

## [Transcript] Plain English with Derek Thompson / China's Spy Balloon Is Down. Cold War 2.0 Risks Are Rising.

Hey there, humanoids. This is David Chewmaker here with a very exciting announcement. Your favorite wrestling podcast feed, The Ring of Wrestling Show, is now going daily. And you can hang out with me and Kaz on Mondays and Thursdays for the Masked Man show. And you can join me, Peter Rosenberg, alongside stat guy Greg and Dip, every Tuesday with Chief Pete. And on Fridays, I'll welcome a friend or special guest from the world of wrestling. And on Wednesdays, we have a very special new show called Wednesday Worldwide that you're going to want to check out. Pay-per-view reaction, one-of-a-kind interviews, fantasy booking, talking about bagels. That's what we do here on The Ring of Wrestling Show. Follow the show now on Spotify and do us a favor. Give us five stars. And do us another favor and stay mage. Today, we're doing it. We're talking about the Chinese Bible. So here's a little TikTok to get us started. On Saturday, two Saturdays ago, January 28th, a spy balloon made in China, solar-powered and carrying surveillance equipment about the size of several school buses, began a controlled and deliberate drift into U.S. territory, first entering Alaskan airspace. The next day, it drifted over Canada and headed south. On Tuesday, it crossed the U.S.-Canadian border into Idaho. On Wednesday, it passed into Montana, near a U.S. air force base with intercontinental ballistic missiles. And that's when the shouting began. Civilians noticed a big, white blob floating across the U.S. China said it was just collecting meteorological data. American security officials called bullshit. Cable news ran 48 consecutive hours of a white orb floating in a blue sky, which is not compelling footage, by the way, unless it is accompanied by the felicitous phrase, Chinese spy balloon. Some politicians, including many notable Republicans, insisted that we shoot the thing out of the sky, the White House rejected those suggestions, and instead waited for the thing to drift across the U.S. For the next two days, on Saturday afternoon, this past weekend, several F-22s took down the balloon with a sidewinder missile off the Carolina coast, where its remains are now being harvested for analysis. So, we're talking about this, I think, for two reasons. The first is that if we're being honest, the whole thing is kind of funny. Nobody is dead except the balloon. But it also offers a useful hook to evaluate the relationship between the U.S. and China, the two most powerful countries in the world, the two largest economies in the history of the world, two countries that are undergoing a kind of conscious uncoupling at the moment that will have a huge effect on geopolitics and global economics.

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So, we have two guests today.

First, Juliet Kiam is a contributing writer at the Atlantic, lecturer at the Kennedy School of Government at Harvard, former Assistant Secretary for Intergovernmental Affairs in the Department of Homeland Security under Obama, and she is on this show to talk about the homeland. For the geopolitical angle, we've got James Palmer, Deputy Editor at Foreign Policy and the author of the F.P.'s China Brief newsletter.

I'm Derek Thompson. This is Planet English.

Juliet Kiam, welcome to the podcast.

Thank you for having me.

James Palmer, welcome to the show.

Good to be here.

Juliet, let's start with you.

The U.S. and China spy on each other all the time.

We have been spying on each other for decades.

We look at them with satellites.

They look at us with satellites.

What makes this story different?

Yeah.

So, the story is different for two reasons.

One is that the use of a balloon has a specific surveillance purpose because balloons, when they are under operational control of the spying country, can hover.

And that hovering allows for greater detail, understanding of, say, atmospheric releases.

So, if you're over a nuclear facility, things that you and I would think, why would anyone want to know, but a foreign country may want to know.

The second reason, besides the hovering, is they, of course, got caught.

So, we have now learned that this has happened before, three times at least in the Trump administration,

but the getting caught only occurred when the balloon was in what we would call NORAD space.

So, that's the space that governs the U.S. and the Northern Command, and is pre-space altitude.

So, it would be both commercial flights, so if a commercial flight had a hostage-taking situation, and the space between that and what is called international space, where satellites are allowed to do essentially whatever they want.

So, the Chinese satellites are going round and round.

So, that's essentially the difference.

And the answer to the why would they have done this or what benefit, the weather they intended it, you know, I'd leave to China U.S. experts, but this is the why.

James, I was reading some of your great work, and you wrote that this is not the first time that geopolitical adversaries

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in an alleged Cold War have spied on each other, wherein one party gets caught and lies about trying to collect weather information. Isn't that right?

Yeah, exactly.

The most famous incident, of course, is the 1960 U-2 shootdown, when the U.S. was running overflights in planes that it believed were way beyond Soviet capabilities to tackle.

One of these got shut down, and the U.S. promptly came up with an incredibly elaborate lie. It claimed that it was a weather maintenance plane being run by NASA. They painted an entire plane, another U-2, in different colors. They came up with all this background.

The problem was that all this time the Soviets had also captured the pilot, but they deliberately didn't give out that they had captured the pilot.

And so they were able to suddenly string this and reveal that everything the U.S. had said was a lie, and it was a deeply embarrassing incident, and also one that blew up a promising set of talks that were kind of about to happen in the context of relative detente of the U.S. and Soviet Union at the time.

But even before that, the U.S. tried to make great use of balloons during the Cold War, the early Cold War, before satellites were really developed.

Project Moby Dick in 1957 involved hundreds of balloons that were floated over the Soviet Union, obviously that couldn't be controlled at the time.

But they had pre-prepared weather balloon excuses, and in fact they contained a little thing saying this, you know, this is part of a weather monitoring program if it brought down these return to XXX.

So both the spying and the excuses have been part of, you know, these sort of great power relations for a long time.

Can you quickly gloss over, James, why a balloon?

Like when at first, I have to imagine, like if we're all being honest, a part of what makes this story catchy is the fact that Chinese spy balloon is kind of a funny phrase.

Like it's a little bit ridiculous.

Like maybe we are in Cold War 2.0, maybe this is going to kick off a geopolitical disaster, but if we're honest with ourselves, Chinese spy balloon is kind of funny.

Why not only the Chinese, but also the U.S., you're saying, going back to the 1950s, maybe even earlier, why are we even playing around with balloon technology as a surveillance tool?

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So in the 1950s, it was just that we didn't have satellites, and so anything we could get over the Soviet Union was useful. In fact, we got quite a bit of information. I believe at least one major Soviet nuclear site was detected via the balloons. Now, the question is, why do it in an era of the eye in the sky when you can pick out a fly on the back of a farmer in Siberia from thousands of miles up? And basically, it seems to be a question of cost. So in theory, if you could get a decent balloon network, and I love saying those words, you could get a decent balloon network going in so much. You can hear my wife laughing in the background. Yeah, because decent balloon network sounds like some rejected alt rock band from high school, yeah. Exactly. It's a lovely phrase. And I do think we should remember that these are not like little balloons. Like this was a 200-foot-high balloon carrying a payload the size of a jetline. This thing, it was massive. And if you sort of think of it in terms of like unmanned airship, it feels a little bit more serious than balloon. But balloon is a lovely word, and I think we're going to say it many times over the course of this podcast. So if you can get this network kind of going, in theory, you have something that's cheaper and easier to maintain than satellites because you don't have the massive launch costs of getting them into space. Also, balloons, as we mentioned earlier, can potentially loiter. That is, they can, satellites, of course, are going round and round. And so you're getting stuff on a very predictable kind of timeframe. But a balloon can stay in place and like, over one site, keep picking up information. So in theory, there's a real usage here. The Pentagon has actually been researching surveillance balloons itself again since at least, I think, 2019. And they spent about \$4 million on them, at least, that we know about. One of the other big changes of the late 2010s was that machine learning technology developed by Google originally made it possible for balloons to effectively steer themselves using the wind in a much more purposeful way than just throwing them up in the air and seeing where they went. This is pretty wild. So I wrote a cover story for The Atlantic, maybe five, five and a half years ago, about this weird little project coming out of Google's R&D lab called Loon.

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And Loon was their effort to build a decent balloon network that could provide internet coverage for places in the world that couldn't build their own terrestrial internet.

And it was exactly what you mentioned.

If they could use machine learning technology to figure out which cross currents, thousands and thousands of feet in the air, 80,000, 90,000 feet in the air, which cross currents were blowing which way, they could essentially use the cross currents kind of like highways and navigate down a certain cross currents in order to move toward the rural area they wanted to provide coverage to, then elevate the balloon in order to float it back to some other area to extend network coverage in that direction.

So there is sort of this confluence of private and public balloon technology for both covering an area for internet, but also surveilling an area for a state.

Juliet, this gets us back to you.

Republicans have spent a lot of the last week saying that we should have just shot the balloon down.

I even saw several relatively prominent conservative media personalities say, you know, it's just a balloon.

Why can't we just pop it? Your response.

Well, it is, as James was saying, it is not just a balloon.

The size of the balloon itself was huge, but the amount of, you know, and basically the cargo hold of the balloon, the balloon had things attached to it.

The balloon was just the means of transportation.

That was an airplane, right?

And so are you going to volunteer, are you going to shoot down an airplane over even not populous states?

This was my favorite part of the Republicans.

Well, Montana's not that crowded.

I was like, okay, there's also wind currents, so you don't know where this material is going to go.

If you, honestly, if you look at just where it is in the ocean, I think that there's a eight to 10.

I read a seven mile diameter.

Seven miles, seven mile diameter.

So just think about what that would have, you know, if you were over people, it's not like, oh, we can land it, we can land all the debris on, you know, in Yellowstone or something.

So the Republican notion of operational risk calculation was based solely on their, on the politics, and that's going to go on for a while and sort of not worth it

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because what we now know is, right,  
the mission, the bring it down order from Biden came Wednesday.  
The military either advises him or pushes back on him saying,  
we're not going to do this.  
This is the head of NORAD.  
We are not going to do this because we know what happens to debris in air.  
We're not going to risk civilian life.  
And this is, you know, what I wrote about,  
like there's a difference between a national security tool  
and a homeland security tool.  
Why? Because the burden falls on U.S. citizens  
who may have an expectation of not being killed by NORAD.  
And what is, what is self-own, right?  
I mean, can you imagine the Chinese have this balloon out there  
and we're like in a killer, like, you know,  
put at risk our own citizens because, because Twitter wasn't happy.  
We knew that it would be over water.  
I think the general sense is that China had lost some capacity  
to move the thing, that it would be over water within two days.  
It is, you shoot it.  
It's actually landed in really shallow waters.  
And what I want to remind people,  
it wasn't like those days were lost.  
You know, we, we, God, what is it?  
The scent was launched.  
I wrote down my notes, but now let me find the scent.  
The combat scent, I want to make sure I got this right, was sent.  
And this is just a loitering airplane.  
It's taking pictures of this thing from above, from below.  
We're getting so many pictures of this thing as it's operational.  
It then is coming over.  
We're also taking measurements.  
Those measurements are going to be relevant.  
What is, you know, what, what frequencies, what does it emanate?  
And it doesn't, you know, people were saying,  
oh, it could have bio weapons, whatever.  
I mean, and then it comes over the ocean, right?  
Then it gets shot down.  
And now the cleanup is a relatively easy cleanup.  
They do, they, they were monitoring people I talked to on Saturday.  
They are monitoring, of course, by radar as it comes down,  
they have a good sense of where things are.  
They know where the balloon is.

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They know exactly where the balloon is.

They do anticipate some debris coming on shore.

So the, the, how the Chinese did this is now ours, right?

And that is, that is an intelligence victory.

If you are in China, in the head of their equivalent of the CIA, you are not happy today, let alone the leadership.

There's, there's, you know, why they did this as a, as a bigger conversation, or did they even know?

Did they, did they intend to do this?

But that's exactly why these three days of patients were not just waiting. There was a lot going on in terms of what, what we were learning.

And meanwhile, you know, the Chinese are bending over backwards to come up with a plausible deniability because they know that they've been caught.

Right. The Chinese have expressed, I think what they said, profound disaffection that we destroyed their equipment.

Was there a case against blowing up the balloon?

Was there a case to say, you know what, we caught your satellite style, we caught your surveillance equipment, right?

The equivalent of a satellite put 10,000 feet over, over land rather than, rather than miles and miles.

What's there a case to just say, we're just going to let it go?

Oh, no, no, no, no.

I mean, once it, once, I mean, the Chinese, that's what the Chinese are arguing.

But from our perspective, this would be the equivalent of the Chinese send tanks onto homeland soil.

So we're just, we're going to, we have rules, they have rules.

They have the same rules, which is right.

The aerial space is the above our homeland is the same as if you brought you, you, you, you, you send tanks.

Let me just think of a weaponized drone, right?

Simply because it wasn't, it wasn't a direct threat to the US.

It was maybe long-term a threat because of its surveillance capacity.

And that's what, you know, I think that was the challenge for the Biden administration.

It was true when passed to believe it's true.

This was not an immediate threat to US citizens or to military or aviation capabilities, but it could not stay, right?

I mean, so you're just figuring out what, what hour am I going to, am I going to make those two things work?

I have one more question, Juliette, for you about the homeland security aspects of this.

Before we go back to James about the geopolitics, in your time with the Obama administration, did you ever face anything like this that you

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can talk about?

No, no, no, no.

Well, all of them are public.

I was thinking about this.

You know, we had our aviation threat.

So think about the, the Christmas attempted bombing in which you, you know, you, you know, you're, you're aware of a, of an aviation.

Can you take a half step back and tell us about that?

Oh, sorry, that was the case in which that was the underwear bomber case in which other airline passengers basically got hold of this guy.

He was trying to, he's trying to light stuff in, in his underwear to blow up the plane.

This happened on Christmas day and now my years are melding together, but I think it was 2009.

And then, and so you get, you get whatever you need to do on the aviation side.

You know, there are times side, I am much more used to this simply because of things like you could think about this as the, as this like an oil spill.

You're going to protect the aviation.

You're going to protect the aviation space, which they're doing.

You are going to get community state and locals ready to, to find the oil, so to speak, or to, to find the debris.

So that was a key message of NORAD.

The last couple of days was if, you know, if you see a wire, do not touch it, right?

They'll call us.

And then, and then the third piece is, of course, the, the maritime retrieval, which is, as I said, going to be relatively easy.

It's being run out of the, the Navy is sort of what, you know, what you would call the incident command in this stage.

And we're sending out both unmanned capacity, think of like, you know, just like little, little clippers that are picking up stuff and then scuba divers and L.

So, but this, this is what people train for it.

It's not that the pickup is not that unique.

It's just obviously what we're picking up.

I don't, I don't remember anything classified or unclassified in this regard.

James, it's possible that the most significant thing that comes out of this isn't the balloon or what we recover from the payload under the balloon, but what happens in diplomatic relations between the U.S. and China and the aftermath.

So U.S.



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state, Antony Blinken has postponed a critical diplomatic visit to Beijing that was scheduled for last weekend.

I want to take a step back and offer some context here.

The relationship between the U.S.

and China has been deteriorating for years.

What happened to this relationship in the last few years that has brought us to the beginning of what some people are thinking of as a second Cold War?

So to some degree, it was a kind of elastic band effect.

For a long time, U.S.

policy towards China was very accommodationist and it was very much geared towards the idea that China was going to change.

Everything, things were going to get more like America.

It was going to be this kind of natural effect whereby everybody was going to watch, you know, two and a half men and sex in the city and then they were going to become like a good democratic citizens.

And I'm slightly, I'm slightly making fun of that.

But that was, to some degree, working.

The Chinese public was becoming more friendly to the U.S.

It was demanding more.

Culturally, the U.S.

was kind of on the ascendant in China in a way that I think a lot of people missed.

Now, starting from 2013, you saw a significant, like, crackdown in China on cultural content, on freedom of speech, which was already pretty bad but became a lot worse on online content. So you had this kind of domestic push against the U.S.

That got mixed with increasing aggression beyond China's borders, particularly at sea in the South China Sea, and with a bunch of spying on the United States and spying in ways that were particularly aggressive.

And I think for many, for a big part of the American kind of security intelligence establishment, the final straw was the U.S.

and China signed a big agreement basically on cybersecurity.

And then the Chinese conducted even bigger hacks, including the OPM hack, which basically got personal information of pretty much every serving U.S. officer.

So then Trump came along.

And Trump was much more ambiguous on China himself than people, I think, realize.

He was often, in fact, pushing for kind of reconciliation with Xi behind closed doors.

He was cancelling measures against Chinese companies like ZTE

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because he had promised Xi.

Trump really has no principles, basically.

So he was very much a kind of being blown both ways here, like the balloon.

And Steve Bannon would be telling him that the Chinese were the great evil of the world.

And then Steve Nguyen would be telling him that he needed to do business with them and to keep the casinos open in Macau.

And then I assume Trump would probably get confused about which Steve was which, and it would be a whole process.

But there was a very hardcore group within the Trump administration, led by Matt Pottinger, that really pushed hard to go more hawkish on China.

And they kind of picked up the prevailing wind in DC, which at the same time DC was getting very excited about the Chinese Belt and Road Initiative, this big kind of geopolitical push that was called a Chinese Marshall Plan, all these kind of things.

And they were getting very excited about Made in China 2025, 23, I forget, which was this kind of plan to move up the value chain.

And they saw those signs that China, which is true, had geopolitical ambitions to overtake the United States, these were very clearly being put into play.

Now, the irony of this was that all this came in true sort of think tank DC hill fashion, a couple of years after these big projects had mostly failed.

The BRI has mostly not been good for China.

The Made in China program has not bought sort of semiconductor manufacturing home or anything like this, but it provided a real spur to push this forward.

Then comes the pandemic, and the pandemic pretty much crashes everything.

It crashes people-to-people relations between the two countries because nobody is going on trips to the other countries.

So everything from students to tourists to the sort of track to diplomacy that normally kind of provides some oil on the wheels of great power diplomacy.

And the two sides start exchanging conspiracy theories.

China very rapidly tries to cover up the fact that the pandemic originated in China, probably from very, very bad Chinese agricultural practices that they were supposed to have changed after the first SARS outbreak.

By coming up with a whole conspiracy theory that it started

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in the U.S. with Fort Detrick, all this that it was done by like secret U.S. military experiments.

The U.S. comes up with a whole range of conspiracy theories ranging from the mildly plausible to the lunatic.

And trying to react very aggressively to any country that calls for an investigation in the origins of COVID, like Australia being the most prominent example.

And because this kind of contingent of xenophobes and hawks has risen within China, China's diplomacy in a system where everybody is kind of working towards the future, they're all trying to do what they think Xi Jinping wants basically turns them into a bunch of dicks.

So you have all this stuff and this has a big impact on the way that the U.S. officials see the Chinese, the fact that you're getting these basically online trolls who are the spokesman for the Ministry of Foreign Affairs or the U.S. ambassador, the Chinese ambassador to Brazil or the consulate in Ireland are doing this stuff that is really nasty and vicious and that is almost the final straw.

So it's not just, so U.S.-China relations collapse and perceptions of China around the world collapse too.

Like China is more unpopular than it's ever been, particularly amongst neighbors.

The country with the single highest anti-China kind of polarizing in the world is South Korea.

The South Koreans now dislike the Chinese more than they dislike the Japanese, that's really hard.

That's a remarkably comprehensive story and I really appreciate you naming all those different elements that have soured relations both materially and attitudinally.

I think it's important that you put emphasis on both of that.

It's important I think for our full understanding of the situation to note that China has tried to execute, it seems to me, a bit of a pivot in regard to its relations with the U.S.

and that this meeting between the Chinese and Secretary Blinken might have been a really important piece of that pivot.

James, do you want to pick up the story from there?

So yeah, since last fall also, we've seen an effort by the Chinese side to dial down the aggressive diplomacy to reach up to the U.S. They've become much milder in their tone behind closed doors.

We saw the Xi Biden meeting last, I forget when it was, October I think, which was pretty friendly.

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Biden is very good at glad-handing people in all kinds of ways and that seems to have worked with Xi.

You didn't get any of the kind of aggressive posing or face-body language.

You had two people getting along and there seems to be this real effort to kind of take things back a notch.

I think that was coming from two impulses.

One was the realization by some on the Chinese side that there was a real danger of major conflict here, perhaps even war and nobody wants that.

So they in the Biden administration share an interest in putting a flaw on U.S.-China relations and saying it can get this bad but it can't get worse.

The economic aspect was also really important though because the U.S. has been trying very hard to snip ties between U.S. businesses and China, particularly in tech. And while there's still a lot to be done and while the U.S. is a country under the rule of law, the U.S. can't just tell companies to stop doing business in China for the most part.

They can challenge it.

They can push back.

There's been lots of that.

It pulls the real challenge to China.

China is still very dependent upon the U.S.

markets and upon supply of things like semiconductors from the U.S. from Taiwan and so on, which they've been trying to bring into China but haven't had much luck with.

On top of that, they clearly got some pretty bad economic news that winter.

Like the Chinese GDP either grew by very little or possibly even shrunk last year at a time when everybody else did surprisingly well.

This caused the big reversal in zero COVID policy in December and they're clearly trying to push to get the economy moving again and having semi-decent relations with the U.S. is part of that.

Juliet, back to you.

Joe Biden is delivering the State of the Union address this week.

Yeah.

Already in that address I've come to read are all sorts of passages about what essentially amounts to an industrial policy of America first manufacturing.

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That is an economic story that absolutely clicks in to which James just talked about.

That there is an economic decoupling already underway between the U.S. and China and China floating surveillance balloons over Montana and over potential nuclear sites in Montana is not going to make us want to recouple at all. So taking that, what else do you expect Joe Biden to do with Balloongate?

In this moment he has, I mean, he's got this opportunity to have maybe his highest rated appearance before the American people all year.

This is not a guy who gives a lot of primetime speeches. What do you think he's going to do with this gate?

So this gate falls into, I think, a sort of consistent narrative by the administration of which Afghanistan is actually a major counter.

I mean, in other words, if you just look at their strategy, everything from China to everywhere, which is what I wrote about what I called just extending the runway, which is all of these things are going to be potential conflicts.

If we can just sort of delay the hot moments, right?

Because this could have been a hot moment, right?

The Chinese balloon falls on U.S. soil and kills people.

Those are victories.

And so this seems to me consistent with the sort of, you know, the sort of like, we're just going to respond and not actually think through the consequences.

It also, I think, is a narrative that's consistent with, you know, the sort of mature is a nice way to put it.

Some people may say too mature for Biden, but this sort of nothing is new.

I've been around the block.

This was just a little blip.

This isn't going to be a footnote, you know, when the story is written about this new Cold War.

And he might be right about that, actually.

I mean, you know, he's given all the other things that we're going to be fighting about.

So I would expect him to, in his conversations about China and say, you know, when there is an incursion on Homeland space, we think clearly, I think the narrative and look at the long view, I think the narrative that Biden also has in his favor is you cannot find a single

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person in the Pentagon to counter the recommendation that was given to him by the joint chiefs, which is just wait two days from now.

I mean, it's not like one of those things where in Afghanistan where like the second we withdraw, you hear 20 guys from the Pentagon saying, we told him not to do this.

We told him not to do this.

So I think that that's going to be, I think, part of an overall narrative that he may, that he will get into on the China side.

I don't think he's going to get into it on the Homeland side.

Because remember, people remember, state of the unions are divided into two parts.

We're always great at home and we are always great abroad.

But the at home part, I think, on the Homeland front, is going to, you know, he's going to have to just address the border issue.

I would love to just pick up on one thing that James said about China's struggles.

As I was, you know, talking to you, Derek, about sort of what I feel comfortable talking about and not, because I think it's good to stay in lanes.

I do want to note that the challenges that China had with its COVID policy, which I'm very familiar with in terms of threats, came to a head, if you just look at the calendar, during the World Cup.

It was then that the Chinese watching teams play, seeing every other country in the world parting it up, unmasked, that those first protests started.

And, you know, sports have always had a lot of influence on foreign relations and foreign policy.

That image of a world parting, so to speak, playing and parting, and what has happened to China is an image that the Chinese are going to have to figure out in the years to come.

But it is, I think it is telling that it was, in fact, the World Cup, and this idea that China had was too isolated that has now been pushing China towards a greater sort of floor setting, as James was describing.

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Yeah, I, myself, am ambivalent on whether or not this is an inflection point where things get worse, where this is like some kind of sputnik moment that accelerates a Cold War.

I'm not equating the achievement of, you know, sending a satellite into space for the first time with floating a balloon over the U.S. for the one millionth time.

But there's that fear that it's an inflection point for the worse, like 1957 between the U.S. and the Soviet Union.

It could also theoretically, this year could theoretically mark an inflection point for the better.

We might be at a local min in terms of our relations between the U.S. and China, that things got so bad with COVID-zero.

The effect of watching the World Cup was so powerful on people in, for example, Shanghai, that they said we can't live under these conditions anymore.

As James, you just said, they just got this economic reading.

Who knows how honest the public reading of it, what the world knows of it is.

They might have got an economic reading that says a country that we expect to grow 5% a year, just shrunk by 0.5% in the last quarter.

That's catastrophic. We can't have this anymore.

We have to think about a recoupling strategy that brings in the United States.

You put all this together and maybe it's an inflection point for the better.

Julia, you can pick up on that, and then James, I'll go to you.

In this moment, is this going to be a chapter, the balloon? Is it a paragraph? Is it a footnote? Remember, the incentives are really interesting for both countries.

The Chinese want to forget it.

In the long haul, this is such an embarrassment for them because they either lost operational capacity.

We now have their gear.

We now know what they can do.

The idea that they infiltrated our airspace without impunity, none of that makes sense to me.

## [Transcript] Plain English with Derek Thompson / China's Spy Balloon Is Down. Cold War 2.0 Risks Are Rising.

This is an embarrassment to them,  
and we want to keep it quiet  
because we now have their stuff,  
and we're not going to advertise what we found out.

The incentives are for both parties  
to treat this like a footnote.

There is a select committee on China right now in Washington,  
and I do wonder whether that select committee  
might be comprised of people that are interested  
in advancing an economic agenda of industrial policy  
that makes the US more committed to, for example,  
manufacturing advanced semiconductors right here  
within our borders that might use this  
or dramatize this moment  
for the purpose of achieving an objective  
that isn't even military-based at all.

It's more economic.

James, I wonder what you see as some of the potential  
domino effects here.

I saw some people saying if China is going to claim,  
probably falsely, that this was a balloon  
for collecting climate science research  
against the interests of the parties that they are spying on,  
that it could make it more difficult  
for it to collaborate with China  
in terms of international climate policy.

Are there other dominoes that we're not...

Yeah, I see you shrugging there.

Let me set up the question in a different way  
because I don't even know if that's a very compelling entry.

What are the most interesting dominoes  
to think of coming out of this event?

So I think it depends on what happened  
with the balloon in the first place,  
and there's two possibilities there on the Chinese side.

The overwhelming, I would say, likelihood,  
the sort of 80% likelihood, is that it was a mistake.

Is that they had a system that was designed  
to be run probably offshore,  
not to cross into the continental United States.

And that something went wrong.

They lost control of it.

Possibly the polar vortex had some kind of effect.



## [Transcript] Plain English with Derek Thompson / China's Spy Balloon Is Down. Cold War 2.0 Risks Are Rising.

And so this was basically a screw-up.  
A screw-up in a program that might not even  
have been a good idea in the first place.  
China is just as capable of big and stupid  
and wasteful programs as the United States,  
perhaps even more so.  
The Chinese military is pretty messy, pretty corrupt,  
and not always in complete, not always talking to each other.  
So if it was a screw-up,  
then the overwhelming interest is to stop talking about it.  
And I think that that's what they're trying to do.  
I think they put out a kind of pro-former protest  
because China is incapable of accepting any kind of blame  
on the world stage.  
They haven't talked about it in domestic media.  
I think they've mentioned in a couple of newspaper articles  
it hasn't been on the TV news at all.  
They've really been playing it down.  
They're not trying to make a big deal out of this.  
And normally they love to make a big deal out of things.  
So I think that they're just going to try  
and shove it to the side that the Blinken trip  
probably goes ahead in two to six weeks anyway.  
And everybody just sort of quietly forgets it except  
that it becomes part of the litany of complaints  
by the hawkish lobby in DC.  
Now, there is a chance that this was deliberate  
and that it was an attempt by basically hardliners,  
anti-U.S. hardliners to screw up the Blinken trip.  
I don't think that's very likely, but it's faintly possible.  
And if that was the case, I think it's possible  
that they tried that and basically got squashed internally  
for it, that they sent the balloon over  
as a deliberate provocation, but now the probably majority  
faction, which wants at least some reconciliation  
for economic purposes, basically sat on them at home.  
And we're not going to get anything more out of that.  
And as with so much in China, we really can't know  
what we're doing, sort of guesswork and tremolinology  
to try and determine these things.  
So we're really just going by probabilities.  
But most of the time it's cock up rather than conspiracy.  
Yeah.

## [Transcript] Plain English with Derek Thompson / China's Spy Balloon Is Down. Cold War 2.0 Risks Are Rising.

Juliet, last question to you.

Cock up conspiracy.

Where do you fall in that spectrum?

I cannot imagine under any scenario that they would have done something this aggressive in our homeland that was so clumsy, made them look like idiots, seemed very 18th century.

I mean, if you're going to do something aggressive in the homeland, like, come on, get me worried.

I was never worried.

That seemed to me to be a mistake.

Maybe there's some internal debates in China that would suggest why it happened.

But this is, as I was saying earlier,

the conflict in quotes with China is generational at this stage.

There are going to be moments where it is not at all clear that there is a resolution that ends up on the ocean floor with no one wanting to talk about it.

Let's take these when we can.

And not trot around.

I mean, this is my general sense.

Let's save our bandwidth for another time.

Juliet James, thank you so, so much.

Thank you.

Thank you.

Thank you for listening.

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