom forum on December 7 to present a picture to the American people of the extensive damage that has been done to the economy and social fabric of the United States by anti-China hysteria. That hysteria has been fostered under the direction of Secretary of State Mike Pompeo and FBI chief Christopher Wray, helped by trade-war tariffs and dozens of sanctions on Chinese individuals and businesses imposed by the Trump Administration. Two Republicans and two Democrats presented case studies from their states—Missouri, Utah, Washington, and Michigan—and their insights on modern China and the deteriorating conditions in the United States. The message was clear, and devastating—the anti-China campaign has had a far more destructive impact on the United States than on China, and it must be reversed.

The role of the governors is particularly important given Pompeo's threats to the National Governors As-



DoS/Ron Przsucha

*Michael Pompeo, Secretary of State.*



C-SPAN

*John Ratcliffe, Director of National Intelligence.*

sociation Winter Meeting on February 8, 2020. Ranting about China's "malign influence," Pompeo threatened the governors "not to make separate individual deals" with Chinese companies, since it "affects our capacity to perform America's vital national security functions."

In a September 23 speech to the Wisconsin legislature, Pompeo quoted Chinese President Xi Jinping speaking to economists: "We must actively develop cooperation with all countries, regions and enterprises willing to cooperate with us, including states, localities and enterprises in[side] the United States." This sounds like a wise, constructive offer for cooperation among nations and peoples. But Pompeo then declared he would "translate" Xi's words for the misguided and manipulated governors: Xi, he said, was intending to "use subna-

tional entities to circumvent America's sovereignty. He thinks local leaders may well be the weak link."

John Ratcliffe, the Director of National Intelligence, went further in a December 3 *Wall Street Journal* op-ed,

declaring that China “intends to dominate the U.S. and the rest of the planet economically, militarily, and technologically.” China, he said, “poses the greatest threat to America today, and the greatest threat to democracy and freedom world-wide since World War II.” A psychotic notion, aimed clearly at preventing China’s rise, to prevent the Belt and Road Initiative from bringing real development to the developing world based on the economic model which has transformed China into a leading scientific and cultural nation, the first nation to eliminate abject poverty entirely, and one which is experiencing a Confucian Renaissance of world-historic significance.



U.S. Army National Guard/Jim Greenhill  
Rick Snyder, former Governor of Michigan.



CC/Mandy3k  
Gary Locke, former Governor of Washington.

### The Governors’ Urgent Message

In response to a question from *EIR* during the governors’ forum, asking if Pompeo’s speech to the National Governors Association meeting had influenced their thinking, former Washington State Governor Gary Locke responded simply: “No, it did not impact us. We know how important China is.”

Indeed, the former Republican Governor from Utah Jon Huntsman, who had also served as Ambassador to both China and Russia, remarked:

The U.S.-China relationship will define the rest of the 21st century—it is the most important relationship in the world. The trade war has drastically harmed our farmers and ranchers. Tourism to our beautiful state, which I built up during my China trade missions as Governor, caused a tremendous spike in visitors from China over the past 15 years, with an economic multiplier effect. Now the number is severely diminishing—not only from COVID, but from the breakdown of trust in America. When you impose tariffs, it hurts *us*—the balance sheet from our #1 trading partner broke down.

Rick Snyder, who served as the Republican Governor of Michigan from 2011-2019, described during the forum the deep depression in Michigan following the

2008 financial and industrial collapse, which, he said, provoked him to run for governor:

The main reason I was successful in rebuilding our manufacturing and our economy is that I went to China. It was difficult at first, because many people blamed China, that our jobs had gone to China. But the real cause was the collapse of our own productivity. We opened up to China and restored our manufacturing, and our agriculture. Now it is in trouble. The tariffs cost jobs on both sides. The tariffs on capital goods has stopped several Chinese companies which wanted to establish production here, but the cost of bringing in the machine tools became too much with the tariffs. These broad brushstrokes have unintended consequences. We need to work together—the world will be a safer place.

Gary Locke, the Democratic Governor of Washington from 1997-2005, and then the Ambassador to China, noted that one-third of the jobs in Washington State are tied to trade, mostly to Asia:

The trade war has caused a collapse of trade with China, our #1 trade partner, in apples, cherries, wheat, Boeing aircraft and more. Trade is down 65% since before the trade war. China has not bought a single aircraft from Boeing since 2018, even though there is no new Chinese tariff on aircraft—it is an implicit retaliation for the U.S.



DoS

*Jon M. Huntsman, Jr., former Governor of Utah.*



Missouri State Treasurer's Office

*Bob Holden, former Governor of Missouri.*

tariffs. There is a 60% drop in both imports and exports. We had 100,000 jobs in the ports before 2019. The cost of doing business has gone up due to the increased cost of parts from China, due to the tariffs.

There is an impact on consumers. The New York Fed estimated the cost to families from the trade war is \$600-800 per year in raised prices. Tariffs on American goods make goods from other countries cheaper for the Chinese, so they buy elsewhere. Our “go it alone” strategy helps foreign competitors. We must cut the tariffs. There are things that need to be fixed on the China side, but the tariffs are not fixing them. They only hurt American farmers, industries and consumers.

Asked about Pompeo’s warnings concerning national security, Gov. Locke responded:

We must be concerned about security, but helping farmers and manufacturers sell goods is not harming national security. These are good paying jobs. China has huge needs—jobs, environment, education—we should press them on intellectual property and rule of law, but through cooperation.

### **The Impact on Higher Education and Scientific Research**

One area stressed by all the governors is the devastating impact on America’s institutions of higher learning

and the scientific research institutions associated with them. Gov. Snyder:

Our wonderful universities, where the Chinese and other Asian students are paying more than the cost of the education, essentially subsidizing the American students—now they are leaving. Our Chinese student population has fallen from over 7,000 to under 6,000. Then there is the crack-down on the Chinese scientists at our university research facilities, creating a negative environment.

None of the governors mentioned President Donald Trump, Secretary of State Mike Pompeo, or FBI Director Christopher Wray by name, clearly having decided they needed to get the message across free of the political divide in the U.S. But Pompeo’s anti-China crusade, and the McCarthyite witch hunt under Wray’s direction against anyone with a Chinese name, including American citizens of Chinese descent, was clearly on their minds. Gov. Locke:

There has been a large drop in students from Asia, especially from China. To say all students are spies is ridiculous. People think the U.S. is no longer a safe place to visit or to study.

Gov. Huntsman added:

Resolving the crisis with the visa restrictions is also crucial. Chinese students in the U.S. always have a deeper understanding of the U.S. There are few people in leadership positions in China today who were educated the U.S. Those who study here have a better understanding of how our system works. Making our country more exclusive is doing great long-term damage.

Gov. Locke, a third-generation Chinese American, also addressed the expanding anti-Asian racism resulting from the hysteria against China in Washington and in the media:

There is a troubling aspect about human rights for Asians in America. It was Chinese workers,



who knew how to use explosives, who solved the problem of getting through the mountains for the Transcontinental Railroad. But then there was hostility—the Chinese Exclusion Act, limits on land ownership, the detention camps for the Japanese during World War II. Now we are backsliding—all things Chinese are suspect: students, scientists, companies. Even subway cars and buses made by Chinese companies are accused of spying, and the list goes on. They call it the China-virus, the Wuhan-virus, the Kung-fu-virus—this is disturbing. It causes anti-Asian racism. We need moral leadership.

### **Education for the Future**

The urgency that American youth be educated in the Chinese language and culture was emphasized by all the governors. Governor Huntsman:

I began a Chinese-language immersion program in Utah while I was Governor, which is very popular. It is not only that they learn the strategically important language, but in learning the language, the students learn to understand the culture. How can we prepare the next generation for the future? They will be running into China no matter what their field. Knowing the Chinese culture is the most important thing. It is the most important investment we can make.

Gov. Bob Holden served as the Democratic Governor of Missouri from 2001-2005. In 2003 he co-founded what is now called the United States Heartland China Association, together with Sen. Adlai Stevenson III, which now represents the 20 states between the Great Lakes and the Gulf of Mexico. This association, together with the National Committee on U.S.-China Relations, sponsored the December 7 governors' forum.

Gov. Holden also emphasized education and people-to-people relations as essential to preventing the deterioration of relations and to working together for the good of mankind:

The decline of U.S.-China relations damages our infrastructure, our businesses, our agriculture and our colleges and universities. The peo-

ple-to-people relations are critical—before COVID, I took city officials to China and they came back amazed at what they saw. We must link our elementary and secondary students with China.

The governors' rejection of the anti-Chinese policies is paralleled by the recent, successful launch of the Regional Comprehensive Economic Partnership (RCEP) on November 15 by the ten Southeast Asian nations, as well as China, Japan, South Korea, Australia, and New Zealand. This follows an intensive series of visits to nearly all of China's neighbors by Secretary Pompeo, reading them the riot act, demanding that they break from China, economically and politically. The Asian nations, even the U.S. "allies," are not suicidal, and prefer development through cooperation, rather than war through geopolitics.

### **Decoupling Means War**

The State Department and the Commerce Department, as well as the media and the Congress—both Republicans and Democrats—have been on a drive to demonize everything Chinese, to impose, nearly daily, new sanctions, and to generally decouple the U.S. and the Chinese economies.

This insanity comes at a time in history when humanity is experiencing the worst pandemic in a century, the most massive financial bubble in all of history, a famine sweeping Africa and parts of Asia and South America described as catastrophic and of "Biblical proportions" by World Food Program Executive Director David Beasley, and the immediate threat that the "Green Finance" regime being implemented by the City of London and Wall Street will bring about a new regime of Malthusian depopulation and deindustrialization.

Gov. Huntsman noted that the danger of world war is palpable, warning that if Joe Biden becomes President, his very first step must be "to deal with the greatest vulnerability: the danger of military conflict. First order of business: establish communications to deal with any incident that may arise in the maritime area with China."

There is no time to wait to see who will be sworn in on January 20.

President Trump has taken actions, since the election, to clean out the war party from the Pentagon and

to bring American troops home from the “endless wars” launched by Bush and Obama. He began his term by acknowledging China as a great nation and Xi Jinping as a great leader, exchanging highly successful diplomatic visits. He has expressed his intention to accept President Vladimir Putin’s proposal for a Summit of the Permanent Five Members of the UN Security Council, which would bring Putin, Xi, and Trump together, to address the urgent transformation of relations among sovereign nation states toward a

new paradigm, to end British imperial geopolitics for good, and work together to resolve this crisis of civilization. If it means cleaning out the China-bashers, as he did the war party, so be it. History would be most grateful.

*Direct quotes in this article from the December 7 meeting, cosponsored by the United States Heartland China Association and the National Committee on U.S.-China Relations, are all paraphrases from the author’s notes.*