

THE JORDAN HARBINGER SHOW

Worksheet for Robert Spalding | How China Took Over America (Episode 268)

War looks a lot different than it did a century ago, and the Chinese Communist Party has an outline for economic warfare and subjugation of other countries and populations that is well documented. Both parties in the US have slept on this, and today, we're going to explore some of the current and potential future consequences of this inaction.

On this episode we talk to *Stealth War: How China Took Over While America's Elite Slept* author Robert Spalding, a retired US Air Force brigadier general, national security strategist, and globally recognized expert on Chinese economic competition and influence. If you want to know how deep this runs, just know we conducted this interview from a secure room inside the Pentagon.

THE JORDAN HARBINGER SHOW

A Parasitic Economy

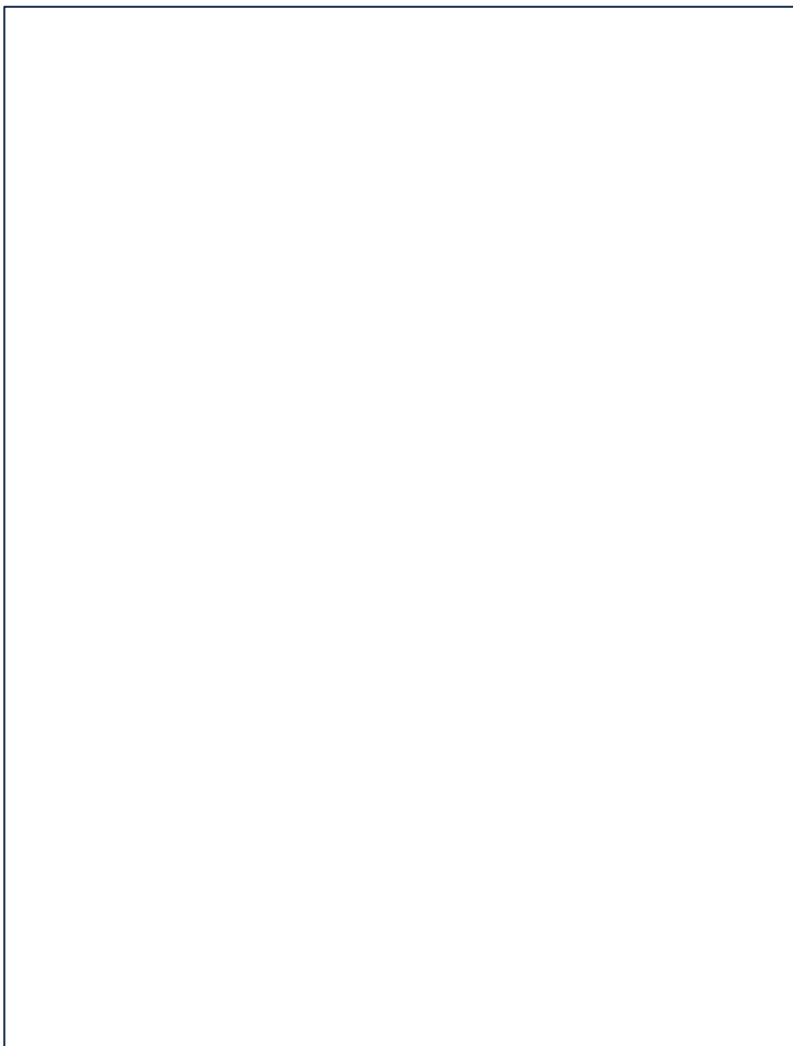
From an outside perspective, it looks like 21st century China is really crushing it in the game of capitalism. But when you take a closer look, it becomes clear that its rapid growth is entirely based on how it exploits the rules of its democracy-based partners/rivals in symbiotic — or downright parasitic — fashion.

“The Chinese Communist Party has the same vulnerabilities that any totalitarian regimes have, and that is that they don’t permit basic freedoms for their people,” says Robert. “Now the way they get past that, and the way that they have legitimacy, is to deliver constant economic growth. It’s almost like a shark that has to continue to swim in order to survive. Their economy has to continue to grow in order for the Chinese Communist Party to have legitimacy. And so once you start disconnecting them from the Western capital markets, from Western innovation, from Western talent, and Western technology, then they have to make it on their own auspices, and they can’t because, at the end of the day, they are a totalitarian regime.

“So once you start to do that and you begin to once again invest in the West, invest in the United States and other democracies, then you can have economic growth in those countries again. And you can say the model isn’t better. It was just a parasitic economy on democracies.”

THE JORDAN HARBINGER SHOW

You may be of the mindset that a free market is the pinnacle of economic models, but the problem is that China's influence over the global economy makes a free market currently impossible. If you were a US policy maker, what steps would you take to level the playing field?



THE JORDAN HARBINGER SHOW

Turning Africa Red

It may seem like a win for developing countries in Africa and Central Asia that China wants to “help” bring their infrastructures up to 21st level standards with its lauded Belt and Road Initiative, but what’s the end game? Is the West right to be suspicious of motives here?

“The Chinese [have] a six-step process for taking the authoritarian countries that are in Africa and bringing them into an IT-based, authoritarian, modern version of what they have,” says Robert. “So you go all the way from dirt roads to 5G networks within a generation, and it’s all connected to the Chinese Communist Party.

“What they would do is they would find a resource that China needed for manufacturing — let’s say cobalt in the Democratic Republic of the Congo. They would build a mine, and they would find a port where you could take that out. So then they would build the port, probably in a different country because the Congo is in the middle of Africa. And then they would build the rail, and they build the road, then they would put fiber, and telecommunications, and electrical power, and water.

“So now you have essentially the skeletal pieces of an industrialized economy. And then what was happening and what this company said is the biggest investment in Africa right now is low-value added manufacturing, so textiles, shoes, the type of things that China wants to offload, so they can have high-value manufacturing like computer chips.

THE JORDAN HARBINGER SHOW

“Well what happens after you have manufacturing? You need housing, so you have urbanization. But what happens after that? Then you start installing the AI-powered cameras, and you start selling smartphones. This thing is an entire engineering of exactly the society that China wants to have, and it’s all under the auspices of doing good for other people.”

If you were a citizen of a developing nation where struggling for necessities like clean water is a daily battle, would you be willing to submit to surveillance and control by a totalitarian regime to have your basic needs met? Do you think the generation following this rapid industrialization would make the same decision? Would they be thankful or ungrateful for your decision?

THE JORDAN HARBINGER SHOW

Corporate Complicity

Bemoaning the loss of blue-collar jobs in the US, we could simply blame the CCP for not playing fair by undercutting American manufacturers to bring work to its shores. But we would be remiss if we didn't look to corporations that sacrifice what's good for the country in order to appease shareholders and their bottom line by outsourcing this work where it can be done in sweatshops by an unprotected workforce at subsistence wages.

"The problem is really that a lot of people in the United States, a lot of very wealthy people, got a lot more wealthy in the last 20 years because of what was going on," says Robert. "All of the offloading in manufacturing took away millions of blue-collar jobs, but it increased the margins for the people that own those businesses. So look at Apple, for example. Apple has \$265 billion in cash. Now it has offloaded its manufacturing to a country that exploits labor and pollutes the environment, and it did so in order to increase its margins.

"With that much cash on hand, Apple could have easily manufactured in the United States and made more of a normal profit. They didn't need to make margins in the manner that they did. So what the Chinese Communist Party did is co-opt the rest of the world. The way they did it is the same way that America used to be successful: individual profit motive was aligned with national interest. In other words, if you were getting rich, the country was getting stronger.

THE JORDAN HARBINGER SHOW

“What they figured out how to do is hack that and make sure that if you were getting rich in America, in Asia, then China was getting stronger, because they had built the incentive system according to this model that said we can let China do whatever they want because they’re a developing economy.”

If you were a US policy maker, would you be in favor of increasing regulations or taxes on corporations that choose to outsource manufacturing for massive profits at the expense of American jobs, economy, and security? If not — keeping in mind these very conditions make a true free market impossible — what’s a better solution?

THE JORDAN HARBINGER SHOW

What Can We Do Now?

So what can the US and other Western democracies of the world start doing to wrest control back from the CCP?

Robert says:

“Start talking about democratic principles and free trade principles as a complete package. In other words, we can't just open ourselves up to totalitarian regimes. We essentially have to pair ourselves off with democracies. Protect our financial system, protect our trading system, protect our investments — particularly in technology — protect our schools — we've got 400,000 students in our universities — protect our media — we have all Chinese language media in the United States is run by the Communist Party, protect our political system — because a lot of our politicians get donations from these Chinese individuals and companies — and then finally, most important, protect our Internet — a secure, encrypted Internet — so that it's not so easy to influence the population or steal their data.

“And then invest in America, invest in STEM education, research and development, infrastructure, and the industrial base. Use some of the \$800 billion that we're spending on defense to stimulate reinvestment in the United States in manufacturing. And then finally, get back together with other democracies, forge a new consensus around democratic principles, rule of law, civil liberties, and human rights, and enforce that at the UN and the WTO. Make the totalitarian regimes follow the rules by sticking together as democracies, not just in the security sense, but also in economic, financial, and trade sense, as well — in a diplomatic, in a cultural, in a political sense — where we promote these foundational values.”

Full show notes and resources for this episode [can be found here.](#)

THE JORDAN HARBINGER SHOW

About



Join us as we get deep into the untapped wisdom of the world's top performers – from legendary creators to intelligence operatives, iconoclastic writers to visionary change-makers.

We deconstruct the playbooks of the most successful people on earth – and learn new strategies, perspectives, and insights you can't find anywhere else. Then, take these valuable insights into your own life and live what you listen.

THE JORDAN HARBINGER SHOW

support@jordanharbinger.com

THE JORDAN HARBINGER SHOW



Share This With
Your Friends!



Share This