

ONE

THE SKINNY DEAL,
EAST WING, RED,
WHITE, AND BLUES

We are facing an implacable enemy whose avowed objective is world domination by whatever means and at whatever cost. There are no rules in such a game. Hitherto acceptable norms of human conduct do not apply.

—THE DOOLITTLE REPORT, 1954¹

January 15, 2020, would be an unseasonably warm day in Washington, DC. It would also turn out to be both the beginning of the end of Donald J. Trump’s presidency and America’s Third Day of Infamy.

On this fateful day, President Trump is surrounded on a stage in the East Wing of the White House by a high-ranking delegation of Chinese Communist Party officials, several members of his own trade team, and a Brutus who will betray this American Caesar almost exactly a year later, Vice President Michael Richard Pence. The president is on this stage to co-sign with Chinese vice premier Liu He in what is being billed, at least on the American side, as a “historic” phase one trade deal.²

At this seemingly triumphant time for Donald Trump's America, a second term for the greatest jobs president, trade negotiator, and populist economic nationalist in White House history appears a near certainty. One key reason: on the growth-inducing policy wings of tax cuts, deregulation, strategic domination of the energy sector, increased defense spending, and a parade of new trade agreements, America's forty-fifth president has built the strongest American economy in the last fifty years.

In this vibrant Trump economy, the Dow Jones Industrial Average is moving rapidly toward breaking the 30,000 barrier.³ The unemployment rate has fallen to an astonishing 3.5 percent. Blacks, Hispanics, and women—three key demographics critical for a 2020 victory—are all enjoying record low unemployment rates.⁴

Best of all, politically, real wages are rising disproportionately for lower-income workers,⁵ and those benefitting include many the very same factory workers who have been so important to tipping the scales for the president across the Rust Belt and its Blue Wall states in the 2016 election. It had been these Trump Democrats who had told their union bosses to go pound sand when they had been urged to vote for Crooked Hillary.

Said I on more than one occasion in the media when broadcasting these impressive statistics:

Every American who wants a job in the Trump economy can find a job. And every American who wants to search for a better job has ample opportunities to do so.⁶

It isn't just the economy going well for President Trump. On immigration policy, his border wall is going up at the rate of about a mile a day, to the delight of his rock solid and red meat base.⁷ Under the threat of tariffs, the Mexican government has deployed 15,000 troops to help secure the border.⁸

Under similar Trump pressure, the Northern Triangle governments of Guatemala, Honduras, and El Salvador are likewise playing Trump *beisbol*, allowing US Customs and Border officials to send illegal aliens right back to the Northern Triangle through so-called safe third country agreements. As a result, and after a massive spike in illegal immigration in May 2019,⁹ illegal immigration is trending dramatically down and border security is looking up.¹⁰

On foreign policy, the news is equally good. POTUS's good cop–bad cop bromance with “Rocket Man” Kim Jong-un has led to at least the temporary grounding of North Korea's budding missile arsenal and the cessation of Kim's underground nuclear bomb testing.

Confounding his Globalist critics, the president has also demonstrated friendly working relationships with world leaders ranging from progressives such as France's Emmanuel Macron and Canada's Justin Trudeau and pragmatists like Germany's Angela Merkel and Japan's Shinzo Abe, to brutal authoritarians like China's Xi Jinping, Russia's Vladimir Putin, and Turkey's Recep Erdoğan.

And nowhere around the world is America engaged in any major shooting wars. No George Bush Middle East shock and awe followed by Dick Cheney chaos and confusion. No disastrous Barack Obama Libyan and Syrian debacles.¹¹ Not even a Clintonian “wag the dog” bombing of Serbia.¹²

In fact, the only really intense battles President Trump had waged on the foreign policy front had been with a seemingly endless supply of endless war political appointees. These included most prominently National Security Advisor H. R. McMaster and his successor, John Bolton; Secretary of State Rex Tillerson; Chief of Staff John Kelly; and the Pentagon's Jim “Mad Dog” Mattis.¹³

All of these president's men thought they knew better than the man who had actually gotten elected by the American people. None of them wanted to end any of the endless wars that Trump's predecessors had bogged America down in and dearly cost American lives. And each of these disloyalists had regularly ignored or violated the presidential chain of command—right up to the day each got fired.

On the wings of these robust domestic and foreign policy achievements, the President's Gallup Poll job approval rating has soared to a personal high of 49 percent.¹⁴ His handling of the economy has skyrocketed to 63 percent.¹⁵ His foreign affairs rating is up from 33 percent in November of 2017 to a personal best of 47 percent.¹⁶ And numerous political handicappers in January 2020 put the odds of a Trump reelection at well over 50 percent.¹⁷

What will happen in America's plague year following this January high-water mark will, however, mark the greatest turn of events in modern presidential election history.

ALWAYS A TIGHT RACE

To be clear here, and unlike other key senior administration officials—most dangerously the Wall Street wing of Treasury secretary Steve Mnuchin and National Economic Council director Larry Kudlow—I never thought a victory in 2020 would ever be a landslide, no matter how strong the economy got, no matter how high the stock market rose, no matter how rosy the polls looked.

That the 2020 presidential race would always be close was a matter of sheer math and starkly simple statistics. Every Republican candidate in this modern era always starts out on Election Day far behind in the Electoral College count. That's

because the Left Coast of California, Oregon, and Washington together with New York and Illinois would rather vote for a Democrat corpse than a live Republican—and together, these deepest shades of blue states account for almost 50 percent of the electoral college votes a candidate needs to win the presidency.

I also always remembered what too many of my White House colleagues would too easily forget: that the thinnest of thin 2016 margin of victory across the Blue Wall states of Michigan, Pennsylvania, and Wisconsin was equivalent¹⁸ to a football crowd at the Rose Bowl spread over three states and 150,000 square miles.¹⁹

If just those three Blue Wall states with their forty-six Electoral College votes had held like a true wall for the Democrats, rather than crumbled under the weight of Trump's populist economic nationalism, candidate Trump's apparent "landslide" Electoral College victory of 304 votes to Hillary Clinton's 227²⁰ would have given way to a decisive Clinton beatdown.

Of course, all of these thoughts about our 2020 election prospects were far from my mind as I sat to the right of the stage with other White House senior staff watching the spectacle—in my mind, the debacle—of the signing of what had come to be derisively known as the Skinny Deal.

The short version of the Skinny Deal story goes something like this.

SUDDEN ZEN VERSUS DRAGON IN A POT

Candidate Trump had promised in 2016 to put a swift end to China's economic aggression through the imposition of hefty tariffs.²¹ Such economic aggression came in the form of what

I had dubbed China's Seven Deadly Sins during an August 4, 2019, *Fox News Sunday* slugfest with Chris Wallace.²²

These sins, which speak directly to the predatory structure of Communist China's protectionist and mercantilist economy, include:

1. Widespread cyber hacking to steal America's business information and trade secrets.
2. A relentlessly sophisticated government-sponsored campaign of intellectual property theft that cost American businesses and workers about a half a trillion dollars a year.
3. Forced technology transfer by American companies in exchange for access to China's markets.
4. The dumping below-cost of a myriad of products into American markets at the expense of American jobs and factories.
5. Deep-pocketed, predatory-pricing State-Owned Enterprises that destroy American industries and seize global market share.
6. A "beggar thy neighbor" currency manipulation that subsidizes Chinese exports and suppresses American exports to China while ballooning the US trade deficit. And finally
7. Communist China's relentless annual slaughter of tens of thousands of Americans through its flooding of our communities—often our poorest, working-class communities—with deadly fentanyl and other opioids.²³

By the time President Trump took office in January of 2017, he had identified two broad strategies to deal with China's Seven Deadly Sins. He could go full "Sudden Zen" with immediate

across-the-board tariffs in fulfillment of his campaign promise. Alternatively, he could embark on a far more subtle and perilous route that I would label our “Dragon in a Pot” strategy.

You know the derivative story here. Toss a frog into a pot of cold water and slowly turn up the heat. The frog never tries to jump out and eventually gets boiled alive. The strategic analogue here was to slowly implement the Trump tariffs over more and more Chinese products at higher and higher levels until one of two things happened. Either the US economy effectively decoupled from the parasite of China **or** the Chinese Dragon eventually kowtowed and signed a truly Trumpian agreement that would fully, finally, and forevermore put an end to all of its Seven Deadly Sins against American workers and the American people.

My crystal-clear preference was for Sudden Zen tariffs. After writing a trilogy of books about China’s economic aggression and quest for military dominance—*The Coming China Wars* in 2006,²⁴ *Death by China* in 2011,²⁵ and *Crouching Tiger* in 2015²⁶—I was utterly convinced that trying to get a workable deal with the Chinese Communist Party in the absence of tough tariffs would simply suck us down yet another endless series of empty “all talk, no walk” Hank Paulson–style summits and useless dialogues like those that had plagued previous clueless and spineless administrations dating back to the original too clever by half China dupe, Henry Kissinger.

There was also the demonstrably sociopathic nature of the communist regime itself to consider in the strategic calculus. If history has taught us anything, it is that the Chinese Communist Party **never** fully abides by *any* major agreement.

The most glaring poster child of such bad faith was also one of the more recent in US-China relations. In 2015, on a

beautiful September 25 day—the forecast was “sunny with a 100% chance of lies”—China’s president-cum-dictator Xi Jinping solemnly promised Barack Obama in the White House Rose Garden that China would both stop hacking American computers and cease militarizing the South China Sea.²⁷ Of course, both of these Communist promises have long since been shredded.

So, my strong view was to keep what I regarded as candidate Trump’s most sacred promise of the campaign and immediately slap on the full Sudden Zen China tariffs. The problem I had in pushing this position was, however, this: I was a one-man China hawk band totally without power or allies in a White House filled with a symphony of Wall Street transactionalists and China dove appeasers.

A FLYING DUTCHMAN ON INAUGURATION DAY

Now at this point you must ask, just how on Trump’s good earth did all these bad personnel show up in a White House with a commander in chief who had campaigned as an uber China hawk? It all started with what Steve Bannon has called the “Original Sin” of the administration:²⁸ a populist economic nationalist president would immediately enter into a power-sharing arrangement with a traditional Republican establishment that loathed much of what the upstart Trump stood for and had campaigned on—from fair trade and secure borders to an end to endless wars.

That power sharing began as soon as POTUS turned over the keys of the chief of staff’s office during the transition to Republican National Chairman Reince Priebus—and I would be one of the very first Trump loyalists that Priebus’s deputy chief of staff Katie Walsh would try to send straight to Original Sin hell.

Indeed, by the time Inauguration Day rolled around, I had gone from working in the campaign penthouse as the top economic and trade advisor at Trump Tower straight to the West Wing outhouse—otherwise known as the Eisenhower Executive Office Building.

The EEOB is just thirty yards across the street from the White House, but it's a hundred miles away from the West Wing's notoriously cramped halls and corridors of power. And my comedown had come brutally the very first time I walked onto the White House grounds on Inauguration Day.

On that cold bucket of water day, I had found myself unceremoniously stripped of the rank of assistant to the president that I had been promised. That demotion would mean no walk-in privileges to the Oval Office and therefore a de facto isolation from the president. I would also be banned from senior staff meetings, where all the inner workings of the White House and our policy agendas would be revealed.

Walsh also stripped me of much of the support staff I had recruited—making me quite literally a one-man band. I was even left like the Flying Dutchman without an office for most of the first month of the administration and worked standing up with my laptop like a ghost in the hallways.

While Katie Walsh, and later John Kelly, knew that the Boss would never tolerate my firing, they thought that if she could humiliate me enough, I would simply quit and go back home to California with my tail between my legs. Walsh and the globalists in the West Wing she was carrying water for were wrong on that count, as they were wrong on so much else. It was on more than one night I thought, *Screw them. Stay the course.*

Walsh, by the way, lasted barely two months and got fired for leaking.²⁹ Karma is truly a schadenfreude bitch.

THE DUMBEST SMART GUY I'VE EVER MET

Her slings and arrows notwithstanding, Katie Walsh would turn out to be the least of my worries within the West Wing. My far bigger problem was in fending off multiple knife attacks from a coalition of the aforementioned Wall Street transactionalists who viewed Communist China more as a capitalist piggy bank than an existential threat. They saw me—the Harvard guy and one true populist economic nationalist other than Steve Bannon—as their only real obstacle to reining in the president's tough on China, pro-tariff policies.

Foremost among these Wall Street transactionalists were the National Economic Council director and former Goldman Sachs kingpin Gary Cohn and the aforementioned Mnuchin. Cohn was ideologically opposed to the president's trade policy, he particularly detested tariffs, and during his tenure at Goldman Sachs, Cohn never saw an American job he didn't want to offshore in the profane name of supply chain efficiencies.

My most enduring image of Cohn is that of him loading up his massive monogrammed golf bag into a White House limousine in the dead-ass middle of a working week so he could go try to break a hundred at a nearby country club. It would have been hilarious if it weren't on the taxpayer's dime.

For his part, the Yale capitalist Mnuchin, another Goldman Sachs alum, had raised and made millions from Communist China prior to joining the administration,³⁰ and he had his jaundiced, pieces of silver, Judas Iscariot eye on making billions more. But there was also this: this second coming of Neville Chamberlain, contrary to all facts, logic, and every classified briefing Mnuchin ever sat through, simply did not believe that the authoritarian and dictatorial People's Republic of Communist Concentration Camp

China posed any economic or military threat to the United States whatsoever. And human rights? Let the Uighurs and Tibetans eat cake.

So, between me and Mnuchin, it was Mars and Venus from the get-go. I saw him as the dumbest smart guy I'd ever met. He saw me as an inconvenient bump on the road to making billions in Beijing.

A SIMPLE ACT OF FRIENDSHIP GOES AWRY

Beyond Gary Cohn and Steve Mnuchin, I also had to contend, quite oddly, with the slings and arrows of the Department of Commerce secretary, Wilbur Ross. I say "oddly" because Wilbur and I had been brothers-in-arms during the campaign, co-authoring numerous articles and reports together and taking turns debating Clinton campaign surrogates like Austan Goolsbee and Gene Sperling.³¹

When Wilbur was crestfallen because he hadn't gotten the Treasury secretary job, which went to Mnuchin, I sat consoling him in his Manhattan office suite. As dusk turned into a brilliantly lit New York skyline, I convinced this Wall Street legend that he should take the Commerce job and turn it from a Cabinet backwater into a juggernaut of trade policy.

This simple act of heartfelt friendship would, however, turn out to be one of the biggest mistakes of my life, as Wilbur, with his transactionalist Wall Street DNA, quickly joined the transactionalist camp.

MORNING AT MAR-A-LAGO

With Sudden Zen tariffs taken off the table by the transactionalists, that left the default strategy of the Chinese Dragon in a Pot. In pursuit of that strategy, and within months of taking office, President Trump invited China's president Xi Jinping

to Trump's palatial Mar-a-Lago resort in Palm Beach, Florida. This glitzy, two-day April 6 and 7 summit would officially kick off what would become a long and winding road to the Skinny Deal that the president was about to sign in the East Wing.

Along this more than one-thousand-day march,³² the president had conducted a quintessentially Trumpian negotiation. He would juxtapose praise-laden bromance talk about his alleged "good friend" Xi against a brutal series of gut punches in the form of progressive layers and levels of tariffs on Chinese products.

As the president ratcheted up this pressure, he would use me to send appropriate Churchillian signals of strength—Bannon called me the "default option" if talks failed. Meanwhile, to reassure financial markets, the Boss would let Munich Mnuchin, Cohn, and, later, Cohn's successor Larry Kudlow wave their Neville Chamberlain-Lord Halifax appeasement flags.

It was an absolutely genius Trump strategy that allowed us to progressively increase tariffs while growing support among the American people for our Tough on China policy. That public support steadily grew because we only ever raised tariffs after the Chinese were clearly seen to be acting in bad faith.

It was an absolutely genius Trump strategy, that is, right up until to the very bad day it was not. That bad day came in a harsh reality check on May 3, 2019. That's when China's chief negotiator, Vice Premier Liu He, backed out of what had been a very firm handshake deal³³—a deal that would have been the biggest and most important not just in American history, but also in global economic history.

Lest you think that might be a bit of Trumpian, Sean Spicy hyperbole, think again. This original full monty China deal was a nearly 150-page Trump masterpiece. It would have

forced the Chinese Communist Party to cease committing its Seven Deadly Sins and thereby fundamentally restructure and transform Communist China's protectionist and mercantilist economy into a model of free, fair, and capitalist international trade.

With such a deal, this would have been Communist China's own version of the Soviet Union's Perestroika moment. *Both* the U.S. and Chinese economies would have rocked. And the global economy would have rocked and rolled with us.

Of course, once the Chinese side walked away from that handshake deal, President Trump could have, and should have, doubled down on his tariff strategy and decoupled through blanket steep tariffs across the Chinese economy. And he should have held that hard, red line—the only kind of line the Chinese Communist Party understands—until such time Xi Jinping sent his grim band of apparatchiks back to the bargaining table on their collective knees ready to sign the full Seven Deadly Sins deal.

Instead of this peace through strength gambit, however, the same coterie of Panda-hugging transactionalists within the West Wing who had blocked Sudden Zen would immediately begin secretly collaborating with a small but powerful cabal of billionaires to move the president to the Skinny Deal he was about to grudgingly sign on this fateful January day in the East Wing.

I say “grudgingly” here because the president's big smile notwithstanding, he was steamed not just at Xi Jinping and the Chinese Communist Party for, in Wall Street lingo, successfully **retrading** the original handshake deal. The Boss was equally peeved at the relentless lobbying of a billionaires' cabal that had, in effect, anointed itself as the president's de facto China Appeaser Kitchen Cabinet.

OF SHEEP AND JACKALS

Just who are these billionaires? As I sit in the East Wing this fateful January 15 day, I can look right into their dollar-green eyes. They are sitting centerstage in prime seats like vultures and wolves ready to applaud the Skinny Deal—and then go right back home on their chartered jets to check their bank balances and corporate income statements.

This billionaire group includes most recognizably the casino moneybags of Sheldon Adelson and Steve Wynn. Wynn, with a net worth of several billion dollars, created Las Vegas strip landmarks like Treasure Island, the Bellagio, and Wynn Las Vegas. With a net worth more than ten times that of Wynn,³⁴ Adelson had earned the distinction of being the single largest political donor in America to federal campaigns.³⁵

While both Adelson and Wynn had made their original dough and bones in Vegas, each had also made a very big bet on massive casino operations in China's Macao. If the US-China relationship fractured, their Macao holdings would likely be first hostages and eventually collateral damage. Accordingly, these casino moneybags have a huge vested interest in seeing a Skinny Deal consummated—and the fate of the American nation and its workers and businesses under siege from China's Seven Deadly Sins be damned.

Two other key members of this billionaires cabal are a pair of Wall Street jackals who have played key supporting roles in moving millions of American jobs offshore to China: Steve Schwarzman, the chairman and CEO of the notoriously globalist Blackstone Group, and Larry Fink, the CEO of BlackRock, the largest money manager in the world and the biggest cheerleader and propagandist on the street for investing in Communist China.

Here, one can be assured that when Schwarzman or Fink have trouble sleeping at night, it was not because of any anxiety over inconvenient Chinese Communist truth like the jack-booted asphyxiation of democracy in Hong Kong, People's Liberation Army war drums in the South China Sea and Taiwan Strait, concentration camps in the Xinjiang and Tibetan gulags; China's nuclear-tipped aid to rogue Iranian and North Korean regimes, or any of the Chinese intercontinental ballistic missiles now aimed at Seattle, Chicago, and New York.

What really is driving the Skinny Deal for Schwarzman, Fink, and their broader Wall Street pack is a provision that will open up Chinese markets for American credit card and insurance companies and other financial services. Of course, this narrowly targeted opening of the Chinese market for Wall Street's elites was *never* a key objective of the original Seven Deadly Sins deal, and I had repeatedly warned against the inclusion of this Wall Street perk in any Skinny Deal.

Such a provision will not only provide additional latticework for the offshoring of American jobs. It will further entrench Wall Street interests in Communist China and thereby make jackals like Schwarzman and Fink even more vested lobbying interests on behalf of the Chinese Communist Party.

AMERICA'S THIRD DAY OF INFAMY

As I watch this spectacle from a front row seat along the right flank of the stage, I am consumed by an almost primordial fear. I'm literally sweating in an otherwise cool room, and it is a cold and nervous sweat.

My fear is rooted in what will all too soon become an all too prescient prediction. Wrote I in my 2006 book, *The Coming China Wars*, China, as "the world's prime breeding

ground for new and exotic” viruses, might well spark “a pandemic in which tens of millions of people may die.”³⁶

In light of this 2006 prediction, my antenna had gone up on full alert a few days earlier as news began to trickle out from Wuhan, China, of a mysterious virus rampaging through this massive city.

Now, as I sit in the East Wing amidst a packed crowd and a broad ring of TV cameras beaming this historic event to the world, and as I scan the eyes of China’s poker-faced diplomats, I can’t help asking myself these questions:

- What do these Communists know about what is going on in Wuhan that we don’t?
- Is there significant human-to-human transmission of this new emerging virus and therefore the possibility of a global pandemic?
- Have any of these Chinese diplomats been exposed to the virus, and if so, are they possibly contagious?
- And if that possibility even remotely exists, why are these disease vectors and possible assassins here breaking bread with us, smiling, and shaking not just the hands of US trade team members like myself, but also the hands of both the American president and vice president?

Most darkly, I even wonder if this virus might be some sort of bioweapon explicitly designed to attack an ascendent America now firmly led by the first president in history to challenge the economic aggression of the Chinese Communist Party. Knowing this implacable enemy as I do and knowing there are no rules in the game of world domination they are playing, I cannot not rule this out.

America's first Cordell Hull moment had come darkly on December 5, 1941. As Japanese diplomats arrived at the US State Department to talk peace with Secretary of State Hull, Admiral Isoroku Yamamoto was moving an aircraft carrier strike group in for the Pearl Harbor kill.

With the benefit of hindsight—and a mountain of additional evidence—we now know that what the world was watching in the East Wing on January 15, 2020, was Washington, DC's second Cordell Hull moment³⁷ and America's Third Day of Infamy—with 9/11 occupying the clear second infamous position.

Looking back on this fateful Third Day of Infamy, I now see it as Pearl Harbor and the Twin Towers all rolled up into one massive biological Chernobyl. For even as China's vice premier was smiling and signing a trade deal with President Trump, China's President Xi Jinping was busy back in Beijing orchestrating a series of heinous actions that would ensure that a novel and deadly coronavirus almost certainly spawned in a Wuhan bioweapons lab would mushroom into a global pandemic.³⁸

In the broadest of strokes, consider these two questions:

Which day of infamy will turn out to be worse historically—the one propagated by Imperial Japan in 1941 or the one spawned by the Chinese Communist Party in 2020?

And why did the American media so wrongly blame President Trump for a deadly pandemic that the Chinese Communist Party should have rightly and righteously been held accountable for—perhaps along with, ironically, Dr. Anthony Fauci?

In seeking answers to these questions, I will offer what I believe to be the definitive insider's account of America's plague year.

This is a tale that will be full of as much sound and fury as historical significance. It will ultimately even involve a bizarre political twist on the most famous play in football history—the Green Bay Sweep.

Over the course of these pages, from your front row seat in the White House, you will see that there is much to get to the bottom of—from what happened on January 15, 2020, November 3, 2020, and January 6, 2021 to what likely went so very, very wrong at Anthony Fauci’s bureaucratic empire and in a Wuhan bioweapons lab.