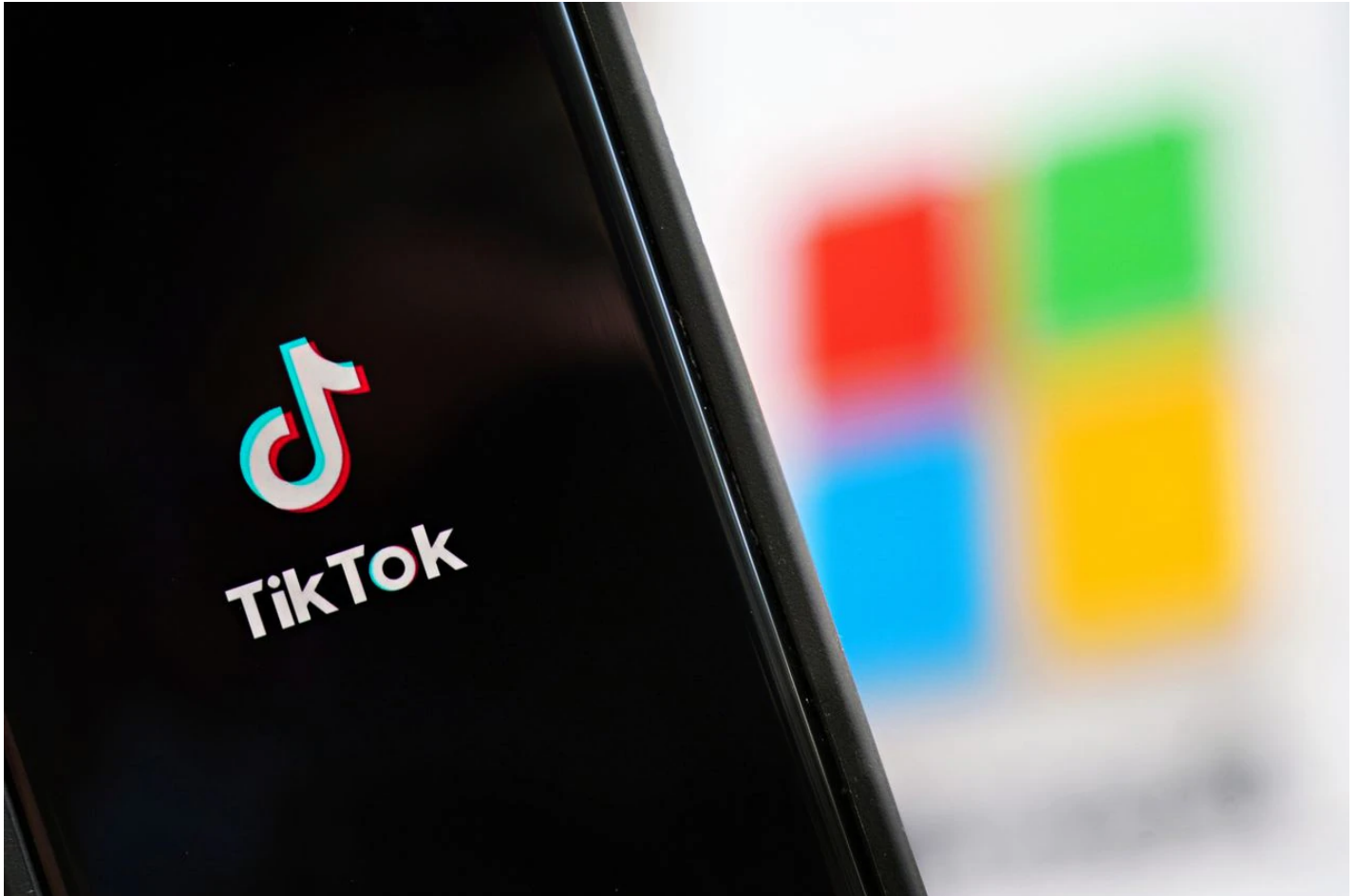


Trump's shakedown of TikTok, in the name of national security

By [Larry Edelman](#) Globe Staff, Updated August 3, 2020, 1 hour ago



NEW YORK, NEW YORK - AUGUST 03: In this photo illustration, a mobile phone featuring the TikTok app is displayed next to the Microsoft logo on August 03, 2020 in New York City. Under threat of a U.S. ban on the popular social media app, it has been reported that Microsoft is considering taking over from Chinese firm ByteDance. (Photo Illustration by Cindy Ord/Getty Images) CINDY ORD/GETTY

Is it possible to see China as a serious threat to the United States while still feeling some unease about the Trump administration's extortion of Zhang Yiming, the Chinese entrepreneur behind the social media app [TikTok](#)?

Yes.

If you're over 25, you've probably never heard of TikTok — at least until recently, when President Trump said [he would ban](#) the video-sharing app (think Snapchat or Instagram with more music) in the United States. The stated reason: national security.

On Monday, Trump said he would give Zhang and China-based ByteDance, TikTok's parent company, until Sept. 15 [to sell the social media network's operations here](#), either to Microsoft, which has stepped forward as the likely buyer, or another bidder. Otherwise he'll pull the plug on the app. (It's not clear Trump could prevent American users from accessing TikTok through overseas connections, but that's a topic for another time.)

The administration's action is predicated on concern that Beijing could force TikTok to turn over personal data on its 100 million American users (out of 800 million worldwide), plant spyware or malware on their mobile phones, or spread pro-Chinese propaganda or disinformation.

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It's a view shared by many [congressional Democrats](#), reflecting bipartisan agreement

that China is economic enemy number one. And it's the same argument the administration made when it [blocked China's Huawei](#) from selling its telecom equipment to US carriers: No Chinese company can be trusted because they can be conscripted into President Xi Jinping's battle for economic superiority.

But there's a twist this time. Trump has put a gun to Zhang's head and said, as [Tony Soprano might](#), "Sell it or else."

Just in case it wasn't clear this is a shakedown, Trump said Monday: "A very substantial portion of that [sale] price is going to have to come into the Treasury of the United States. Because we're making it possible for this deal to happen. Right now they don't have any rights, unless we give it to them." He didn't elaborate on how he could do that.

So let's recap: ByteDance has to cough up TikTok, a very hot product that rivals like Facebook would love to see disappear like a Snapchat video. Microsoft, eager to shed its old-school tech image, is waiting down the alley for the president to deliver the goods. And the government wants a big chunk of the money off the top for Trump's work as an investment banker/mob enforcer.

Zhang, 37, is no newcomer to complexities of international business, but he's never seen anything quite like this before.

He scored big when he sold an online travel site to Massachusetts-based TripAdvisor in 2009, which was then a division of Expedia. That deal didn't raise any regulatory eyebrows, but it was a less-contentious era in US-China relations.

He started ByteDance in 2012 and launched [Toutiao](#), a news aggregation app. TikTok was rolled out a few years later and became the first Chinese social media network to be successful overseas. In 2017, Zhang [bought Musical.ly](#), a China-made app that allowed users to create videos with music soundtracks, for about \$900 million, again without drawing any significant regulatory scrutiny even though it was popular in the United States and Europe. A year later TikTok was merged with Musical.ly, creating the app as it is largely known now.

As [Raymond Zhong of The New York Times](#) wrote Monday, Zhang understood ByteDance was vulnerable to mistrust and anti-Chinese sentiment in the United States.

“Zhang made TikTok unavailable in China so the video app’s users wouldn’t be subject to the Communist Party’s censorship requirements. He stored user data in Virginia and Singapore,” Zhong explained. “He hired managers in the United States to run the app and lobbyists in Washington to fight for it on Capitol Hill.”

It didn’t work.

The Committee on Foreign Investment in the United States, or CFIUS, [began looking at TikTok](#). The committee examines deals that could jeopardize national security, and can force them to be modified or reversed.

Fear of China stealing trade secrets and meddling in our elections is legit, but how the White House is handling TikTok doesn’t smell right.

“I am not that worried about TikTok, but I am worried about Beijing. ByteDance is stuck in the middle,” said James Andrew Lewis, an expert in technology and national security at the Center for Strategic & International Studies. “If ByteDance was in Singapore, they wouldn’t have a problem.”

I also wonder if Zhang wouldn’t have a problem if the US economy was in good shape, if the coronavirus was under control, and if Trump weren’t [trailing in the polls](#). The president’s get-tough-on-China stance is one of the last effective messages he has to run on.

There’s no way to really know.

That’s why there’s a needs to be a better system, both here and globally, for protecting national security interests.

Right now, every Chinese company is guilty of being a cyberthreat to the United States, and there is no way to prove otherwise. We aren't alone.

Stuart Madnick, a professor at the MIT Sloan School of Management, has looked at [33 cases in 19 countries](#) in which cybersecurity emerged as a trade issue. He likes to cite Germany's decision to [ban the My Friend Cayla doll](#), saying it could record and transmit what it heard to a voice-recognition company.

“This is one of those dominoes issues. It gets out of hand,” he said. “If TikTok is worth worrying about, there are probably another 100 things to worry about, too.”

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