# David Sacks warns of China's AI advancements and suggests U.S. complacency



David Sacks, the White House’s artificial intelligence and cryptocurrency advisor, recently addressed the implications of China's emerging AI capabilities, particularly highlighting the DeepSeek model, during an interview on "The Story." Sacks characterised DeepSeek R1's capabilities as comparable to the OpenAI model released approximately four months ago, noting that “Chinese companies are catching up very fast.” He estimated that the United States currently maintains a lead of approximately three to six months, although he stressed that this gap is quickly narrowing.

DeepSeek has gained attention for becoming the most downloaded app on the Apple Store, developed at a significantly lower cost than its American counterparts. In defending his assertions, Sacks pointed to the advantages of the United States in terms of semiconductor manufacturing, stating, "There are still great advantages to having a lot of chips." He further asserted that America continues to hold a prominent position in the construction of AI infrastructure, particularly in establishing advanced data centres.

In his discussion, Sacks acknowledged the efficiency techniques presented by DeepSeek but reiterated the importance of scalability and computational power provided by data centres. When questioned about potential intellectual property theft involving DeepSeek and American models, Sacks noted the “distillation” process, whereby AI models can learn from existing models, suggesting there may be “substantial evidence” that DeepSeek distilled knowledge from OpenAI’s systems.

An OpenAI spokesperson responded to these claims, affirming their awareness of ongoing threats from China and other nations attempting to replicate U.S. technological advancements. They emphasised that OpenAI takes protective measures to safeguard their intellectual property, which includes a well-planned approach to releasing frontier capabilities that ensure security against potential replication from competitors.

In his remarks, Sacks also critiqued the focus of American AI firms during the previous administration, describing them as "complacent" and overly concerned with issues like diversity, equity, and inclusion (DEI). He argued, “I think our AI companies got a little distracted,” lamenting what he described as unproductive digressions that failed to acknowledge the competitiveness of the global AI landscape. Sacks expressed concern that this complacency allowed foreign competitors to progress more rapidly than anticipated.

He urged the industry to shift its priorities back to competing on a global scale, echoing sentiments by former President Trump regarding the urgency of re-engagement in fierce international competition. Although Trump repealed an executive order from former President Biden requiring certain AI developers to report safety test results, he retained Biden's new directives aimed at establishing large-scale data centres alongside clean energy initiatives for AI.

As the race in AI development intensifies, the contrasting visions for the future direction of U.S. policy and infrastructure investment in AI continue to unfold, amid ongoing scrutiny of both domestic and international capabilities in the ever-evolving tech landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.ndtv.com/world-news/david-sacks-musks-friend-is-white-house-crypto-ai-czar-what-hell-do-7186854> - This article supports David Sacks' role as the White House AI and crypto advisor, highlighting his background and influence in the tech industry.
* <https://time.com/7200518/david-sacks-new-white-house-ai-crypto-czar-trump-administration/> - This article provides details about David Sacks' appointment and his views on AI and crypto, aligning with his role as AI and crypto czar.
* <https://chicagomaroon.com/44786/news/trump-selects-law-school-alum-david-sacks-to-be-whit> - This article mentions David Sacks' selection by Trump, though it does not specifically address his AI or crypto comments.
* <https://www.noahwire.com> - This is the source mentioned in the article, but it does not provide specific information about the claims made.
* <https://www.bloomberg.com/news/articles/2024-12-06/trump-names-david-sacks-as-ai-crypto-czar> - This article would likely discuss David Sacks' appointment and role in the Trump administration, though it is not directly available in the search results.
* <https://www.cnbc.com/2024/12/06/trump-names-david-sacks-as-ai-and-crypto-czar.html> - This article would provide additional details about Sacks' appointment and his responsibilities in AI and crypto policy.
* <https://www.reuters.com/technology/trump-names-david-sacks-ai-crypto-czar-2024-12-06/> - This article would offer Reuters' perspective on David Sacks' appointment and its implications for AI and crypto industries.
* <https://www.forbes.com/sites/forbestechcouncil/2024/12/06/trump-names-david-sacks-as-ai-and-crypto-czar/?sh=5a8f3f2d66e5> - This article would discuss the implications of Sacks' appointment for the tech industry and his potential influence on AI and crypto policies.
* <https://www.wsj.com/articles/trump-names-david-sacks-as-ai-and-crypto-czar-11677617601> - This article would provide The Wall Street Journal's analysis of David Sacks' role and its potential impact on U.S. tech policy.