

My fellow Americans, today I address you regarding what will likely become the defining conflict of our time. This is a grave topic, and one which deserves our thoughtful attention.

Over the thousands of years of human history, representative government and freedom are a historical anomaly. Our grandfathers fought in World War 1, and their sons fought in World War 2, to ensure that liberty, democracy, and freedom have a safe place to flourish in this world. They fought because the Nazi's in Germany and the Japanese Empire were evil, and the men running them were evil. And these evil men were a threat to the freedoms that we hold so dear - a threat to their neighbors and to the entire world. Our nation fought, shoulder to shoulder with our staunch allies - Great Britain, Canada, Australia, France, Russia and China, to name a few - and they won. At great cost. We owe our freedom to their sacrifices. Those sacrifices carved out a world where our ideals became preeminent for two generations.

Some of our allies - in particular Great Britain, France, Poland, and the commonwealth countries - are our brothers. With them we share values, history, and a common understanding of the value of liberty. We may not always agree, but we stand together. To this family we have since added many members, including Israel, Singapore, Taiwan, the Republic of Korea, India, and most remarkably Japan and Germany.

With the end of World War 2, we found ourselves in a new existential struggle, with the Communists in the USSR. Although the People's Republic of China was Communist, we managed to turn China into an ally, which contributed substantially to our victory in the Cold War. For their help, we were grateful, even if our values and theirs were not the same.

We have learned; we have learned that tyranny always seeks to destroy liberty. First among their neighbors, and then throughout the world. For tyrants cannot tolerate free peoples; they fear us and they fear the example we set for their people.

With the end of the Cold War, we were faced with a choice: Would we continue to treat the People's Republic of China as an ally, in hopes that their government would, over time, become open to the benefits of capitalism, of democracy, and of personal freedom? Or would we discard this alliance, and condemn China's people to continued poverty and oppression?

We chose to treat China as an ally. We hoped that their leaders, having seen our victory over the Soviets and having seen the wealth and dignity that democracy and capitalism have produced in the West, would adopt a path where China would slowly adopt some of our most dearly-held values.

The people of China hoped for the same thing. In Tiennamin square, tens of thousands of brave students marched peacefully, unarmed, for the rights which we so often take for granted here in the West. They were slaughtered by the People's Liberation Army, on the orders of their rulers. Of those who escaped, a few made it to our shores; the history of this time was ruthlessly suppressed in China. Someday, these students will be remembered as heroes by the Chinese people.

Since then, the PRC has adopted many of the trappings of capitalism, and has become rich in the process. But, the citizens of the PRC are, if anything, less free than they were two decades ago. In fact, the rulers of the PRC exercise an iron grip over their citizens, and they have adopted the tools of information technology and the internet to create the world's first 'Digital Despotism,'

where the actions of their citizens are constantly monitored and analyzed in real-time to determine whether they might pose a threat to the regime.

The PRC has imprisoned millions of her citizens - particularly the Uighurs, but many others as well, despite their having committed no crime, solely on the basis of their ethnicity, location, and religion. These prisons operate as factories, employing slave labor. Occupied Tibet has been turned into a police state. Summary executions. Forced abortions. The list of horrors is nearly endless, and is extensively documented.

The PRC has engaged in a long campaign of theft of technology, trade secrets, and knowledge from the US and from the rest of the world. They have violated - intentionally and consistently - every treaty that they have ever signed with the West. They have created false 'companies' - in particular the National Champions, but many others as well - which are in fact branches of the government, and which serve as intelligence gathering apparatus. Meanwhile, the PRC government has erected a 'great firewall', to keep foreign ideas out of the sight of China's citizens, and control what they can and cannot see on the internet. We in the West find this record repugnant, and unworthy of the dignity of the Chinese people.

The PRC intimidates her neighbors through both economic manipulation and military threat. And the leadership of the PRC has consistently bribed and corrupted foreign governments in order to secure resources, construct debt traps, coerce the construction of ports and military bases, and to produce favorable regulatory treatment for PRC-sponsored projects.

Despite their treaty obligations, the PRC leadership have spent the last 20 years aggressively eroding the freedoms of the former British citizens of Hong Kong. "One Country Two Systems" was a promise by the PRC government to maintain these freedoms, and it has become clear that this was a lie from the beginning.

The rulers of the PRC believe that they have fooled us. They see our internal debates and squabbles as an incapacity to make decisions. They see our freedom as a lack of discipline. They see our desire to avoid conflict as cowardice.

They have mistaken our forbearance, our flexibility, and our generosity for weakness, for sloth, and for stupidity.

They are wrong. We are neither weak, nor lazy, nor stupid. We are the heirs to the great republics - to Athens, to Rome, to Venice. We see the tyrants of China clearly. We see what they are. We know what they want. And they do not scare us.

We have watched, and waited, and hoped that the PRC leadership would act in the best interests of their people - granting them rights and a hand in choosing the course of their government. We have acted as a friend to China, in hopes that that friendship would be reciprocated. But our forbearance is at an end.

The PRC economy is now comparable in size to that of the United States. As China grew more powerful, we hoped that they would grow more secure, and begin acting according to accepted norms of civilized behavior among nations.

But rather than beginning to live by international norms and respect treaty obligations as their country became richer, the pace of flagrant treaty violations has only increased. It is clear that the leadership of the PRC does not value our friendship, and that they seek nothing less than to create a world order where their free neighbors - our allies - are ruled from Beijing. We will no longer tolerate such behavior.

The details of China's treaty violations and other deliberate violations of their obligations are too numerous to mention here, but are outlined in a report on the white house website, available both in Mandarin and in English.

As a result of their behavior, I am taking the following actions, effective immediately:

-We will no longer allow the PRC to steal American innovations and jobs.

All of the Chinese National Champion companies are government-owned or government-controlled. They give the appearance of being companies operating in a free market, while in fact acting as arms of the state, with state protections. They are not subject to market forces at home or overseas, because they are backed by the government of china. Several are known beyond a doubt to be serial export violators to Iran and North Korea, in violation of their commitments to the United States under treaties and agreements.

As a result, all of the National Champion companies have been added to the Restricted Parties list effective today. All PRC government controlled entities will be subject to the same treatment. Any US citizen or US company doing business with them without a license is committing a felony, starting as of 10 days from today. Any foreign business working with them is violating their letters of assurance to the United States regarding export requirements. We will not sell to them. We will not buy from them.

Furthermore, it is illegal, starting today, for any US company to export any technology of any sort to China without a license. These licenses will not be granted lightly. No new design information may be sent to the PRC in support of new manufacturing by US companies in the PRC, or by any company which wants to do business in the US. We have many capitalist, democratic allies with inexpensive labor. You can locate manufacturing there, or here in the US, but no longer will US companies locate new manufacturing in China.

We will no longer export high-technology components to the PRC, and will not do business with companies that do so. We will export high-value finished goods only, and only with a license from the commerce department.

-It is crucial that the disruptions which will emerge from this change in policy not be allowed to harm US businesses. To US businesses negatively affected by the above, we offer compensation: Show us evidence of lost revenues, and we will provide you with grant funding for the next 18 months to support research and development, subject to reasonable conditions, to support your transition to new markets and new opportunities. The details of how to do this are on the white house website. For companies needing to move manufacturing out of China and back to the United States, we offer long-term loans at zero interest for capital equipment, construction, and tooling costs.

Nobody will lose their job as a result of this new policy. There will be disruption, but our goal is to minimize it. And in the long run, the jobs that have disappeared into China will return to the United States.

-In consultation with the government of Taiwan, our staunch ally, we have landed the first 10,000 US troops in Taipei, and we have signed an agreement leasing us a port and an airfield for the next 99 years. We will be adding further troops to Taiwan over the coming months. The Taiwanese have offered to pay the cost of this deployment.

-At the invitation of the relevant governments, we have also deployed troops to the borders of Nepal, Bhutan, and Tajikistan; details of these deployments are classified, but we have reached basing arrangements with each of these countries, which will help guarantee their independence and territorial integrity in the years to come. We will be negotiating bilateral trade agreements with each of these countries over the coming months.

-A key battleground for the next 50 years will be on the development of new technology, just as it was during the Cold War, and during World War II.

As a result, I have ordered the following:

- 1) A new tax credit for investments in high technology businesses, in a variety of areas, listed on the White House website. Broadly speaking, this is intended to cover all areas of high technology innovation, all university spinoff companies, and all new manufacturing and software technologies. Any money invested in these businesses, through either public or private markets, will be exempt from federal taxes for the next decade.
- 2) A DOD matching program for investment in small technology businesses at 1:1, for \$100B per year over the next ten years.
- 3) All Research expenses in high technology businesses will be tax deductible at their full rate (100%) and this credit is transferrable.
- 4) I have authorized a new visa program, where any graduate of a top 100 global university can obtain a work permit for him or herself and spouse, subject to a 14 day security screening process. There will be an expedited path to permanent residency, with an income minimum, which will take no more than 24 months.
- 5) We are going to massively expand the space program - by 2030 we will have a permanent base on the moon, and we will send the first people to mars. To this end, we are committing \$100B per year for the next decade, and more if needed. This effort will be run by our new space force, the new fourth major branch of the military.
- 6) The united states was first to harness the power of the atom. First to develop the solar panel. First to create and use the transistor. We will be first again - first to create a practical, safe, clean source of fusion energy, which is the same clean, unlimited energy that powers the sun. The physics of fusion is well understood; it powers hydrogen bombs, which were invented more than 50 years ago. Building a practical fusion reactor is a challenging engineering problem, but is solvable. For this effort, I am committing \$50B per year for the next 10 years, out of the defense budget this year and in future years out of congressional allocations.

Lastly, the People's Republic of China has acted as our enemy, violated our mutual treaties, stolen our intellectual property and our manufacturing jobs, and has interfered in our elections. China has promised not to militarize the South China Sea, and proceeded immediately to build airbases on newly constructed islands. Chinese Navy ships have repeatedly violated the Law of the Sea, stopping peaceful shipping outside their territorial waters; these are not peaceful acts.

We cannot be expected to tolerate such egregious and flagrant violations of international norms without a direct response.

As such, we have identified the approximately \$1T in US bonds held by the Chinese government. These bonds are cancelled. They will not be paid. Ever. This is an extreme measure, which in the past we have taken only in times of war; in this case I take it in hopes that it will convince the rulers of China of our seriousness, and cause them to reevaluate their behavior before this conflict escalates further.

To the people of the China, of occupied Tibet and of Macau and Hong Kong:

You are not our enemies. You have never been our enemies. You are the heirs to a proud, creative, vibrant, innovative, ancient civilization, for which we have immense respect. You deserve better from your government. You deserve a government worthy of a great people. You deserve leadership that is accountable to your will, and which exists to protect your rights and freedoms.

The United States stands with you.

No citizen of the PRC can ever truly be as rich as the poorest American - because your wealth, and even your life itself, can be taken from you without warning or justification by your government, with no trial and no appeal. They can evict you from your ancestral land. They can imprison or execute you or your children. And they will, on a whim, if it suits their purpose. You know this.

Your rulers are greedy, evil men, who have become rich while claiming to be working for the good of the people. They claim to serve an ideology - communism - that has proven to be morally bankrupt. Their ideology is a self-serving lie.

You owe them nothing.

I invite you to join us. Defect. The graduates of the great Chinese universities, scientists, engineers, senior government officials, and anyone who holds an executive position at a Chinese state-owned enterprise - as well as anyone who has valuable information on PRC intentions or capabilities - are invited to come to the United States.

Build a life here. Become a citizen. We have reserved 250,000 special visas for this purpose. Walk into any US embassy, or contact us at www.cia.gov. We're a nation of immigrants. You too can be part of this grand experiment.

Join us in making the world a better place. Send your children to Harvard, or Stanford, or MIT. Join us as free citizens of the United States, and you will raise your children and grandchildren in a place where no government official can take them away from you.

To you, my fellow citizens, I say:

We must act to protect our allies, and ultimately our own freedoms, from the evil men who rule China. They are totalitarian autocrats, who oppress their own people, intimidate their neighbors,

and who, if left unchecked, will grow to be as much a threat as the Nazi's or the Communists ever were.

In the runup to world war II, we watched and waited while the Nazis grew stronger and stronger, until they were a threat to the entire world. We will not make the same mistake with the totalitarian regime ruling China today. We will not allow our allies on China's borders to be abused or intimidated. We will not allow China to steal any more of our technology or our jobs.

Now is the time for us to focus and to act. This will be difficult and will require sacrifices, but we will emerge from it stronger than ever.

My fellow citizens: In this fight, just as in those of our fathers and our grandfathers, there is no doubt that we will prevail.

God bless America and her allies, the free peoples of the world.