

[Transcript] The Realignment / #359 | Jacob Helberg: The Geopolitics of the Great U.S.-China Tech Decoupling

Marshall here. Welcome back to The Re-alignment.

I just want to start by saying that this is the one-year anniversary of the launch of our Supercast, one of the primary ways we run and fund The Re-alignment without needing to bring on advertisers or obsessed about clicks. If you subscribe to The Supercast, you not only help support the show, but you also get access to our bi-weekly Q&A episodes where Saga and I answer your questions. As you saw last Friday, Saga and I released another one of those and I'm going to do an upcoming one this Friday that's going to be basically a best of special edition looking over the past years. So, if you would like to subscribe, go to realignment.supercast.com or if you are a happy subscriber and your credit card information may have lapsed, you can also go to realignment.supercast.com

to manage your account. I really appreciate the support. I know there's been a tough bit of economic times we've been through, so anyone who's been able to contribute anything, your help is deeply appreciated. Now, on to the actual episode. One of the favorite things that I get to do with this show is revisit past guests who are not only advancing with their careers, but are actually entering the realm of policy and the actual debate not just being authors sitting on the sidelines. I've had today's guest, Jacob Helberg, on the realignment twice before. Last time he's on to promote his book, *The Wires of War, Technology and the Global Struggle for Power*. Today's episode finds him a newly appointed member of the US, China Economic and Security Review Commission. He's going to get into the commission, what it does. We'll talk a bit about the TikTok hearings unsurprisingly, but we're also going to expand beyond the hearings and get into the bigger questions about tech competition as the US-Chinese relationship continues to decline and put us in a very precarious position over the next few years.

Lots of great stuff here. Look to hear what you think. As always, huge thank you to Lincoln Network and the Hewlett Foundation for supporting our work.

Jacob Helberg, welcome back to the realignment.

Marshall, it's great to be with you.

Yeah, it's great to chat with you. Something that's happened as the catalog of the show has just gotten deeper and deeper and deeper. We're at episode, I think this is 359. I have guests like yourself who are just going to continue to advance new different things. We had Yuan in 2020 to discuss some of your writing at foreign policy. We then had Yuan in 2021 to discuss *The Wires of War*. And now, we're obviously speaking with you about the TikTok hearings, but the big development on your end I think would be the fact that you are now a member of the US-China Economic and Security Review Commission. DC specializes in impressive sounding yet completely intangible organizations and commissions. So could you explain what this role means, like what the commission actually is and how you kind of look at it through the work that you do?

Sure. So the commission was created in the early 2000s when China adhered to the WTO.

And a number of members of Congress had reservations about whether China would uphold its WTO commitments. So they created this commission to supervise, monitor, and report to Congress. China has different activities and issues relevant to the US-China relationship on an ongoing yearly basis. The job of the commission is ultimately to advise Congress on laws related to the US-China relationship in all areas. So that includes technology, economics and trade, military, and so forth. And so I joined as a commissioner. A number of members of Congress felt strongly about the need for the commission to

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have someone with a technology background on the commission, given everything going on in the world today and in the US-China technological competition domain space. And it's been an incredibly exciting time to be part of this increasingly influential body to advise legislators on important issues at a time when they're debating historic legislation to move the needle in the technological competition arena. Yeah. And I want this episode to be forward-looking. You and I both know we all have our cliché at this point, talking points about how in 2000, we thought China would do this with the WTO. It didn't do that. So here we are today. But given the fact that that story, especially regarding the origins of the commission that you just articulated is so centered on trade, right? So in real life, goods, manufacturing, jobs, et cetera, your work is really having to do with the technological, the digital aspect of that. Can you talk about how you feel about, I don't want to say the contradictory nature of those two areas. So like the in-person, the real and the digital, how are they different? How are you seeing members of Congress be able to think about, okay, so we're changing our trade policy, but maybe that has nothing to do with our digital goods policies. Like how do you think about that? Yeah, I think actually there is a lot of continuity between digital and analog. I mean, the commission report has obviously been charged with reporting to Congress every year, whether China has been upholding its WTO commitments. And every single year, the report, the conclusions of the report to Congress was overwhelmingly that China is not upholding its WTO commitments for the last 22 or so years. And interestingly in the digital sphere, you're actually seeing, so the conclusion in the analog world is China isn't playing by the rules. And in the digital world, the top level feedback is that China isn't playing by the rules. They're hacking our systems, they're stealing our intellectual property, they're instrumentalizing and co-opting their technology companies to cultivate them as tools of foreign espionage and surveillance and other countries, including in the United States, unfortunately. And so in a lot of ways, Congress right now is in the middle of a much needed holistic rethink of what the appropriate economic relationship should be with China moving forward in both trade. And you're seeing that with the debate on outbound capital flows, but also in the digital technology world. And you're seeing that with the debate with initially started with Huawei and ZTE. Now we're having a debate with TikTok, which doesn't impact just TikTok. But as you know, four out of the top 10 most downloaded apps in the US are Chinese companies. So how we deal with TikTok is actually going to have the cascade of waterfall effects on other potential applications in the US. And so it's really a comprehensive rethink of what the right relationship should be moving forward. And ultimately, the main through line of that rethink is that we need to decouple for security, for both security reasons, as well as economic competitiveness reasons. Yeah, I'd love for you to speak from the valley side of your background and your work and your personality. When you're talking about how there are four out of 10 most downloaded apps coming from Chinese companies, obviously, what does that have to say about how American tech companies were maybe like off their game in the mid to late 2010s? Because something that I am obviously like I'm very much with you on the TikTok decoupling policy, but I'm sympathetic when just everyday listeners and people are engaged in the debate say like, look, a lot of this seems like cope. It seems like Silicon Valley is ticked off that they missed short form video and all these totally non political aspects of technological development in social media and apps. So now what they're trying to do is kind of just jump back ahead by getting government involved. Like, how do you

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think about the argument that Silicon Valley just was left in the dust just by not actually keeping up with innovation? I think you can have two arguments that can live in parallel that can both be true. I mean, it is true that TikTok is a very innovative, highly addictive product. It's also true that it's a product that unfortunately has emanated from a company that's completely under the influence and control of the Chinese Communist Party. And both of those things can be true at the same time. And actually, I would argue that it's even more concerning that you're seeing the Chinese Communist Party being so innovative and effective at getting so many users in the US. With that being said, I think you're touching upon a topic that I think is really important, which is that the argument for restricting TikTok, the most salient part of that argument is the data security, national security argument. But there's actually many facets to that argument. And there's also the trade reciprocity aspect to the argument. I mean, let's remember that China has banned nearly every single major American content platform in China, including LinkedIn, Facebook, Google, YouTube, GitHub, the list goes on and on. And so there is a legitimate case to be made, and many people have been making it, that if you are going to believe in basic rules of trade reciprocity, why should we allow TikTok and Chinese content platforms in the US when they don't allow a single one of them in China. And it's really the pinnacle of irony when you have Chinese officials using Twitter, an American platform that they banned in China to try to make the case against banning TikTok in the US. So there's the trade reciprocity argument, there's the data security argument. And ultimately, there are real questions about TikTok's parent company, ByteDance, having also been complicit in providing the Chinese government with information about Uyghur women of child bearing age to support genocidal practices against Uyghur. So there's a strong human rights component to this too. You know, given what you just said, I was very interested in a article of the Wall Street Journal put out about you and the broader hill in the very work you're doing. It quoted a TikTok representative explicitly stating, the Chinese government has never asked to share US user data, nor would we if asked. I'll put aside the first part of the statement, but the second part was very interesting to me because the claim, they have now laid down the point that their claim is they would not follow orders, quote unquote, even under the national security law that exists in China in terms of like civil, you know, government fusion. How do you think about that statement? I'm sure you like you read the piece obviously like what was your reaction to them saying very occurring, you know, like we would say no if something nefarious was asked of us. What they are saying is that they would break the law in China and ultimately that is not a promise that we should be relying on. And you know, they the problem, the reason that TikTok failed so miserably to reassure concerns in the US is because no matter what they say, the law is written in black and white in China and it directly conflicts with American laws, which have a basic expectation of personal privacy and intellectual property protection. We have a constitutional amendment, the fourth amendment in our constitution provides Americans with reasonable expectations of privacy against unreasonable searches and seizures. China's national intelligence law is an affront to that basic principle of privacy. And so ultimately, if TikTok comes here in the US and says that they're going to protect our privacy, that means that they're going to be breaking the laws in China. And if they go by

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the laws in China, that means that they're going to be breaking the law in the US. And so, and you know, if they're not breaking the letter of law, they're certainly breaking the spirit of law. And so ultimately, I, you know, Congress had a choice in approaching the hearings between being performative and being substantive. And I'm incredibly encouraged and pleased to see that they really went down the substantive route and they raised hard questions. They asked the CEO, if he believes that genocide against Uighurs are taking place, which sounds like it's unrelated, but it's really to test, you know, the key question is, is TikTok an independent company from the CCP? And so pressing him on questions like that actually challenges him to, you know, and gives him the megaphone to test, is he capable of expressing a viewpoint like that? And the answer was no. He refused to say that the Chinese government is engaging in human rights atrocities against Uighurs, which in itself shows that he is following the law in China. And when, despite being, you know, in a US congressional testimony on American soil, and so, you know, I think the outcome of the hearings substantially increased the likelihood of a full ban on TikTok in the United States. You know, here's something I'm wondering. I'm thinking about this from a political communications perspective. I wonder the more I've learned about the famous grinder committee on foreign investment in the United States case. So basically back in 2019, a Chinese company had acquired a majority stake in Grindr, which is a gay dating app. And due to privacy concerns, SIFIUS forced them to disinvest slash sell the company. I'm wondering if maybe at a strategic level would have been better for opponents of TikTok to just say, hey, let's just do the grinder approach. We could have this whole debate about screen addiction and teen girls, but that affects every single app. And there's been a lot of good reporting about how basically every app is becoming the same anyways. So that issue would exist whether or not this was about Instagram or whether Vine came back, et cetera, et cetera, et cetera. Let's push this out of the side. At a bare minimum, this seems very much akin to SIFIUS with Grindr, so sell it. And then if you refuse to sell it, which would be weird because it's a basic thing we've been through in a bunch of different contexts, the Obama administration forced a Chinese company to sell a wind farm in 2012 because it was located too close to a US military base in the Pacific Northwest. I guess that's kind of what I'm getting at. What's your reaction to that? I feel like it would have been easier to say, this is just like Grindr, just for way more users, sell it. And then if you won't do it, we'll then talk about a ban. What's your reaction to that? My reaction is that it's apples to oranges and it's actually quite different. The reason is that Grindr started out as an American company. The engineers were always in the US. The servers were in the US. And then it just so happened that a group of Chinese investors stepped in and bought the company, which did trigger a lot of legitimate data security questions. And I'm glad that SIFIUS stepped in and addressed that. In the case of TikTok, it's different because TikTok has an enormous engineering footprint in China. It has servers in China, which even though it claims that it doesn't use those servers to store American data, it also failed to guarantee that some American data can't be accessed by its engineers in China, which can really be a loophole that you can drive a truck through. So at the end of the day, you have to ask yourself, is ownership going to address data transfers, the risk of data transfers? In the case of TikTok, the answer is no, because as long as you have such a large engineering presence in China, you have to address that. And so the only way to address that is to shut down all of their operations. The other thing that I'd like to note is even if you do that,

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even if you address corporate ownership, do a divestment, you shut down the engineering offices in China, you shut down all the servers in China. TikTok is a company that has been, since the Trump White House, has effectively been preparing for the eventual potential day where another divestment debate might reemerge since the Trump administration. And so if you are the Chinese government and you effectively are able to leverage influence over this company, it wouldn't be far fetched to assume that the app at this point has so many backdoors into it that are buried under millions of lines of code that if your concern is legitimately to secure American data, user data, then it's almost impossible to actually accomplish that goal at this point with TikTok. And so ultimately, I believe that a divestment wouldn't really address the root of the national security issue. The last point that I would add is, according to Chinese export laws, TikTok invited us would actually have to get approval from the Chinese government in order to go through with a sale to an American buyer. And the Chinese government has actually already signaled its opposition to approve such a sale based on the basic premise that the TikTok algorithms contain sensitive artificial intelligence that could potentially be salient to China's national security. So if the Chinese government opposes the sale of TikTok to an American buyer, the only option that the US government has left is actually a full ban on TikTok. And so that's why to me, it seems like if you're really concerned about addressing and if you're serious about addressing the national security risk, it's all roads eventually lead to a ban in the case of TikTok. No, that's a really, thank you. That's a very, very, very helpful framework for thinking about this. And from the perspective of the Chinese government, aside from just the proprietary algorithm and AI concerns at a baseline level, it seems like it would be a huge soft power loss for that sale to go through. It would basically be the implicit admission that all the concerns you just articulated would be valid. And that would play into other companies and play into other technology that would obviously affect the other three apps that you talked about in that top 10. So it's hard to imagine a world where from any just basic empathy level, at this point in the debate, put aside all the espionage concerns, it would not make any sense for the Chinese government to okay a disinvestiture or sale given that. And I guess this kind of goes to the point of a debate around SIFIUS is different if it's 2019 or 2020 versus it being 2023. That brings me to my next question, which is obviously the wires of war came out in 2021. It's been two years. Obviously, it's a broader book about your experience in Silicon Valley. But could you really just kind of, if you were to do an afterward on the afterward, on the afterward, I know we're past like the paperback coming out. But what would you say has changed in the past two years to the point of what you said about TikTok disinvestiture starting in 2020? So it's interesting because in a lot of ways, it's really been mind blowing just how many parts of the analysis and the wires of war have come to pass in the last two or so years. One of my biggest messages was that the US and China are in the throes of what I call the gray war, which you can easily characterize as a cold war, and that the best way to confront it is to be honest about that. And if you're going to be honest about it, you can reestablish meaningful deterrence in order to keep the peace. One of my big concerns today is we haven't been intellectually honest about this. The national security community still overwhelmingly clings to this idea that we're in a gentleman like competition with China. And that ultimately is a true disservice to peace because if you're in a competition, you can afford to go slow, you can afford to lose,

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you can afford to take incremental marginal steps. And ultimately, if the US loses ground, which unfortunately it's been making progress on a number of fronts, but we have been losing ground

in a number of other areas, that erodes American deterrence. And if you wrote American deterrence, you increase the likelihood of conflict. And just in the last month, Xi Jinping has delivered four speeches telling his military to prepare for war. He's dollarizing his economy to try to sanction prove himself against potential American sanctions, which also raises the prospect of is he planning a potential attempt, attempted invasion or blockade around Taiwan. So every all the signs coming out of China are extremely concerning. They're all pointing to a an increasing likelihood of an act of aggression from China against Taiwan and potentially by extension the US. And ultimately, I think that's probably the biggest change is the question today isn't whether or not we're in a Cold War or a gray war, but whether that Cold War will turn hot in the next two to three years. And I think the slower we are, if you think about the inner war period in the late thirties, the only story that mattered in the late thirties was would Western democracies going to successfully deter Germany from waging, you know, a continent wide assault on the rest of your up and eventually the world. And ultimately, the answer to that is that Britain, France and the other, you know, Allied powers failed to deter Germany. And that fundamentally rocked world history, you know, to its core. And I really worry that we're at a similar inflection point where today, we're seeing the military build up in China, we're seeing this autocratic authoritarian leader telling his military to prepare for war, we're seeing him, you know, sending ships and the stuff China see. I worry that the only story that matters today, and that is still underappreciated is, what are we doing to stop this, you know, high speed motion train that is barreling towards war? And what are we doing to ultimately slow the train in its tracks and prevent a war from taking place? And I am very concerned that, you know, the steps being taken are still way too incremental.

I guess when you raise the inner war, interwar period, a bunch of questions come to mind. So, like, number one, I'm curious, not to push the metaphor too far, but obviously, if you are going to tell the story of how the inner war period was a disaster, you would focus on the fact that the French put all their attention into building the Maginot line, right? So this is the Maginot line for listeners, we weren't, we were two buffs, is this long, incredibly advanced for the time, defensive series of emplacements over miles and miles and miles in many ways is designed to repel a World War One style invasion. Obviously, what you then have happen is the Germans go through their dens, they invent blitzkrieg and it becomes entirely irrelevant. Is there an equivalent if we're sticking with the interwar period metaphor of like a Maginot line, which the West has invested a lot of like faith, energy, or even like cope to make it more colloquial in that you see, or maybe there isn't an equivalent? I think we still spend, I mean, so much of winning conflicts are about leaning into your comparative advantages. And when you think about what are America's comparative advantages over China, it's really in the space of artificial intelligence, software, some of these emerging technologies. And the amount of investment that we're making in our comparative advantages are so de minimis relative to the overall budget of the Department of Defense. I really worry that we still significantly underinvest in emerging technologies that could potentially be decisive in the outcome of a potential conflict with China. And something I'm also curious about speaking of investment, that's another good pivot to the

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valley side of things. There's been talk that, you know, Silicon Valley investment firms are investing, not only investing in China, which is a whole like broader debate around decoupling, but are actually investing in funds that have to do actually deal with AI. So like once again, that's one of our competitive advantage areas. To what degree do you have thoughts on the ability of US based investors to pour money into geo strategically significant technology spaces like that? I think it's shameful. And I think it should be legal. I supported in the wires of war. And, you know, as a commissioner on this commission, and, you know, as a private citizen and scholar advocating for various legislative projects, I've been incredibly supportive of a new framework on outbound capital flows towards China. I think it's completely inappropriate that the US be funding both sides of the tech craze. American technology venture capital firms have no business investing in Chinese technology companies that are both ultimately make a farce out of the concept of private property when you think about, you know, shareholders. And on the other hand, are also building the capabilities of America's number one geopolitical adversary. So I think it should be illegal. I think a number of funds who have accrued significant China related, you know, offshoots and subsidiaries should probably be broken up. And ultimately, I think it is the job of the US government to lay down the rules of the road for what's okay and what's not okay from a national security standpoint. It's actually quite literally spelled out in the preamble of our constitution. So I'm hopeful that Congress is going to move forward and establish a law on that. But I think it's, you know, time is of the essence. And I think these companies really should be careful because what their activities in China should could backfire in ways that they don't always anticipate. I'd like you to do the thing you're so good at, which is translating between the two coasts, some in Texas, obviously, so the coastal metaphor has to be put aside for a second. But I understand, I just, I just read Shoe Dog by Phil Knight, and I totally understand Phil Knight wanting to get into the Chinese market to make Air Jordans, right? That just makes total sense. There's no, put aside like, you know, wages and like deindustrialization and all that stuff. Just at a baseline level, you want to make shoes, you make shoes as cheap as possible. He was already in Japan, he wanted to go to Taiwan, he goes to China, buddy, buddy, buddy, buddy. I genuinely do not understand why a VC in today's environment would be at all morally comfortable investing in AI related funds in China. Can you, I'm sure you've spoken with people who are in that, so you don't have to name names, but like, can you just help me understand from like, like, and I think it's easy just to say that everyone's just sort of greedy, but that feels like a little simple. What is going on there? You know, it's hard for me to totally put my finger on it, because it seems so disconnected from reality that it really is hard to explain. But the feedback I've heard from a number of fund managers that are still very attached to the idea of doing business in China is this basic impulse and false perception that when you invest money in China, your returns on paper are actually still quite high. And so for all of the noise around, you know, regulatory crackdowns and so forth, you can still generate high returns for your LPs through funds in China. I believe that that is a completely, you know, misguided pricing of the risk of investing in China. I think fund managers investing in China are completely mis-evaluating the underlying risk and mischaracterizing that risk to their LPs. China is a system that fundamentally does not believe in private property.

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It's also a government that is on a fast track to a potential geopolitical conflict with the U.S. And China's foreign investment law that it passed in 2018 explicitly says that the Chinese government has a right to expropriate and nationalize any foreign investment in China. So all these billions of dollars that these LPs have given fund managers that are now shipping money to China could potentially be gone overnight. So, you know, your real risk adjusted return isn't just potentially, you know, are you making 10% annualized gains or 20% annualized gains? It's could you potentially lose the entirety of your principal? So I think it's totally shameful. It's a terrible business decision. And I really believe that it's going to end up backfiring on quite a few funds that are at risk of potentially committing breaches of the Foreign Corp. Practices Act, but are also at risk of losing the entire principal of their investments. You explain why they're at risk of reaching the Foreign Corp. Practices Act. Well, simply the Foreign Corp. Practices Act is a basic prohibition on American citizens and entities and business people to engage in acts of bribery with foreign nationals and foreign governments in order to benefit the commercial interests of their business. And the the simple reality is everyone knows that it's impossible to get ahead in China without bribery. So when a fund hires the, you know, relatives of political Chinese Communist Party officials, when they, you know, have meetings with officials and out of those meetings, big investment deals are announced about, you know, investing and things strategic to the Chinese Communist Party to curry favor with them. They're really flirting with actions that leave paper trails that could potentially end up in criminal liability against the CEOs of these companies for violations of the FCPA. And so again, my warning to a lot of these business leaders is now that the public and lawmakers are starting to shed a light on all these activities and are starting to scrutinize these activities more. My warning to business officials on the West Coast is be very careful with how you tread the line in China because things could go terribly wrong for you if you're not careful. Yeah. And I want to go to the other coast again here and just ask you about the the Biden administration. So there's a couple of different routes that the TikTok ban conversation is happening. You obviously have a lot of the legislation. I'll ask you about that in a second. But the Biden administration has been fairly hawkish on this question for a Democratic administration. Like how do you, and obviously it's important to separate like rhetoric from action, but like how would you assess rhetoric and action from the Biden administration on these issues? I would assess it to be a mixed picture. And you know, I think on the whole it's decent, but so let's look at some of the things that they've done. They've been actually incredibly astute at getting our allies to close ranks on a number of different fronts. Collaborate in the world of technology, you know, conversations that they've had and engagements that they've had with allies like Japan, South Korea, Australia have really been, you know, incredibly substantive and pretty paradigm shifting in a lot of ways to help offset, you know, create technology alliances, create, you know, conversations around the production of semiconductors with South Korea and Samsung. So, you know, great ground covered on those fronts. Unfortunately, with respect to, you know, a lot of other areas, you know, frankly, the results have been lacking. I mean, I think we knew that TikTok was a national security threat two years ago. Biden issued an EO basically saying that he was going to take six months to do a review of the, you know, the security profile of the app and nothing's come out of it. And I know that now finally two years

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after, as we're starting a new presidential race, Congress is, you know, taking on this issue, the administration has had two years to make a decision on this. And again, the reason why I think it matters is that it's really not just about TikTok, but it's about Chinese technologies in the US. Our country is filled with Chinese technologies that all have backdoors across this country. We have LiDARs, Chinese made LiDARs by a company called Hesai across this country. We have What's a LiDAR? Sorry.

15 million. LiDARs are basically computer vision for machines. It's sensors that allow machines to perceive the physical world around us. And we have, you know, 15 million units of a Chinese vacuum cleaner brand called Roborock that basically scans, you know, the floor plans of American households and saves that data in servers in China. 15 million units were sold in the United States last year. So unfortunately, there is a lot, a lot of work that still needs to be done with restricting the sale of Chinese technologies in the US. And I'm, you know, I'm a little bit concerned that the administration has been very slow and two piecemeal and its approach to this. So as we're nearing this last section, I just want to offer a comment and get your reaction to I, I think the, I think the hearings went pretty well. I am a little frustrated that the data privacy, once again, the teen girl social media addiction bit got mixed in with the foreign ownership question, because the way I think you're articulating it's quite well, it's just the end of the day. This is telecommunications company technology.

The stakes are very high. That's all that matters. Like, you know, you could install all of the 60 minutes screen limits you want, you could perfectly solve for addiction, this, this, this change the color of the app, and they were still being an underlying issue.

So I would love for you to kind of just offer listeners a key takeaway when it comes to just the, the, the reality of technological decoupling separate from just like treating this like another social media app. You know, like Rand Paul had his statement talking about like the dancing app, which is just like frustrating to me because it doesn't matter what's actually on the app, what matters is the decoupling side. So can you just offer just like a straightforward, concise articulation of the decoupling? I'll do a different episode on the social media addiction issue, but I just really think it's important that we bracket off that even if this were the perfect app ever, it wouldn't change any of these underlying issues.

Right. And you're right. The content moderation piece is a different, it's legitimate.

We used to have laws in this country that prevented a foreign government from owning media company is for, you know, grounds and national history. This isn't that different. I mean, should the Chinese government own one of the arguably what's one of the largest media companies in the US? Probably not. There's a lot of content moderation questions about them manipulating the algorithm to push Chinese propaganda, but that's a totally different issue from the data security angle to this, which is that the app, whether it's Shen, you know, or Temu or a, you know, a seemingly innocuous benign clothing platform, or whether it's a social media app, the app is a piece of software on your phone that gives the Chinese government a backdoor into your deepest, darkest, most intimate secrets for, you know, for political use. And that is ultimately a violation of the spirit of our, you know, Fourth Amendment privacy protections in this country. The US government doesn't have the ability to engage in spying on its own citizens in that way. And nor should the Chinese government. And I think the big question I have, this is the other part of the debate that I think opponents of TikTok action were pretty, I think they were

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pretty successful at, at doing this kind of sleight of hand of focusing the demand. Well, let's talk about everyone's data privacy violations. Let's talk about Meadow. Let's talk about Google. Let's talk about Twitter. All those. So I think the question basically is, so, so here's the the obvious point is we just bracket that to the side. We say, like, that's a whole and look, we got a conversation. That's a whole other hearing due to the domestic, you can't listen to the previous 35 minutes and think that Mark Zuckerberg is in the same category. The debate we're having about Mark Zuckerberg is just not in the same category. That's just the baseline level. But that said, I do think it's important that critics of the status quo have maybe their own framework for how we should all think about digital technology and privacy broadly. So still bracketed, but still have one. Like, what would you, how would you just think about? I mean, you have, you know, you have a kid. So you're thinking of this to be clear. Facebook has actually been advocating for a federal privacy law. So California has a state level, you know, the California data and privacy law is already in effect in California, which is effectively the de facto law of the land, because most constant platforms are based out of California, Netflix, you know, Facebook, YouTube and so forth. And so they're not going to create a version of their platform through California and a version of their platform for every other state. So we already effectively have a privacy law, which is the California privacy law, which is effectively the law applied in all 50 states. So that's why constant platforms have actually been saying, Hey, federal government, why don't you just make the California privacy law the law of land? That way we have the same law everywhere. There is a federal, you know, preemption in the law that prevents a patchwork of 50 different laws across the US, which I think would be a fine approach. But I think you're right that ultimately, there is the data security law, you know, the data privacy law that should be applied to all technology companies, including American ones. But then there is the very specific, you know, concerns about national security that really apply with foreign controlled and foreign influenced companies, especially companies that are controlled and influenced by the Chinese Communist Party, which has unique sets of risks that don't apply to American companies and trying to treat and conflate the two as the same is ultimately, I think, muddled thinking. So here's the last big question. You laid out a mental framework in this episode, which is we should think of this moment as just like the interwar period. And I think if someone is a deep thinker about history, they'll hear that. And that's sort of like, whoa, like pause the episode. But if it's 1937, right now, this at a baseline level, like that should be like worldview shattering. That said, if it's, you know, 1937, that even the TikTok ban that you advocate doesn't at all address what you're really talking about. At the same time, too, I could advance, you know, investing in our comparative advantage technologies, like that's great, too. It was very important in the 1930s that, you know, the United States was like taking in Jews fleeing Europe, who would then go work on the Manhattan Project, which is how we ultimately like win the war. There were those like macro things that are happening. But I'd like you to just close this episode by discussing like what's the broad spectrum of things that you think that matter if we're going to adopt the mental framework of think of this as 1937. The big picture is we need a new technology trade architecture for the current moment we find ourselves in. And the building blocks of that architecture is we need restrictions on export

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on imports of America of Chinese technologies in the US across the board from Huawei in the hardware space to TikTok in the software space. We really need to look take a hard look at restricting

Chinese imports in the US. We need to restrict American investments in China. We need to tighten Chinese investments in the US. We need to shore up, you know, French shoring, what people call French shoring. So meaning at the same time that we wind down on technology trade with China, identifying opportunities to expand trading opportunities for our companies with like-minded friendly countries. And ultimately, we need to accelerate dramatically the revitalization of our production capacity. We won World War II in no small part because we were able to be the arsenal of democracy because we were the factory floor for the world. We're not in that position anymore. And that is hugely concerning. We can't let China produce us and on the battlefield and on the factory floor. And so ultimately, manufacturing is a vital component for how we win this current moment. And I think we can get there because through innovation, we can actually, you know, revamp our manufacturing capacity in ways that people don't necessarily expect or, you know, or give credit for in Washington. But it's going to take a lot of work.

So for the actual closing question, got some listener questions from folks who are working in state legislatures in the country. We've talked about DC, we talked about Silicon Valley, but something that 30 states have done is they've individually passed bans on TikTok, on state government devices. But what's interesting too is that oftentimes these bans will actually affect like other Chinese companies too, Alibaba, Tencent, etc. Could you just offer a like super zoomed in like what is like a member of the Florida state like how should they think of this issue? Because it's rarely if ever framed in like a state level issue because it's foreign policy. But like right now, given how diffuse and decentralized our policies are, and I think given the lack of like you said, comprehensive, completely bipartisan, here's the approach we're taking the next five years, it leaves a lot of space for you to fill. What's your advice for people who are doing this at the state level and who are confronting these issues?

Yeah, I mean, my advice would be to show at the state level what the blueprint should be for the country. But to be clear, I really, I think, you know, the efforts being undertaken at the state level are commendable. But ultimately, this really is a federal issue. And so, you know, I'm a little bit concerned with Congress getting too comfortable punting this over to the states. You know, I hate to repeat myself, but it isn't the preamble of our Constitution that the federal government that a fundamental purpose of the federal government is to provide for the common defense. And so this to me really falls in that category. And so it's ultimately Congress's responsibility to take the necessary steps to protect the entirety of all 50 states in this union. And so while the efforts undertaken at the at the state level are commendable and are worthy and worthwhile, ultimately, the buck stops with Congress.

That is a great place to leave it. Jacob Helberg, thank you for joining me again on The Realignment. Thanks for having me.

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