

# COLD WAR 2.0



**THE FALL OF THE PAPER TIGER  
THE DEATH OF COMMUNISM  
THE RISE OF AMERICA**

Prepared By Ian King and Michael Carr

## Cold War 2.0

The Fall of the Paper Tiger. The Death of Communism.  
The Rise of America.

By Ian King, Editor, *Strategic Fortunes*

**P**ICTURE this:  
It's the morning of February 8, and you're one of the millions of Americans who've awakened to a chilling reality — that the Cold War rumored to be brewing with China was real.

*VERY REAL* ... as could be seen from the spy balloon floating from Montana ... to Ohio ... to South Carolina, before it was finally shot down in the Atlantic.



The military soon disclosed that this was not China's first offense. They had snuck several across our lands over the last few years.

Just a month earlier, Hawaiians looked up to the sky in shock as a Chinese satellite shot green beams down upon them.

At nearly the same time — 3,000 miles away — the infamous spy balloon entered Alaskan airspace.

In the days that followed, it flew over sensitive military installations and hundreds of nuclear missile silos.

Reportedly transmitting sensitive intelligence back to China ... before being blown out of the sky. Who knows how much data they've collected.

Because *every 12 hours*, the FBI uncovers a Chinese spy cell — operating inside our borders. There are 2,000 separate investigations ongoing.

About 66% of Americans now fear China has become a serious enemy of the United States. Those fears have become a reality. And it goes even deeper...

America has been forced into a new Cold War.

It's the Cold War 2.0.

And I'm going to be peeling back the layers as to why this is bigger than what meets the eye — and what YOU could be doing to ensure you're set up to benefit as all this unfolds.

## History Repeating...

The first Cold War was the most significant global power struggle of the 20th century.

It began with the defeat of Germany in 1945 with the end of World War II ... and ended with the dissolution of the Soviet Union in 1991.

The end of World War II created new political tensions between the United States and the Soviet Union — who had been allies during the war but were now competitors for power around the world.

In 1947, President Harry Truman announced his intention to contain the Soviets after Stalin blocked American aid to Greece and Turkey.

During most of the Cold War, there was no actual fighting. Instead, they engaged in proxy wars around the world so as not to risk damaging their own country in case one side prevailed over another in any given conflict.

NATO was founded in 1949 as part of an effort to stop Soviet expansion through economic means rather than military ones. Just one year later it had 12 members including Canada, Denmark, France, Iceland and Italy.

Look at it this way ... the first Cold War was about big-big things: the space race, the nuclear arms race and who could control these big things.

There were intense moments when our adversaries behaved like irrational actors.

Now we have the warning signs of an irrational actor. This time in China.

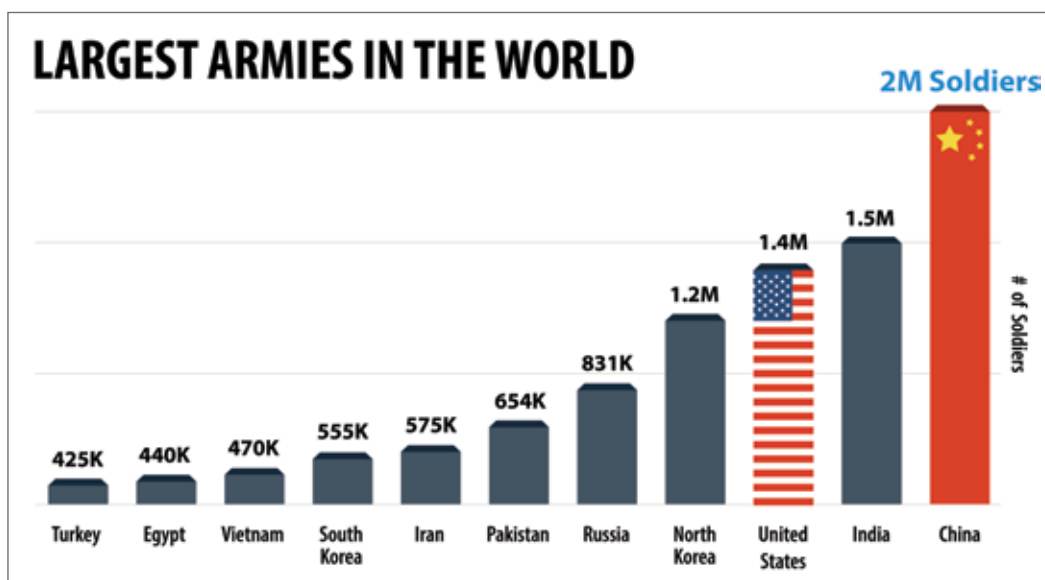
Americans are worried that history is repeating itself. And they should be.

Chinese dictator Xi Jinping and the United States are caught in a dangerous standoff.

In 2023, the leaders of our intelligence agencies warned Congress that China — meaning President Xi — thinks we might be the ones to launch a nuclear first strike.

Xi Jinping is an authoritarian by all measures. Our relationship with him has deteriorated, year after year.

Today, Xi controls the world's largest military. And he's getting more comfortable with using it against us.





China's nuclear arsenal is ranked third globally. Far behind America. Xi needs justification to grow the size of his own arsenal.

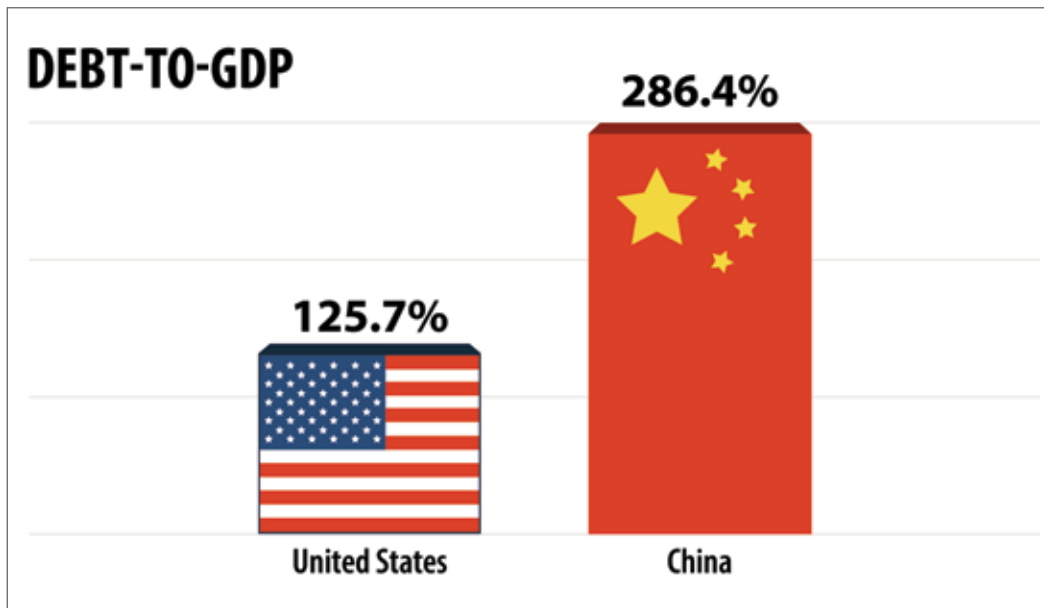
The "point of no return" seems to be right in front of us.

COVID was the canary in the coal mine for Cold War 2.0. America had lockdowns and nobody liked them.

Xi's lockdowns lasted years. They were universally oppressive and brutal — nationwide. He created a surveillance state where neighbors spied on neighbors.

Technology tracked every movement they made. More crackdowns on the free press — access to the internet.

And he used China's credit card to pay for it all. Look at this debt-to-GDP ratio:



Nobody is saying ours is great. But it took centuries for America to reach that number. It took Xi Jinping only a few years to plunge China toward economic extinction.

This new Cold War has already cost the world trillions. Now, we need to all be asking ourselves two questions...

No. 1: What if Xi Jinping has secretly bankrupted China?

In 2007, we saw what happens when a weak link in a powerful and entangled system is suddenly exposed.

Today, the world's biggest economies — the United States and China — are more entangled than ever before.

The risk of mutually assured economic destruction is very real.

No. 2: What if Xi Jinping is on borrowed time with the people of China?

Xi Jinping is a paper tiger. As in, much of his strength is an illusion. What many see as aggression ... we see as desperation.

Xi Jinping has built a very effective propaganda machine where he projects power through China's population — 1.4 billion people. That's 4X more than us.

But the source of Xi's perceived power is also his greatest vulnerability.

America has more total wealth than China. And, individually, an average American has a lot more wealth than an average Chinese citizen.

So after Xi imprisons nearly his whole country and secretly pushes China close to bankruptcy — what does he do?

He rewards himself.

Xi had each of his puppets in the Chinese communist party unanimously rubber stamp, voting nearly 3,000 to nothing, to grant him another term in power.

That didn't sit well with China's citizens.

Simply put, Xi hasn't transformed China into some economic utopia. The vast majority of China's citizens are poor. They are oppressed under his communist grip.

While Xi and his family are living the good life. He reportedly has a net worth of \$1.2 billion.

Any further disruption to that economy and the daily lives of the innocent folks living in that country, Xi will have a revolution on his hands.

This looks like a powder keg.

Xi's desperation is what makes him so dangerous.

## The Rise of America's No. 1 Threat

In China, Xi Jinping is what's known as a "Princeling." He's the son of a prominent Beijing political family. Communism is his cult and his family's legacy. Xi's father even went to jail at 14 for trying to poison his teacher.

When he got out of jail, he founded the Communist Guerilla Party. And then, rises up to become Vice Chairman of China.

They've got statues of Xi Jinping's dad all around China.

By all accounts, he put his son through dictator boot camp. Brainwashing him. And it worked too well.

Xi Jinping has developed a god complex. The psych and behavioral profiles on the guy portray him as someone who believes he's China's savior.

Him and only him.

He is China's own version of a cult leader like David Koresh or Jim Jones.

Xi turning China into a high-tech police state like some dystopian movie was our first glimpse into what a desperate authoritarian is willing to do to maintain his power.

Now to maintain his power, he must project more power than ever before. He's publicly declared his objective is to win this battle with America. So how far is he willing to go?

Well, right to the edge. Maybe over it. Take a look at this:



Under that snow, you'll find a missile silo for a Minuteman III — an intercontinental ballistic missile — with nuclear capabilities.

They travel at 15,000 miles an hour.

If armed, that missile can deliver a deadly payload 6,000 miles in any direction — with pinpoint accuracy.

Roughly, the distance from those silos to Beijing in 24 minutes... That also easily reaches anywhere within the United States.

About one-third of a mile away from that missile silo you'll see an innocent-looking tower.

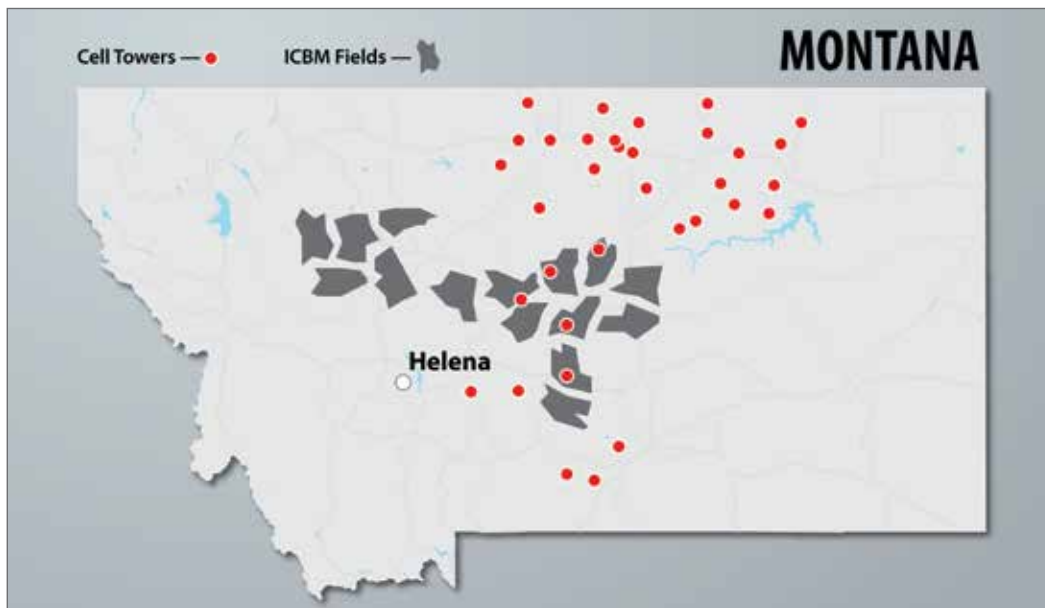
It supposedly provides rural America and local businesses with cellphone and internet service and such.

It's a flimsy cover story.

The tech powering that tower is from the pride of China. It's called Huawei, founded by ex-Chinese military leaders. It's a state-run surveillance operation masquerading as a telecommunications company.

You'll find a lot of Huawei towers scattered across 13,800 square miles of seemingly empty fields in Montana.

Where 150 missile silos happen to be located. All under the protection of Malmstrom Air Force Base.



*Huawei spy towers in Montana.*

All those red dots around those missiles? Each and every one is a Huawei spy tower.

China knows we have missiles in all these spots. The Amish in Pennsylvania know America's got nukes in Montana.

The FBI, Pentagon, and the FCC have all warned Huawei's tech can be used to gather intelligence. China can use that tech to mount network attacks on our military bases, putting those nuclear warheads at risk.

A long time ago, Malmstrom Air Force Base mysteriously lost control of 10 nuclear missiles. They still haven't figured out how — or why — it happened.

These towers present a serious danger to every American.

Spy balloons ... the towers...

These are two types of Trojan horses that Xi Jinping has smuggled into America.

He's secretly infected nearly every critical area of our economy, military, infrastructure, leading industries — including our financial markets...

They're like sleeper cells. The more desperate Xi Jinping becomes — the more likely he is to wake them up. At his most desperate, he could attack America's single point of failure.

That brings us to ONE futuristic facility...

It's ground zero for the new Cold War.

Inside is a critical vulnerability that could incapacitate America's banking system, financial markets, power grid and military.

If this facility fell into the wrong hands — as in Xi Jinping's — he'd have the power to stop America's economy and society from functioning.

## China's Secret Weapon to the World's Most Valuable Resource

We're in the early stages of a Cold War 2.0 with China — one that Bloomberg warns: "Could turn into a World War III."

And while that seems like a bold claim, this conflict stems from much more than a couple of spy balloons.

Hear me out...

According to the Director of the FBI, the President of the People's Republic of China Xi Jinping's mission is to transform present-day America into a Cold War-era East Germany...

Before the Berlin Wall was brought down and the Iron Curtain fell.

And Xi is weaponizing cutting-edge American technology to pursue his frightening ambitions.

The National Security Agency revealed that President Xi has successfully executed the greatest transfer of wealth in history through relentless cyberattacks on U.S. banks, U.S. companies, our airports and government institutions — he is robbing Americans of \$400 billion every year.

\$1,548. Stolen from each of us. Every year.

Without question, China poses the greatest threat to our national and financial security. And at least \$37 trillion of the global economy is at stake.

And this year, Xi Jinping brought his plan out into the open for everybody to see...

- China has been scooping up U.S. farmland at an "alarming rate" (that's according to the U.S. Department of Agriculture) ... increasing their holdings **25-fold over the last decade**, much of it strategically located near our military bases.
- China also attempted to gift us their version of a Trojan horse, by erecting a *\$100 million* 70-foot pagoda in Washington D.C. — for what the CIA called a: "Perfect spying spot."
- There's also the issue of modern technologies, such as social media platform TikTok, which has been used to watch our every move.

However, none of that compares to what's ahead. Because what I'm about to tell you affects more than the U.S. — *it affects the world.*

You see, **if China acquires the technology inside this building, it will have global control:**



What's inside the image above is more important than 5G, artificial intelligence *and* the Internet of Things. And control of it wields more power than nuclear missiles, space technology or even the greatest Navy.

That's because experts consider this tech "the world's most valuable resource" and call it "the new oil" as it fuels the entire global economy.

And what America is starting to grasp is exactly how dangerously accessible this technology is, and how that makes the entire global economy vulnerable.

While global think tanks like Control Risks warn that "the conflict is just beginning," others advise the results could be "disastrous."

Some caution, however, that for America, the war "may already be lost" and the U.S. commerce secretary admitted: "It's a huge national security issue."

Because if the U.S. loses control over the technology inside this building, our entire global economy could come to a halt.

It could affect the stock market, manufacturing, our military, our electrical grid, our hospitals — and our communications overall.

Here's the thing, with the U.S. government injecting billions into this operation, this is just one of the ways this Cold War has triggered what I'm calling, "The Fourth Inflection Point."

The other three being both World Wars and the original Cold War.

We emerged victorious from each conflict. Each time, our country and economy went through a radically positive transformation.

And each inflection point was brought home thanks to a patriotic initiative involving a joint venture between the government, the private sector and the American people.

Because like China, America also understands that he who controls what's in the building above, **controls the world.**

## China's Playing a Giant Game of I Spy

Gaining access to tech's biggest secret weapon could wield global control.

Let me remind you, the FBI previously rejected China's attempt to gift us their version of a Trojan horse, in the form of a \$100 million 70-foot pagoda in Washington D.C., for what the CIA called a: "Perfect spying spot."

Washington has tried to ignore it and appease China for over 20 years. They've allowed blatant red flags in return for cheap labor and great business partnerships.

And it's been a great partnership. It really has. They've gotten a ton of business, and we've gotten a lot of cheap goods.

But over the last few years, the relationship has gone cold. Why?

Because their president, Xi Jinping, wants world domination. He publicly vowed world dominance by 2049, when the People's Republic of China celebrates its 100<sup>th</sup> birthday.

He wants you, me and *every* person watching to be under China's thumb.

Which explains why they're floating spy balloons over our country.

I know the spy balloon fiasco doesn't seem like a real threat. The very thought of the word "balloon" takes our minds to a happy place. A place of special occasions, like your child's first birthday ... or their college graduation.

But these aren't your average Party City helium balloons.

Americans need to understand, these balloons flew *directly* over the Malmstrom Air Force headquarters — a nuclear warhead facility dubbed the "doomsday base."

That was no accident. Or a celebratory gesture.



## China's 5G Towers Pose Nuclear Threat

And it's no coincidence that there is a giant 5G network tower right next to that Air Force base built by none other than the Chinese company Huawei.

Which is why the White House labeled these towers a "national security threat," and Washington banned any more Huawei equipment in the U.S. ... causing the company to crumble.

At this very moment, we're ripping down Huawei's 5G towers and replacing them with ones made right here in the U.S.

And the farmland...

China has been acquiring land across America at a rapid pace. In the last year alone, they've spent \$6.1 billion on U.S. property and acquired 352,000 acres. That's half the size of Rhode Island — 25X the amount they owned just over 10 years ago.

So, as you could imagine, it's *a lot* of land.

But it's less about the amount and more about the *location* of this land, which is strategically positioned near our top military bases.

For example, they attempted to buy land in Del Rio, Texas, to put up a green energy plant. Sounds nice enough. But the land is just a few miles from the Laughlin Air Force Base.

And the company they chose to build the energy plant is owned by a former member of the Chinese military who has direct ties to China's ruling Communist Party.

That got shut down. But they did manage to buy farmland just 20 minutes from North Dakota's Grand Forks Air Force Base.

The Senate Intelligence Committee has sounded the alarm, stating:

"We should be seriously concerned about Chinese investment in locations close to sensitive sites, such as military bases around the country."

They used a lot of this land to put up those 5G Huawei cell towers.

Here's the thing, an intensive FBI investigation concluded that Huawei's equipment could disrupt U.S. nuclear arsenal communications ... potentially shutting down our ability to fight back in a nuclear war.

It's extremely concerning.

Another point of concern is in academia.

Look at programs such as Thousand Talents. This program is designed to convince America's most gifted scientists, engineers and innovators to move to China.

The Senate actually confirmed that China has more than 200 talent recruitment agencies in America to attract our "best and brightest."

President Xi calls it the "Rancai War" and has openly stated he wants to "gather all the brightest minds under heaven to serve China."

So far, they've attracted 2,880 brilliant minds.

Who knows if one of those minds is the next Steve Jobs or Elon Musk.

## The Cold War Is Happening Right Under Your Nose

Just as worrisome are technologies such as TikTok.

The technology behind that app is more than funny audios, fluffy dance challenges and cooking recipes.

The FBI found that China could use TikTok to spy on Americans, including government workers. **TikTok even admitted that employees *already* used its app to spy on reporters.**

I say that to say we're no longer *waiting* for a threat. As you can see, verbal and physical threats have already been made right here on American soil.

A Cold War with China is no longer some distant idea in the future. It's not a maybe or possibly.

It's here. And it's happening right here, right now.

But as worrisome as all these threats are, none of them come close to China's ability to obtain the technology inside this building...

It's being called "the new oil" of the global economy.

And I think that's a great description. Because in the 20<sup>th</sup> century, everything ran on oil. The countries that controlled the oil supply made trillions of dollars.

But now, in the 21<sup>st</sup> century, *this* technology is the new oil.

Everything needs this technology ... even the oil industry.

This technology is more important than 5G, artificial intelligence and the Internet of Things *combined*.

I can't stress it enough...

Without control of the technology in this building, everything from our electrical grid to our internet, hospitals — even our military — shuts down.



## Technology That Holds the Key to the Global Economy

The technology I'm talking about ... microchips. These tiny little chips are the building blocks of technology.

The very brains inside *every* technology around us.

From our cars to planes to tractors.

From satellites in space to drones in our skies to ships out at sea.

We need them for our phones, our computers and our TVs.

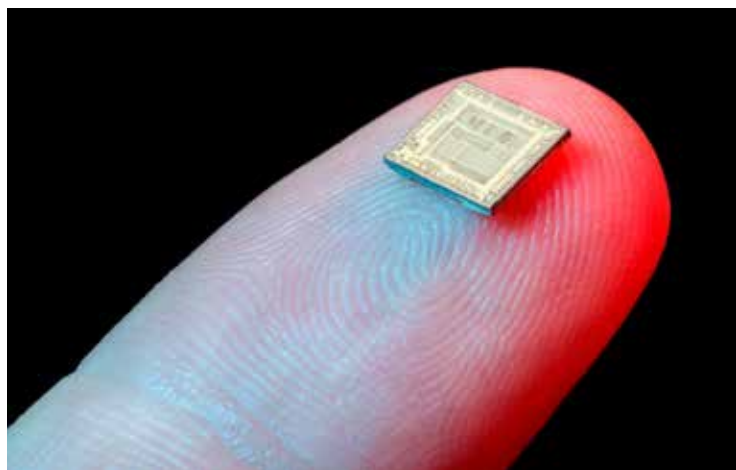
### **Everything runs on chips.**

Hospitals, the stock market — you name it.

The world runs on microchips, which is why they are called "the new oil" of the 21<sup>st</sup> century.

At its peak, the world consumed roughly 86 million barrels of oil a day. Everything ran on oil.

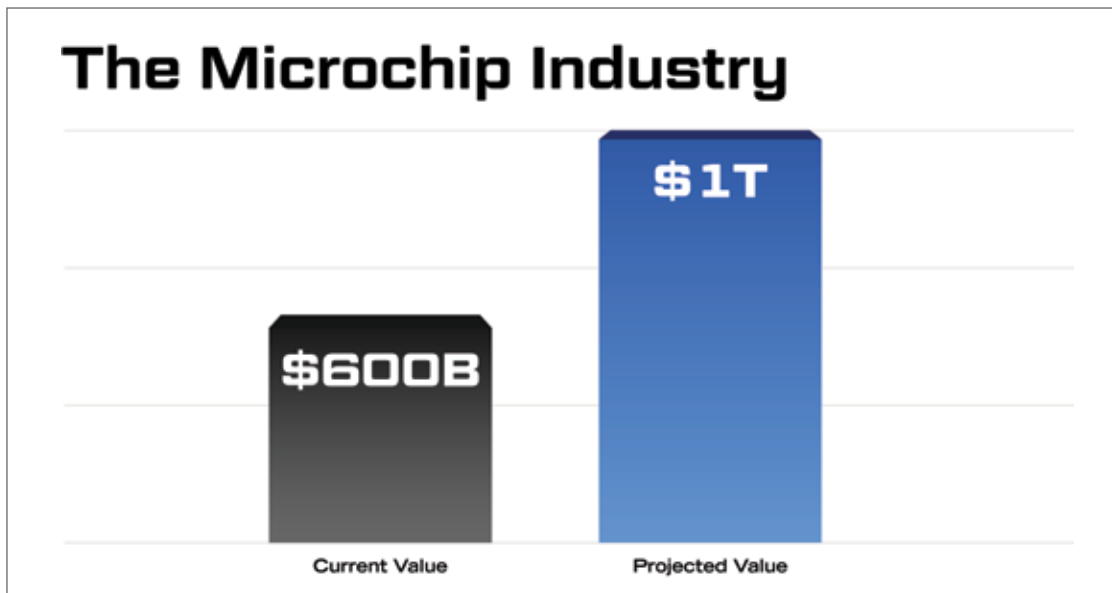
But now, everything runs on microchips. We already need ... get this ... we already need to make ... 3.1 billion microchips per day to sustain our global economy.



That comes out to 36,000 per second.

So you can just imagine these factories pumping out all these billions and billions of microchips every day.

The entire microchip industry is only valued at about \$600 billion right now. And experts predict it will hit \$1 trillion by 2030.



And this is where the real war starts...

*Control the chips, control the world.*



China's president, Xi Jinping, understands it all too well. He has already allocated \$143 billion to gain control over this tech ... to "win the battle."

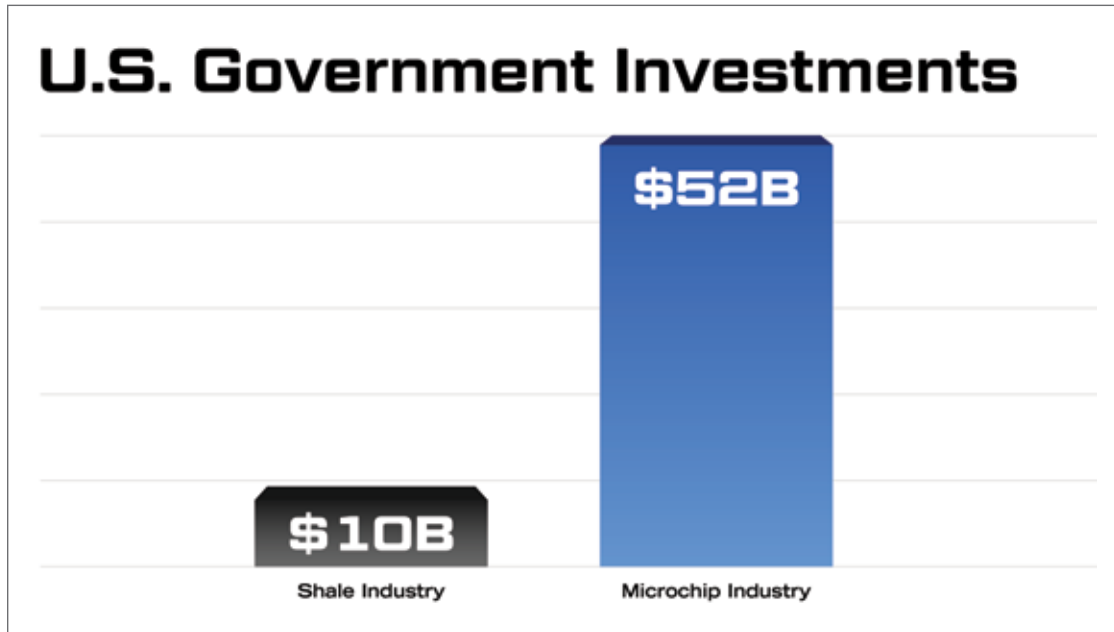
And the United States, in a bipartisan agreement, responded with a \$253 billion bill to ensure *WE* win the battle.

It's called the "CHIPS Act" which is pouring \$52 billion directly into onshoring the microchip industry. Plants are popping up in Arizona, Ohio and Texas.

That is just the start. I expect a lot more funding in the future.

The U.S. government invested about \$10 billion into the shale industry to gain energy independence. And it worked.

And it's already invested five times that amount ... \$52 billion ... into the microchip industry to become tech independent.



I can't explain how imperative this is. The entire global economy relies on chip manufacturing. But here's the scary thing...

This building I've been sharing ... is NOT inside the United States.

It's located on the tiny island of Taiwan, which sits 100 miles off the coast of China.

Ninety-two percent of all advanced microchips are made there.



*Taiwan Semiconductor Manufacturing Facility*



## China's Mission for Global Dominance

We need to produce 36,000 microchips every second, and 92% of these advanced chips are made in Taiwan. In fact, they are made by one company ... Taiwan Semiconductor Manufacturing.

Take a look at this...

These are the top 10 companies, on the planet, by market cap. And 7 of the 10 largest companies in the world are tech. There is only ONE microchip company on that list.

Rank	Name	Market Cap	Price	Today	Price (30 days)	Country
1	Apple AAPL	\$2.416 T	\$152.74	0.54%		USA
2	Microsoft MSFT	\$1.992 T	\$267.69	0.36%		USA
3	Saudi Aramco 2222	\$1.898 T	\$8.63	0.31%		S. Arabia
4	Alphabet (Google) GOOG	\$1.205 T	\$94.30	5.70%		USA
5	Amazon AMZN	\$1.015 T	\$99.08	0.96%		USA
6	Berkshire Hathaway BRK.A	\$683.10 B	\$309.46	0.32%		USA
7	Tesla TSLA	\$671.42 B	\$212.20	5.42%		USA
8	Nvidia NVDA	\$563.71 B	\$226.21	1.87%		USA
9	TSMC TSM	\$504.44 B	\$97.27	3.17%		Taiwan
10	Visa V	\$483.55 B	\$230.07	0.14%		USA

And yet, if that company stopped operating tomorrow, the other tech companies on that list will come to a halt.

Becoming tech independent isn't a convenience for us. It's not a profit grab. It is a REQUIREMENT for the sustainability of the global economy. Failure is NOT an option.

Taiwan Semiconductor Manufacturing Company is a \$440 billion company that has a virtual monopoly on advanced chip manufacturing.

It's very well-run.

The United States has close ties with it. We depend on each other.

The problem?

It's located on the little island of Taiwan that sits 100 miles off China's coast...

China claims the island as part of its territory and has pledged to take the island "by force if necessary." It even threatened



retaliatory action against any perceived moves by Taiwan to assert independence and build closer ties to the U.S.

Please understand the gravity of this situation: If China were to take this island, the entire global economy would come to a halt.

The production of everything from cars, to phones, to medical machinery, to our military equipment would come to a screeching halt.

We know this.

China knows this.

It's why they have plans to annex the island in its mission for global dominance by 2049.

President Xi Jinping has already warned against any international interference and that Beijing "reserves the right" for reunification.

CIA director, William Burns, alerted Washington that President Xi had ordered his military to be ready to invade Taiwan in the next four years, stating: "I wouldn't underestimate Xi's ambitions with regard to Taiwan."

But U.S. Secretary of State, Antony Blinken, warned: "Beijing is determined to pursue reunification on a much faster timeline."

If this story sounds familiar to you, it's because it's already been told.

It's the same tactic Russia used to invade Ukraine.

Russia claimed that Ukraine was its to begin with. It doesn't want to call it a war but rather an "annexation."

However, Ukraine's economy doesn't impact our economy all that much.

But Taiwan ... 92% of advanced semiconductors — microchips — are made there. **So, if China invades, the global economy will take a punch to the gut.**

By the way, it's no coincidence that China and Russia signed a "no limits" partnership last year and have been meeting with each other. They are forming an alliance.

So, why *hasn't* China invaded Taiwan already?

For one, they're much smarter than that.

An all-out war would shut down the global economy. And that hurts them just as much as it hurts us.

They have a more cunning plan. They are infiltrating the country, trying to steal the design of these chips.

You've already seen how they've infiltrated the U.S. (via spy balloons, academic poaching, silly pagodas and the like).

So just imagine what they are doing in Taiwan ... just 100 miles away.

But there's another reason they haven't invaded yet. They've seen what has happened to their allies in Russia. Russia thought it would take over Ukraine in no time, but ... it hasn't.

Thanks to great technology powered by microchips, Ukraine has held Russia back.

## The Most Complicated Technology in the World

"But can't China just start manufacturing chips on their own?"

Well, that's what it's betting on. It's doing all it can to steal the technology and "copy and paste" it into its own factories.

But its plan won't work.

Russia tried to do that back in the 1980s. But it failed. It found out that getting the cake doesn't necessarily mean you can figure out the recipe.

You see ... chip manufacturing is *the* most complicated technology in the world.

Studies have shown that there are 50 single points of failure in the chip manufacturing process.

The machines that make these chips cost \$200 million and are only made by one company. It's called ASML and is located in the Netherlands.



That machine relies on parts from 5,000 other companies around the world.

One of those companies, for example, is a private company in Germany named Zeiss.

It makes the lens for that \$200 million machine. It's the only company in the world that can make this lens.

I'll say it again, these machines are very complicated. They are the size of a double-decker bus and weigh around 180 tons. They are made of seven different modules, built on 60 various manufacturing sites, and assembled in Taiwan.

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**Only Read if You Geek Out Over This Tech:** Every second, a generator inside this machine spews out 50,000 tiny droplets of molten tin. Each droplet is then blasted twice by a powerful laser to create plasma. EUV radiation, or Extreme Ultraviolet Radiation, from the plasma is concentrated into a beam and bounces off six special mirrors before reaching the machine's mask. This piece moves with precision in the nanoscale and etches features just a few dozen atoms in size. It has to draw transistors into a wafer with features measuring only five nanometers, approximately the length your fingernail grows every five seconds. This wafer with billions or trillions of transistors is eventually made into computer chips.

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So, no. China *cannot* just copy this technology. Not for another 20 years.

It's way too complicated.

It also costs a minimum of \$15 billion to build a single microchip factory.

And the U.S. banned ASML from selling their machines to China.

You may have read about this in *The New York Times* as they talked about “The Tech Cold War’s ‘Most Complicated Machine’ That’s Out of China’s Reach.”

We strong-armed other countries to ... for a lack of a better word ... apply technology sanctions on China. To starve them, technologically speaking.

The Department of Commerce didn’t stop there. It barred 36 Chinese companies from receiving U.S. technology. Including one of its top chip manufacturing companies.

The Center for Strategic International Studies put it best: “In weaponizing its dominant chokepoints positions in the global semiconductor value chain, the United States is exercising technology and geopolitical power on an incredible scale.”

We’re blocking its access to our high-end chips, blocking its access to our design software and blocking its access to American-built manufacturing equipment.

The United States is flexing our economic muscle in a way we haven’t seen from Washington in some time.

But, that only explains what the government is doing. What’s the innovation? These chips seem to be getting smaller and more advanced every day.

They’re always advancing at a startling rate because of Moore’s Law. It’s a theory that was started in the 1960s and it means that chips get more powerful and smaller every 18 months ... by a function of 2.

For example, one of the biggest advancements for semiconductors is specifically in how impurities are introduced. These impurities are the elements that make a semiconductor more than just a disk of melted silica sand.

By using advanced forms of ion implantation ... manufacturers are able to dramatically improve the performance of chips.

The process is complicated. But here’s the important point to remember — a semiconductor is this big.

Inside this tiny chip are hundreds of millions, potentially even billions of transistors.

Those transistors are the on/off switch of the energy currents — currents that allow these tiny devices to power laptops, missiles, cars, and cities.

Ion implantation allows energy to move through the chip in a more efficient way, improving the performance of the semiconductor itself.

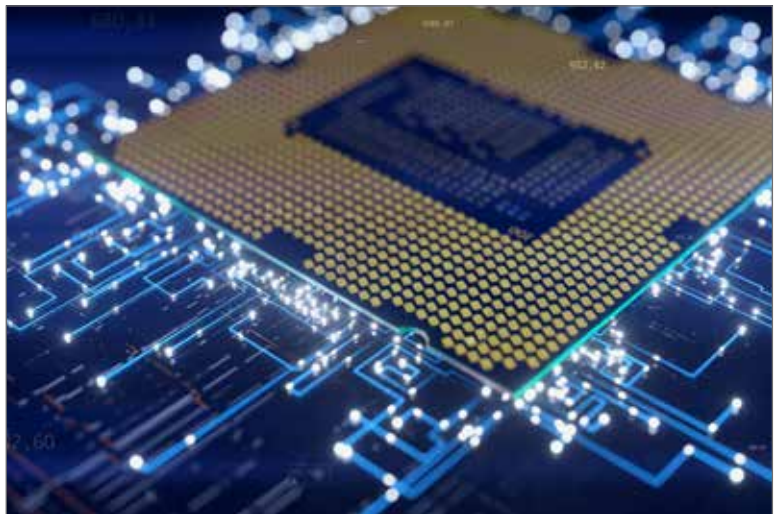
All of that is happening inside something so small.

For perspective, your iPhone is millions of times more powerful than the computers used in the Apollo 11 space launch. And why is that? Because of the advancement of microchips.

Today, there are features on a chip as small as a grain of sand. Your red blood cells are larger than some of the structures inside these chips.

And considering everything microchips are critical to ... this ion implantation is key to unlocking some of the biggest technologies of the next century.

The \$94 trillion global economy screams to a halt without chips — and this is the only way forward to meet the global demand.





There are TRILLIONS of dollars in global technology that don't just rely on microchips ... but are dead in the water without them — without them, the world shuts down.

This is why we've seen billionaires ... trillion-dollar firms ... massive organizations pouring fortunes into advancing chip technology, building manufacturing facilities...

All of these things are happening right now, simultaneously, in a massive convergence of technology, geopolitics and money.

I've never seen anything like it.

## Single Point of Failure

36,000 chips must be manufactured every second or the world stops running. These chips have become so important to our lives that they're called "the new oil."

The good news about these chips is really good. The bad news? Well, it's really bad.

Let's start with the good news. 85% of the leading-edge chips in the world's smartest drones, smartest weapons, radar and defense systems are invented by American companies. Not Chinese companies.

85% of the chips in our...

- ✓ Smart cars.
- ✓ Smartphones.
- ✓ Power grid.
- ✓ Oil drilling and fracking technology.
- ✓ Computers.
- ✓ Powering world financial markets.
- ✓ Advanced medical devices in hospitals.
- ✓ Anything artificial intelligence related.

... Are America's patented designs. Our intellectual property. American companies are the brains behind the brains of the modern world.

Apple and Intel get their American-invented leading-edge chips from Taiwan. There are about 1,000 chips in a modern, gas-powered car or truck. And 2,000, or so, in an electric car. Elon Musk gets the American-invented chips for his Teslas from Taiwan. Just like Volkswagen does.

The bad news? We aren't the brawn. We don't manufacture the chips.

But neither does China. For the most part, when China makes an iPhone or something, they're just taking the critical pieces other nations invented and manufactured and putting them together.

Which brings us to the really bad news...

Taiwan Semiconductor Manufacturing Company — where 92% of our chips are produced — is nowhere near our borders where we can protect it.

It's located 8,021 miles from Washington D.C. But only 110 miles from China.

And here's something even more serious.

This is the Javelin smart missile from Lockheed Martin and Raytheon.

It automatically finds a tank and destroys it.



Over 200 leading-edge chips are inside each missile.

Our F-35s are a \$1.5 trillion line item on the military's budget through 2070.

Those jets aren't getting off the ground without the American chips that are manufactured in Taiwan.

That's why Taiwan is America's single point of failure.

Let's break it down again...

We have this tiny island of Taiwan. Its very big neighbor — China — is the only country in the modern history of the world with any legitimate chance of dethroning us.

China can't take us on directly. But, if China successfully attacked Taiwan, major industries totaling at least \$37 trillion of the global economy, would crash or disappear. I'm not sure you can overstate how dangerous this arms race really is.

We're still a ways away from making chips ourselves. America decided a long time ago to focus on inventing the brains of smart tech while outsourcing the brawn to Taiwan.

Think of this...

A human brain is a large network of brain cells shooting electrical pulses between each other — so we can process the world around us. A normal human brain has 86 billion brain cells in it. A semiconductor microchip is like a miniaturized brain. Each integrated circuit is 3 nanometers.

It takes a very special lithography machine to shoot microscopic laser beams onto silicon wafers — to create integrated circuits.

And each machine costs around \$200 million.

You'll find a small fleet of them inside Taiwan Semiconductor Manufacturing Company. Along with the best engineers in the world.

So we can't just snap our fingers and make this happen.

If we had Taiwan's facilities — which we don't — and Taiwan froze their progress ... it would take America five years to catch up with their chip manufacturing.

It would take China about 10 years. Xi Jinping already tried to speed up the learning curve. He put his close buddies in charge of a \$150 billion initiative. Big surprise. A lot of that money got stolen.

Xi Jinping needs Taiwan for America's leading-edge chips.

All that separates China from America's single point of failure is 110 miles and a tiny waterway. If Xi Jinping invades Taiwan, we'll have global bedlam.

Remember the pandemic supply chain crunch? New cars became impossible to find. Used cars became as expensive as new cars.

That's because our supply of chips — including our strategic reserves — crashed from 40 days down to ... five. That cost America three-quarters of a trillion dollars.

China invading Taiwan could bring America to a zero-day supply of our own chips.



***You could fit 3,000 integrated circuits on just one human brain cell.***

If Xi Jinping took control of Taiwan and weaponized it against us — he would win this Cold War. He would have the power to turn back the clock on our modern American lives and control our future.

Giving Xi Jinping the power to decide when or if America can have our own leading-edge chips — he could control what gets put in them.

He can spy on each and every one of us.

Xi Jinping reading our Amazon Prime emails would be the least of my worries. Maybe he wants to teach Americans a lesson. You could walk up to your ATM and find access to what's left of your money completely cut off.

China could cause our phones to go silent. Our internet to go dark. Our hospitals could no longer provide the most life-saving medical care.

Xi could cripple our military. Unleash widespread blackouts and energy shortages. Tens of millions of American jobs — eradicated. We'd enter a global depression.

I'm not telling you all this to scare you. But Xi Jinping is quickly running out of options. Americans need to realize how vulnerable we are. Not next week. Right now.

To me, it has one inevitable outcome: America has to grab the reins to win this Cold War 2.0 — the chip war. And here's how...

## America's 3-Step Plan to Win the Chip War

China is the most powerful adversary we've faced since the Nazis in Germany.

But our analysis is about probability not possibility. The outcome with the highest probability?

We won't have to fire one bullet, or missile — or have to put any soldiers in harm's way to win this second Cold War.

To defeat Xi Jinping, America could implement a plan straight out of President Reagan's playbook. It has three distinct components:

- ✓ Eliminate.
- ✓ Suffocate.
- ✓ Checkmate.

Let me explain...

### **No. 1: Eliminate**

In the first Cold War, the Soviets needed America's leading-edge chips. Through crippling sanctions, America eliminated the Soviet's access to them.

In Cold War 2.0, China needs America's leading-edge chips. And America has sanctioned China's supply of them back to the Stone Age.

That means all the chips in China's weapons and satellites, computers, smart phones and smart cars, their bold artificial intelligence ambitions... Sorry Xi. You need America's chips for all that.

We don't need a crystal ball to see China's future. China's total imports of chips have already plummeted 27%. What happens when 90% of their supply disappears?

China's future — meet Russia's now.

According to the State Department, the U.S. has forced crippling supply shortages on Russia. No more leading-edge chips for their jets, missile systems, smart weapons, radar and satellites.

The Department of Justice says no American chips for their nuclear and hypersonic missile programs for their quantum computing projects.

Right now, Putin's spies keep getting busted trying to steal our chips for his war machine. Russia's military has gotten so desperate, they're wandering around breaking open refrigerators, dishwashers, TVs — even electric breast pumps for newborn babies.

And using ETSY — a website that sells mittens for kittens — as fronts for their espionage. All to fix their weapons and defense systems.

Not to be outdone — Xi Jinping's spies have gotten busted using women wearing fake pregnancy costumes to smuggle chips...

Vladimir Putin invaded Ukraine without a safe supply of our chips in his strategic reserves. He brought dumb missiles to a smart missile fight. You want to target an enemy encampment. You know where your enemy is.

Now draw a 1,000 ft radius — more than the length of three football fields — around your enemy in every direction. A dumb missile fired during the original Cold War would land somewhere, anywhere, within that enormous circle only about 20% of the time.

Compare that to what the U.S. sends Ukraine. Two of the most effective weapons are Lockheed Martin's — M142 High Mobility Artillery Rocket System — HIMARS. And the Javelin missile — Lockheed and Raytheon make those.

HIMARS are extremely mobile and easy to camouflage five-ton trucks. They simultaneously fire six guided missiles that can each travel 50 miles and strike within 33 feet of their targets.

Putin's military budget is almost nine times bigger than Ukraine's. He's got 4X the soldiers and armored vehicles. Putin's air and sea advantage is even greater.

He thought he would just overwhelm Ukraine in a matter of days. That was way back in February 2022. Today, Putin has a crippled economy, he's losing a war to tiny Ukraine. Because Russia is stuck using weapons made 40 years ago.

Now, Xi Jinping's military size and budget dwarfs Taiwan's. But that military has to cross open water to get to that island. Taiwan is surrounded by shallow water and steep cliffs. Get soldiers on the island ... then, you've got mountains on the interior. And 93.5% of Taiwan's citizens are against reunification with China.

Do you think our allies inside the EU and NATO want a brutal authoritarian holding their economy and future hostage? No way.

America invents those chips. Not China. Our allies have already given Xi a taste of what's coming. The term is called "friendshoring." And Xi will soon have a hard time finding chips from any developed country.

America still isn't taking any chances with Xi Jinping. Remember, it's not the military's job or the CIA's or FBI's job to reveal our most sensitive intel just because the public wants to see it.

Russia's old KGB program was tasked with conducting clandestine, espionage missions to steal U.S. tech. During the original Cold War, President Reagan authorized the CIA to conduct Operation Farewell. We flipped the Soviet Colonel who led the "Directorate T" program — a failed espionage attempt.

He provided us with the Soviet's wish list of American technologies. And we inserted our own Trojan horses into them and let our adversary steal them.

When we decided the Soviets needed to be taught a lesson, America used that compromised tech to blow up a Siberian gas pipeline. That explosion could be seen from space.

The Siberian Pipeline was a \$26 billion cash cow in today's dollars. What were the Soviets gonna say? The American chips they stole from America were broken — not fair?

**NEW YORK POST**

**Russian smuggling ring used couple's  
Etsy store as front to aid Ukraine war  
effort: feds**



Fast forward to the present day. Where does Putin get his chips now? Seventy percent come from China.

Normally, the chips Xi Jinping sends Putin malfunction around 2% of the time. But the quality is terrible. Rumor has it, the current failure rate is 40%.

All these actions started a countdown clock to the end of Xi Jinping's reign.

The second component of America's plan will make sure of that...

### **No. 2: Suffocate**

We're going to economically suffocate all of China's glorified spy firms. Uncle Sam has added a lot of them to the federal government's banned lists. America's big checks cut by the world's biggest economy and every business inside it? Gone.

For example, ASML. The company that makes those \$200 million machines. The United States gave direct orders ... you can sell your basic machines to China, but NOT your advanced ones. And they listened.

But we didn't stop there. Washington also banned U.S. citizens from working with Chinese chip manufacturers. We essentially said: "You can't work there."

So, 43 U.S. citizens and C-Level executives at these Chinese chip companies had to come home.

These microchip companies are nothing without the people there to make them work. And it's time for these folks to come home. Along with chip manufacturing.

Huawei was once the largest private company in China. In 2019, it was worth an estimated \$174 billion. Today it's around \$65 billion. That's still big. But they're supporting nearly 200,000 employees.

Imagine when all the banned firms start losing value like Huawei. America is going to keep this up until Xi Jinping screams "uncle."

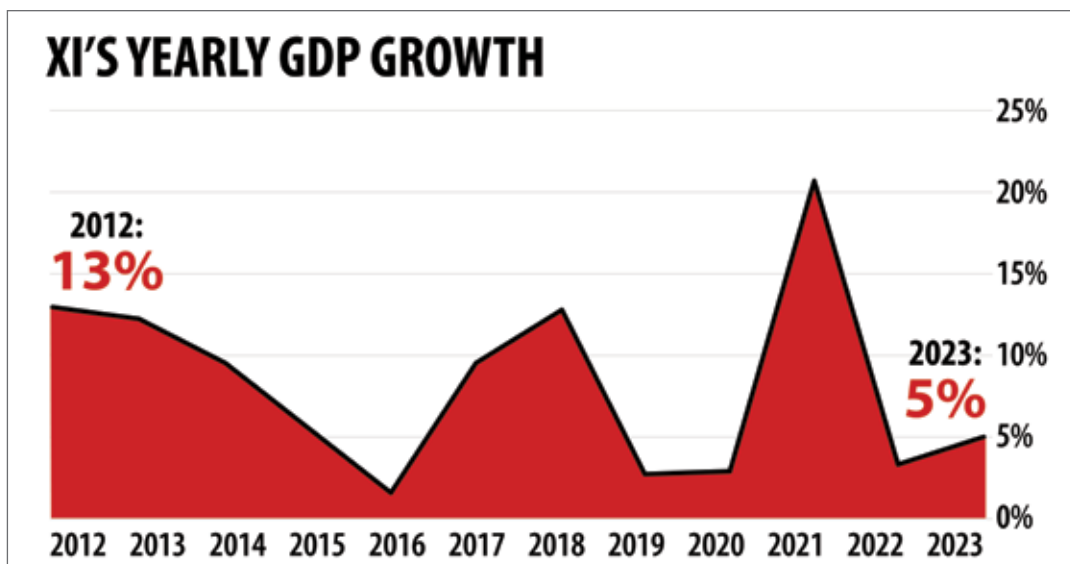
Our allies will continue turning up the heat with more "Friendshoring." The rare earth minerals that aren't so rare in China ... our friends in Canada have enough to cut China out of the mix.

Our allies are also aggressively building manufacturing plants for all kinds of goods in Vietnam, Malaysia, Taiwan and more.

This should expose Xi Jinping's so-called economic miracle for what it really is: A paper tiger.

Sure, China's had an economic miracle with gross domestic product (GDP) rising 32,126%... Just not on President Xi's watch.

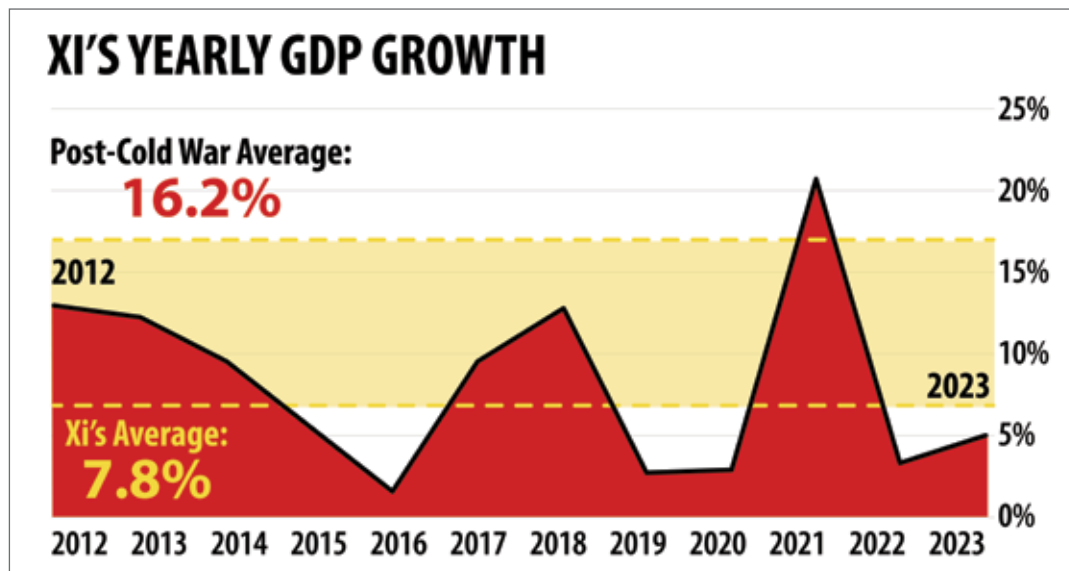
He took power in 2012 when the entire global economy was soaring after the Great Recession. Xi's predecessors generated annual growth that was more than 2X better. While much of Xi's growth is an illusion:



That zigzagging line represents year-to-year growth under his rule. So from 2012 to 2020 Xi did nothing but underperform.

Then the pandemic shuts the world down. He imprisons his whole country. But China's GDP explodes? That growth is an illusion.

Look how it plummeted right after.



And Xi lit the fuse on a ticking time bomb of debt inside his own economy.

China's debt to GDP is more than 286%. To compare, the U.S. is at 126%. But an average American contributes 472% more to our economy than an average Chinese citizen contributes to theirs.

His citizens aren't coming to his rescue.

Long term, Xi is powerless without our leading-edge chips.

It's what makes the end game of this Cold War extremely predictable. The people of China will eventually evict Xi Jinping from his palace.

But in the near term, he will continue to get more desperate. Desperate and dangerous are synonyms in this conflict.

The hard facts though, point to one highly probable outcome... Checkmate.

### **No. 3: Checkmate**

America is the brains behind the brains of smart tech. Now we're bringing the "brawn" inside our borders.

Last year, the House of Representatives and Senate overwhelmingly passed "The CHIPS and Science Act." It authorizes \$280 billion to create a sweeping, nationwide chip-manufacturing program.

The major highlights...

- ✓ \$39 billion to help leading-edge chip manufacturers build facilities right here in America.
- ✓ \$13 billion for R&D into next-generation chips.
- ✓ \$10 billion to build 20 regional tech hubs to optimize the supply chain.
- ✓ And \$81 billion for loans and grants.

The result is going to be "Made in America 2.0" on steroids.

It's going to transform our country.

This is really a massive infrastructure play.

Historically, when the U.S. invests in infrastructure projects we get a 3.7X return on our money over 20 years. Applying that to just the federal government's \$280 billion would get you to a \$1 trillion return right there.

But the big bucks — trillions of dollars — is coming from the private sector.

- » Intel is shelling out \$100 billion in Ohio, \$20 billion in Arizona and \$3.5 billion in New Mexico.
- » Micron is putting \$100 billion into a New York plant and \$15 billion in Idaho.
- » Texas Instruments is investing \$36 billion in its home state.
- » Samsung is putting in \$17 billion in Texas.
- » Wolfspeed is investing \$5 billion in North Carolina.
- » Even TSMC out of Taiwan is doing its part with a \$40 billion chips plant in Phoenix, Arizona.
- » And billions of dollars are being invested in smaller plants in Florida, California, Indiana, Oregon and Utah.

Already, the private sector has committed **\$300 billion**. And much more is coming.

Historically speaking, whenever the U.S. government and private sector joins forces to expedite an innovation, fortunes can be made.

This new Cold War will become the fourth inflection point for America since the early 1900s. The other three are both World Wars and the original Cold War.

We emerged victorious from each conflict. Each time, our country and economy went through a radically positive transformation.

And each inflection point was brought home thanks to a patriotic initiative involving a joint venture between the government, the private sector and the American people.

Look at the original Cold War.

President Eisenhower passed The National Defense and Interstate Highways Act. It funded the modern highway system we use to travel and transport around \$11 trillion worth of our economy.

The top-secret Pentagon agency DARPA came soon after. The original internet, cloud computing, GPS and a lot of other inventions we use in our daily lives emerged.

It changed the world. And we're at the beginning of this cycle repeating itself.

## Stay Bullish on America

A lot of people say that we won the first Cold War thanks to our space program. Others say it is due to our nuclear warheads, or maybe Russia's economy just crumbled.

And all of that is partly true.

However, ask yourself this: Why did we have a stronger space program, better nuclear weapons and stronger economy?

It was our advancement in microchips.

Again, microchips are the brain of our technology, and we've become way more advanced than any other nation.

China is 20 years behind our technology. That's why it is desperately spying on us. They have no other choice.

So, the key to winning this war *is microchips*.

We don't need guns and missiles to win this war. *This war is fought with strategy, intellect and technology.*

And the U.S. has enacted a three-step plan to win this war: eliminate, suffocate and innovate (my words, *not the Pentagon's*).

Remember, our plan is to:

✓ **Step 1: Eliminate.** We are cracking down on the Chinese spy games. Popping balloons, taking down pagodas and dismantling 5G towers. We don't want them getting their hands on this technology. So, we are actively eliminating Chinese influence within our borders. Even denying their bids to buy farmland.

✓ **Step 2: Suffocate.** We need to cut China off from this technology. And it's already started. Washington banned all companies, around the world, from selling chips and chip-making equipment. The days of offshoring are over. It's time to onshore.

✓ **Step 3: Innovate.** The U.S. government recently approved spending \$253 billion to onshore chip manufacturing via the CHIPS Act. In the grand scheme of things, that is not massive. But it is a first step.

And U.S. companies have responded by matching it with **\$300 billion** committed to building microchips.

The end of the Cold War ushered in a new era of hope and peace between the United States and Russia.

Our economy soared. We fought off recessions, housing and stock market collapses. Coming back stronger every time.

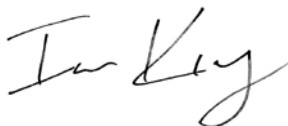
The same will be said when we reach the end of Cold War 2.0. It's going to transform our country and make us stronger.

We'll enter a new era — “Made in America 2.0.”

And it could lead to incredible fortunes for those with the strength and conviction to invest today.

Are you in?

Regards,



Ian King

Editor, *Strategic Fortunes*

**P.S.** That brings us to the end of this Cold War 2.0 special report. I hope you feel armed and ready for our fight ahead. I'd like to hear from you. Write to us at [StrategicFortunes@BanyanHill.com](mailto:StrategicFortunes@BanyanHill.com) and let us know:

1. What do you think of the chip war between the U.S. and China?
2. Are you bullish on America 2.0 and winning the chip war?

I look forward to reading your responses!





**Banyan Hill**

P.O. Box 8378

Delray Beach, FL 33482 USA

USA Toll Free Tel.: (866) 584-4096

Email: <http://banyanhill.com/contact-us>

Website: [www.banyanhill.com](http://www.banyanhill.com)

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