

# U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

# MAR 1 3 2020

The Honorable Lindsey Graham Chairman Committee on the Judiciary United States Senate Washington, DC 20510

The Honorable Dianne Feinstein Ranking Member Committee on the Judiciary United States Senate Washington, DC 20510 The Honorable Richard Burr Chairman Select Committee on Intelligence United States Senate Washington, DC 20510

The Honorable Mark Warner Ranking Member Select Committee on Intelligence United States Senate Washington, DC 20510

Dear Chairmen and Ranking Members:

We write in further regard to matters pertaining to the Foreign Intelligence Surveillance Act (FISA) and other matters contained in the December 9, 2019 report by Department of Justice (Department) Inspector General Michael Horowitz.

As we described in our letter of February 7, 2020, the Attorney General has determined that it is now in the public interest to release to Congress additional documents and information related to these matters to the extent consistent with national security interests and with the January 7, 2020 order of the Foreign Intelligence Surveillance Court (FISC). We began to provide such documents to you on February 7. A fifth production is enclosed herein, Bates numbered SENATE-FISA2020-000413 to SENATE-FISA2020-000447. This submission contains a Confidential Human Source transcript. The attached production is unclassified in its current format.

Pursuant to longstanding Department policy, the Department has made redactions relating to certain personally identifiable information or to ongoing investigations, enforcement activities, and certain law enforcement operations, methods, or techniques.

Today's submission, along with forthcoming productions of additional documents, is based on extraordinary and unique circumstances, and should not be construed as precedent setting in any regard. The production of these materials does not waive any applicable privilege.

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We hope this information is helpful. Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,

Stephen E. Boyd Assistant Attorney General

Enclosures

# UNITED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION



File Number:

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Task Number(s) and Date Completed:

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599411,

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Click here to enter text.

English

English

# VERBATIM TRANSCRIPTION

## Participants:

CT:

Crossfire Typhoon

CHS:

CHS

## Abbreviations:

[UI]

Unintelligible

[PH]

Phonetic

[OV]

Overlapping voices

[UF]

Unknown female

## SECRET//ORCON/NOFORN

Declassified by C28W34B64 on 3/13/2020 This redacted version only

[UM]

Unknown male

SA: a meeting with CHS

and CT and others as yet unknown.

CHS: [UI] wonderful. I won't, ah...your pen.

UM: [UI]

CHS: You pen. That's the wrong one. Okay, guys, we better, better go. New York

Times is right here for you.

UM: Great. Have a nice night. Do you have the key to the [UI].

CHS: I better give it to the guy on the way out and just, ah, just tell him that you're,

you're, you're, my guests.

UM: Yes.

CHS: I'm in room

UM: Okay.

CHS: And that, ah, and I'll be back in a minute. Or a few minutes.

[movement]

UM: Thank you.

CHS: Right. See you soon.

UF: Good luck.

CHS: Thank you. Take care.

[walking]

UM; [UI].

CHS: I'll be back, I'll be right back.

UM: [UI], sir?

CHS: My friends are sitting in that...

UM: [OV] Okay. [UI]

CHS: Look after them please.

UM: We will.

CHS: Okay.

UM: [UI] your key.

CHS: Oh okay yeah for the moment.

UM: Just in case you [UI]

CHS: In case. [chuckles] Thank you, everyone.

[walking]

UM: [UI].

[traffic noises]

[background conversation]

CHS: Awe...give me one minute, okay. I'm just going to go to the

UM: [UI].

[soothing music]

[bathroom noises]

CHS: Let's sit in the bar for a few minutes.

CT: Yeah let's have a beer. Enjoy [UI].

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CHS: Hello.

UM: [UI] how are you.

CHS: Good. How are you?

UM: Fine thanks.

[door opens/closes]

[background music]

CHS:

Sit right here, Good?

CT:

Perfect for me.

UM:

[UI] menu for you or you have [UI] your minds?

CHS:

What would you like to have?

CT:

Um let me think about it. Give me one minute make sure [UI]

CHS:

[groans loudly]

CT:

[UI] a cup of water please.

UM:

What's that?

CT:

Yeah we'll start with that,

CHS:

Ice water. Ah sparkling or stilled?

CT:

I like still, buddy.

CHS:

Stilled. Well I enjoyed seeing you this morning. That was very nice.

CT:

You, too. Absolutely. You know it's quite hot outside [UI].

CHS:

Oh God it's brutal.

CT:

Tell me where you're coming from.

CHS:

Right now I was coming from the . Literally from where, where I'm staying.

Ah, I'm going back to

tomorrow. [snorts]

CT:

Oh [UI] are you ah, something next week or...

CHS:

Ah, no. About two weeks from now.

CT:

Two weeks from now. Has the started yet?

CHS:

Ah, will start

CT:

Okay. There is no [UI].

CHS:

Yeah.

CT: this year? So what are, ah, you CHS: CT: [laughing] What an interesting time to be that. CHS: It's a good time, yeah. Um...the, ah, the interest level's very high. You know the but it often is because it's a topic that people are interested in, you know. Um...but for me it's like waking up in the morning and, ah, just breathing, you know, 'cause I'm very, ah, interested in the topic. Just like you. [chuckles] CT: Yeah it's, ah, you know, I'm very happy I didn't go to wanted to go before. CHS: Yeah and that's ah-ah, you know, I think that's right. Because you're very restrictive. CT: [OV] [UI]. You're very restrictive and I think it would have...'cause... UM: [UI] this. CHS: Hi, how are you? UM: [UI]. CHS: Doing alright. [background conversations] CHS: Can you bring, um, can you bring another two glasses but tall glasses with ice; lots of ice. UM: [UI]. CHS: You know I was thinking about our conversation this morning and, um...but you emails today, did you not? CT: Who, CHS: Yeah. CT: What [UI]...

CHS:	said was going to meet you here at
CT:	[OV] Yeah later tonight.
CHS:	Later. Yeah okay. So we can talk here from 5:00 to 6:00 or 5:00 to whatever it is.
CT:	I have all the time you have. [chuckles]
CHS:	And
CT:	[OV] [UI].
CHS:	and then come over to see you. I don't know where is. a very able very very . Ah I-I think highly of so. got good judgment.
CT:	Yeah how-how did you both meet, what's that counwas a of yours?
CHS:	[UI]. No, no we had, ah, I had a real, real interesting developments in And was in a had, ah, and ran into someone who is a had there who I knew and, ah, he referred to me. And so
CT:	What, what, ah, was that [PH]?
CHS:	Yeah that's what it was, yeah.
CT:	Mm-hmm.
CHS;	may have mentioned it; spent some time there.
CT:	You know in second is probably the best literally in the world.
CHS:	It really is because it's between two cultures and it has been for so long. I mean it's, umvery tortured transition, ah, beginning when the local transition. Is that about right?
CT:	And there are many, ah, you know, issues that are tearing at the seams of the social fabric. I was talking to the [UI] about it last night and agreed. said it looks like is three different countries in one. You have the western, you know, [PH] drinking cigarette smoking in [PH] and some in and then you have the country which are the more you know, up-and-coming [UI]. And, of course, you have the which I mean you don't have to, you don't have to be a and with as the surgent and their role now

	this morning with, ah, lapse in relations, you know, with the, with their historic partners
CHS:	[OV] Yeah.
CT:	and now it seems that they're looking more towards the and not the
CHS:	[OV] Yeah.
CT:	you know, repairing ties with Russia to the chagrin of the United States. I mean
CHS:	[OV] Well they are doing all that. That's right.
CT:	So-so basically [chuckles] everything that goes through the curtain in one way or another. And the future of [UI] is the future of political stability in andana as well.
CHS:	I agree.
CT:	So we get it right or we get it wrong, it's very [UI].
CHS:	[OV] Well you know if we get it right, ah, I'm not sure that I know exactly what that means. I mean the reason it's such a perplexing problem is that it is not yet defined. And so we're still working on what exactly the problem is. Um
CT:	I think it's going to be whichI don't want to say which side the US supports in the, you know, identity that's emerging in . For example, will we go back to supporting the the [PH], the the or will we support them along with a new strain of entwined with whichever seems to perpetuate, project, navigate or [UI].
CHS:	I think it's the later. I think it's some form of the latter, a very delicate balance which takes in both of those strains. I really don't know. But I was thinking about our conversation this morning and, umyou know, ah, [chuckling] I was looking at this afternoon and the media is absolutely fixated on Hillary's illness.
CT:	Even here.
CHS:	Yeah. They can't stop talking about it and they can't stop talking about the initiatives that Trump may make in this period. And, in fact, ah, Trump made a, ah, I thought a-a an unwise comment last night when he was at a-a rally somewhere in the Midwest, I've forgotten where, it was apparently a 100 plus
	SECRET//ORCON/NOFORN

degrees in the hall. You know what I'm talking about, right. And he said, Could Hillary stand up here for an hour? I don't think so. No need to have done that. Um...it looked as though he was taking advantage of her problem.

CT: I think the media is doing the work for us anyway.

CHS: Yeah they are doing the work. They're [UI].

CT: [OV] I think this is the first time they've actually commented on [UI] crisis in that

campaign.

CHS: No. They're doing the lifting. And, um...

CT: I think, that caught us off guard. We didn't expect the way the media has

ca...even Washington Post. Did you see the article of the day she had her fall in New York? Headlines in the Washington Post stated, Hillary's illness, Hillary's

health has become a major issue during this campaign.

CHS: Right.

CT: They [UI]...

[mic movement]

CT: ...for the Washington Post to cover it, it's-it's, there's something even beyond

what we see in that...

CHS: [OV] Yeah.

CT: ...[UI] talked of her having a body double, you know, did you read those reports?

CHS: No.

CT: Yeah when she walked out of apartment, it wasn't her. It was a body

double. And she's critically ill. There are a lot of stories going on [UI].

CHS: Is that the allegation?

CT: It's an allegation. Um...

CHS: Well we know it's not true.

CT: I hope it's not.

[mic movement]

CHS: Oh it can't be true.

CT: If it is, um, I don't know this is simply a campaign run [UI]. So Trump yesterday,

I think, released his medical records is what, ah, they said on the Dr. Oz show and, ah, he seems to be okay except he's a bit overweight. And they said he has a

cholesterol issue.

CHS: Tell me who isn't, [chuckling]

CT: [chuckling] [UI]

CHS: Everybody is. [chuckling]

CT: So, so he's going to force Clinton's hands now. But she can come back and say

you haven't released your tax returns...

CHS: [OV] That's right.

CT: ...and...

CHS: [OV] And that's what she'll do.

CT: ' [UI].

CHS: And that's what she'll do. I don't know what's in those tax returns. I mean I

have no idea but it could have something to do with his investments. It may have to do with the amount of money he's given to, ah...charity. It may have to do with, ah, support for foundations. But he really probably, I mean there is no

precedence for refusing to release. Um...

CT: Did Ross Perot release his?

CHS: Yeah I think he did; 1992.

CT: Yeah we really haven't had too many billionaires running except for Ross Perot

[UI]...

[chuckles]

CT: Yeah.

CHS: Yeah he, he, ah, gave the election to-to Bill Clinton. He really did. Anyway our

friends, ah, you know, what strikes me... I have a lot of friends in Russia, um, one

of them is, ah, Slava Truvnikoff [PH]. Do-do you, do you know Truvnikoff? Truvnikoff was the director of KGB... CT: Mm-hmm. ...and the FSB. He was, ah, deputy foreign minister at another point and he was a CHS: Russian ambassador to India. [mic movement] CHS: So I brought him to to talk to us about how-how their intelligence service works. He was very forthcoming. I mean he's retired now and he's, ah, ah very much a, um, sort of an international participant in nuclear disarmament. CT: But he's a private citizen? He's a private citizen but he's, ah, really plugged in. Knows a lot. And, ah, is CHS: very helpful, ah, in all kinds of ways. So he's a friend of ours at and I have to say that I've enjoyed his friendship all over the world. I've met him everywhere and we've talked from time-to-time. And another one that I've, I've come to know pretty well is, um, a guy named, ah, ah... was the head of the Moscow KGB and now he's in [laughs] CT: TUI]. [Laughs] He's a real, a real swordsman, you know. [laughing] And, ah... CHS: CT: [OV] How did he make that transition? CHS: Well, you know, he finished up in his organization and he went out to entered some he's a bright guy. Um I guess just the exotic nature of who he was helped him along. CT: [laughs] CHS: Then I've developed a friendship with a really senior KGB general, a four-star general named Shebasheen [PH]. Did you know him? CT: No. CHS: Interesting man. A very, very bright guy who was the architect of the Russian effort in Afghanistan. So, um, ... and then I knew another one named Yuri Traughtoff [PH] who was a, ah, KGB, ah, officer who actually figured out a system to track American CIA agents around the world.

How did he do that? CT: You wouldn't believe it. He said simplest thing in the world. He figured out who CHS: the current existing officers were and he realized that when new ones came they took the same telephone, the same car, and the same apartment. And so the weakest link was our, ah, bureaucrats who dealt with management, personal management. Can you believe that? So they, all they did was just check the car licenses and addresses. Shows you how vulnerable we are to our own stupidity. CT: Are we, ah, what is the future of spying? Do you think it's hacking or are we going back to the cold war here where you have the men on the ground. CHS: It's both. It's both. I don't know much about cyber warfare. Frankly, I don't know much about the entire business but I, ah, I think it has to be both because you, you know, you can't photograph a man's intentions. So you have to, you have to rely on those needs, right. [chuckling] CHS: But my point is that, um, the Russians can be very helpful to us at this time and we've got some great information coming out. You know this stuff out of wiki leaks is really superb because it... CT: [OV] Which, which [UI]. CHS: Well I mean I think the information about Hillary's health and, um, ah...I don't know how they, how they worked out the leaks from the Democratic National Committee; that must have come from somewhere. CT: One of the staffers apparently and this was [UI] major news and not on these conspiratorial, you know, websites. It was on Kennedy, Fox News, and CNN picked it up that one of his was actually a CHS: Oh. CT: And was transferring information somehow and was on release other information and was, certainly was CHS: You're kidding? CT: [UI].

CHS: You're kidding?

CT: And the, and Assange [PH] on national TV alluded that

It just doesn't happen

like that. And so Assange came out...if you just Google it you'll so...so Assange

. He was basically saying that and that the conspiracy about the Clinton

team and, you know, you know the stories. So...

CHS: Chalk up another one for the Clintons.

CT: Yeah. So, ah, Assange, ah, no one knows what he's going to release. He has said

that he has information on Trump and he'll release that too.

CHS: I'm sure he will. Yeah.

CT: And, ah, you know this could be a ploy to basically dismantle to undercut the

president, next president of the United States regardless of who it's going to be.

CHS: By showing that he got in illegitimately. Well I mean if-if the objective, if the

objective is to... you know, if the objective is to destabilize the electoral process

this is a way of doing it.

CT: I think that's what it is more so than trying to like serve the election to Trump.

CHS: Right.

CT: And I'm expecting something to come out too on our... I wouldn't be surprised.

CHS: You're expecting...[speaking to someone else] Hi there.

CT: [UI] - orders something in Spanish]

CHS: Alright. Are you having a drink?

CT: Yeah.

CHS: What-what are you having?

CT: It's a [UI]. It's a Brazilian, ah, almost like a Mojito.

CHS: Oh okay. Do you have a Freud? May I have some of that, please?

UM:

On ice, sir?

CHS:

No, neat. Neat. Thank you. Um...

CT:

I'm going to salvage whatever is left of the summer with my tropical...[laughing]

CHS:

[laughing]

CT:

...[UI] once fall hits here...

CHS:

Go for it!

CT:

...and the Meers [PH] and the Jamesons [PH], that's all you can have. You just don't see people dra-drinking those type of drinks in either fall or winter.

so...

Especially in my

CHS:

So if you think about, ah, you think they will release on Trump as well?

CT:

I-I hope they don't. But if my theory is correct and this is more so about his stabilizing the electoral process of the United States and undercutting the next

president...

CHS:

[OV] Yeah.

CT:

...then they're going to try to do something.

CHS:

They'll do something like that, won't they?

CT:

I mean I don't think they have anything on us or... Trump I think I, you know...

CHS:

[OV] What's to have? I mean it's Trump has been pretty forthcoming. If-if they might be able to release somehow his taxes. That would make a big splash. But did you guys [UI].

[movement]

CT:

[UI] Trump releasing his taxes really has to [UI]...

CHS:

[OV] Well frankly I don't think it has. It's-it's very-very important to the media. But the average guy, you know, who's lumbering along trying to pay his \$12,000 in taxes, it doesn't-it doesn't bother him one way or the other I wouldn't have thought. I was going to ask you did you guys have any idea that, um...you know that the, that the, ah, about the DNC leaks?

CT:

What?

CHS: Did you know anything about...

CT: Oh no [UI].

CHS: Because I thought that was really a significant thing. And I would have been...

CT: And no one has proven that the Russians actually did the hacking, by the way.

These are allegations. Nothing has been proven so we...no one actually knows

where the source came from. Ah I mean the FBI says it's likely, says it's likely due to the Chinese or the Singaporeans, the Israelis, who knows. You know I've

actually had a few [UI] the Israelis trying to hack [UI].

CHS: [OV] Have you? Have you?

CT: [UI]...

CHS: [OV] I've had issues with the Chinese trying to hack me.

CT: And it shocked me. I mean I understand, you know, 'cause...to be honest with

you, you know, I've done some sensitive work for that government.

CHS: For the Israeli government?

CT: I mean along with what I've done and, you know, they've allowed me quite a

high level access...

CHS: Uh huh.

CT: ...and I understand it comes with the territory. So I've had to change phones and,

you know, when you see that your Google search comes up as you are currently in Jerusalem while you're in Washington, DC, there's an issue. So I mean we're talking, I mean I-I understand the nature of, you know, of what this is but...and these are friendly countries but they still do it. Let alone the Chinese or the

Russians...

CHS: Yeah.

CT: ...or the Venezuelans for that matter [UI]. So it's, you know, countered

surveillance, counterespionage, cyber...these are all going to be very important...

CHS: [OV] Well I think they are going to be very important, um, and I think the Israelis

are, are particularly creative and aggressive. Are-are you, are you Jewish?

CT: No no no no no no.

CHS: So but we'll, we'll see. I mean we'll see what they if they have...I assume, ah,

that they're supporting Hillary. The, um, I mean I don't know. You would know

better than I would.

CT: You know I mean I-I-I was told this by a very credible source that's [UI] that

initially the government there was supporting Ted Cruz. [laughs] Well Ted Cruz

obviously...

CHS: [OV] No.

CT: ...I mean I guess I could understand that evangelical base, you know...

CHS: [OV] Yeah.

CT: ...extremely, very right wing and partisan on the Israeli Palestinian issue.

CHS: Yeah sure.

CT: Ah I could understand the thought...they haven't made any proclamations or

declarations or whether...and they're smart not to because, ah...

UM: [UI]

CT: Oh very nice.

UM: [UI] please.

CHS: Cheers.

CT: Cheers [UI]. I like this.

CHS: I wish I could.

CT: Oh [UI]. So, ah, so I mean...like I said I'm not , I'm not and, ah,

they gave, what they gave me you know a lot of [UI] and the American

government, of course, and there's no one else did [UI].

CHS: There's no one what?

CT: No one else did my, the work that I...

CHS: [OV] Yeah.

...basically did. Some, some folks always joke they say you should go into the CT: CIA after this if he ends up losing because...you know I've...I don't know [UI]. And it's something I, I wouldn't have minded if the election doesn't go the right way but we expect to win so... CHS: I think you're probably, yeah... I say you. I think we probably will win. [chuckles] CT: That's why...I'm, I'm almost certain that, that we ah... [OV] Yeah well you're, you're on the right track. CHS: CT: Yep. And now... It all depends on the debate. CHS: CT: What is...did you, just so I understand...so the meeting with , ah did reach out, did you reach out? Did you discuss possibly ? Did... helping, ah, CHS: [OV] Yeah I did. CT: ...[UI] I think that would be a great, um... CHS: Yeah. No, reached out. CT: Okay cool. CHS: I think somebody gave my name. I don't know. You never know how these things happen, you know. Ah... CT: by...on the flipside though, ah, by the name of Do you know of a [PH]? CHS: No, I don't know CT: ? He, he was at He's worked at the, at the been there for about and He's a reached and now it's out to me never...[UI] CHS: [OV] I don't know CT: ...[UI].

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CHS:	I don't know at all.
CT:	Because there aren't that's why I
CHS:	[OV] Yeah.
CT:	I don't know. You obviously don't want to hobnob, whack and
CHS:	[OV] Yeah I'd be careful if I were you.
CT:	And if you haven't heard of he's probably not significant in the news.
CHS:	You know you never know everything but you tend to know pretty much who's in the field.
CT:	Because [UI].
CHS:	[OV] And China is a verya highly varied policy question. There are people with very different points of view on China and they're motivated by all kinds of different things so you have to be super careful.
CT:	And you had issues you said with hacking from China.
CHS:	I have been hacked by China. Yeah.
CT:	When you mean it like, ah, did they infiltrate your emails or [UI]
CHS:	[OV] No they wentthey somehow got into my computer. It wasI a and they didn't like it. Ah I don't blame it for not liking it. It wasn't friendly. But after that they started monitoring my stuff and then, um, I a, ah, on the which is a new military technology that the use and they jumped into the computer. They cracked that.
CT:	?
CHS:	
CT:	What-what, which are the
CHS:	The is, ah, using the ah, and the is using the ah, and the is using the ah, and the is using . And when you come, you know, individually these things are, you know, we're well aware of these things. And when you 16  SECRET//ORCON/NOFORN

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	The South China Sea is a great example. So that, ah, that- that-that they really wanted that tand they got that. And then the , ah, people computer experts got into it and they, they made my computer safer, you know, so they couldn't get in. I had a hard time for a couple of years. I don't, I don't blame the I mean
CT:	[OV] Yeah, well. I saw your, ah, you at the I think the it's on You Tube, on whether the [UI].
CHS:	I was really pissed that day! You could probably tell, yeah. [blows nose]
CT:	The here seem, ah
CHS:	[OV] Well they're dumb. They're, they're, they're not following the issue at all.  And I was a um, um, ah also another, ah, um, the only member, ahand then the third person I had, ah, ahoh some, some absurd  So I had three whiney little people on the other side and, ah, I was joined in by, umah, who is the and one other person. We won the huge, huge victory; 350 votes to about 70. It was a 5 to 1, ahumso actually what you're saying to me is that you didn't feel like the campaign was able to benefit at all from what the Russians could help with.
CT:	What do you mean by [UI]?
CHS:	Well, you know, I mean I-I think this is a time when given Hillary's weakness and given her strengths that help from the, from a third party like wiki leaks for example or some other third party like the Russians, could be incredibly helpful. I mean it makes all the difference.
CT:	Well as a campaign, of course, we don't advocate for this type of activity because at the end of the day it's, ah, illegal. First and foremost it compromises the US national security and third it sets a very bad precedence.
CHS:	Yeah.
CT:	So the campaign does not advocate for this, does not support what is happening. The indirect consequences are out of our hands.
CHS:	Yep. Yep.
CT:	That's how, that's the best way I can, ah
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CHS: [OV] But... ...or example, our campaign is not [chuckling] engage or reaching out to wiki CT: leaks or to the whoever it is to tell them please work with us, collaborate because we don't, no one does that. CHS: Yeah. CT: Unless there's something going on that I don't know which I don't because I don't think anybody would risk their, their life, ah, potentially going to prison over doing something like that. Um...because at the end of the day, you know, it's an illegal, it's an illegal activity. Espionage is, ah, treason. This is a form of treason. Yeah. Well particularly involvement with American elections. CHS: CT: Especially if somebody is collaborating with x-group that no one yet knows who they are... CHS: [OV] Yeah. ...Then...I mean that's why, you know, it became a very big issue when Mr. CT: Trump said, "Russia if you're listening..." Do you remember? CHS: Yeah I remember that comment. Yeah. CT: And you know we had to retract it because, of course, he didn't mean for them to actively [chuckles] engage in espionage but the media then took and ran with it. CHS: Yeah yeah yeah. CT: And, you know, so... CHS: It's like they took and ran with your comment that you made with the CT: Of course. And, you know, personally [PH] actually had a side piece on that and then they actually quoted from other things I stated about, about China, by the way, about how because the United States is not really engaging the UK on numerous fronts, the UK is leaning evermore so on China for investments. I mean you know in nuclear and their [UI]...

[OV] They just a-approved the Hinckley [PH], ah...

CT: ...[UI] They have made it [UI].

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CHS:

CHS: They approved it today. CT: Today? I thought May had reservations about it. CHS: She did. CT: And they still... [OV] And that sat on it for two months, they looked at it, and they approved it CHS: today. It's so disappointing. Because when you think about the implications of that, it allows the Chinese to say, look we built a nuclear reactor in Britain, we conformed to all these strict standards of safety and environment and we can do the same for you. CT: [UI] that's to be the direction the British are taking. CHS: Oh I am very worried about it. CT: [OV] And [UI]. CHS: [OV] I think it's the most disappointing thing. CT: And I'm meeting with the board members tomorrow.. . And I [UI] their ambassador, [PH] in, ah, DC. Who-who is that? CHS: CT: Their, their ambassador, CHS: Oh yeah. CT: [UI] however you pronounce his name. And I'm telling you there's a lot of pushback from the UK. It's as if I'm talking to an enemy. The way they support to lecture me on why we should not dare to overturn or tear up nuclear agreements even though we think it's uncontested. They also stated that China's commercial interests in Europe and the UK in particular are not a threat to the US business bodies . So they're engaging or they're promoting or they're going in a more antonymous way. Now with the Brixon [PH] I wanted to hear your thoughts on it. Because obviously they might tell me

May I ask you for some more water please.

UK and [UI]?

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tomorrow. But how do you see this, ah, the relationship moving forward with the

CHS:

UM:

[UI] another bottle.

CHS:

It's, it's still water.

UM:

Still water.

CHS:

Um...there is a very, ah, long historical pattern in British diplomacy in which the Brits do not, ah, ah, do not accept that the commercial links constitute security problems. They have never really thought that, ah, for example, recognition of China was a problem. They were the first to recognize China in the...you know, after the war, after 1949. Ah they were, ah, strong advocates of opening up China and working with China and, ah, encouraging commercial links and so on. And it's a totally different view than we had. When I talked to

their view is that, what's the problem. Ah we-we don't...

CT:

[OV] [UI] that's the message I received.

CHS:

Yeah. You guys curtsy. Ah that the...

UF:

[UI]. [brings drinks]

CHS:

Thank you very much.

UF:

You're welcome.

CHS:

I think I have more water in that glass.

UF:

Yeah?

CHS:

Yeah and I think I'll take it. I'll keep it if you don't mind.

UF:

[UI].

CHS:

Yeah so they say well what's the problem? Um, why are you so upset?

Ah...thank you very much.

UF:

You're welcome.

CHS:

Um...

CT:

Excuse me. Do you have any, um, you know little snacks?

UF:

Yeah. Do you want me to bring them to you?

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CT:	Can you bring themI don't know if you like aI don't mind having and such. [chuckles]
CHS:	Yeah. Umso we're not going to make a lot of progress with the Chinese or the Brits on the basis that the Chinese constitute a security threat to western, the western posture in East Asia. The Brits are dead wrong about this. They don't understand how the American relationships with East Asia have been put in play by China. And if have reversals and, um, the perception that relationships in East Asia are critical to East Asian security, we're going to have deep unrest and possible imbalance in East Asia. Brits don't buy that. They, they don't have Hong Kong anymore. They got rid of that in '97. They don't have any particular investment.
CT:	Thank you.
CHS:	In East Asia. They, ah
	[background laughing and conversations]
CHS:	they're sympathetic to our interests.
CT:	In Singapore they do.
CHS:	Well they do have someI mean they've got a historic relationship to Singapore and Hong Kong and Malaysia and, umcertainly India
CT:	[OV] [UI] India is ouras a campaign we're looking to see how community can play to calmer ways role to China. Is that, how, how do you see that? [UI]
CHS:	[OV] I just finished up a-a on this, ah
CT:	[OV] I'd love to hear your thoughts [UI].
CHS:	on this topic. And
CT:	[OV] [UI] in ?
CHS:	Yes, it is. And, ah, what you have with, with Indiayou know you said a moment ago that was the most interesting country. You said a moment ago that is oneIndia is just as interesting.
CT:	Absolutely. In that part of the world especially.

CHS:

Yeah. Ah India has no desire to have an alliance with the United States. And if you push them, they pull back. On the other hand, China has been absorbing Indian territory since 1947. Ah...

CT:

[OV] I thought they had more over the border...

CHS:

1961 and '62. Ah the Chinese, ah, decided that they wanted to seize territory that is, is part of what the Indian state of Arunachal Pradesh and they also seized territory within the Indian state of Aksai Chin and they call that parts of China. They call Arunachal Pradesh today Southern Tibet. They issued maps that are printed in the inside of Chinese passports that show these territories as part of China. So there's a long history of Chinese encroachment on Indian territory. Even with that the Indians are not inclined at the moment to an alliance with the United States.

CT:

Even though China and Pakistan have some sort of a defacto thru the alliance?

CHS:

Even though. Even though.

CT:

And they're investing in guardar [PH] using Pakistan as...

CHS:

[OV] Yeah.

CT:

...an entry for Persian Gulf oil [UI]?

CHS:

That's right. The Indians are very fearful of being drawn into a US China fight. And that is reflective of a previous position when in the mid-1950s Nehru [PH] and Chou En-lai [PH], ah...had a kind of relationship, um...and they created the non-aligned movement.

CT:

Which many former colonies had subscribed to.

CHS:

Yep.

CT:

Especially as a, Arab decolonization in at around 40s, 50s, and 60s.

CHS:

That's right. And the non-aligned movement, um, became a kind of locus, a-a home for the Indian position. And the fact that India was attracted to that was very annoying to the US Government. Dulles was apoplectic about it. Um and Nehru could not be moved on the topic but the, the...the kind of, ah...

CT:

[OV] Nehru was the founder of moder-modern day [UI]?

CHS:

Pretty much. Yeah yeah yeah...and the...you know the kind of ef-, the effect of that is that India has still resisted an alliance with the US. We, we invite them

regularly to participate in joint naval exercises. Ah we help them military modernization in all kinds of ways, um...but they're not, ah, they shouldn't be seen as allies. They should be seen as, in the very best sense, as a neutral...a positive neutral country which is sort of moving our way and where there are real possibilities but they're not there yet.

CT:

I read the reports of foreign policy magazine that stated that the US India military relationship has now reached a level unprecedented. Meaning that now the US is allowed to dock warships and yet I think for the first time [UI]...

CHS:

[OV] That's true, that's true.

CT:

...that's true. How do you see...and then that's obviously a ship from the, their so-called non-alliance [UI].

CHS:

[OV] Well that's true. I mean they are, ah, moving in our direction. But allowing a ship to acquire bunkering and fuel and, you know, and shore leave and R and R for sailors that's, that's a nice step forward.

CT:

Yes.

CHS:

But it's not adequate. The Indians need a lot of help. They need a lot of modernization of their navy, they need new bases, new, ah, personnel systems, ah, new logistics. They're hugely inefficient.

CT:

And they're hugely dependent on Russian military hardware.

CHS:

Well that's true. The Sukhoi lines, for example.

CT:

And that probably is something that slows our working relationship with them because they are so dependent on the Russian military hardware, ah, how's...it's going to take a profilian [PH] task, transition away from their system to ours.

CHS:

They're moving away from it.

CT:

They are.

CHS:

They are moving away from it. But they're, but they're not there yet. I mean they've got too many deep investments in these facilities so, you know, my advice to your administration when you come into office is to take this slowly and don't press it too hard. You know, develop personal relationships and see what can be done. Ah you need, you need a really, ah, understanding ambassador for India. We've had various different kinds of ambassadors. Um, when Daniel Patrick Moynihan [PH] was ambassador to India in the Kennedy administration, he was so frustrated he hated it. The day he left he walked up the gangplank to the

airplane and he turned on his heel and he said to the assem-...he said to the assembled press, I'm delighted to be departing a country whose principal export is communicable disease. And he turned around...

CT: [OV] And he walked out?

CHS: ...[UI] and they left. Yeah. The airplane left. So that's where we come from.

And then we had, ah, we've had other ambassadors who've been, you know, kind of barefoot ambassadors who, ah, bicycle rollover deli and, you know, enjoyed the various parts of India.

a little more than a year.

CT: What did do there?

CHS: um, and it's a, it's a huge country with many different cultures and, ah, you know...so I know a lot of people think this is our savior but it's not. It's a, it's a patient step in one direction.

CT: Well one, maybe and maybe you can explain this a bit more or maybe I-I don't have the whole picture. But it seems like the Chinese and the Indians are competing tremendously over, ah, Sri Lanka. Over poor development and listening stations. Ah is that a bone...because the Indians obviously see Sri Lanka as a part of their so-called [UI].

CHS: [OV] Yeah. No, they, they really do, yeah.

Absolutely so if the Chinese encroaching so closely on Sri Lanka, how do they view that?

CHS: Bangladesh as well. No they're, they're very concerned about it. And they're trying to block a lot of that and ah...

CT: [OV] And they understand there's no other counterweight to China besides the United States. They can't go [UI].

CHS: [OV] No they're not going to chuckles]

CT: Or the Jap...I mean the Japanese and the Indians do have quite good ties.

CHS: [OV] They have very good ties.

CT: [UI] Japanese investor. He told me, he said we have very good ties with the Indians, you know, we exchange information all the time and so, um, but these are such disparate countries with such varied histories and standing in the world that

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CT:

to see...you know the Chinese always come out and say we're being contained by the US. The US seeks to contain us. Is that a reality [UI]? For example, can the US really contain them by leveraging its relations with the Indians, the Vietnamese, the Filipinos...

CHS: [OV] The quick answer is we can try.

CT: But do you think these countries warrant it? Because the way they see [UI]...

CHS: [OV] Don't worry. It's there, their worry.

CT: They have I like to say hot economics cold politics with the Chinese. But how much longer will the whole politics continue while the Chinese are their largest

trading partners.

CHS: Look that's the push and the pull.

CT: Yes.

CHS: The Chinese try to negotiate their way forward by advantageous commercial deals

and the extension of financing at low interest rates, subsidized interest rates. That's how the Chinese have made their way around most of the developing world. Um, ah, it is a staple of Chinese diplomacy to arrive with a checkbook.

Ah you, and I-I but it's, ah...

CT: It's called the ?

CHS: Yeah.

CT: I'll, I'm going to I want to [UI].

CHS: Because what you find is that countries that accept this Chinese relationship also

accept the values that the Chinese bring to the table...

CT: [OV] In Africa.

CHS: ...when they do business. Yeah, in Africa particularly.

CT: Which is why [UI] Chinese entrepreneurs by the African [UI].

CHS: [OV] No, I know it.

CT: And that's a low number.

CHS:

When the Chinese arrived in Zimbabwe one of the, one of the first things they did was to build Mugabe [PH] a new presidential palace. And the palace was built in the form of a, um, Chinese pagoda. And, ah, Mugabe was delighted. Ah, but it was just an example of the kind of, um, corrupt largess that Beijing extends to these guys. Um there's some anecdotal material there's...for example there is a firm, um, operating out of Hong Kong called the, um...oh I'll think of the name of a minute. But it's owned by John Jumine's [PH], ah, relatives and Hujin Tao's [PH] relatives. And what this firm does is it builds port and energy infrastructure and they, they say to a country like, um, on the west coast of Africa like Sierra Leone they have all this oil in the ocean opposite of the coast, we'll build you the pumping stations and we'll build you the pipelines to get that oil onto the mainland and then you can sell it. So they contract with a country like that. It's called the, ah, Halliday [PH] Group. You go ahead and get a contract from the government, together with a 20 percent kickback, to build the infrastructure. They build it and the oil gets to the, the, the mainland then the, ah, the government pays this firm in, in oil, not in, not in hard currency. But they pegged the price of the oil to 2003. So the oil is actually can be sold on the open market for at least twice as much money.

CT:

Yeah.

CHS:

This firm has made over \$500 billion since 2008. It's made enough money to electrify all of Angola, put electric in every village in the country, ah, just one firm. So when you talk about doing business...Chinese, they cut some quite fancy deals.

CT:

Is that just, um, is there a reason...

CHS:

That story was in

, too. Um...

CT:

[OV] Is there just a lack of appetite for American companies to get into these frontier markets, is that why they're going to the Chinese?

CHS:

We're...we, we are, we are prohibited from, ah, paying any sort of, ah, kickback or illegal payment and we, we can't do it. So it's not worth it for these guys to do business with our companies. They can't win a contract. Go up against a Chinese firm and the Chinese are going to give you 20 percent on top of the, on top of the contract.

CT:

And they have the government behind them.

CHS:

Yeah.

CT:

And the state [UI].

CHS:

[OV] Yeah.

CT:

Doesn't that violate government [UI] rules and regularities?

CHS:

No doubt.

CT:

Of course. So how, because it does, what can the United States Treasury Department do to reprimand them?

CHS:

Well you have to break face before the WTO. You have to...

CT:

[OV] We haven't yet?

CHS:

No. Well we do but, you know, it takes a long time and, um, we haven't really addressed this problem properly.

CT:

'Cause from since day one [UI] must...of course that first manipulation which violates the WTO rules. What can Trump realistically accomplish by stating that China is [UI]? What, what would the actual benefit of that be?

CHS:

Well I think that what you-you're, what you, what you establish is that, um, the Chinese have used currency as an instrument in effecting advantageous trade deals that make their product more attractive than the American competition. And that, and that by doing this they have cost us huge numbers of jobs, you know we lost 6,000 manufacturing companies, ah, all that stuff. Ah so there's a lot of, ah, you know, a lot of good statistics you can bring to that argument. I think you could get a nice, ah, speech module on currency manipulation. You've got some beautiful things to say about the Chinese. You got currency manipulation. You have the whole problem of, ah, security in the South China Sea. You've got the rule of law that's got good...

[background conversation]

CHS:

...got a lot of things to say. But it, it all, um, it all comes down to the challenge to American jobs, the loss of American jobs, the loss of American investment in the United States. That's where this argument really hits home. And I would orient it that way although that's not the main trouble with Chinese. It's a big trouble. But there are several areas of difficulty. Well you know I'm-I'm happy to hear from you that, um, you know that there has been no interference in the campaign from outside groups like wiki leaks or any of these people.

CT:

[OV] No. And, and, and to run a shop like that, you know, of course it's illegal. No one's looking to, um, obviously get into trouble like that and, you know, as far as I understand that's, no one's collaborating, there's been no collusion and it's going to remain that way. But the media, of course, wants to take a statement that

Trump made, an off-the-cuff statement, about Russia helped find the 30,000 emails and use that as a tool to advance their [UI] that Trump is an [UI] and he's a stooge and if he's elected he'll permit the Russians to have cart blanche throughout Eastern Europe and the Middle East while the Americans sit back and twiddle their thumbs. And that's not correct. And as you saw the, the speech that we helped craft about, ah, revitalizing the American military. The, the principle is simple. It's, we take from Reagan, peace through restraint. Reagan oversaw the most sophisticated powerful US military in history. Did he ever use it in a significant way? No, because our enemies feared us and they didn't want to go on one with the United States. We're not a panel indirectly symmetric warfare and who didn't. But did we have a two, two land invasions like we did under Bush? Did we have a hot, hot point with the Soviet Union? No. Even though we had the capabilities to go [UI]. So what our critics will state is that Trump wants to isolate [UI]. Well it's not the case. It's simply, we're taking a chapter out of Reagan's [UI].

CHS: Um. Hi, I want to, ah...give us the bill please. I have to go. It's about 6:00.

CT: No. Of course not.

CHS: But what I want to suggest is I'll-I'll pay the bill and then you, um, you'll meet here I guess at 7:30 or whatever it is. You guys have a great evening.

be in touch with you to pick up the paper and pay you. But if you want to give

me your, ah...what is your mailing address so I can send you a check.

CT: You want my...

[glasses clinking]

UF: Excuse me.

CHS: Oh sorry.

CT: Or is-is a wire transfer preferred? What's-what's...

CHS: A wire is fine.

CT: Hey yeah does that, yeah it gets [UI]...

CHS: So do you want to send me your wire information?

CT: Sure.

CHS: Or do you know it already?

CT: Ah I don't [stammers]. I'm sure you don't know it. CHS: CT: But I could get it, ah, today or tomorrow. Yeah. Okay. CHS: CT: [UI] remitted by. CHS: Alright. CT: It just saves you going to the postal office and... CHS: Yeah. CT: ...and sending it all the way to where clearly [UI] [movement] CHS: Sorry. Just more clumsiness from an . [chuckles] Here you are. [background conversations] CT: I appreciate that. Thank you very much. CHS: Oh my-my pleasure. It's been a great pleasure to meet you. CT: Of course and I...it's unfortunate that our, that our time is short but I'm, you're always [UI] when you're so do let me know when you're in town. I'm always, I spend more time in than I do in the and office. CHS: Well that's good. CT: So when you're in town I have, love to actually introduce you to more of our team. CHS: I would love that. I really would. I-I'd like... CT: [OV] I think that... CHS: ...I-I mean my...I don't really want to be in . I don't think. But I, but I am, ah, wanting to help on China. And I've got a lot of

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and what have you.

CT: We definitely need help on China.

CHS: Yeah you do.

CT: We definitely need help...

CHS: [OV] Because he doesn't understand China at all.

CT: And, ah...

CHS: [OV] And the stakes are enormous.

CT: And I hope understands [UI] when you spoke to him.

CHS: Well you know I, I touched on it.

[movement]

CT: What was response?

CHS: Very interested.

CT: Very?

CHS: Very interested.

CT: [UI]

CHS: Um he was, was very interested. I mean really wanted to, and we did

talk about that. But I'm not sure I said all the stuff I said to you this morning.

CT: Well I can't be getting as much, unless you have a direct line of communication to

, [UI] ...

CHS: [OV] Oh okay. You want my signature on, on this, right?

UF: Yeah.

CHS: You want a signature here?

UF: [UI].

CT: Thanks [UI].

CHS: There you go. CT: [UI]. CHS: Thank you. CT: [UI] good. CHS: There you are. CT: Thanks again. CHS: My pleasure. My friend is going to stay. [movement] CT: [UI] CHS: Yeah just tell that, you know, anything I can do to help. CT: On China in particular or, or what... CHS: Well I mean you know I know, I know how to . I've done that. Ah...twice. [chuckles] For and for, ah, and, you know, it's getting to the point where if they want to talk about it, they've got to do it quickly because we're getting, we're getting late in the game. CT: When are you next in by the way? CHS: In about a week. CT: In about a week you'll be there? CHS: Yeah. CT: Okay I'll talk to today then and see if we can coordinate something when you're in next week. CHS: Sure. That sounds great. CT: Because you, you like to work close. CHS: Yeah I'm, I'm fine. I'm, I'm very willing to help anyway I can.

CT: Well it's great to see someone of and support the campaign of Mr.

Trump and, ah, we really, ah, appreciate it.

CHS: I wouldn't know Mr. Trump if I fell over him. But I like a lot of what he's doing.

CT: He's a realist.

CHS: Yeah.

CT: And it's going to take people like us and you in particular to make sure that he

stays on the real...

CHS: [OV] Stays real.

CT: ...stays real [UI]

CHS: Oh ah ah [grunting].

CT: Because I was, I was a bit worried when you mentioned that, ah,

[UI].

CHS: [OV] Well, you know, it's, he's a [UI]. I mean what can you say.

CT: [UI] Yeah.

CHS: There's room. It's a big tent. There's room for a lot of people. What a pleasure.

How nice to see you.

CT: [OV] [UI] Thank you so much.

CHS: I'm sure we'll see a lot more of each other.

CT: Absolutely. I'll be in touch and I hope to see you [UI].

CHS: Okay. Take care.

CT: Thank you, sir. Bye bye.

[movement]

[walking]

CHS: [Sighs]

[door opens and closes]

[bathroom noises]

CHS:

Hi. Hello.

[walking]

[traffic noises]

[background conversations]

[walking]

UF:

[UI].

CHS:

No I'm fine. Thanks. I, I, yeah I'm three sheets to the wind.

[chuckles]

UM:

We need to wait until we...

[movement of mic]

CHS:

Hello, dear.

[end of recording]