

[Transcript] The Realignment / 354 | Is America a Superpower in Peril? - with David McCormick

Marshall here. Welcome back to The Re-alignment.

Today's guest is Dr. David McCormick, a former candidate for the Republican nomination in Pennsylvania's 2022 Senate race, where the eventual winner of that primary, Dr. Oz, won the defeat against now-Senator John Fetterman. David has a new book out, *Superpower in Peril, a Battle Plan to Renew America*. Before his run, he was CEO of Bridgewater, one of the world's largest investment management firms, was a government official at the departments of Treasury and Commerce during the Bush administration and began his career as a West Point graduate

paratrooper. His book comes out at a really interesting time for David. He's currently being touted as a 2024 candidate for a Senate seat in Pennsylvania, which puts him at the center of several issues, populism versus traditional conservatism. How does one meet the voters where they are, but not actually rack your chances in the general election as numerous 2022 Republican candidates discovered in November? Plus, the overarching question of what sort of candidates and backgrounds voters are looking for, just by a significant loss to Josh Shapiro in the PA governor's race, Doug Mastriano is currently leading polls for the 2024 Senate Republican nomination on the Republican side. I think David's decision on whether or not to jump into the race and the results of the 2024 election in Pennsylvania are some of the top political stories to follow in the country over the next two years.

Or, it said, lots of great stuff coming, so if you'd like to support the show or enjoy this or any other episode, you can go to realignment.supercast.com to get access to our exclusive questions and answers, where Sagan and I go back and forth on what you all are interested in discussing, and a huge thank you as well to Lincoln Number for supporting our work.

David McCormick, welcome to the realignment. Hey, great to be with you. Thank you. Yeah, it's really great to speak with you. So I want to be very precise with these first few, like directionally personal questions, because I know the audience is going to want to know. I'd love to hear how you conceive of yourself as an individual, as a guest on this podcast, as an author, after running for office, because I want to make really, really, really clear. I'd be interviewing you for this book, even if you hadn't run for Senate, you've got a really interesting background. I think you're an important voice. We're going to be hearing a few of you in the future, regardless. So I just want to make clear to the audience, this just isn't a politician interview. But that got me thinking as I was writing that question, like, how do you conceive of yourself? Are you a politician forever now?

Well, you know, I didn't, I don't even conceive of myself as a politician now. I can conceive of myself as someone who, you know, really has lived the American dream, just been the most blessed person. You know, William F. Buckley had this great line about citizenship is a combination of privilege and responsibility. So I have felt the privilege of being an American and growing up in a small town of Pennsylvania, serving our great military, having the opportunity to run a couple of companies and then serving at the highest levels of government. All those things happen, you know, hard work and all that stuff, but just only in America. And my wife has an even more wonderful story as an immigrant from Cairo, Egypt. So America is incredible. We've been privileged, but it's also in crisis. And we're at a real inflection point. And that's where the responsibility part comes in, where we all have a

responsibility.

And I feel like as someone who's been as blessed as I have been, and I've had these incredible experiences, a call to serve and a call to serve may be elected office, it may, may be other things, but I feel a call to serve site. I really see myself as someone who's been blessed as an American, as a patriot and as a leader across the different parts of business and government and hope to be able to bring those leadership experiences and skills to serve our country.

Yeah. And just knowing the realignment audiences demographics, I know there are a lot of people who will consider themselves their arrogance aside, like 20 or 30 something versions of yourself, whether it's the West Point part, whether it's the academic background, the Wall Street focus, et cetera, et cetera, et cetera. So I think what they're going to be curious about is you started this project, like writing this book, like before you were running for Senate before I was even on the table, to what degree does entering in politics really strain your ability to actually just sit down and say, okay, here's the actual set of problems. Here's how I would actually conceive of it. That's maybe you in 2020. But if you're running in 2022, you have to start thinking, okay, I may be obsessed with this like very niche thing that I swear to God is so important, but no one actually cares. So I'm going to talk about that less, talk about that part. Because I think that'd be that's what I would struggle with conceptually.

You know, I actually think it's the reverse in the sense that I think running for office gave so much credence, credibility, and in some cases, challenge to my preconceived notions about where things were as a country and what the challenges were. And the thing that, you know, it's really easy to sit, read journals or read the newspaper or whatever particular thing each of us reads, we all have our reading now that's based on, in some ways, reinforcing the concepts we already have. And then you get out there on the campaign trail. And the thing that just I could not get over is how angry people were, how angry they are about the direction of the country. And, you know, this is not something you hear if you're on the Excel or corridor between Washington and New York. And I'm not angry in the sense that I feel like I've been blessed and I grew up in this small town that has really struggled in many ways with what's happened over the last 30 or 40 years I left, I guess, 40 years ago from my hometown, I've been back to Pennsylvania many times since, but they're angry because real income has been flat for the last few decades. If you held assets in the last 10 years, it's been the best 10 years in the history of the last 100 years for assets.

So don't let people believe that they were super smart and that's why they got richer. No, they got richer because everybody got richer who had something. And if you didn't have something, you didn't get richer. And they're angry because there's been 20 years of war and they paid disproportionately as their kids mostly. It's not the kids from urban centers. It's not the kids that go to private schools. And they're angry because fentanyl, people talk about the border, like it's a conceptual problem, the sovereignty and things like that. No fentanyl is showing up in Pennsylvania. We lost 5,000 people last year because of fentanyl. The fentanyl prices, and that doesn't even count as the people that are addicted and in rehabilitation and so forth. And they're angry because of inflation, which stings us all. But if you're on fixed income or just making ends meet and you're

without cost a hundred bucks to fill your truck a week and you can't do that, that is why they're angry. And so to have these policy ideas, to have principles around free markets and capitalism and individual liberty and to understand the conception of America and how it's the most exceptional country in the world and to have a deep-seated set of convictions about that. And then to be able to match those with the experience of meeting people on the ground and understanding how their American dream is playing out or not playing out was just incredible. And it forced me. I had already started writing the book a couple of years into my decision to run with the help of my great colleague, James Cunningham. But boy, it allowed me to step back and say, okay, what am I missing? It allowed me to bring in these individual stories into the book, which I hopefully makes it more interesting and accessible to people. And so it's the opposite, I think. It's the reconciliation. I'll make one final point, which is what the book tries to do is stay grounded in conservative principles, the things that I hold dear, but also embrace certain aspects of the populist pulse that we've experienced over the last decade or so that was represented in 2016. Because it's based on a genuine set of experiences about how America is working or not working for part of our population. So I tried to do that in a very intellectually honest way and say, okay, what would Milton Friedman say about what I'm proposing? And then I try to take on that argument. I try to hit the issue of the border in a very forthright way based on what I experienced visiting the border, but also talking about immigration within the context of what's made America great. And so for me, I don't know if this is politically viable, this book, but it certainly represents what I understand and believe based on a lifetime of experiences, but also the last year or so.

You know, there's a follow up, which I have to ask, were there any ideas that did not survive? I don't want to say first contact with the enemy because it suggests the voters are the enemy, but was there were there any ideas or like areas of focus that let's say 2020 David was just like very, very deeply interested in. And when you actually like, once again, go on the trail, hit the anger, take the temperature of the country, you were just like, maybe we leave that in the cutting room.

Well, more degrees of emphasis than a change in beliefs. So let me give you an example of that. So, you know, we have, we have these conceptual conversations about opioids. And fentanyl, you know, that is an example. So yes, that's a problem. Then you start to talk to people. And we should start talking about her, her, her nephew, that was lost due to fentanyl. And she was just, and she said it's everywhere. And so every campaign stop for the most part, when I get in these diners and get these discussions, I'd say, put your hand up. If you were affected, your family or your, your, your close circle friends was affected by fentanyl, hands went up over the place. So all of a sudden you have this very tangible experience. You know, I've got a set of views on the, on the war in Iraq. And you know, I participated in the war, the Gulf War, and as a soldier, and then I, you know, was a, was a business leader and a government official during, during the, the second Iraq War. And, and, you know, I'm in a diner and a woman named Sally Wargo steps up and talks to me about her son. And she said, you know, you've got to focus on veterans benefits because veterans are not being taken care of adequately. And, you know, she told the story of her son, Michael, and what a great kid he was. And, you know, came back from the war and

struggle. And then she said, and then he killed himself. And it was just like, she told the story and it was like 80% into the story. She said he killed himself. And then she said, you know, 22 veterans killed themselves a day. And so, you know, she starts crying, I start crying. This is, you know, it's, it's more visceral. And so when people talk to me about veterans now, I was talking, I was just supported veterans causes for years. I've been giving money to veterans causes. I've been purchased. It feels different now. I am in it in a way that I wasn't before. So I'm sorry, a long answer to your question, but much more emphasis, much more emotion, much more conviction about some of the views that were important in my mind, but now have I've added real texture to them. Yeah. And last question about the Pennsylvania race, I'm really interested by your point around anger, because the race for you obviously ended with the 2022 Republican primary in Pennsylvania. But I think that gets at the difficulty the public party faced in November, 2022, in the sense that that anger that was deeply present, where you see that populist end of the stick being most engaged, being most relevant, especially in swing states like Pennsylvania, it just did not translate as well into the general. There's a gap between the anger of at the populist base of the GOP fields and those primaries. And just like your average politically disinterested swing voter who's up for grabs in five, six, seven or eight states that mattered in 2022 and are going to matter in 2024. So as someone who was actually separated from that general election, talk with me about how you can kind of merge the conservative principles, which I think would appeal to a Pennsylvania suburban voter who voted for Reagan in the eighties, but would definitely not as much appeal on the pot. That voter isn't looking as angry. Like that's the difficulty. Yeah. Listen, I'm not a political prognosticator. So I, you know, this is all intuitive based on just being in the, in the mix of Pennsylvania. So take, take this with a grain of salt. And it's, it's a theory, but what I believe is first of all, you have to, and I got better at this during the campaign, man, you got to embrace that anger. You got to understand it's, there's merit to the anger. This isn't a bunch of people don't understand. No, we don't understand. We, who have been the beneficiaries of the American dream, we don't understand what's going on here. And so first of all, you got to embrace that anger in a genuine, authentic way. I thought I understood it. I understand it a heck of a lot better now. And so that's point one, you can't wave your hand and say, all those people don't understand that's, that's what's happening. There's, you know, there's a whole elite universe of people that have been the beneficiaries of America that are in positions of power that don't get it. So number one, you got to embrace. But here's the counter, the counterintuitive thing. You then have to run in my opinion, and this is what I tried to do. And this is what the book is all about. The book is about the future. You have to look toward the future. You can't look backwards. It's not about grievance. It's about a set of ideas that should, you know, get America back on track. That's what I think is missing an optimistic and tangible vision. And the book is about those set of policies, which are essentially educate our people, confront China, secure America. There's a whole agenda for taking America back, renewing America. So what are the feasts of the book is, is that, you know, we're in decline. We're in relative decline. We're in absolute decline. We have to embrace that reality. And that's where the anger comes from. But decline is not inevitable. It's a choice. And renewal is not inevitable either. It depends on what we do.

And this is a what we should do book. And so I think to win elections, we have to have, you know, we have to have good ideas. We have to have good candidates because you have good ideas that don't win elections. You're not gonna, you're not gonna be able to change the direction of the country. But we have to have ideas that are based in and grounded in a belief of the exceptional nature of America. And I'll say one more word. I know I'm running on a bit here. This is the format. You're welcome to go as long as you need to go.

This is the American story. You know, we've gotten to the edge of the cliff and we pull ourselves back. We've gotten to the edge of the cliff, we pour ourselves back. And that's part of the basis for my optimism. And I think that's what we need to share on the campaign trail. And the story I would tell over and over on the campaign trail was I've lived through it. I've lived through decline and I've lived through renewal. And so as a kid, this will date me how old I am, but I was 14, 1979, 14, 15, 1979, America's in decline. There is a stagflation, 16%, or something like that inflation, the economies and recession. We have gas lines around the block. In my small town, across the country, you have odd days and even days. People forget this, where you can only go get gas on an odd day or an even day, depending on your number. And I remember my dad had this huge country squire, which is like this station wagon that's a half a block long with wood on its side. And we would wait in line at the gas pump to fill up the tank. And we had Desert 1, where there was this debacle in Iran to try to rescue the hostage. We lost eight service members, which has a familiar range to what happened in Afghanistan. And at the time, roughly 80% of Americans thought the country was heading in the wrong direction. Fast forward in 1983, I'm a plebe at West Point. I'm walking down those spectacular pathways in this magnificent stone buildings and the mountains looking down. And it's morning in America. The economies on fire, inflation's in check. We've reinvested in the military. It's the beginning of the end of the Cold War. We're six years away from the end of the Cold War in 1989. You can feel the confidence America was back. And that was four years later, under the leadership of Ronald Reagan. And so today, we're 80% of Americans feel like the country's heading in the wrong direction. We have some of those same symptoms. But I think with good ideas and the right leadership, we're new America. And that's where the confidence comes from. And that's where I think we need to come forward. The agenda, by the way, of what to do is not the same as Ronald Reagan in 1980. I'm not making that point. I'm saying that the agenda has to be the agenda that's appropriate for the challenges of our time. And that's what I try to do in the book. I lay out an agenda for the challenges of our time, which is good ideas and good leadership. And I try to highlight what both would require.

Yeah, I want to hit on what's basically the topic of the episode that being decline. When I think of this decline narrative, I kind of like to intellectually check myself by imagining how this conversation would look if we were, let's say, like British politicians in the 1950s. Because if you're a British politician in 1950, you're in this awkward position of reconciling yourself to the fact that World War One and World War Two, the overall like decline and fall of the empire mean that matter, no matter what you do. And then just the global economic presence of the United States, you cannot make it 1885, ever, ever, ever again. So to this context, if we're looking at the 1980s,

obviously, you have a Soviet Union that is just completely decoupled from the United States by default. You have economic competition, namely Germany, Japan, who are just allied with us. So yes, like it's going to kind of, you know, suck if we lose jobs, but it's not the same national security threat. The environment's completely different. So when you think about the 1980s decline renewal narrative and today's narrative, what is something we maybe have to let go of? Do you kind of get what I'm saying in terms of like looking to the future, not the past? Because from my perspective, I grew up in the 1990s, I have to let go of the fact that we're just never going to live in a world where America is X percentage of the global economic pie. And so many assumptions from my childhood were based upon that fact. And I'm going to have to let that go like we can renew ourselves. What's your version of sitting through that dynamic?

Well, let me make a distinction between Britain's decline and America's decline and renewal in the past, because I think the difference is America truly is exceptional. And that's not to take anything away from the British Empire. But, you know, President Obama made a point, which I want to draw a strong contrast to. He said, of course, America is exceptional, just like the British think they're exceptional. The Greeks think they're exceptional. No, that's not true.

It's not true in the following sense. America by any measure has been the most exceptional country in the history of the world by the measure of a country conceived with the sole goal to create individual liberty and that the design of the government was in service of that individual liberty, an economy that's driven by a set of principles around free markets capitalism and a set of ideas that have transmitted to the rest of the world in a way that's a leading poverty. America's leadership throughout history has been a source for peace and stability in totality. That's not to say every point in time has been that, but in totality.

And so that history is really, is really quite unique. And when we look at the question of America's decline, we have to look at that within the context of what it means for America and Americans and the promise of the American dream that's part of our system. But we also have to look at it, what it means for the world. And so the contrast between the 1980s and the Soviet Union and Japan and Germany and today, I think when we talk about relative decline and relative renewal, it doesn't have to be at the expense of other countries.

In other words, your point about where 30% of GDP, it may not be that America has to have the same

relative economic well-being compared to the rest of the world. What is critical at the American leadership abroad, America's role in the world is unique in its capacity to be a role model and example and its capacity to protect American interest abroad. And what has to also be true for American renewal to be in place is that the American dream, the promise remains intact. And the promise, if you want to say it in a nutshell, is that no matter where you start in America, there's an opportunity for a prosperous, successful, free life. And that our system doesn't become so stagnated, that the promise of opportunity and growth and personal success is limited. And we get locked into a system like other countries where you're born, where you're born rather sort of determines where you finish. And that dynamism within America is being lost. That social mobility of someone to be able to start in the fourth quartile and make it to the first quartile is not as obvious as it used to be. That capacity of parents to think that their kids are going to have a better life than they are is no longer the case. And there's two philosophies of how to fix that. One philosophy is, which is our conservative philosophy, is to

create a society that has maximum opportunity for everybody. So depending on your hard work and your skills and your ability, you have just as much a chance as anybody else to succeed and live your American dream. And then there's another approach philosophy, which says everybody should have a promise of the same outcomes. And this book is about the first, not the second, but it's within the context of today's challenges and trying to lay out a pathway for how America can renew itself for the next century. So here's the question that I like the way you set that up with the contrasting visions of the renewing the American dream. I think to put on my progressive left-leaning listener hat here, I think the progressives would say we agree with you. Our solutions to addressing the the situation you're describing are some form of universal health care, because this is this like massive constraint upon like entrepreneurship and like everyday experiences is this huge cost people experience to we're going to either like incredibly subsidized like higher education and make degrees cheaper in the sense that like someone else is paying for it. But but at the at the customer level, still, yeah, I'll give you that one still, but it's still cheaper. We'll offer student loan forgiveness so that people who like want to actually buy a house aren't paying student loans, except then we'll also like raise taxes on wealthier people, not your level of wealth, but I'm definitely upper middle class, they're raised taxes on people like us to then pay for programs that help people achieve that. If you're saying the conservative movement has moved on from the 1980s, so we're not just going to say and this wasn't all Reagan was saying, but we're not you're not just going to come on this podcast and say, well, that's why we've got these tax cuts for you. That I know that's not going to be your answer, like, what is the conservative and you can obviously like knock down the pins I kind of set up semi unfairly. But like, what's the conservative 2023 response to how you actually preserve the American dream then? Well, you know, there's there's so many dimensions of that that that I think is probably most useful to pick a couple. And what's David's response? That's a better way to put it. Well, how do you do it? Well, you know, the book elaborates on a number of them. But but let me pick one that's that's where I think the contrast between the progressive rhetoric and the progressive reality of the policies put in place and where the contrast with conservatives is so obvious and clear. And that's an education. So let's let's go to education because what's happening is a revolution in education. And the question is whether we're going to have enough momentum to create a tipping point. But during COVID, what what became apparent is what's really going on in our schools, both the curriculum that's being taught about the role of America in the world as an example, and whether American acceptance is really true or whether America is a racist country and conceived in racism. And that should be the defining narrative. And and also a whole agenda around progressive ideas and sexualization of our kids at very early ages, where the the teachers are becoming intermediaries in terms of talking to our children about such things. And where the role of parents was very divorced from the reality of what's what's happening with students in the classroom. The traditional conservative response has been choice. And and that the need for that is more obvious than ever. And so if you want to have the opportunity for everybody, then it's inherently discriminatory against those who have the least to enforce a public school system or teachers unions driving an agenda, which limits their opportunity. And yet that's exactly what the progressive agenda entails. And so that's a perfect example where kids should essentially have the amount of money that we're spending to facilitate them having opportunity, almost on

their back in a backpack that they could take wherever they want to go, wherever their parents help them choose to ensure they get the right education, that sort of competition, that sort of dynamic that empowerment and enablement of parents and students into our education process is the kind of big bold ideas that that are necessary. And of course, people have been talking about that for years. But what's happening now, I think if you look in states like Arkansas and Florida, Iowa and elsewhere is is real momentum on a fundamental transition. And if you think about what we need to renew America, we are declining in relative terms in mass science and engineering relative to other developed countries, we're in the low teens or something like that. High teens, rather, we are, we are struggling as a country and the core to opportunity for everyone in our society is education. So that's one example. The second example, which cuts against conservative orthodoxy really involves free trade. And what's become apparent is that the free trade orthodoxy, which which has really driven the Republican Party missed a lot. It missed a lot. And if you want to ask yourself, really, did it miss a lot? Well, here's a question for you. If we just lived through COVID and all of us, you and I and others discovered, I didn't know this and I'm pretty, I'm pretty plugged into this stuff, that like 90 plus percent of our semiconductors are that that we need to kind of make our country run are manufactured 90 miles from mainland China. Did we know that our pharmaceutical supply chain is dependent on China and other countries with which we may not have trust that in times of duress, that we'll get what we need. So the free trade orthodoxy has has gone put aside for a second that it gutted these communities, which is the typical response. But it was just dumb. It was dumb strategically. It was dumb that we over time in pursuit of open ended globalization, let me call it that way, lost key strategic capabilities that are necessary for our economic and well being in our national security. So now we need to go through a process where we revisit what we mean by free trade. And the concept of fair trade, I think, is a good one. And I do think that some of the concepts that President Trump introduced around reciprocity and ensuring that in these key strategic industries, we have a mental map that ensures that we're not dependent on fair weather friends or no friends at all. And so that has all sorts of economic consequences. It in some cases raises prices. In some cases, it creates jobs, which is a terrific benefit. And it's all part of an evolving economic policy that would be different than I think what many conservatives and Republicans would have talked about 10 or 20 years ago. And I try to take that on in the book. The thing with the book, one of the things you learn as a CEO is that there's a lot of problems you got to fix, but you can't fix them all. So you got to pick the ones that are going to drive the biggest change in outcomes. And that's why I try to do with the book. I try to do that with the chapters around a talent and the work for talent and what we need to do to succeed. I try to do that with technology leadership, try to do that with big data. I try to do that with the kind of leadership we need. And so the books somewhat prescriptive in the areas that I think are necessary to renew America. Yeah, so three follow ups. I will go back to your candidacy. I'm curious then, if you're having to pick and choose which policies you're obviously having to pick and choose, what position you place yourself in. So given the agenda, you just articulate it. And given how actually you're rhetoric around education, the talk around like talent development, even the semiconductor manufacturing, because you know, in Texas, there's a lot of like state based like action going on here. It actually seems like there's a

world where as governor, you could have pursued that agenda. So how did you like decide between let's take out like the viability? How would you sort through whether a governor or a senator, or even a member of Congress be best suited of addressing those issue sets that you've identified? Well, in my particular case, you know, that the motivation to run was not something, not something I ever honestly, but I thought earlier in my life that I was going to run for office in Pennsylvania. But when I had, when I had moved and run Bridgewater, I honestly thought that that was, you know, that chapter was passed. And I thought that I thought that I'd try to serve in other ways. And what happened was the Senate seat opened a number of people approached me on it.

And I thought I thought about it, but had to, you know, basically just demurred and thought it wasn't wasn't the right move. And then Afghanistan happened. And Afghanistan to me was such a, it was, it was such an example of decline, decline in competence, decline in America's leadership in the world. And it violated so many principles that I hold dear in terms of our dependability as an ally, as the way we treat people that have been been in the trenches with us, that the incompetence, but the strategic lack of strategic in, you know, oversight or vision with Bagram falling. And that really got me thinking again. And, you know, there's lots of reasons to run for different offices. I thought that the Senate offered an opportunity for me to bring to bear all those experiences I had had as a CEO of, you know, a technology business, a CEO of an investment business as someone who had served, you know, at the highest levels of government, as someone who had been a soldier. And I thought that while there's lots of things one could do as a governor to help Pennsylvania, there's other reasons why I don't want to make that suggest it's the only reason. But I thought the Senate seat was a place where my voice could do the most for the country and the most for Pennsylvania. And so that was, that was the motivation for running. And, you know, the thing about running for office is you just don't know it's you jump in the arena. The best metaphor I could think is remember that movie Gladiator with Russell Crowe and you're in the big arena and the people are there, you know, the throwing stuff in the arena. And then you're standing there by yourself with the sword and all of a sudden the trap door opens and the tiger jumps out. And, you know, you kill the tiger and then the next thing you know, the chariot comes in. And it is, you know, this is not for the faint of heart. This is not for the faint of heart. And to do it, I think to do it successfully, you know, obviously I didn't do it successfully in at least one respect. I think you have to be clear on who you are, why you're running, and that this is the nature of politics. And if you believe the cause is bigger than you, then it gives you the motivation. And when people ask me, you know, why did I run? And I go through that discussion and they say, well, it's so messy and so nasty. And it's so terrible. And you do, I get, you know, you get attacked on the right, get attacked on the left. And my answer is, well, if it's not people like me, that's not to put me in a pedestal, but people like me who have been so blessed, if we don't do it, then who will? Because at some level, you know, what, what's, you know, what's to lose if you know who you are, if you know you're proud of the life you've lived and you're doing it for the right reasons. The worst thing that can happen is, you know, you fall short, which, which is unfortunately what happened in my case. But, but, you know, you can, you can leave that effort proud that you were trying to do something beyond yourself. And so that's modern day politics. People do it for lots of different reasons, but that was the reason I did it. You know, a couple good follow-ups come

to mind. So A, as I'm thinking about your articulation of both this intellectual product, but also your candidacy, you're trying to recognize, and you said this explicitly, you're trying to reconcile like your conservative foundation and your principles with the actual like populism that's driving parts of the movement and play disproportionate roles and primaries. The Afghanistan topic is the perfect way to think through that lens. Because I'm sure you know this. A lot of the populist and the GOP found itself in a difficult position regarding like the withdrawal from Afghanistan, but especially the withdrawal from Kabul, specifically in the sense that a lot of them spent four to five years talking about forever wars. They were explicitly very frustrated that President Trump did not end the Afghan campaign in contrast to many of his privately and often publicly articulated desires. So when they look at President Biden, they're saying, well, I wouldn't have withdrawn that way, but I still would have withdrawn. How do you think about the awkward tension that I think was somewhat covered up by just how badly the withdrawal went? If the withdrawal had been more competent, I think you would have seen a bigger fight on the right over the actual policies. So how do you think about those two polls? Well, first of all, yes, the incompetence brought everybody together in the sense that it was so obviously inconsistent with who we are and who we want to be. I think this is a time for a very thoughtful debate within the conservative movement of this point. And Ukraine is another perfect example of this debate playing out. And I could just tell you what I think about it, but I think it's the motivation behind those who say, you know, we should be careful forever wars. We should focus on our efforts at home that we've spent decades of treasure and American leadership and credibility in the world with them. They have a point that's grounded in the fact that we have overextended ourselves in some ways. There has been a lack of strategic vision in terms of bringing the conflict in Iraq and Afghanistan to a close. It has gone on forever. American lives were being lost without a clear articulation to the families and to Americans, why that was the case. So it's grounded in a fundamental reality that has to be embraced in some way, the lack of accountability on how we're spending money, the fact that people are taking billions of dollars of American hardware, military hardware out of the air base. So there's an anger there or frustration that's grounded. I worry that the in reaction to that will learn the wrong lesson. And so American leadership in the world, I think it's critical to protecting American interests. Ukraine's the perfect example where my opinion on Ukraine is that we should be forcefully supporting the Ukrainians in their bid to ensure their continued freedom. Putin is the obvious aggressor in this case and his crossing lines that threaten not only the stability of Europe but the stability of America. This is a potent aggressor and it's very tied in how we responded. This is very tied in to what happens with China, which everybody agrees. I think in the Republican Party and across the aisle, it poses the largest existential threat. So I think we need to look through, and the language gets, I think we need to look through the prism of American interest. And in Ukraine, America's interests are to promote the Ukrainians in support of their conflict with Russia, to do that in a way that has accountability, do that in a way that American troops will get drawn in, but to do that forcefully. And I think the Biden administration has been very ham-handed and slow, ham-handed from the beginning in the sense that I think the mixed messages of Nord Stream 2 and elsewhere encourage Putin, Afghanistan certainly encourage Putin, and then

very slow to be responsive to give the Ukrainians what they need. So that's the debate I think we should have. And I think you got to embrace things like, okay, there's not been accountability, there's not been clarity of vision. What are American interests? I think there's a rub, and I can tell you where I lean on this, there's a rub where people say we should support liberty and freedom everywhere. Well, yes, because as the leader in the world for those issues, we should support those, but we shouldn't. I wouldn't make the argument for supporting Ukraine in the same way that I'm making it now if it weren't such hard American interest at risk. And so that's my philosophy, but I think that's going to be a forceful debate within the Republican Party. And I think we have to step into that, because I think America in retreat is ultimately going to sacrifice America at home. And that's what people aren't necessarily embracing is that America's strength at home and America's strength abroad are the same side of the same coin, or the different sides of the same coin rather.

Yeah. So for these last two big questions, I want to really hit at the most realignment-centric one. So one would be when you are, and by the way, I really appreciate your articulation of the way you're reconciling your previously held beliefs to the trade policy one. I think that's a perfect articulation of the issue set and the tensions. That said, there's not a lot that you articulated that a press secretary in the Biden administration would necessarily disagree with. They would say, you're right, David. That's why we passed the CHIP SAC. That's why, and they wouldn't say this is publicly is true, we largely continue the Trump decoupling policy. And in many ways actually ramped it up. I know you disagree with, I think, that press secretary TLDR articulation.

So where would you say is the gap between, let's say, the shared bipartisan rhetorical consensus on decoupling, China competition and manufacturing via the CHIP SAC, which I suspect you wouldn't

have voted for, and where you actually are today?

Well, I think with what President Biden, the administration has done, I think it's important to look hard at rhetoric versus reality. And the reality of what's happened with the legislation you refer to is there's been three big pieces of legislation. There's been the CHIP SAC, there's been the infrastructure bill, and then there's been the, and almost a laughable twist of words, the Inflation Reduction Act, which has been anything but. And this is enormous. It's \$10 trillion of incremental spending over the next decade. This is a re-engineering in many ways of the U.S. economy. It's a very strong focus on retolling our economy in the direction of green, the infrastructure bill in particular, the Inflation Reduction Act in particular, and the CHIP SAC, which I want to acknowledge the motivation behind that is consistent with what I just said, which is we need to bring our semiconductor capability home. It's a tiny fraction of what's required. It doesn't incorporate free market principles at all. If you go to the book in my technology chapter, I'm talking about the way, this is traditional industrial policy, I'm talking about the way that we need to bring private sector capital into these industries that are of key strategic advantage. And then finally, which was really disappointing, we now see that the implementation of the CHIP SAC has also come with all sorts of progressive agenda items that have been required of the companies that are receiving government support, everything from childcare, DEI principles, and so forth. So the Democrats have looked for an opportunity to drive a progressive agenda through all that spending. That spending has huge implications

for our economy. It's feeding the inflation challenge we have today. It's contributing to our debt, which of course is leading to enormous interest payments. And so it's fundamentally different from everything that I'm describing. But I agree with you, they're certainly trying to talk in that same language. And the reason they're trying to talk in that same language is because all those people that I'm describing think the government's not doing anything for them. And I feel quite confident that the policies that are being recommended are going to leave them, many of those people that are very frustrated and left behind wanting, because they don't address some of the fundamental issues that I try to outline in the book. So just a quick follow up here. I'm curious because I like the areas where there's tension between populism and conservative principles. Let's put aside the DEI mandates because I doubt there's any tension there from the populist or the more principled traditionalist end. The mandated childcare. I've definitely seen folks who identify as being very new right populists just say like, yeah, actually, I have no problem with the government. If the government's going to spend money on something, companies should actually make themselves more family friendly so that there could be childcare. We have a conservative social vision of what a healthy society looks like. And actually, there's no actually philosophical problem with that in the category of family policy. So I'm just curious how you think about that tension. It's kind of like big government social conservatism is how they would probably articulate it in private. Yeah, my view on this is and I have two examples in the book where I contradict this notion, which I try to highlight. Hey, I say I say I read like I'm contradicting what I'm about to say, but here's why. But you know, basically, I think as conservatives, I think this is where the populist streak and traditional conservatives comes together is less government is better. And so I was a CEO of multiple companies. I had to compete for talent. I spent lots of time trying to make sure that our childcare policies and all of our policies put us in a position to have a healthy, viable, dynamic, highly talented workforce. And that's the way the private sector works. And it works. You know, we've got a lot of history that that stuff generally works. And so the government saying, I'm going to put my finger on the scale here and here and here, there may be some places the government needs to do that. But boy, you better be careful because it's a slippery slope. And every problem in our society takes schools as an example. Really, who do you want talking to your children about sex, particularly at a young age? You want the schools talking about it or teachers? This is the same way with all of the or not all of these, but many of these social policies. So I think less is more should be very, very restricted and constrained about where the government's going to put its finger on the scale. And I think we have an example with the Chips Act where that's that's, and by the way, those rules came out after the fact. So it's a perfect example of a bipartisan bill that's passed with a set of underlying principles, some of which were favorable to what I'm saying. And then on top of it, a new set of rules and regulations that that are driving a progressive agenda. Yeah. And to get to the closing question and to mix the metaphor a lot, like what's what's addressed just like the elephant in the room of American politics, which is just China policy. I think every the thing that is just clear in this conversation, basically anytime you speak with anybody left, right and centers, the China issue is just always in the background of every single talking point, not even talking point of disparities. It's just it's just the underlying foundation. Close on China. Moving forward, not relegating decisions that were made in the 2000s. But oh, actually, you know what,

I'm going to totally switch my question up. You actually were in government during the 2000s, in terms of the Treasury Department, the Department of Commerce, whenever I talk with people about the China issue, we basically just do this hand wavy, they were wrong in the 2000s, now they've learned the lesson. Here's I'll ask you the China question. You're thinking of China in the 2000s, you're thinking of China now, where do you see the biggest shifts in your mentality and approach? And how does that shape how you're thinking of moving forward in the future? Well, there were early signs, you know, I talked about this in the book, but there were, I was in charge of the technology portfolio commerce, I was the under sector of export administration, and there were obvious, you know, the Chinese were very aggressive, very aggressive with technology, fevery, intellectual property theft. They were very aggressive with export controls. They wanted domestic industries in the United States to come to China, so those industries could be established, whether it's avionics or, you know, creating a plane manufacturing and so forth. And so it was a problem, it was an obvious, there was an obvious orchestrated whole of nation strategy of the Chinese at that time to become, you know, what now I think is the best way to say is a techno authoritarian state. There was this vision that some had in the government of, you know, they would embrace capitalism over time that would be softening to their human rights agenda and to, you know, the way they dealt with people, and that has not proved to be true at all. But what I say in the book is there were early signs, not early signs, there were signs, and I tried to call that out, I wrote a bunch of op-eds and so forth. But what's happened is far worse, I think, than even those who were skeptics at the time would have imagined, because China's ability to create a technology juggernaut that puts a real risk not only to the economic interests of the United States, but the national security interests of the United States is surpassed, I think, what even the worst fears might have been. The best example of that is just in the Wall Street Journal in the last couple of weeks, there was this report that came out of an Australian think tank that said 37 of the 44 most significant technologies at the intersection of national security and economic well-being, you know, satellites and artificial intelligence, quantum science and robotics were in a leadership position with the Chinese. That's not an accident. China has a plan for global supremacy, and the question I ask in the book is what's ours. So the reality is, worse than we thought, one of the things that's a key attribute that I don't think anybody really foresaw was the rise of Xi. Xi has taken what was already a very aggressive trajectory towards leadership and a challenge to America and put it on supercharged, turbocharged. And so the reign of Xi has also made the situation much more worrisome. Now what do I think we should do? Well, I want to separate two things. I think the rhetoric in some ways is necessary to make sure people understand the severity. So I try to be very direct in the book about how serious a threat this is. But I think this is a little bit like, you know, the thing I learned in the Army that the toughest guys, the toughest people, but there was guys at that point, I served in all male units, were the ones who were just quiet and just, you know, in the gym and on the shooting range and just tough and ready. And that's what I think we need to be is tough and ready. And so what I try to outline the book is a two-pronged approach. First of all, we need to be muscle-building. We need to be in the gym, right? We need to get our education system fixed. We need to have a technology strategy.

We need to get our data strategy. That's mostly independent of what China or anybody else does. That is in our hands. And then the second thing we need to do is have a whole of nation strategy, as I describe it, a coherent, integrated strategy for dealing with China and decoupling, yes, is a part of that. And I try to lay out what that might look like. But so is holding China accountable. You know, when you say there's a consensus, I don't think there's a consensus on how the Democrats or Republicans look at how we've handled Wuhan and COVID. No, I think it's been obvious for a long time. It was common sense in the beginning that the virus likely emanated from the lab that's located in Wuhan. And yet it's just now that we're actually having a conversation about it. When Republicans were trying for a long time to hold China accountable for that, Chinese have not cooperated on the Democrats and the media have essentially pushed that under the carpet. So hold China accountable for everything from human rights abuses, call it out, Wuhan and so forth. We need to have a strategy with our allies. That's a comprehensive strategy for how we deal with technology and technology leadership beyond the five eyes, Japan and elsewhere. We don't have that today. And we need to have a set of guidelines for how we think about outbound investment. So I'm not suggesting we sever our economic relationships with China tomorrow, but it is unacceptable. And this is someone who was in the investment industry. It is absolutely unacceptable that we have Silicon Valley venture capital firms that are investing in artificial intelligence companies that work with a PLA, the Chinese military, the Chinese Communist Party. It's unacceptable. It makes no sense. And yet there's been no constraints on that. They should have the common sense not to be doing it, but the government should play a role in restricting almost like an outbound sypheus, which I'm sure you're aware of what that is. But we have a process for reviewing inbound investment. We need to have a process for reviewing and constraining outbound investment. So that's what I'd like to see. I'd like to see that kind of plan. And it's easy to go on TV and beat your chest. But it's hard to put together a coherent policy that is with the sole goal of damaging the United States. And every aspect of that policy should be thought of in the terms of what's best for the United States. And we're going to have to gore some long-held assumptions about business and trade to do that, but we shouldn't do that mindlessly. I think that's an excellent place to end, given the fact that we need to be forward-facing. I just want to really highlight your point about outbound investment as a place folks need to be. Folks really need to cover because at this point, if you thought there was a place where people would have just gotten the message at an organic level, as in government doesn't need to intervene, you think it would have been this one. And the fact that just has not been received yet. I think if you're an LP, you should be incredibly worried about a firm that's in the face of everything is still making those moves. But clearly, this is a case where not just thinking of the inbound but the outbound is very helpful. So I think I want folks to really focus on those set of ideas. Well, David, this has been really great. I've really enjoyed this. Best of luck with the book launch and thank you for joining me on the realignment. Hey, thanks for having me. It's been my pleasure. Hope you enjoyed this episode. If you learned something like this sort of mission or want to access our subscriber exclusive Q&A, bonus episodes and more, go to realignment.supercast.com and subscribe to our five dollar a month, \$50 a year or 500 for a lifetime membership rates. See you all next time.