

## Audio file

[119067-ClashoftheSuperpowers2.mp3](#)

## Transcript

Speaker 1

Xi Jinping and Donald Trump, the leaders of the world's most powerful countries, are locked in a high-stakes battle for global power and influence. It's a fight that's threatened to explode since Trump first took office and tore up the diplomatic rule book.

Speaker 2

We can't continue to allow China to rape our country, and that's what they're doing. It's the greatest theft in the history of the world.

Speaker 1

This is the story of how these two superpowers have become tangled in a struggle for economic and technological supremacy, told by top U.S. officials and Chinese academics who give the inside track from Beijing.

Speaker 3

When the president's off the handle, you don't know what's gonna happen.

Speaker 1

In this episode, a global pandemic rocks the U.S.-China relationship.

Speaker 4

I think the president started to realize, I'm not sure I can deal with these people.

Speaker 1

One of America's most formidable figures provokes a storm.

Speaker 5

You have to understand whether it's going to Tiananmen Square or going to Taiwan. You cannot let somebody else decide where you're going.

Speaker 1

And in a new era of strongman politics, America's president sets out to show the world who's boss. Before he even took office, Donald Trump gave a foretaste of how he'd navigate the choppy diplomatic waters around China, and how he'd do it his way. Still in his New York headquarters, The president-elect was receiving congratulatory calls.

Speaker 6

When the calls come in, they all get put on a callback list, and then are answered in turn. But there's a list of who's not supposed to be on the list. and not supposed to be on the list was Taiwan. I said, we've not usually had the President of the United States had direct contact with the President of Taiwan. President Trump's response was interesting. He said, They buy a lot of our stuff. We buy a lot of their stuff. We buy their chips. And so he did take the congratulatory phone call.

Speaker 1

Just off the coast of China, the island democracy of Taiwan was regarded by Beijing as a breakaway province they wanted back. Since establishing relations with communist China in 1979, Washington had refused to recognize Taiwan's independence to avoid antagonizing Beijing. The Taiwanese president and her team gathered for the call with Trump.

Speaker 7

Taiwan has been so much isolated on the diplomatic front, so someone who is going to be important, is willing to talk to you, certainly we welcome the opportunity.

Speaker 1

The call itself was the biggest diplomatic overture to Taiwan for generations. Then Trump went even further.

Speaker 7

He offered to invite President Tsai to visit him in the White House. She didn't even respond to the very kind of offer, because she knew It won't happen. I think the president-elect obviously did not have much background knowledge of the cross-strait relationship.

Speaker 3

Well, it's quite a shock, I would say, unprecedented. Because that would mean, you know, the president-elect is recognizing Taiwan's status.

Speaker 8

It creates opportunities for the Taiwan separatists to misuse this phone call, as if, for example, they can really achieve the so-called independence of Taiwan.

Speaker 1

China's top diplomat, Yang Jiechi, was immediately dispatched to New York.

Speaker 4

We were in Jared Kushner's family real estate building in New York. on Fifth Avenue. And it was a group of folks from the Trump campaign and then a delegation from China. And they all pulled out their binders. And in very Chinese bureaucrat fashion, they all turned to the same page. And Yang Jiechi begins reading his prepared talking points, no pause, no break, no room for dialogue. It's just, this is my laundry list of talking points, and I'm going to get through as many of them as I possibly can.

Speaker 6

They go through what they refer to as their core interests. What that meant was these are our non-negotiable demands. And it usually started with Taiwan and ended with Taiwan.

Speaker 3

They try to describe their core interests, or the red line, If it's really the case that the U.S. president-elect supported Taiwan independence, it's too dangerous. It's too risky because China will react in a very radical way.

Speaker 1

The message seemed to land. For the next three years, Trump had no further contact with President Tsai and largely avoided the Taiwan issue, as he did with sensitive topics. like Hong Kong and human rights. Trade was going to be his priority with China.

Speaker 9

He'd be in the Oval Office sitting behind the Resolute desk, which is a very big desk, and he'd take out one of his Sharpie pens and he'd point to the tip and he'd say, See that? That's Taiwan. Then he'd say, See this desk? That's China. That tells you everything about his view of the relative importance of Taiwan and China.

Speaker 1

Three years into office, Trump was signing off a major trade deal with China's vice premier. Not a bad start to an election year.

Speaker 2

Nobody's ever seen anything like it. This is the biggest deal there is anywhere in the world by far.

Speaker 1

But within weeks, everything would change.

Speaker 10

In the early days of this strange new virus, President Trump picked up the phone and called Xi Jinping to offer assistance, to see whether Beijing would agree to allow officials to come in and see how they could help. And Xi Jinping clearly pretty much just didn't directly answer. He was saying no by not saying yes. And what's more, Xi Jinping really tried to persuade President Trump that this new virus was no big deal. Well, it was only a month or so later that the U.S. economy contracted by about 33%.

Speaker 2

The ink wasn't dry on a great trade deal, and all of a sudden, the plague comes in from China. We're not happy about it.

Speaker 10

I remember in the summer of 2020, President Trump telling me that if he did 100 trade deals with China, like the one that he'd completed earlier that year, it still wouldn't make up for the losses that COVID pandemic had inflicted on the United States.

Speaker 4

I think the president started to realize, I'm not sure I can deal with these people. I'm not sure there's anything that Xi Jinping is willing to do when he is so focused on hiding his complicity in this horrific outbreak.

Speaker 2

They call it corona. It sounds like a beautiful seaside island in Italy. No, it's not corona. It's called the China plague.

Speaker 3

When Trump was out of control, blaming China, using this ridiculous language, kung flu and so on. So this is how the relationship even become worse. Worse and worse.

Speaker 11

The U.S. side accused, basically claimed that the virus was from China's, you know, lab in Wuhan. We were very angry about that. Then Chinese side began to say, Maybe that's from the U.S. We began to throw mud to each other, very unfortunately.

Speaker 1

Amidst the mudslinging, for many in America, there was little doubt that this was a virus that came from China, which Beijing had sought to cover up.

Speaker 12

I think COVID in so many ways showed, you know, unfortunately, the hostile and uncooperative nature of the Chinese Communist Party and its system. So President Trump gave us guidance to move out on a wide range of actions to impose costs on Beijing.

Speaker 1

High on the agenda for Trump's team was Taiwan, where tension was growing as Xi Jinping instructed his military to ramp up drills around the island. Having played down the issue of Taiwan for three years, Trump now gave the green light for a multibillion-dollar arm sale to the Taiwanese government.

Speaker 13

The purpose to purchase weapons is to defend ourself. President Xi Jinping, he's warning us, he's threatening us that he is there. This is very scary. And they are getting more and more aggressive.

Speaker 1

Arming Taiwan wasn't an entirely selfless act. The island now produced 90% of America's supply of advanced semiconductor chips. Vital components in everything from smartphones to electric cars to the latest military technology. Most of these chips were designed in the US.

Speaker 12

If China were to follow through on the kinds of threats that Xi Jinping has been making and open a war over Taiwan, The threat that it could bring about a global catastrophe and economic depression because of Taiwan's outsized role in the semiconductor economy is very acute and very serious.

Speaker 1

Taiwan was just one battleground as America and China raced to dominate technologies of the future. Another was the telecoms giant, Huawei, a key part of Xi Jinping's vision for China to become a high-tech powerhouse. It was winning contracts around the world to install new 5G networks. But the Americans had decried Huawei as a security threat and wanted their allies to join them in restricting the company.

Speaker 10

Just before COVID really started ripping, the president decided to give Prime Minister Boris Johnson a call.

Speaker 14

The president was very adamant that we should get rid of Huawei. When I said, Well, where's the brilliant American solution? It's all very well getting rid of Chinese technology from, you know, highways and byways, but where's the alternative? I remember thinking that it was a bit rich that we were being told that we had to dispense with Huawei, when as far as I can see, America had no alternative.

Speaker 3

There weren't alternatives that could operate at the same scale. It was absolutely clear that this would slow down the rollout of that important communications capability. It would be expensive to do so. Our technical experts were clear that they can manage these security risks.

Speaker 10

President Trump was irritated that Prime Minister Johnson wasn't shifting to see things his way, and President Trump cut the call short. But it actually led to a shift in our approach that ended up being quite effective.

Speaker 1

Trump's new approach was rolled out in May 2020, a worldwide ban on the use of American technology to make chips for Huawei. This would seriously jeopardize its ability to deliver systems to countries like the U.K.

Speaker 10

This was kind of an atomic option that expanded U.S. reach, but it was also quite effective. It was after that that the U.K. Parliament voted in favor of ditching Huawei. We saw other countries, like, almost like dominoes, follow suit.

Speaker 1

Also in Trump's sights was Chinese-owned social media platform TikTok, which was rattling its American rivals like Instagram and Facebook.

Speaker 15

It's almost impossible to exaggerate what a shock the eruption of TikTok was to the powers that be in Silicon Valley, because it exploded in scale. Mark Zuckerberg would say to politicians in DC, look, they're taking our market share in our home market in the US, and we're not able to compete for their customers in their home market in China. It's just not a level playing field.

Speaker 1

For Trump's team, TikTok's popularity with American users also posed a growing threat to national security.

Speaker 2

We're looking at TikTok. We may be banning TikTok. We may be doing some other things or a couple of options.

Speaker 12

President Trump signed a measure that would have banned TikTok. In doing so, he spoke about TikTok's threat, especially as a platform for data exploitation and also potentially as a platform for hostile, subversive propaganda by Beijing.

Speaker 1

Trump's stance on China was getting tougher in the run-up to election day. His team called out Beijing over human rights and Hong Kong, while the president kept up his own lines of attack.

Speaker 2

China is desperate for Biden to win, because if Biden wins, China wins. And if China wins, China will own America. They will own America, and they're not playing games.

Speaker 1

Trump's pitch to American voters didn't land. The Democrats retook the White House. China watched closely as the United States prepared for a peaceful transfer of power. What they saw was anything but...

Speaker 11

For ordinary Chinese, there are a lot of coverage about the, you know, social unrest in the United States in recent years. You know, those mass shooting, those, you know, like occupying Wall Street. This is all the evidence of the, you know, sort of declining the U.S. January 6th is another evidence to that argument. China's laughing. They're loving this tonight. In Beijing, they're high-fiving because they point to this to say, This is proof the future belongs to China, America's in decline.

Speaker 16

You're coming into power. Washington is essentially almost an armed camp.

Speaker 17

So here's my message to those beyond our borders. America has been tested, and we've come out stronger for it.

Speaker 16

I came on my first day in an armored Humvee, so a tremendous sense of domestic upheaval and uncertainty.

Speaker 18

It was a dark time. China looked at the United States and saw a country in terminal decline and was determined to ultimately surpass the United States. And President Biden made that point to me emphatically in how we manage the relationship with China. This is going to be one of the defining foreign policy issues of my time as president.

Speaker 1

A decade earlier, Xi and Biden had got to know one another when they both served as vice presidents. In Beijing, the return to the White House of a familiar face from a less turbulent period lifted hopes for a reset in the relationship.

Speaker 3

We just had an erratic presidency. He lost his election, and we have a kind of stable type. Biden is a known figure. So, initially, the hope is high.

Speaker 1

Three weeks after Biden took office, he had his first phone call with Xi.

Speaker 18

President Biden felt it was really important that he explain to President Xi why he was focused on human rights issues, like China's horrific treatment of the Uyghurs. And he basically said to President Xi, You need to understand what it means to be an American president and an American citizen. It is deep in our DNA to care about human dignity and human rights, and I wouldn't be representing my people or discharging my responsibility if I didn't speak out on these issues.

Speaker 19

He mentioned the struggle of civil rights still being unresolved in the context of the Black Lives Matter protests that were occurring at that time, and he said, Look, even we're reckoning with this issue.

Speaker 1

The 2 leaders agreed that their teams would meet the following month. The Americans chose the venue.

Speaker 16

I think when we imagined this, we would be in some kind of cool Alaskan hunting lodge, and it would have sort of autumnal winter-like views. Instead, we ended up meeting in the Captain Cook Hotel, which is in downtown Anchorage. It's sort of the finest 1970s architecture one can imagine. All of the murals of the hotel depicted white settlers

coming in and basically taking over from Alaskan Natives. So it was not particularly politically correct either.

Speaker 11

You need to think of the Chinese officials' feeling, I need to travel far from China. I come to visit you, and you host me in a place very, very cold, created a very cool atmosphere. I don't think that's a good place for the two teams to talk to each other for the first time.

Speaker 1

The meeting was opened by Biden's Secretary of State, Antony Blinken. If the Chinese were expecting a friendly reception after their recent clashes with Trump, they were in for a surprise.

Speaker 20

We'll discuss our deep concerns with actions by China, including in Xinjiang, Hong Kong, Taiwan, cyberattacks on the United States, economic coercion toward our allies. Each of these actions threaten the rules-based order that maintains global stability.

Speaker 3

The attitude, very beginning, shocked me, because they start talking about the first two minutes, we are talking to you. It's so condescending.

Speaker 18

We needed to show them-- not tell them, but show them-- that they were just dead wrong, thinking America was on its way down after the Trump years and after COVID.

Speaker 11

From Chinese perspective, we already suffered from China-- very bad U.S. policy to China for four years. We wait for this reset for four years. But to the contrary, they criticized China in front of all the cameras. I think Chinese official has to fight back.

Speaker 19

Director Yang Jiechi spent 17 minutes, unprompted, just blasting the United States. This is a monologue.

Speaker 18

I thought that it was possible we would have a sharp exchange before the cameras. I did not expect that it would be a 20-minute exchange. And this is all being done in Mandarin without simultaneous translation.

Speaker 19

Only a few of us in the delegation spoke Chinese, and so I was one of them. I started transcribing what he was saying and passing notes around to our delegation.

Speaker 21

Many of us were passing notes down the table among ourselves as we're listening to Yang go off for quite some time. that I passed in a note to Kurt that Yang was trying to really knock us off our game here.

Speaker 16

You're sitting there, and you realize that, you know, all the cameras are on and pointed. This is exactly the kind of car crash they're coming to see, and just precisely what we're seeking to avoid, right?

Speaker 19

We left that meeting, we went back, and I remember folks are saying, Wow. Is this the beginning of a new Cold War?

Speaker 3

Once you define the international relation that way, democracy versus autocracy, from a Chinese point of view, there is nothing you can talk to them. At least, it's impossible to talk meaningful things. Then I began to think, maybe they are going to be worse than Trump people.

Speaker 21

But how is it going in there? Has it calmed down?

Speaker 16

We're seeing headlines about dust-up in Alaska, raw in Alaska. And so we realized when we get back to Washington, we're going to have questions to answer. And so we had to make a detour and find an open liquor store, because we had to load up for the plane back.

Speaker 1

The mounting tensions weren't just about human rights and opposing ideologies. In Washington, concern was growing about the military threat posed by China.

Speaker 22

I worry that they're accelerating their ambitions to be-- to supplant the United States and our leadership role in the rules-based international order, which they've long said that they want to do that by 2050. I'm worried about them moving that target closer. Taiwan is clearly one of their ambitions before then.

Speaker 1

Since the end of the Second World War, the United States had been the Pacific's dominant naval power. But China had spent the past decade building warships at breakneck speed, overtaking the US as the world's largest navy. Its fleet included increasingly advanced aircraft carriers and nuclear submarines. The threat of conflict was alarming America's allies in the region.

Speaker 23

One of the great challenges in the Indo-Pacific has been to alert our allies and partners that, frankly, this is now the center of the world. This is where the greatest risks to global stability reside. A conflict in the Indo-Pacific will leave the world unrecognizable in every quarter of it.

Speaker 1

For Morrison, the key to standing up to China Lane transforming Australia's Navy.

Speaker 23

For many, many, many years, Australia had harboured a desire to have a nuclear submarine capability and had asked and been denied in the past. It is the most closely guarded military duel in the world, the United States' nuclear propulsion technology for submarines.

Speaker 1

The Americans had only ever shared this technology once before, over half a century earlier with the British. Now Australia came up with a proposal, a security pact that would see the US and the UK provide them with nuclear-powered submarines.

Speaker 14

The UK and Australia should be building a new submarine for a long time to come. The Australians will be buying American boats. And so it's a good deal for America. It's a good deal for Australia, too. And it's good for the UK because we will be making stuff.

Speaker 1

When Britain hosted that year's G7, it was a chance to pitch it to Biden directly.

Speaker 18

This was going to be the first opportunity in person for President Biden to see the two other leaders. This is a huge strategic initiative, almost like a strategic marriage. And you've got to have the principles ultimately look one another in the eye and say, do we want to do this?

Speaker 1

But there was a problem. The Australians already had a contract in place with France to build less powerful diesel submarines. A contract they were now proposing to break.

Speaker 14

I had to get... Scott Morrison and Joe Biden into a room together with me to do this deal without Emmanuel noticing what was going on. We had some cunning manoeuvre. I think we did it just after the red arrows had flown overhead. And everybody was going to be down on the beach having a beer or something. Somehow we got away with it.

Speaker 1

The Australians and the British were on board, but the U.S. president needed to be convinced.

Speaker 18

President Biden was concerned about the non-proliferation implications. Having a country, particularly like Australia, which had such a pristine non-proliferation record, now end up being a steward of highly enriched uranium, what would be the knock-on effects of that?

Speaker 16

I think it'd be fair to say that, um... Both the Australian delegation and the British delegation were a little nervous when they raised it. They knew that we had only shared this technology once, in 1957, 1958, with the Brits, so, like, coming up on 65 years. And other countries that asked, we'd always said no.

Speaker 23

I was like, you know, a year 12 student swatting for my finals. all that day. And when I walked in the room, I was ready to go. And Boris said, Good day to everyone, and then handed it over to me.

Speaker 18

Prime Minister Morrison gave an A-plus laydown of what Australia was prepared to bring to the table. He said, This is the time for us to take the next step.

Speaker 23

The president was very gracious, and he raised, I think, very reasonable points that he wanted to be satisfied about. There was the potential for this to be misrepresented from a non-proliferation point of view on nuclear, and he just wanted to put that to bed.

Speaker 1

The leaders agreed to move ahead, fully expecting some diplomatic ructions.

Speaker 18

We prepared to do a diplomatic blitz to say what this was and what this wasn't. And what it was, yes, was nuclear-powered submarines. What it was not was nuclear weapons for a signatory to the Non-Proliferation Treaty like Australia. And so we got geared up to do that, knowing that China was going to be aggressive on the diplomatic front.

Speaker 17

I'm honored today to be joined by two of America's closest allies, Australia and the United Kingdom, to launch a new phase of the trilateral security cooperation among our countries.

Speaker 1

Three months after the G7 meeting, Biden went public with the nuclear pact between the U.S., Britain, and Australia.

Speaker 7

I do respect sovereign choices, but you have to respect allies and partners, and it was not the case with Israel. Do you think he lied to you? I don't think. I know.

Speaker 1

Whatever the French president said, The reaction in Beijing would have much more serious implications.

Speaker 8

I think for Australia to possess and operate a nuclear submarine, has only one purpose, that is to fight against China. Once you arm yourself with nuclear submarine, you will be targeted, and you need to figure out who will be targeting you.

Speaker 11

The Biden administration understand that if they take some action by themselves, the effect will be limited. But if you unite the whole developed world, the pressure will be much bigger. on China. The Biden administration, I will say, that the policy was the West versus China. So that's different. We don't like that.

Speaker 1

That summer, the Chinese Communist Party celebrated its 100th anniversary. The message to America was clear. China had the strength to resist any attempt to

constrain it. But it wouldn't be Xi Jinping who provided the next big challenge to the West's resolve.

Speaker 7

I remember the day that Russia did an unprovoked attack on Kyiv. Many analysts around the world at the time said that if Kiev falls in just a few weeks, as Putin initially predicted, then Xi Jinping will do an unprovoked attack on Taiwan, also forcing our allies to fight a two-front war.

Speaker 1

Only weeks before the invasion, Putin had traveled to Beijing, where he and President Xi declared a partnership. which they said had no limits. When the White House heard reports that China might provide lethal military assistance to Russian forces in Ukraine, Biden picked up the phone to Beijing.

Speaker 16

Biden came directly at President Xi and said, This is not in American strategic interest. If you continue it, we're gonna resist. Xi basically says, Are you threatening me?

Speaker 18

President Biden said, I'm not... I'm not making threats to you. I think I owe it to you to be clear and direct, because the implications and the consequences are severe.

Speaker 16

The Chinese do think it through, decide that direct support is not in their interests.

Speaker 1

The U.S. didn't send troops to Ukraine, but it was providing billions of dollars' worth of military aid. Questions arose about what it would do if China attacked Taiwan.

Speaker 21

Very quickly, you didn't want to get involved in the Ukraine conflict militarily for obvious reasons. Are you willing to get involved militarily to defend Taiwan if it comes to that?

Speaker 17

Yes.

Speaker 21

You are.

Speaker 17

That's the commitment we made.

Speaker 16

On three or four occasions. The president, when asked, yeah, we're going to defend Taiwan. We'd have to say, look, boss, this is not exactly our policy. We're going to have to clarify that. I think he understood that there was sometimes a tension between plain-spoken, here's how Joe from Delaware is going to respond and what our national policy would be. I think what we used to say in government is, let Biden be Biden.

Speaker 1

Biden's remarks broke with a long-standing US policy called strategic ambiguity. This meant not saying how America would respond to a conflict over Taiwan. By keeping both sides guessing, the aim was to deter China from invading and Taiwan from declaring independence. The White House team braced themselves for the Chinese reaction.

Speaker 3

He destroyed the only reliable, say, instrument that helped maintain stability in the Taiwan Strait. Biden completely shifted to the one side, basically saying, Because you're a democracy, you can do whatever you want to do. We will defend you, right? That means you shift strategic ambiguity into strategic clarity.

Speaker 1

Following Biden's comments, China increased its military presence around Taiwan. The danger escalated when word got out that the Speaker of the House of Representatives was planning a visit to the island.

Speaker 5

We were having a trip to Asia. We were going Singapore, Malaysia, Japan. Korea-- South Korea. And then we get this invitation from Taiwan. Their very strong support for Taiwan in the Congress, House and Senate, bipartisan.

Speaker 1

Nancy Pelosi had long been a critic of the Chinese government.

Speaker 5

No.

Speaker 1

Back in 1991, on a congressional visit to Beijing, She'd shaken off her minders to show solidarity with the protesters who were massacred in Tiananmen Square two years earlier.

Speaker 5

We've been told for two days now that there's freedom of speech in China. The description of China that we received for two days led us to think that it wouldn't be any problem for us to go have a private moment in front of the monument.

Speaker 1

Now, three decades later, when news reached Beijing that Pelosi might be visiting Taiwan, it was seen as another provocation.

Speaker 3

It's a tacit recognition of Taiwan independence, okay? It's very much like selling weapons. In my view, this is a war talk, basically.

Speaker 1

Biden's top advisers sensed a crisis looming. They went to see Pelosi at her office in Congress.

Speaker 18

The argument to Pelosi was that it was going to precipitate a severe reaction from China and that severe reaction from China would degrade the security of Taiwan because it would bring Chinese ships and planes operating in closer proximity to the island on a long-term basis.

Speaker 5

You have to understand whether it's going to Tiananmen Square or going to Taiwan. You cannot let Somebody else decide where you're going. You know, the Speaker's, by some people's evaluation, is the second most powerful position in the federal government. She's going to tell us where we can go? I don't think so.

Speaker 16

It's pretty tough. She's like, I'll make my own decisions. You guys are not going to back me off if I think it's important to go.

Speaker 18

She was extremely gracious about hearing us out. and then extremely direct about telling us that she was gonna do her thing.

Speaker 5

We weren't going there to talk about independence for Taiwan. We were talking about the status quo. And if the geniuses in the White House had any, they would have just said, This is just a status quo visit, 'cause that's what it was. It was a status quo visit.

Speaker 1

Pelosi's flight to Taipei was carefully routed to avoid Chinese airspace. amidst fears that, whether intentionally or by accident, it could be shot down.

Speaker 3

That event is so provocative in Chinese press, talking about shooting down an airplane, or maybe have two fighter jets escort Nancy Pelosi to demonstrate our sovereignty.

Speaker 5

We're finding out that... Hundreds of thousands and then millions of people were tracking the plane. It's like, what are they doing that for? Well, I don't know.

Speaker 3

This is the closest moment, in my view, of a military encounter. Chinese could have done something radical. My understanding is that 20% of the Chinese woke up, did not sleep that night.

Speaker 5

When we landed, we leave the airport. Thousands and thousands and thousands of people in the street. It was the most remarkable that signs lit up on buildings, everything welcome to Taiwan. It was pretty exciting.

Speaker 13

Speaker Pelosi, she's a star. And she's standing next to our president, the two beautiful ladies fighting with Xi Jinping. So that's a very inspiring moment for Taiwanese to look at it.

Speaker 5

America's determination to preserve democracy here in Taiwan and around the world remains ironclad.

Speaker 1

As Pelosi was being greeted by her Taiwanese hosts, In Beijing, the U.S. Ambassador was getting a taste of the Chinese response.

Speaker 20

Speaker Pelosi, we heard, was going to land at 10:46 p.m. in Taipei. And the Chinese knew this. And so my staff told me, Ambassador, the Chinese Vice Foreign Minister has asked you to arrive at the Foreign Ministry in Beijing at 10:46 p.m. I don't want to be at their beck and call. I don't want to arrive at the exact time they told me to arrive. And so we waited until about 10:48. We walked in the front door, and I think I had a three-hour meeting with Vice Foreign Minister Hsia Feng. He said, Ambassador, we are so outraged and offended by what you have done in allowing the Speaker of the House to visit Taiwan. We're now going to take action. There'll be no more talks about climate change. There'd be no talks about the conflicts in the Asia-Pacific that separate us. And I thought, well, they're shutting down the relationship.

Speaker 1

Just hours after Pelosi's arrival, Taiwan suffered a massive cyberattack that included hijacking public screens around the country.

Speaker 7

In the convenience stores around Taiwan, the message on the screen were injected to say, which Nancy Pelosi should stay out from Taiwan. We look at the source and found out that these cyborgs were manufactured in Beijing and running Beijing software.

Speaker 1

As soon as Pelosi left, the military response began. In a show of strength, China fired ballistic missiles directly over Taiwan and started moving its warships closer than ever to the island.

Speaker 18

They saw an opportunity. to change the equation, to change the status quo across the Taiwan Strait, and they took it. It led to a basically permanent encroachment by the People's Liberation Army with all of its assets, its ships, its planes, its subs, you name it, closer to the island to Taiwan.

Speaker 8

Nancy Pelosi was actually to be given credit. Why? Because China now moved all the way too much closer to Taiwan. So I think what Nancy Pelosi did was not really enabling the Taiwan separatists. It was pushing the unification one step closer.

Speaker 1

Biden's team knew they had to respond to China's actions. The question was how? They turn to an issue that had been on their agenda since their first days in the White House, the race for technological supremacy.

Speaker 18

The most advanced semiconductors in the world, which power everything, from large language models to military and intelligence capabilities. They're made by American companies and allied companies. China does not have the capacity to make the most advanced semiconductors in the world.

Speaker 1

Sullivan had been working on a radical plan to starve China of the most advanced microchips. America would impose worldwide restrictions on the sale to China of any of these chips made using U.S. technology. In the months after Pelosi's visit, this unprecedented policy was rolled out.

Speaker 3

They're going for tech war, and it's led by Jake Sullivan. There is no historic Precedent, throughout human history, you can stop technological diffusion across the borders. It's not the first time for China facing blockade. So very quickly, they began to push chip industry. Biden people's ban makes no sense. They don't see the future. They did not have a vision.

Speaker 1

Relations between Beijing and Washington had hit their lowest point in years. as critical military communication channels were cut. It took a year of grinding diplomacy before Xi was ready to visit Biden. This time, the Americans took no chances with the location, rolling out the red carpet in California.

Speaker 16

The amount of preparation and details, it makes a wedding look like some sort of seat-of-your-pants exercise. Every minute is scripted, every handshake, every talking point carefully gone through.

Speaker 17

We have to ensure that competition does not veer into conflict.

Speaker 1

High on the agenda was Taiwan.

Speaker 17

To work together when we see it in our interest to do something.

Speaker 19

You know, for a long time, people have been saying that maybe China has a timeline to invade Taiwan by 2027. What was interesting is President Xi took that point on directly

in speaking with President Biden. He said, There's no timeline. If there were a timeline, I'm the one who would set it. That was a pretty powerful statement.

Speaker 1

Xi had his own talking points for the summit. China's economy was struggling in the post-COVID climate. putting even more pressure on his ambitions for the Chinese tech industry.

Speaker 19

President Xi was, you know, adamant that, you know, it wasn't right for the U.S. to cut off the flow of these chips to China. He wanted the chips. And President Biden was very clear, very forthright, very candid. This wasn't in his talking points. He simply said, I know you want the chips. You're not going to get the chips. And then he said, You'll probably get them from someone else, but you're not going to get them from me.

Speaker 1

That evening, Xi found a more receptive audience when he was guest of honor at a dinner in downtown San Francisco, hosted by the great and the good of Silicon Valley.

Speaker 19

Security for President Xi is through the roof, right? U.S. Secret Service and the Chinese equivalent try to keep him safe. As a result, all these executives have to walk the final block to the site. They can't drive up to it.

Speaker 1

These were some of the most powerful businessmen in the world. like Tesla's Elon Musk and Apple's Tim Cook. But they were happy to wait their turn for a handshake with Xi, knowing their company's fortunes depended on access to China.

Speaker 15

Companies like Apple, you know, steeped in China. They placed a whole bet on China, manufacturing China, being in China and so on. It was almost a given in Silicon Valley that if you weren't in China, you were not going to win the race to sort of global preeminence in whatever. tech sector you are operating in.

Speaker 3

Chinese assembled some top CEOs who have interest in China. They know CEOs have an influence on American government.

Speaker 1

She knew the tech titans were there to stay, but American governments come and go.

Speaker 3

Ladies and gentlemen, the President-elect of the United States, the Honorable Donald John Trump.

Speaker 2

Over the past eight years, I have been tested and challenged more than any president in our 250-year history, and I've learned a lot along the way.

Speaker 12

He had a sense that he was not a year one president.

Speaker 2

Today, I will sign...

Speaker 12

He was more like in the ninth year of a presidency, and he felt he knew what he wanted to do in a whole bunch of areas, and he wanted to move quickly.

Speaker 1

Returning to office... Trump set out an uncompromising agenda, doubling down on America first.

Speaker 2

China is operating the Panama Canal, and we didn't give it to China. We gave it to Panama, and we're taking it back.

Speaker 1

But after four years of Biden's team pushing democracy and human rights, Trump's return was cause for some optimism in Beijing.

Speaker 3

It's Trump's message that's the most significant. He's dealing with China as a regular competitor. Right? Normal competitor. Just another great power. Competition. He never used ideology.

Speaker 1

In his first term, Trump had shown he was ready to play hardball with China over trade. What few expected was that now he would also unleash huge tariffs against most of the world, even America's longtime allies.

Speaker 2

You know, you think of the European Union very friendly. They rip us off. It's so sad to see. It's so pathetic. 39%...

Speaker 4

It's hard to think of a presidential decision in the last... several decades. That was more consequential than what Donald Trump did on Liberation Day. He basically said, I fundamentally reject the post-Cold War economic order that is predicated on the idea that the United States should just de-industrialize, take everybody else's cheap goods, and we should all be happy to go work as clerks in a service economy.

Speaker 1

While countries around the world scrambled to respond, China saw itself as uniquely well-prepared to take Trump on.

Speaker 8

The United States, under President Trump, took great delight in striking fear in so many countries in the world, leaving only China standing up against the U.S. maximum bullying. And I think when China says, you know, If you want to talk, we'll be very open-minded in talking with the tariff officials. But if you want to fight a tariff war, we will fight with you for this tariff war till the very end.

Speaker 1

Within weeks, Beijing's tariffs on the US had climbed to 125%, whilst US tariffs on Chinese goods were up to an unprecedented 145% before seesawing over the following months. But Xi had an ace up his sleeve. China had spent years acquiring a near monopoly on the world's supply of rare earth minerals, vital ingredients for advanced technologies. Now Xi threatened to cut America off.

Speaker 6

The Defense Department was very worried that if it didn't get access to the Chinese export of rare earth minerals, it would really impede our ability to manufacture defense products.

Speaker 1

Rare earths weren't the only pressure point between these two intertwined economies. Chinese banks owned over \$700 billion of US government bonds, while America remained the largest market for Chinese exports. The two countries agreed to a partial climb down. Beijing was proving itself increasingly immune to US pressure. As it had shown on the very first day of Trump's presidency, with a stunning development. Technology shares on Wall Street have fallen sharply in response to the emergence of a low-cost chatbot built by a Chinese artificial intelligence firm. DeepSeek proved that

China could innovate even when the U.S. had blocked their access to the most advanced chips.

Speaker 3

The significance of DeepSeek is it is Chinese able to do it. without using billions of dollars to do the same kind of technology. It's a wake-up call to Trump and his team.

Speaker 15

What China has shown is you're not gonna be able to keep them down. It doesn't matter how many bands you put on high-end chips, you're not going to beat them. There is no such thing as winning definitively. There's coexisting, there's rivalry, there's competition. You can't beat China in the AI race. Thank you, Mr. President.

Speaker 21

Tomorrow we have a jobs report.

Speaker 1

A hallmark of Trump's second term was his open door to the biggest players in tech, some of whom had been hit directly by Biden's export controls. Trump soon relaxed this policy. He cut a deal allowing American firm Nvidia to sell chips to China, as long as the US government got a slice of the profits. Next, he placed the American arm of TikTok under the control of US investors. rowing back from his previous calls for an outright ban.

Speaker 3

I'll say, Trump, maybe, in the long run, a good news for China. We have a chance to make a deal on other core issues, geopolitical issues, Taiwan in particular. So I see the hope.

Speaker 1

For many in Taipei, Trump's behavior was ringing frightening alarm bells.

Speaker 3

Trump's recent choice of words for describing U.S.-China trade ties are turning heads here in Taiwan.

Speaker 2

They've agreed to open China, fully open China. And I think it's going to be fantastic for China. I think it's going to be fantastic for us. And I think it's going to be great for unification and peace.

Speaker 19

His use of the words unification and peace have caused worry about potential U.S. concessions to China's territorial claims over Taiwan.

Speaker 1

When the two leaders held a call that summer to discuss trade, Xi warned against steps that could inflame tensions, including over Taiwan. Soon after, the Pentagon canceled a long-planned meeting with the Taiwanese defense minister.

Speaker 13

That worries us. Is Trump's administration pushing Taiwan away? Don't they want to be Taiwan's friend? And Are they trying to be close friends with China? If they really want to, make a good deal with China, then what's going to happen to Taiwan?

Speaker 1

As the world tried to make sense of Trump's foreign policy, one characteristic shone through, a harsh realism when it came to great powers dominating their smaller neighbors.

Speaker 3

Traditional Western fantasy is All non-Western countries, as they economically develop, they automatically began to converge to Western system. Values, you know, democracy, and so on and so forth. But now we see the reverse, and Trump began to converge with Xi Jinping in some way.

Speaker 1

Xi had asserted China's power across Taiwan and the whole Pacific region. Now, Trump was staking his own claims on what he saw as America's backyard, especially those places rich in oil and minerals.

Speaker 2

Under our new national security strategy, American dominance in the Western hemisphere will never be questioned again. We are going to do something on Greenland, whether they like it or not, because if we don't do it, Russia, or China will take over Greenland, and we're not gonna have Russia or China as a neighbor.

Speaker 3

There is a ground-shifting trend now underway. Trump is the one basically brought down liberal international order. This is a sea change. that China very happy to welcome.

Speaker 4

This battle's not over. President, I have no doubt, knows the battle's not over. This is going to be a multi-presidency, geopolitical chess match with the Chinese Communist Party.

Speaker 8

I think President Trump and his core teams realize China is not to be bullied. And if you bully China, China strikes back. And you may lose more than you ever expect.

Speaker 5

Behind A South Korean tech giant, an epic tale, a feuding family, scandal and betrayal. Listen to Inheritance, Samsung on BBC Sounds. Casting away the stress of the day, it's Bob and Paul on BBC Two and Irish Gone Fishing next.