Hey everybody, Merry Christmas, Happy Holidays.
It is the end of 2022.
And once again, we're doing our Bestie Awards.
Yes, at the end of the year, we do our Bestie Awards.
This is where we give awards
to the biggest winners, losers,
and many other categories that you love with me again.
Of course, the Sultan of Science,
deep in his Kurosawa vibes.
How are you doing, Sultan?
It was great to see you guys for dinner last night,
Saks, we missed you.
That was a lot of fun.
We all got together twice this week for dinner
while we were on vacation.
And during our dinner, we took a vote.
And Saks, you are now the director of the All-In Summit.
Congratulations.
Yes, congratulations, yes.
The grift is on.
Good, my first act is to veto it.
Okay, there you go.
Sorry to the fans.
Also with us, of course, is the dictator himself,
Chamath Palihapatia, deep in his turtleneck phase
and his vibes.
Tell us about your winter vibes, Bestie.
I mean, I can't believe that we all took over Lake Tahoe
for a week together.
It's cool.
It's been a lot of fun.
I gotta say, Saks, you'll be surprised.
J. Cal has the life hack of life hacks here.
He's figured out how to basically
get everything pre-wired, all the restaurants,
all the reservations.
It's been great.
I've loved it.
We've had a wonderful time.
He puts an eight-person table for every night
and he does it months in advance.
So every night, he's got an option.
About two weeks out, every two weeks out,

I get a table of eight for five, six nights in a row
and then I invite my Besties out.
And oddly, it turned out there was only one person
from J. Cal's side just himself.
Yes, there was always room for the rest of us to show up.
We had a wonderful time.
I picked up the check for the nachos
and Chamath brought $6,000 worth of wine.
I brought my own also to the restaurant yesterday
so we could open the wine properly.
It was wonderful.
We've had a wonderful time.
And of course, with us,
looks like he had to work over the Christmas break.
Sax, how are you doing, brother?
You working today?
I'm good.
I'm just hanging out somewhere.
Well, come on, you could be honest.
You're at the Twitter HQ.
I recognize that incredible architecture and design.
They spent so much money on that office space.
Beautiful office.
That's definitely beautiful office.
They've got their own bespoke coffee shop here
called The Perch.
We're the people that work there.
Too soon.
Too soon.
The people are working too hard
to be hanging out in the coffee shop.
Let your winter slide.
Rainman David Sartre.
And it said we open stores to the fans
and they've just gone crazy with it.
Love you, guys.
Queen of Kinoa.
I'm going all in.
Okay, so let's get started with our Bestie Awards.
This is very controversial.
We start with a political award.
And last year, you know, this is our,
just so we're clear,

this is not the prediction show.
The next week will be the prediction show.
This week is our winners.
Cue the music.
Yes, cue the music.
Blah, blah, blah, blah, blah, right there.
Okay, here we go.
2022 predictions.
This is what we predicted for the Bestie Award
for biggest political winner.
I said Ron DeSantis and so did David Sax.
We predicted in 2022.
You said it after me.
You said it after me.
And the way you introduced it, you said,
what did Tucker Carlson's writers come up with?
I said DeSantis and then you said DeSantis.
Are you starting already?
Literally, I'm trying to give you your flowers.
You know already, we're fighting like brothers.
Okay, take it easy.
You're going to get your flowers.
So Ron DeSantis, obviously a big winner.
So those were great predictions.
Freeberg, with a wild card there,
he predicted Putin would be a winner in 2022.
That one fell a little flat.
Did it not, our friend Freeberg?
Not a winner.
No, I think he, you know, I mean,
my projection was really built on,
well, I thought it would be a big kind of influence
that he would gain this year.
You know, whether he's viewed negatively or positively,
he's certainly at the center of the stage right now.
Now, Chamath, your 22 prediction,
this is your prediction last year for this year,
was that the biggest political winner
would be Xi Jinping, okay?
Now we go to our actual biggest winner.
This is where we tell you who we thought
was the biggest winner of 2022.
Let's start with you, Sax.

Who is your biggest winner for 2022?
Political biggest winner.
This was the prediction that I nailed,
as you mentioned it.
So the red wave fills it everywhere else,
but it crashed over Florida hard.
So DeSantis is my pick.
He won reelection by about 20 points.
And his coattails carried four new GOP house seats,
which happens to be the exact size of the GOP majority.
Several polls have now shown him beating Donald Trump
by significant margins for the 2024 GOP nomination.
He is shattering fundraising records.
Florida is now the fastest growing state.
So he is my pick for the biggest winner,
political winner of 2022.
Great.
Who is your biggest political winner, Chamath?
I mean, it's obvious, it's Xi Jinping.
You know, there is no single person in the world
that is now as powerful as this one man.
He has complete authoritarian control
over 1.2 odd billion people and 20% of the world's GDP
and a large amount of the world's debt,
including a lot of US dollar debt.
And so, you know, it's pretty,
it's hard to find anybody that won nearly as much as he did.
Okay, now to you, Friedberg.
Who is your biggest political winner of 2022?
I mean, I think your DeSantis and Xi Jinping calls
were really like good.
I think the biggest surprising winner for me is like,
you know, unexpected.
And that would be Zelensky from the Ukraine.
I don't think going into this year,
people paid as much attention to him.
He was certainly not a song hero,
but coming through this conflict
and I think leading the storyline
about our common enemy of the West
and common enemy of democracy being Vladimir Putin,
really kind of made him a superstar and a hero
on a global stage.

And I think that's evidenced by the fact
that he was in the White House
and he gave an address to the US Congress yesterday.
So I would make him kind of the biggest winner of the year.
It's hard to go against DeSantis.
So, you know, he clearly has,
as Saxe correctly pointed out, gone into the lead.
We'll see if he can be Trump in the primaries.
I have my doubts, but he does seem
to be pulling in some of those moderates, right?
I don't understand why you guys say he's a political winner.
What did he win?
He hasn't won the nomination yet.
He got reelected to a state that he had before 2022.
So what did he win exactly?
Well, I think a couple of things.
One is when he won election to the governorship four years ago,
it was by less than 1%.
It was a tiny margin of victory.
This was margin of almost 20%.
He had coattails
and he is now the frontrunner for the GOP nomination in 24.
I think you can argue that you can make the case
that maybe he's peaking too soon.
Well, I'm glad you brought that up
because if you look at the data, you know,
I think in the last seven or eight nomination cycles,
the person that's been leading the popularity contest
going into the aisle caucuses has not won the nomination.
He's peaking too soon almost.
That's a possibility
because when you're the frontrunner,
everyone takes shots at you.
On the other hand, if he stays this dominant,
he will drive out other contenders out of the primary
and he may be able to solidify it.
And if it can just be DeSantis versus Trump in the primary,
he has stands much better shot
than if it's Trump versus a bunch of other challengers.
And I think that if he continues to pull this well
within the Republican Party,
I think Trump might not run again
because Trump definitely does not want to risk

being a loser in the Republican primary.
So yeah, there's always frontrunner risk,
but it's hard to say that coming out of this year
that he wasn't a huge political winner.
If we're gonna challenge other people's picks,
I would maybe challenge Zelensky.
There's no question that he's been a global media hero,
but two thirds of Kiev is currently without power.
80% of Kiev doesn't have water.
30% of the Ukrainian power stations have been destroyed.
Nearly half of the country's without power.
There's something like eight million
displaced Ukrainians in the country
and over 100,000 Ukrainians have been killed in this war.
So yes, he's been a very strong charismatic war leader
for them, but...
Freeberg, your response?
I'm not advocating for his performance as a leader.
I'm advocating for his accumulation
of political goodwill, and that's it.
Okay, and he is winning the war.
Sue, I guess a pretty good answer.
Is that winning?
Well, in war, they say nobody wins,
but it's certainly better than having your country
taken over by Putin, so some would argue that's winning.
Let's go to Biggest Losers.
Biggest Losers in 2022, we predicted.
Again, this is our predictions from last year,
and then we'll go on to our actuals for this year.
Last year, we predicted.
Chemaut said the progressive left.
Saks said Nancy Pelosi.
Freeberg, you said U.S. influence globally.
Interesting.
And I said the extremes, both Biden and Trump.
Let's go with our predictions,
I'm sorry, with our actuals for this year.
Chemaut, why don't you go first this time?
Who is your biggest political loser for 2022?
I mean, I don't think it's as written about as much,
but the progressive left did see
as much failure as the MAGA, right?

So they were a huge loser.
I mean, to the extent that anybody thought
that leftist quasi-socialist policies and politics
was a winning strategy,
I think that was pretty soundly refuted,
even in places that were pretty staunchy Democrat.
It was really difficult for the progressive left
to do much of anything but lose.
So I think that was a really powerful
and important repudiation.
And I think it's marginalized as them
to a bunch of, you know, kooks almost.
And I think that that's really healthy
for politics going forward.
So your prediction and your actual
are gonna be the same, the progressive left?
I think they were the biggest political loser.
In the United States, at least.
Okay, yeah, Elizabeth Warren.
We don't hear people talking about Elizabeth Warren
or Bernie Sanders much this year.
Yeah, and I think that the biggest political loser
outside of the United States
was probably the European Union.
Okay, you wanna expand on that a little bit?
If you just think about the corner
that they painted themselves into,
how much they had to basically, literally,
go 180 degrees away from what their policies were,
you know, there was a huge raft of whether it was
green ESG, kind of woke, liberal politics
that manifested itself in all kinds of
national security decisions and energy decisions
that in this last year, they literally had to undo
in order to stay alive.
And that makes that whole political construct,
I think, very fragile.
So they were a pretty big political loser
outside of the United States.
Okay, Sacks, gonna be hard here to guess this one.
But Sacks, who is your biggest political loser in 2022?
I have no idea who you're gonna pick here.
By the way, I got policy right last year

that she did lose the gavel.
So you've gotta say that the war in Ukraine
was the biggest event of the year.
And obviously you can spread the blame around
to a lot of people starting with Putin
because he's one who ordered the invasion.
But I would say this is a slightly different take
on the category, which is biggest political blunder
occurred on January 27th of this year
when Blinken said that NATO's door is open
and must remain open.
And that is our commitment.
He basically shut the door.
He kept NATO's door open, but shut the door
on any means of a diplomatic off-ramp to end this conflict
by promising Russia that Ukraine
would not become part of NATO.
That was the single biggest diplomatic blunder
of this year or maybe the last couple of decades
because there's a good chance
we could have avoided this disastrous war
if we had just been willing to close NATO's door.
Wonderful, great, crisp answer.
Thank you for that.
Nice and tight.
Friedberg, who is your biggest political loser for 2022?
It was a tie for me between Jerome Powell and Liz Truss.
Liz Truss just has to get recognition here
for only being in office for 45 days
as Prime Minister of the United Kingdom.
I mean, I think that is, cannot be overlooked.
The, some of the policy and folks that she put in office
caused massive chaos.
It was just a clear dysfunction
over a very short period of time.
Jerome Powell, I think this was a big surprise this year
to see how the Fed chair became so politicized
and his role became so politicized,
both kind of the left and the right,
finding reasons to question his leadership
and his decision-making.
The failure to raise rates soon enough
led to massive inflation is what you'll hear

from one contingent of politicians
and the public at large.
And then the rate at which he's raising rates now
to catch up to the, and to calm inflation
is causing people to complain on the other side.
So there is really no one that seems to be happy
with Jerome Powell.
And I think that that was a shooting star
that seems to have completely lost its luster.
Okay, so the Fed, yes, good poll there.
Okay, mine is pretty clear.
And objectively, it is, of course, the GOP,
the red wave failed, it turned into a trickle.
Trump is back and I believe there's a good chance
he will win the primary.
Roe v. Wade, a complete unmitigated disaster.
Four Republicans, they caught the car and plus,
marriage equality and having to deal with that.
Women and the LGBT community vote
and they have long memories.
The GOP, the biggest political losers for me.
Okay, I'm sure Saks has no rebuttal there.
So we will move on to the next category, which is?
By the way, if you say it that way,
then the biggest political loser in 2022 were women.
Like fundamental human rights were stripped away
from 50% of the population.
So that's not cool.
And they could have left it alone.
And they could have left it alone.
Well, if what you mean is that the issue was sent
to the states and each state then gets to decide
then you're right, but if you look at the battles
that have happened at the states,
even red states like Kentucky and Kansas
have rejected the subsequent political push
to outlaw abortion.
So it has not turned out to be.
Just by the fact that all of these red states
basically reconfirmed and enshrined a woman's right
to choose may actually go more to show
that the Supreme Court is totally out of touch
and that they didn't need to touch Roe v. Wade.

And the fact that they did opened up a huge can of worms
in 50 states that now need to go and adjudicate this thing
where it looked like actually that decision,
even back in the day, even though the way that it was done,
there was a lot of room for improvement.
Clearly everybody agrees with that,
but was actually after 50 plus years reasonable law.
And so now that you took that law away,
now folks even in the red states are like, no, it was fine.
Which means that this whole thing was a huge political gambit
more than it was actual societal intention.
Okay, so we are gonna move on now.
I just, I'll add my final two cents to that.
As I said, I do think women and the LGBT community
have very long memories and the people who are in the moderate
are not gonna forget how they were treated by the GOP
in this specific issue.
So biggest political surprise.
We didn't do predictions last year,
but I'll just run down what everybody said
was their political surprise.
I said, the fact that Kamala Harris was sidelined
was pretty surprising to me and that's continued.
Shamath, you said Joe Manchin was your biggest
political surprise.
Glenn Yonkin, winning.
Saks, that was your biggest surprise.
And Friedberg, the January 6 crowd making it into the capital
during the insurrection was your biggest political surprise.
So here we go, our 2022 biggest political surprise.
Saks, let's start with you.
You have a lot to say about politics, go.
Well, the biggest political surprise to me was no red wave.
So I admit, I got this prediction wrong.
You know, I got all my previous ones right, Jake Alice.
I'm gonna admit, I got this one wrong.
You know, I believe that the elector would focus
on the fundamentals.
Three quarters of the country thought
we're on the wrong track.
Three quarters think we're in a recession.
Nevertheless, the Republicans did not do nearly
as well as predicted.

They only gained nine seats in the house.
They actually lost a seat in the Senate.
And I think that had something to do with candidate quality
and of course the whole election denial narrative
basically was a disaster for them.
I hope that the Republicans move on
and stop talking about the past.
What voters wanna hear about is the future.
Friedberg, did you have a biggest political surprise
for 2022, Friedberg?
Yeah, it's also the failure of the red wave.
I mean, that was my pick.
I think the consensus going into the election
was with, you know, rising inflation
and the disdain that everyone had
for the way politicians kind of managed us through COVID
and then managed us through the economic recovery.
It was inevitable to see a flip and it didn't happen.
I think obviously we talked about why that is
but that was a big surprise for everyone.
Chamath, what was your biggest political surprise of 2022?
Chamath, Paul, how about you?
The absolute toothlessness of MAGA and Donald Trump.
I mean, he was just a scarlet letter.
If you were anywhere near this guy, you were gonna lose.
And that's surprising considering
how traditional Republicans were pandering to him
up until frankly, just a few months ago.
So I think that we exposed the emperor
as having no clothes and that he marginalizes
and sidelines candidates into a fringe following
that cannot go mainstream.
That was really surprising to see
how stark that was this year.
Fantastic, I'm gonna build on your Chamath.
I had two here.
Number two was Roe v. Wade, but we've beaten that.
I think it would just get us disgusted
as much as we possibly could.
My number one building on your Chamath
is that despite what's happened with Trump,
the documents, his cases in the United States
and New York about taxes,

despite all of this, the January 6th insurrection,
despite all this, Trump is still viable.
I can't believe he's still viable
and that he is gonna be out there in the primaries
and he's gonna have to debate DeSantis.
And I don't know that DeSantis can beat him in a debate.
I think he might win.
So this is completely scary for both me and Sax.
I think it's terrifying.
It's Sax's nightmare and mine.
Well, I think he's mainly viable in the minds
of the MAGA dead-enders and the mainstream media
who want to keep him alive.
And the Biden administration wants to keep him alive
and they'll do anything to keep him alive and in the news
and you love keeping him in the news.
So it's a- Yes.
It's a co-dependent relationship
between the mainstream media,
which you sometimes front for, and Trump.
Oh, be careful telling me what I think.
We need to end this co-dependency, Jay Cal.
Well, I wish the Republican Party
would finally take ownership of this disaster
that is Trump and tell him that he has no business,
but you guys keep him in the game
and the fact that he's viable.
Again, your personal nightmare and mine.
Okay, biggest business winner.
Everybody excited to get off politics right now
and get to our kill zone, which is business.
So last year, we had predictions in this category.
I had said, Disney, that's an up and down prediction.
I'll get into that in a moment.
Tramoth, you said small and medium-sized businesses,
the old SMBs.
Sax said rise of the rest, the flyover states.
And Freeberg, you said stripe.
Tramoth, let's start with you, SMBs.
What did you get right?
What's wrong here?
I mean, I whiffed.
It just completely missed the global macro shift

that we embarked on in full force
starting in Q1 of this year.
It is the most important business story of the year.
It's just like we have an absolute complete regime change.
And by the way, that regime change is so complete
and so thorough that it even touched Japan
just a few weeks ago, or sorry, just a few days ago,
where Japan, who finally yielded on this idea
we're gonna have negative interest rates
and yield curve control, even they finally broke
and raised rates.
So it is an absolute worldwide sea change
in how we need to think about risk.
And I think that's worth talking about
a little bit later in the show,
but that was the single biggest business story of the year.
Y'all had to watch Tramoth's ad.
I missed this too, even though on another prediction,
when you asked what the biggest business loser would be,
I think I said that it would be asset classes
that had been pumped up by the Fed's money printing
because you start to feel, yeah, so I got that part right,
but what I didn't connect it to
were all the asset classes actually got pummeled.
So I kind of conceptually understood
that rates were rising, but I totally underestimated
the magnitude of the shift,
the way that growth stocks would get hammered,
the way that crypto would get destroyed,
the fact that Tiger basically got blown out of the industry.
I mean, I had the right general intuition,
but I didn't translate it into the specific asset types
and the magnitude of the shift.
And also what Jamal said, a real regime change now
and how markets are viewing stock performance.
It's really incredible.
Freeberg, let's get in on this.
This is somewhere where you can contribute deeply.
What do you think about your take last year
and you still believe in Stripe?
Yeah, I mean, look, it's a business
that obviously benefited greatly from the pandemic
and the adoption of the payment processing infrastructure

that they've built across various kind of e-commerce platforms.
I'm not an investor, so I don't have any numbers,
but there are public reports that have highlighted
that their revenue increased 66% this year.
They've indicated that they're probably
going to experience significant revenue slowdown
with the recession ahead,
but it still seems like a super high quality business.
And, you know, valuation-wise,
who knows what things are going to be worth
when they ultimately come to market.
There's certainly no one going public right now.
So at some point, we'll see, you know,
whether valuations play out.
But it seems like it continues to be a very strong,
one of the strongest private businesses
that's being built in Silicon Valley.
We will get to 2022 biggest business winners in one second.
I will just say, for Disney, what a swing.
Bob Chapich in and then out, and now Bob Iger back.
So I feel like I got this one wrong and right at the same time.
I still believe in the company deeply.
I think they're going to have a big win.
Let's get to our actual biggest winner of 2022.
Sax, why don't you lead us off with your biggest
winner of 2022 for business?
I said Lockheed Martin along with other defense stocks.
Lockheed Martin, which makes javelins in high Mars is up 40%
in the past year when most of the market's been weighed down.
Northrop Grumman's also up almost 40%.
And even some of the lesser performers
like Raytheon and General Dynamics are up about almost 20%
in a terrible market environment.
The fact of the matter is war is terrible,
but it appears to be good business.
We've sent so many weapons to Ukraine
that there's recent press reports that are the US stockpiles
of missiles, javelins, and stingers are now depleted.
So these companies are going to keep doing well
for the next year at least.
Now there's a new appropriation sailing through,
something like $44 billion of new funding for the war.
It's now over $100 billion.

McConnell says this is a Republican's number one priority.
This is now a bipartisan concern.
And if you think the war is expensive,
just wait for reconstruction, that's
estimated to cost roughly $1 trillion to build Ukraine back.
Sax, can I ask you a question about that?
Are these, when we fund these wars,
I've heard different versions of this,
can't get a clear answer.
When we provide weapons and systems like this,
are they not on account and we ask for money back at some point?
Do you know the answer to that question?
You think we're going to get money back?
Are you kidding me?
It seems to be sometimes that we do, so that's why I was asking.
I think it's something that has been clarity on.
Look, I think the war has been phenomenal business
for the military industrial complex.
So that's what we're seeing here.
Not so great for the rest of the economy.
Freeberg, what do you got?
Yeah, I mean, I think you guys will remember last November,
I predicted energy and defense to be the best performing
stocks for this year.
Sax is right.
I think defense is up 40%.
So I kind of went with the bigger oil and gas companies
are up across the board about 47% in terms of equity value
in the public markets a year to date,
compared to the S&P being down about 20%.
So over the short term, I would argue oil and gas companies.
But I think that over the long term,
there were a couple of big breakthrough moments
that I would give kind of the winner in business that
will benefit over the long term to open AI and to fusion
startups.
And we'll talk more about why for those two, obviously later
when we get to the biggest winner in tech and science.
But yeah, short term oil and gas,
they benefited from the supply constraints
and the conflict in the Ukraine.
And the longer term, I think open AI and fusion startups.
Well, and by the way, I mean, just

to give Freeberg some credit here,
you actually predicted the war.
Or you predicted a war.
I don't know if you predicted this war,
but you predicted war in 2022.
Yeah, I predicted the war and Putin kind of rising
to the center stage and the defense energy.
Wait, I think dog.
That was a huge prediction, because I don't think most people,
even most analysts, well, they were surprised
even when the invasion happened.
I think people were still very surprised both
that Putin would order it.
But also, if you say the situation,
I think you got to be surprised that we didn't negotiate harder
to try and prevent it.
I traded it too.
I bought an energy ETF, so it worked out for me.
OK, Chamath, your biggest business winner of 2022.
Nick can throw it up, but it's basically
any single person that understands the following formula.
So this is the capital asset pricing model.
So what is this?
This is like, before you make any investment,
what it actually tells you is, here's the rate of return
that you need to generate above the risk-free rate.
In order for you to justify making that investment.
And if you really understood the capital asset pricing
model going into 2022, it would have been difficult for you
to not make money.
Because all of a sudden, as the 10-year flexed up
and as the volatility, particularly of things
like tech stocks, went crazy, you could have figured out
where to park your money.
And all these people that have built businesses
around this capital asset pricing model.
So you have companies, obviously.
So you have sectors of the economy,
like defense or energy stocks, consumer goods and staples.
They all had moments where they all did well.
But if you take it one step above,
the organizations that actually ran big macro books
or really understood how to algorithmically implement

this capital asset pricing model just ran roughshod
over the markets.
And said, in a different way, it's
sort of my background, which is if you understood
the capital asset pricing model, you
would have been a massive bear.
And the bear got fed this year to a degree
that none of us could have anticipated.
OK.
So am I correct saying the capital asset pricing model
is the biggest winner?
Or no, people that understood it.
People that understood it, got it.
OK.
And for my biggest winner, I went with chat, gpt
slash openai and their partner, Microsoft.
Why did I pick that as the biggest winner?
Well, on my other podcast, as we can start it up,
we played a game, chat gpt versus the first result of Google's.
And Molly and I could not tell the difference.
And in fact, we picked chat gpt's answers often above Google's.
Google, one of the greatest businesses and franchises
ever created, has no answer currently for chat gpt
because Google's business model is to get you
to click on an ad between links.
If you give the actual answer, then the person
doesn't stop clicking.
If they stop clicking, Google stops making money.
There is no business model in search
if the person gets their answer because they're done.
This is an existential threat like we have not seen.
And our friend Sam Altman has a line chat gpt slash openai
with Microsoft.
Microsoft, I think, is going to release a,
and this is a prediction as well, a search engine
with openai that has a significant impact
on Google's franchise.
We didn't think this would ever happen, and it's here.
OK, the biggest losers in business,
we made predictions last year.
I said in 2020, I predicted in 2021,
the biggest loser in 2022 would be crypto.
By the way, Friedberg, you agreed with me, and we nailed it.

Or you agreed with me.
Well, yes, that's correct.
We were in agreement.
How about that?
We were in agreement, yeah.
We were in agreement.
Saks, you said, and Chamath visa slash MasterCard,
we'll get into that.
And Saks, you said asset classes benefiting
from government pumps.
Very interesting.
The Fed stopping QE.
Interesting.
Anybody have comments on their predictions
or each other's predictions from last year?
On a percentage basis, David absolutely nailed it.
Saks absolutely nailed it.
On a dollar basis, the biggest business loser of this year
was Big Tech.
And I think that you saw three things happen, which I think
are important for the future.
The first was it was the most crowded trade,
both by professional money managers as well as retail.
And that fever finally broke in the second half of this year.
And now going into these last few weeks,
you're seeing a lot of panicked selling
to cover losses and other things.
So I think that number one, that happened.
Number two, regulators basically said,
we're going to go after these guys every single which way we can.
And then number three, I think it
started to change the innovation cycle where people now
actually believe that they can't outspend
because folks won't tolerate it.
And the things that they're spending their money on
seem kind of foolish.
And so I think Big Tech is probably not discussed enough,
but it was a huge loser for this year
in terms of what happened to them.
2022's actual biggest business loser,
Chumat says Big Tech.
Freeberg, who is your biggest business loser for 2022?

I mean, this one's just a simple FTX.
I mean, that was such an incredible revelation
of the scale of the scam and the fraud
and the craziness that went on.
And I think what was interesting about FTX
is it had implications not just for crypto
and not just for kind of offshore regulatory
and not just for fraud, but also for the investors.
We had a whole debate about whether the press and journalists
failed to kind of appropriately investigate this guy
rather than give him accolades because he
said the right things, which he said he did over IM.
And investors failed to do relevant amounts of due diligence
or form a board and have proper governance over him
because they wanted to be part of the hot new thing
and everyone had capital to deploy.
And I think what was interesting about the FTX failure
is it didn't just, it wasn't just a failure due to fraud,
but it revealed so many parts of kind of,
you know, I call it systemic laziness
and systemic kind of blind eye and systemic bias
that allowed and enabled this to happen.
It was really a revealing kind of failure.
And that's why I kind of gave it the award.
Mr. David Sacks, who is your biggest business loser
of 2022.
Well, you kind of mentioned this.
I picked Bob J. Peck, who's the former Disney CEO.
He was Iger's handpicked successor three years ago.
Then the pandemic hit, which shut down the theme parks.
But then I think the big mistake was allowing himself
to be mal-mouted by woke employees
into picking a fight with DeSantis
over the so-called don't say gay bill.
That caused DeSantis to retaliate
by threatening the special privileges
that Disney enjoys in the state.
And then he had Iger undermining him behind the scenes.
This was revealed, I think it was in a Wall Street Journal
story that he was grousing to insiders
that Chapec was not soliciting his advice.
And he was undermining confidence in him with the board.
And recently Chapec was forced out

and I was put back in charge.
It's a fantastic choice for the biggest loser.
How brutal does Iger look in that Wall Street Journal piece?
I mean, would anybody work for him?
Yes, he is incredible.
He looks terrible.
I agree.
I read that piece twice actually.
It's a CFO calling him up.
She was the one who stabbed him in a knife to Chapec.
It's a great Wall Street Journal long read.
I don't think that that happens without the support
of the person waiting in the wings.
Hey, listen, there's a couple of jobs you never quit.
You never quit a hit TV show.
You never quit a hit band like Roger Whatard is
with Pink Floyd.
Why didn't they just extend his retirement?
And you never quit the Disney job.
It's the best job, the best CEO job in the world.
But Jason, why go through the theatrics
of grooming somebody, putting them in your job,
and then undermining them?
Like, all I'm saying is if you're a good-
I think he made a mistake.
I think he made a mistake.
He quit and he wanted it coming out.
And also if you're a good up and coming exec,
I mean, what do you do if all of a sudden you have
the opportunity to get groomed for that job?
It just seems really risky.
Yeah, I mean, I think Bob Iger realized
when in that piece they say he went on his yacht,
his wife didn't come with him.
The Wall Street Journal piece is incredible.
And he's got bored.
And he's 70-something years old.
He's almost like in the early 70s.
Why would you give up the greatest job in the world?
So he went back and he took it back.
Didn't Disney have a mandatory retirement age?
But this is my point is he was so prolific.
He could have extended it.

Why not just extend it and be done with it?
Yeah.
Did you guys read the book he wrote?
Oh, that ride of a lifetime?
What is it?
Yeah, and I think that what was interesting
about that book was the entire thing
was built around a series of deals that he did.
It was like, I did this acquisition.
And I did this acquisition.
Then I did this acquisition.
And everything for him was building this empire
by doing deals.
And someone whose storyline and narrative
that they tell of themselves that's built
as a series of deals is a deal junkie.
And you're not gonna be a deal junkie
where that's your excitement, that's the thrill,
that's the adventure that you get out of life.
And then you go and sit on a yacht.
You're not doing any deals sitting on a yacht.
And you're gonna wanna get back to that.
And I think it's less about kind of management and product.
It was much more about being in the midst of doing deals.
And that's probably why it came back.
If this was part of Eiger's diabolical strategy
to get back, let me just say like,
one of the ways he did it,
I mean, Chapec had the right instincts,
which is when this whole Florida debate happened over,
don't say gay, highly contentious.
No comment.
He no comment.
His instinct was just to stay out of it.
But then Eiger made some statements
about how companies have to live up to their values
and that kind of stuff.
And then the employee started, you know, again,
you know, mowing him to get involved.
And he took the bait and he got involved.
And what he didn't expect is that DeSantis
wasn't gonna just roll over.
DeSantis hit him back really hard

and it cost them economically.
And then the whole thing just rebelled.
And in the first interview that Eiger gave
when asked about this question,
he was like, no comment.
Yeah, he's like, we're not gonna get involved
in politics anymore.
We're not gonna get involved in politics anymore.
It was hilarious.
That was hilarious.
He nudged Chapec to basically get involved in politics.
And then Chapec basically became cannon fodder
for DeSantis.
Exactly.
And then I was like, oh, we're out of this now.
I mean, how diabolical is that?
Oh, it's so diabolical, so dirty.
The other two things were,
Chapec said, we're going to take away your PNLs
to each of the leaders.
That is like just neutering them.
That he basically said, everybody's under the CFO,
everybody's gonna be on one PNL.
That infuriated all the creatives.
And then he went to war with Scarlett Johansson over
a $10 million settlement for her black widow.
He couldn't handle talent.
He couldn't handle the politics.
And he wanted to control everybody's PNL,
just unforced era after unforced era.
Congratulations to my guy, Biobagger, I own the stock.
Do you think he was diabolical at all?
Oh, in the best possible way.
In the best possible way,
which means that Disney stock is gonna go up.
Yes, I'm buying more Disney stock this year.
Is all the woke progressive politics that he projects,
is that all just a game to mask what a viper's nest?
Their executive suite really is.
Are you telling me that Disney is a political corporation
after Eisner and Biobagger and all of this?
Michael Ovitz, I mean, it's the history of Disney.
It's the greatest job in the world.

It is Game of Thrones to get that job.
And Biobagger got it back.
He's my guy, I'm sticking with him.
And they have the best IP in the business.
I don't care how he gets that job back.
He's awesome.
I gotta say the IP at WarnerMedia
is a real strong contender.
I mean, that White Lotus, we were talking about this yesterday,
how good White Lotus season two was.
Let's open up the Red Lotus discussion.
It is incredible how HBO produces
extraordinary hit after extraordinary hit.
The quality and the consistency of that quality
coming out of HBO is like nothing else.
You'll go, I mean, look, Avatar 2,
I did not like Avatar 1, I thought it was junk.
Avatar 2 is getting panned for being junk as well.
Not everything that comes out of Disney is a hit.
They certainly have the best franchises.
But man, WarnerMedia has a lot to contend with
and they could end up being a real challenger
to Disney in the years ahead.
Saks, did you watch the White Lotus season two?
Yes, or no problem, it is absolutely fantastic.
We have to do a little fan service here.
What did you love, Tramoth, about White Lotus season two?
Give the fans a little service here.
But wait, it's on season two.
I didn't even see season one.
I don't even know what you guys are talking about.
Okay, it's the hottest show in television.
Well, I'll tell you what's incredible
is there's a diversity of characters
and they weave the super interesting story together.
But each of the characters are so distinct
and the characters are played so well.
I mean, we were talking about,
we were kind of at dinner last night
talking about who our favorite character was on the show.
And everyone has a different answer
and everyone has a different reason.
And then there are characters that you hate,

but the fact that you hate them
and the fact that you despise them draws you in,
you're drawn into these characters.
I think that the way that they kind of portrayed
and the way that the characters were acted by the actors
and then the way that they all kind of weave together
to tell this extraordinary story,
it was really compelling and it was like,
just super impressive, directing, acting,
writing, everything.
There are a handful of scenes in season one
and season two,
which I would say are unbelievably psychologically violent.
And there's just no other way to describe
like how they just expo,
and by the way, they do it with simple shots,
very simple dialogue.
It's almost nonchalant
in the way that they present these truth bombs.
And you have to sit there and process it
and you're just like, oh my God,
it's just, it's wave after wave.
It's an incredibly, incredibly well written show.
The character development is extraordinary.
Amazing.
The production and set design, by the way, also.
I mean, when you watch this, don't you want it?
You want to go to those locations.
Do you guys remember in season one's,
Sax will remember this because Sax watched it season one.
The family is sitting at the table
where they're watching the Hawaiian dance
and Paula, the guest of the family,
gets up and leaves, she can't take it anymore.
And then the next day, they're in a discussion about it.
And the father says something about,
I think hierarchy,
or imperialism or something, and it goes around the table
and she's just deadpan.
She says, well, maybe it's just time for others to eat.
Talking about, you know, like fixing these wrongs.
And I had to listen to it two or three times.
I'm like, oh my God, that is a line

that just sticks in your brain.
There's a few of those in that show
that I think are exciting.
And I was saying like, they really draw you in
the set design, the production design is so compelling.
You want to be there, you want to be in that experience
with those characters.
The pineapple suite.
Yeah, you're like totally drawn to the pineapple suite.
I mean, and then in this season, that whole hotel,
I looked up the hotel by the way online,
they had their own set design people come in
and redo the hotel, but it is an actual hotel.
It's a real hotel.
And they just made it so magical.
Yeah, it was such an incredible.
Oh, Freiburg, we should make that the host
of the Wall-In-Summit 2023.
What a wonderful, oh, oh, oh, oh.
Sorry, I'm working on my Jennifer Coolidge.
Tell your director, David Sacks,
what you'd like him to do for you.
My biggest loser was crypto.
And I think there'll be a subsequent domino to fall,
which is now that Gary G, head of the SEC,
has FTX and the FTT tokens as the grift.
He's going to go down the list of other tokens
and he is going to start doing more prosecutions
of grifts in crypto, biggest loser for me.
All right, biggest business surprise.
Let's see if we can get Sacks back engaged
in the conversation now
that we're not talking about art and life.
Sacks, last year, your biggest business surprise.
Sacks just produced a movie about Dolly.
I know, I'm joking with him, he's a true artist.
And he sold it to Mark Cuban.
Congratulations on the sale, David.
I guess me and Cuban are besties now.
Fantastic.
2021 are selections for biggest business surprises.
I was very surprised by DAWS.
Chamath by Moderna.

Sacks by Tech Moving to Miami.
And Friedberg, you were surprised by NFTs.
What were we surprised by in 2022?
Friedberg, we'll start with you.
Elon Musk's acquisition of Twitter,
I think, took everyone by surprise.
It kind of went, I mean, this is such an obvious one,
but it went from a whimsical fantasy and idea
to suddenly cold-hearted reality
with a huge kind of negotiating saga that took place
and court battles and all the drama that ensued.
And here's what I think was most surprising about it.
It wasn't just the acquisition
and the fact that the acquisition closed,
but it was the incredible veracity of the head cutting,
cost cutting, the demands that people return to work,
return to the office.
And then what was most surprising that followed that
is the impact that that seems to have had
on the rest of Silicon Valley,
where now nearly every VC I speak with,
every CEO, every board is looking to Elon's behavior
for right or for wrong, for moral or not,
and saying, that's a model for how you can challenge
your team to achieve the impossible
in an impossibly difficult environment,
which is what we find ourselves in.
And so I think it was a series of surprising events.
He bought Twitter, he made these incredible changes,
and then everyone seems to be looking to that as a model,
and it's really resonated, it's created a rippling effect.
I'm not saying it's good, I'm not saying it's bad,
I'm not saying it's moral, right or wrong,
but the whole thing was really an incredible, surprising,
unexpected saga this year.
So I give the Elon acquisition of Twitter kind of the award.
Chamath, do you have a biggest surprise?
I would say it's Jerome Powell and the Fed
and their staunch hawkishness on inflation.
I think everybody wants all of this to be over,
and I think we're definitely in the last few innings of it,
but I think what was surprising was how consistent
and how hawkish and how bearish Jerome Powell was.

Every chance he got, he didn't capitulate or waiver
from the key message which he was saying from the beginning,
which is we have the tools to fix a broken economy,
but we don't have the tools to fix runaway inflation,
and so we will raise rates higher than anyone expects
and keep them there longer than anybody wants
because on the back end of it,
we can fix a few broken bones,
but if left unchecked, this could really do a lot of damage,
and I think that that was an enormous surprise
that all the political pressure in the world,
all of the financial capital markets pressure in the world
did nothing to change his position.
Sax, what was your biggest business surprise of 2022?
David Sax's biggest surprise.
Well, it was a pretty big surprise
that Adobe bought Figma for 20 billion.
That price tag in this environment, pretty big surprise,
but I got to say, I think Freeberg nailed it.
Got to say that the business saga of the year
was Elon buying Twitter.
First, the liberal media was up in arms that he might do it,
then they insisted that he must complete the deal.
In any event, he did ultimately buy the company,
and now he's affecting his changes.
I agree, that's the big business story of this year.
Certainly it was a big surprise for me
that I got depositioned for six hours.
Is it a surprise that you're sitting
in Twitter's headquarters today right now?
Yeah, it is a surprise, but just by the way,
the rumors and speculation are getting out of hand.
I am not a candidate for a CEO of Twitter,
so I want to put the compulsion on that
because it's starting to get out of hand.
J. Cal, the job is yours, my friend, congratulations.
All right, I guess let me know when I start, okay?
You've worked hard, you've demonstrated.
You're confident.
J. Cal, the last man standing, last man standing.
Out with, out last.
Now that Sax has said he has not taken the job,
a bunch of libs have just stopped taking Xanax.

The libs biggest fear was Sax was gonna get that job.
Woo, we just canceled a bunch of Xanax prescriptions.
Congratulations to the libs,
Sax is not gonna be your overlord on Twitter.
For me, it's obvious the Twitter acquisition
is the biggest surprise by far and away.
Freeberg, I couldn't have summarized it better.
I will say in six weeks,
what we have seen there is nothing short of extraordinary.
Have there been bumps in the road?
Has it been a little chaotic at times, perhaps?
But the features that are coming fast and furious
are gonna be the story going forward.
You've seen Twitter for business.
Sax had his fingerprints all that.
You may fingerprints all over that.
You may have seen hashtags for stock tickers.
I was briefly involved in that.
There are gonna be so many features coming.
And this is what Elon's zone of excellence is.
The product, he is an engineer.
He's a product genius.
The proof is in the pudding,
whether it's rocket ships or the cars.
We're gonna see a parade of features.
I predict in another six to 18 weeks,
we will see people talking about all the great features
in Twitter, not any of the transitional issues.
And people will be shocked.
My runner up, Metastock collapsing.
That was my runner up for the biggest business shock
is that they just absolutely collapsed.
I was just gonna add to what you were saying
about new features launching.
While we've been sitting here on this pod
and I've been checking my Twitter feed,
there's a new feature where there's a view count
on all of your tweets
and all of everybody else's tweets as well.
So you can see how many views a tweet is generating.
So this tweet that I posted yesterday
has 1.5 million views.
It's like incredible.

So it really shows the incredible reach of Twitter.
And anybody who's thinking about going to like
some knockoff like Macedon or something
is gonna have to contend with the fact
that it doesn't have nearly the distribution.
So I think this really shows the power of Twitter.
And then Dave Rubin noticed my,
I tweeted this just a second ago.
And Dave Rubin noted that the New York Times
doesn't have anywhere near the views for its tweets
because they bought all their followers,
which is interesting.
I didn't know that,
but I just went over to the New York Times profile
and my tweets are routinely getting 10 to 20 times more
reach, more views than theirs.
So this is a super interesting indicator
of who actually people are paying attention to
on Twitter.
It's fascinating.
This is fascinating.
I'm looking at my own.
I just did, how do you give a $30 billion fraud bail
referring to SPF?
And that was just less than an hour ago.
No, it was 30 minutes, yeah, an hour ago.
And I have 50,000 views already,
which is 10% of my follower count.
So this is an extraordinary.
You see right next to likes retweets, quote tweets,
the feature train is coming
and this will change the dialogue.
All these haters who are like Twitter is gonna go down,
who are rooting against Elon.
Let me tell you something.
If a guy can land two rockets at a time
and he can literally restart the electric car movement
and he becomes the number one car in any category
he releases a car in,
how on earth would you bet against him to build software?
You have to be idiotic.
This is way too much.
I mean, you guys like, we should.

Sorry, he's a feature, he's a product.
I get it, I get it.
It's like an ad.
Yeah, you're selling a product for a company
that you guys are working at, like, I mean, come on.
I'm not working at the company.
I get it, I get it.
It's great.
Well, you guys are advisors, right?
Well, hey Nick, can you,
let me show one other feature,
so I think it's cool.
Nick, let's go.
Yeah, keep going features.
Let's go.
Pull up my profile real quick.
Welcome to this week in Twitter.
Oh my God.
Twitter now has affiliate badges.
You can see I've got a little crowd ventures badge
next to my name.
So if you, you should be able to click on it actually
to get to the crowd ventures profile.
Yeah.
So you're gonna be able to affiliate users
with business accounts and it creates
kind of secondary badges after the blue check.
I think even the corporate journalists
are gonna love this because if you're a New York Times writer,
you'll have a little NYT badge next to your name,
Wall Street Journal, whatever, you'll have that little badge.
So more and more people are gonna get blue checks
and then people are gonna have secondary
or even tertiary badges that are basically specific
to their affiliations.
Okay.
So I think it's gonna be killer.
Let's make sure we get, let's get an all in badge.
We are gonna have all in badges really soon.
Awesome.
Okay, let's go.
That was our biggest business surprises
and we just canceled your account, Freeberg.

You're just gonna be locked out.
We just took away your.
No one goes through it anyway.
It's all good, don't worry about it.
Okay, best science breakthrough here's an easy one
for us to do.
2022, biggest science breakthrough.
What have you got, Sultan of Science?
We core, of course I have to start with you.
22, biggest science breakthrough, Freeberg.
Yeah, I'm gonna give it obviously to the demonstration
of net energy gain from the National Ignition Facility
in plasma fusion that we talked about last week.
I wouldn't call it a breakthrough by the way.
I think we used that as a misnomer last week,
but I'm still gonna put it in this category.
It's more of a milestone along a very long path,
a very arduous path, a very difficult work
that's been taking decades.
So it's a great milestone,
but I think what was so important
and impactful and powerful about it
is that it's really catalyzed a change,
a sea change in the investing and the outlook
that this is becoming more reality.
As I mentioned last week, we've seen an increase
of nearly 40% in the number of fusion startups
and the amount of capital that's flowing in
is now reaching 10 billion a year.
So this is becoming a real investable
or an area that's getting real investment.
Some people might not think it's very investable,
but that's why I think it's been an important year
for fusion.
And I think it's something I highlighted last year
I was excited about.
And I too picked fusion.
Also, just point of clarity,
last week some people, Chamath,
before you go to your prediction,
were saying, hey, you're talking your book on solar
when you were in your disagreement with Friedberg.
That's obvious.

You've been very upfront that you were investing in solar.
You placed your bet.
Yeah, 100%.
Yeah, so just for clarity.
Everybody knows he made that bet.
He's talked about it incessantly.
Plus those idiots that were saying that are stupid, but...
Yes.
Let me further clarify what I said last week
and why it's important.
If Nick, can you bring up
the capital asset pricing model again?
The most important thing for me
is to make sure that we don't misallocate human capital
into endeavors that I think are best left
for research institutions funded by the government.
And I think when you look at a capital asset pricing model
and try to build one out for fusion as an example,
the expected rate of return that you need to get from this
is just astronomically high
because of the beta of that investment risk
and the market risk premium you have to generate.
And so, from my perspective,
I think that there are probably four or five labs
in the world that are capable of actually getting us
to a positive energy equation.
I think Friedberg, I really thank you
for actually saying that it wasn't a breakthrough
and more of a milestone.
I think the real breakthrough is when we have positive,
not just jewels, but we actually convert that
into electrical energy, right?
And we actually talk about power and watts.
And I think that most people listening
probably don't even understand the difference
between jewels and watts or don't even care
and they wanna jump around here or there.
So the point is that there's an enormous path
we need to take in physics.
And I think it's best done in governments.
And I don't wanna see a bunch of billions of dollars
get wasted to get marginal cost of energy to zero right now.
I think there is a point in time where private startups

can take the last 20 or 30%
but I think about this like the internet
which is you need a DARPA to build V1
and then it could be handed over to private industry.
And I think fusion when we look back
will look very similar.
And all the folks that try to build
versions of the internet that were private
I think found themselves lagging
because there's just a level of investment
that's required that's best served in government.
So anyways, let's clarify that for all the folks
who got their panties in a bunch yesterday.
But in any event, my science breakthrough of the year
is that there was a 13 year old girl.
This was, because of all of this fusion stuff actually
we didn't even get to cover it
because it happened in the same week.
And I think this is infinitely more impressive
and is an actual breakthrough
which is a 13 year old girl in the United Kingdom
who had a heretofore uncurable form of leukemia.
T cell acute lymphoblastic leukemia.
So typically you start in chemotherapy.
If chemotherapy doesn't work,
you move to bone marrow transplants and it was uncurable.
And a lab in the UK basically using CRISPR
edited these transplant T cells to go in
and wipe out her cancer.
And now her cancer is literally undetectable.
Now, if you bring up that capital asset pricing model
again, Nick, what I'll tell you is the rate of return
on a human life in my opinion is infinite.
And so here is an unbelievable breakthrough
that got very little attention
because everybody was wrapped around the axle of fusion.
It happened in the same week.
So maybe it's understandable.
I didn't understand it.
But I think this is the single most important thing
that happened in science, not just this year,
but frankly in the last decade.
Because if you can actually now do base editing

and eradicate at least in this case, a blood-based cancer
and eventually we'll be able to bring that
and use that towards solid-state tumor cancers,
it's a huge breakthrough in just human longevity
and human quality of life.
And that happened just a few weeks ago.
Okay, and of course for David Sacks,
his biggest science breakthrough is I don't care.
So moving on, Sacks, go ahead, tell us.
Yeah, no, this category reminds me
of when Biden had that moment where he's like,
America can be defined in a single word.
And then he's like, that's kind of how I feel
about this category.
America is a nation that can be defined in a single word.
I was gonna put him, excuse me.
Amazing how you figured out a way
to be derogatory about Biden in the science section.
A new low even for you, Sacks.
Oh, it's a good one, Sacks, I like it.
All right, biggest flash in the pan.
2021, this is what we said,
we're the biggest flash in the pan.
I said the woke socialist leadership of cities,
i.e. Chesa Boudin, Freebrook said the Constitution Dow,
Sacks said the word transitory, very well played,
and Tramot said the metaverse, also very well played.
Oh, nailed that, nailed it.
Yes, very good.
Everybody get your flowers, enjoy.
All of those seem like pretty good selections.
But this year is what everybody wants to hear about.
Freebrook, tell us now, who is your 2022 biggest flash
in the pan?
The undisputable, who, here we go.
The biggest flash in the pan of 2022 was the All-In Summit.
Oh, wow, that hurts.
It came, it went.
That hurts.
It'll always be a strong and significant memory.
It was such a hot thing for a minute, and then it died.
So to the All-In Summit, I raised my glass,
I poured one out, I toast to you, to Miami,

and unless David Sacks carries it from here,
it was a flash in the pan.
It was a flash in the pan.
Sacks, who's your flash?
Which Democrat is a flash in the pan for you, Sacks?
This is where I had Liz Tross.
As you guys mentioned, she only survived 44 days as PM.
I mean, that's only four skirmuches.
Skirmuches.
So.
She was basically fired by the bond markets
after she combined a Thatcher-esque tax cut
with massive energy subsidies
to counter the price spikes caused by the war in Ukraine
that she was finitely committed to.
This was deemed untenable by the UK Central Bank
and crashed the pound.
And I think there is a serious point here,
which is that as much as Thatcher and Reagan
were the two towering heroic figures of the 1980s,
I think zombie Thatcherism
is not gonna be electorally viable in the UK,
just like zombie Reaganism is not gonna be viable
in the United States.
I think that the conservative movement
has to stop living in the past.
We have to develop fresh ideas
to meet the economic and foreign policy challenges of today.
Chamath, do you have a flash in the pan?
I actually think fusion literally was a flash in the pan.
It lasted 10 to the negative 10 seconds.
So that less of a flash you can't have
without being a flash in the pan.
Oh, they haven't.
Hey, Sacks, I see somebody.
Oh, hey guys, look who's here.
Oh, look who it is.
Oh, is it the proprietor?
The proprietor, the owner.
To our customer support at your service.
Sacks, you spent the last 15 minutes
selling your new features on the podcast.
Pretty exciting.

Well, the views are incredible.
And I saw Dave Rubin already made an observation
that if you look at New York Times,
their views are maybe one-tenth, like my views.
Just me, he's a lone tweeter.
And he said that their followers are inflated
by just basically buying a bunch of follower accounts.
Yeah, the views thing is huge.
That's why I pushed the views,
which is like actually a lot harder feature
to implement than you'd think,
because the sheer number of transactions per second,
like, I think it sort of requires system-wide
on the order of three million transactions a second
to actually calculate and display the view count,
if I'm right, for Twitter global.
So it's like three million per second.
It's a lot.
For those of you listening, Elon Musk has joined the pod.
Elon, how's the first six weeks been,
generally speaking, of owning Twitter?
Well, it's been quite a roller coaster,
which obviously you've witnessed
and been on the roller coaster as well.
Yes, the Dramamine, I've taken the Dramamine.
It's quite up there.
I mean, it's exciting, but I think it sort of
has its highs and lows, to say the least.
But overall, it seems to be going in a good direction.
And we've got the expenses reasonably under control,
so the company's not like
on the fast lane of bankruptcy anymore.
And we're releasing features faster than Twitter's history
at the same time as having contained the costs
and reduced the cost structure by a factor of three,
maybe four.
So the verified is obviously that's huge.
It's revenue stream as well as a means of identifying,
of like knowing that it's a real person
and not a border or trial situation.
Having the organization affiliation,
which I suspect you talked about,
that was an idea of David's that was great

to have organization affiliation.
So you can know that somebody is
an actual professor at Stanford
or that this particular handle is actually Disney,
not someone simply putting,
I work at Disney in their bio.
So I think that's gonna be really helpful.
Just really just having detailed
and nuanced verification.
So of all the various things that you say you are,
are these things validated by other people and organizations?
Can you tell us how you do product iteration, Elon?
Because one of the things that I think some people
got jolted by over the last couple of weeks
is like a bunch of things got taken away
or changed or rules changed or policies changed.
And there was very quick action.
And then people had all this negative feedback
about the quick action without communication.
But your extraordinary talent
is to iterate product to success.
Can you just maybe share with people
how you do product iteration in this context
to help them understand
how some of these decisions get made
and why moving quickly is so important
and just how you're doing this?
I'm a big believer in like,
you wanna look at the net output.
So it's sort of like, what's the batting average?
If it's like baseball,
the point is not that you like hit the ball,
but it's like, well, how many home runs you get
and like, what's your actual?
Your slugging percentage.
Yeah, slugging percentage.
Yeah, it's like, you're gonna swing for the fences.
You're gonna strike out a bit more,
but we're gonna swing for the fences here at Twitter
and we're gonna do it quickly.
So, and I think generally,
like my error rate in sort of being the chief twit
will be less over time.

But in the beginning,
we'll make obviously sort of a lot more mistakes, you know,
because I'm new to the, I'm like, hey, I just got here, man.
So, I mean, if you look at like the actual amount
of improvement that's happened at Twitter
in terms of like, sort of like having costs
that are not insane and getting,
and actually shipping product that on balance is good.
I think that is, that's great.
Like, I think we're actually executing well
and getting things done.
I think we'll have fewer gaps in the future.
How did you get to your intuition
on what the efficient frontier of employees
needed to be to make the product better?
Well,
yeah.
Well, I observed part of this,
where you basically asked the question,
who here is critical and who here is exceptional?
Yes.
I mean, so, I mean, really the criteria
I was trying to apply,
and obviously it's not going to be perfect
if you're moving fast.
And there's a lot of people you're talking about here
is that anyone who is exceptional at what they do,
where the role is critical,
they have a positive effect on others
and they are trusted,
meaning they've put the company's interests
before their own should stay.
Pretty straightforward.
Yeah.
And also, it's up for working hard.
Like,
that would not,
that would not,
that was not Twitter's prior culture.
Yeah, were you surprised
that the intersection of that circle
and the people that left was basically 25%?
Were you surprised it was that deep

or did you think your intuition was like,
it's probably somewhere in here?
Well, I think you could just stand back and say,
without knowing how many employees Twitter has at all
and say,
how many people are really needed to run Twitter?
Like they say, you don't know
what the employee account number is at all.
How many people are needed to keep the site operational?
Like let's say, excluding product evolution,
you basically have to keep the servers going.
And you have to have customer,
sort of a support function to take down
a material that is in violation of the law.
How many people,
what's the minimum number of people?
That's in the hundreds, probably.
It's not exactly,
it's not like a giant number.
Yeah.
Twitter still has like 2,000 people, right?
Yeah.
We still have 2,000 people.
It's not nothing.
And actually, there's actually on the order of,
like almost 5,000 contractors.
Like almost,
yeah, almost all of the,
what's called trust and safety work,
which is like the support functions for the site
are done by contractors.
You're doing a lot more to take down hate speech
than the company previously was doing.
Yeah, absolutely.
Hate speech impressions are down by a third
and we'll get even lower.
Maybe you could speak a little bit to the,
what we discovered,
I think in those early weeks,
which was the incentive.
The incentive previously was to create
as many accounts as possible.
And there were a lot of quick fixes

to lowering all these,
what people might call bot accounts.
In some cases, it was people
opening many millions of accounts.
But we discovered this very early.
How easy was it for you with the tech team
to maybe lower the bot count and all the fake accounts?
Maybe you could speak a little bit to that
because people have seemed to think that,
gosh, it's a really hard thing to get rid of bots.
And it turns out it isn't.
Well, we still have a fair number of bots in the system,
but I think the incentive structure,
the way Twitter was set up previously
was this relentless focus on what they called MDAO,
which is monetizable daily active users.
Although I would say the monetizable part is dubious.
But at least things that appeared to be monetized
or could be passed off as monetizable daily active users.
So this, I created an incentive to turn a blind eye
to a fake accounts.
So if the incentive structure is like,
maximize the appearance of monetizable daily active users,
then it's a strong incentive to pretend that a bot is real.
And that's what happened.
So we're taking a lot of steps
to reduce the bot's control situation.
So many.
And I think you're seeing that in the usage,
like it's not like relatively rare
to have your replies filled with crypto scams.
I'm not seeing any anymore.
Freeberg, you had a question.
Yeah, I mean, just on your earlier question,
you know, Elon, when you first started
making changes at Twitter after you bought the business,
a lot of people kind of took notice
of how extraordinarily swift and significant
those changes were.
And there's a lot of technology companies
that have CEOs and investors and boards.
And we all talk to a lot of them.
And they're all now having a conversation,

like look at what Elon did at Twitter.
How can we do something as aggressive, as swift, as deep?
Do you think much about kind of the model you're playing
for other businesses and other business leaders,
particularly in Silicon Valley
and how you're operating Twitter?
Do you ever kind of talk about that?
Because I know you mostly talk about your business
and you talk about the business as you're running,
but you're having a big influence, I think,
in how other people kind of act and behave
that are other business leaders
and run other technology companies.
I mean, to Frank, I'm not really,
you know, I'm thinking about that much
because I'm just thinking about like, how do we,
I just, you know, just get Twitter
to be in a financially healthy place
and fix the engine of engineering
so we can have a rapid evolution of new products.
So, and, you know, I mean, I guess I'm in sort of,
in some ways an unfortunate position
where I don't have to answer, it's not public
and we don't have a board really.
So, I mean, so I can just go, you know,
and I can take actions that are drastic.
And obviously, if I make a bunch of mistakes,
then Twitter won't succeed
and that'll be pretty embarrassing and sad.
But as long as, like I said,
as long as the batting average is good,
that the wins, you know,
significantly outweigh the mistakes,
then, you know, it'll be a great future.
And I think I'm very optimistic about where things headed.
I think a lot of people want to talk about
or understand Elon, your position on freedom of speech
and your principles.
I'm curious, you've been pretty upfront about it.
How do you think about it post acquisition?
You know, what speech should be allowed on the platform?
Kanye came back, he just went insane.
His account got revered.

What have you learned, I guess, now that you own it?
Because you must be getting a lot of inbound from people
asking you, hey, how are our decisions gonna be made,
et cetera.
You've been clear, transparency is super important in this,
but what are your thoughts on free speech
and speech on a platform like this?
Well, I mean, the general principle, I think,
is that we should hear close to the law
in any given country.
So the law is very quiet a lot by country.
And so I think we should be doing free speech
that's close to the law.
And that's the general principle.
I think there are other things where it's like, okay,
we, like for example, if you're an advertiser,
you don't want your ad, like let's say it's a family movie,
next to some NSFW content, even if that content is text.
You know, it's like, they'll be like,
that's probably, that's, we don't, you know, so,
so that's, that's, you know, part of what, you know,
like, so there's more of an allowance for,
what you might call hate speech on the system,
but it's just, it's not gonna be promoted.
It's not like, it's, we're not gonna be recommending
hate speech, it's the risk of stating the obvious.
And we're not gonna monetize hate speech.
So, or negative speech, like that's,
nor would advertisers want us to, you know,
any, I think it's gonna be a rare product
that wants to be next to seriously negative stuff.
I was just saying, you referred to it as,
hey, freedom of speech, but not reach.
Cause this is a very nuanced discussion.
Like, should this stuff be able to hit the trends,
you know, in that kind of stuff?
Like, it's certainly possible that some things
that will be regarded as hate speech will hit,
will hit trends, but I think it's gonna be relatively
unusual, especially as we are doing a better job
of controlling the bots and trolls situation.
And I do want to emphasize, like,
there's a difference between bots and trolls,

like bots are like fully automated accounts,
but like a troll form would be where you've got,
like, you know, a hundred people in a warehouse
somewhere each with a hundred phones.
And so they're actually humans,
and they're gonna pass a capture test or, you know,
and they can, you know, reply,
reply in their, cause they're actually humans,
but it's actually 10,000 accounts that are just,
that are obviously not operating as real people.
So that's, you know, something like that
can cause things to trend negatively.
That's why I'm like a big proponent
of having just a low cost verification capability.
And yeah, so, like, this is definitely a work in progress.
So there's, like I said, it's gonna be,
and I did, like one of the first things I said
after the acquisition closed was like,
we're gonna make a bunch of mistakes,
but then we'll try to recover from them quickly.
And that's, that's what we're done.
And I think we've generally succeeded in recovering up
from them quickly.
And it's been going pretty well.
Was the Paul Graham and journalists suspensions mistakes?
Have you talked about this publicly
about how that all kind of got resolved at the end?
Yeah, I mean, the Paul Graham suspension
was definitely a mistake.
And I actually called Paul Graham
to apologize personally for that one.
Oh, you did?
Yeah, oh great.
Yeah.
So, you know, on the journalist front,
the, I think the journalists suspensions,
the suspensions were, were, were not,
not a mistake in that for some reason,
a bunch of journalists thought they were
better than regular, than everyone else.
And that if they engage in doxing and, and, you know,
other and break the rules in various ways,
that, that they're not subject to suspension,

even though, you know, average, your average citizen is.
And I think that's just messed up.
The same rules should apply to people
who call themselves journalists as to, you know,
anyone else on the system.
They shouldn't be sort of above the rules.
For some reason, they thought they, they should be.
That's, that's, that doesn't make sense.
I don't think that's right.
Yeah.
And the rules being transparent and upfront,
I think that's what everybody's looking forward to.
Maybe some just complete clarity and transparency.
And you've said from the beginning,
when somebody gets suspended or the shadow banning
and this sort of would tips into this really weird stuff
that we discovered during or you discovered
where the journalists discovered during the Twitter files,
it's, it's kind of a bummer that people are being sanctioned
or shadow banned and they don't know it.
If we're going to have a system,
the rules should be clear to everybody.
Yeah, absolutely.
So the something I've committed to, and we'll,
we'll, I think probably be able to roll that out in January.
Just by the way, there is like a bit of a, you know,
we aren't not going to be rolling out a ton of new features
over, you know, Christmas and New Year's and stuff.
So there's like a, you know,
the next sort of feature set
we'll probably roll out mid to late January.
And hopefully in that, we can include information
about why an account is suspended
or has what is called within Twitter,
visibility filtering, aka shadow banning.
So, and some of these things like are like this,
there's a lot of things that just happen accidentally
where, you know, there's, you know,
the rules in the system that are meant to detect
whether someone's sort of bought or troll
or like brigading where they're like, you know,
and then an account is sort of innocently caught up in that.
So, like there were some accounts just suspended

yesterday because, but temporarily suspended.
Like they got like 12 hour suspensions
because someone in customers,
someone in trust and safety thought that they had posted
a nude photo of Hunter Biden or something.
Oh, no, but they hadn't actually done that.
I don't know, it was just basically a mistake.
There were some accounts that got a 12 hour suspension
yesterday for an error and they weren't sure why it happened.
It was just essentially a mistake
in the Twitter customer support that was corrected.
Elon, let me ask you just a slightly broader question.
One of the things we just talked about was
the regime change that's happened where,
you know, we all have to act differently
now that the risk free rate is probably gonna get to 5%.
And I'm just curious across all your businesses,
so Twitter, yes, but really more importantly,
Tesla, SpaceX, are there decisions
that you will make differently or not at all
or will make that you wouldn't have made otherwise
in this new regime?
And how often do you think about that kind of stuff?
Well, I think it's more like it does seem like
we're headed into a recession here in 2023.
The magnitude of that recession is debatable,
but I think it's at least a liked moderate recession.
Potentially it's on the order of 2009.
So I think it's wise to kind of like prepare for the worst,
hope for the best, prepare for the worst.
Don't get too adventurous.
Like watch out for margin debt.
Like I would really advise people to not have margin debt
in a volatile stock market.
And, you know, from a cash standpoint, keep powder dry.
You can get some pretty extreme things happening
in a down market.
Like Brett Johnson, who is a CFO of SpaceX,
was at Broadcom in 2000.
And he said that and that's a good company making good products.
And he said the from peak to trough,
I think in less than 12 months, Broadcom went down 97%.
So like, even if you had a small margin loan there,

you got crushed.
It's subsequently recovered.
And I think, you know, to much higher levels,
but you know, if there's like mass panic in the stock market,
then you've got to be really careful about margin debt.
But I mean, this is just, as we know,
the economy is cyclic.
And it's somewhat overdue for a recession.
And my best guess is that, you know, we have sort of stormy times
for a year to a year and a half.
And then things start to, dawn breaks roughly in Q224,
if I would get, that's like my best guess.
Recessions don't like, like booms don't last forever,
but neither do recessions.
And it's a 14 year boom.
So a six quarter recession seems like, you know,
that may have actually balanced out.
The last time it was, what, four or five quarters.
So it's not easy.
Hey, the Twitter files, how much longer are these going to go on?
It seems like every week, another drop.
And these are pretty controversial.
How much longer are the Twitter files going to go on in your mind?
Yeah.
And maybe why is this important to you to make sure that people
understand the stuff?
Yeah.
I think it's important to, like, you know,
if we're going to be trusted in the future to kind of clear the
decks for stuff that's happened in the past.
So, I mean, to be totally frank, almost every conspiracy theory
that people had about Twitter turned out to be true.
Is there a conspiracy theory about Twitter that didn't turn out to be true?
So far, they've all turned out to be true.
And if not, more true than people thought.
Is there a part of the files that really shocked you more than the
rest of them, like of the things that have been disclosed?
Of all of these things, is there something that really sticks out with
you as like, holy shit, I had no idea this was happening?
Or is the whole thing just a big dumpster fire?
Or is the whole thing just a big dumpster fire?
We're just looking at one huge thing.
You know, like PsyOps versus the Hunter Biden thing versus the...

Yeah.
The number of FBI people involved, that was pretty shocking.
FBI stuff is pretty intense.
Yeah, the FBI PsyOps stuff to me was probably the one that was the most insidious.
Like, the rest of it, I could think of like, you know,
a bunch of overzealous libs got used.
Yeah.
Got it.
You know what I mean?
You have like a secure skiff that essentially sends things that,
you know, government agents want the populace to basically think.
It seems like out of like a really bad dystopian novel.
And then it turns out it existed.
And then it also, the thing is, it couldn't have just existed at Twitter.
So what are we going to do about all the other places where this shit's happening?
YouTube, Facebook.
Yeah.
It did.
None of it seemed that surprising to me.
I mean, I don't know.
Maybe I just believed all the conspiracy theories,
but I've also been inside some of these companies and seen how they operate.
So honestly, none of it was a surprise to me.
Was it a big shock to you, Elon?
Wait, wait, wait.
Freeberg, you were, I think you can claim that you weren't surprised that these companies were shadow banning, although they denied it.
But did you really suspect that the FBI was playing a role in flagging content for these companies to take down?
Like that blew me away.
Content that's got nothing to do with like terrorism.
Yeah, they're not investigating crimes.
Like there's no crime.
Right.
Yeah.
They're literally flagged satire.
Maybe they didn't get the joke.
I don't know.

They don't seem to be a humor driven group, but they don't seem to have the best senses of humor, but aren't they supposed to get warrants?
Isn't that how it's supposed to work in a democracy?
They want information.
They're asking.
They're asking.
They're all friends.
That's the thing that's troubling to me.
Put yourself on either side of the extremes.
We have Michael Schellenberger here who broke the FBI story in the Twitter file.
So let's look at him and to see because I think maybe the audience isn't caught up on like what was discovered.
So you know, I have to follow Elon Musk.
That doesn't seem fair.
Hey guys.
Hey Michael.
Back to work.
So.
See you later everyone.
Thank you.
Thanks.
Hey guys.
Hey Michael.
How are you?
I'm good.
Just a quick question for you.
Michael, first of all, who makes that sweater?
I'll send you mine, man.
Do you want it or are you making fun of it?
No, I'm asking.
You're the master of sweaters.
High praise from you brother.
High praise.
I'm asking.
I'm asking.
Just briefly, Michael.
Isn't the FBI supposed to get warrants to take actions with folks?
And then I guess is that at the crux of this?
Are they doing this at other companies you think?
Are they just like embedded in YouTube?
Should we expect they're embedded at Meta and that they don't get warrants

and they're kind of tipping the scales?
And is that a good thing for society or a bad thing for society?
It's a bit of a basic question.
Yeah.
Well, I think there's multiple issues relating to FBI that I think have to be unpacked a bit.
But the first one is that, yeah, FBI was constantly pushing the boundaries of what is legally and ethically acceptable in terms of requesting information.
Now, I think what you saw over the last three weeks was a shift in, I think, our own understanding that we did see more pushback from Twitter executives against FBI and some alarm bells being rung in terms of the requests that were being made from the intelligence community.
But these guys were really persistent.
They kept asking for more.
They kept getting more and more cooperation.
It's very troubling.
It does look like Congress is going to look into this.
The two heads of the committees that are tasked with this have said that they're going to look into it next year.
I think the other thing that we saw that I think is more troubling was this persistent effort to basically communicate
to Twitter executives, but also to news media, national security correspondents,
that there was this heavy foreign infiltration going on, this Russian disinformation.
And it appeared to me, looking at all the evidence that we saw from within Twitter and from outside of it,
that this was pretty organized effort to convince key executives at Twitter and Facebook, but also these key reporters
that they should expect a hack and leak operation sometime right before the elections having to do with Hunter Biden.
I find that very suspicious.
Can I make an observation?
I think that maybe what we're finding out is that the mainstream media tried to go back to its 1980 Cold War playbook
and turn Russian to a boogeyman.
But as we're seeing in the Ukraine war, they're not nearly the formidable foe that we thought they were.
And so it could probably be the case that in 2016 they were as inept technically as they are militarily right now.
And so we may have just built up this monster that is kind of more like a much smaller thing to be worried about.
And we all ran with it because we had no evidence.
But the Ukraine-Russia war is evidence that this highly sophisticated war machine and propaganda machine is not that good at their job.
Right.
Yeah, I mean, I think that there's a lot of interest that we're being served by hyping the so-called

Russian misinformation threat.
I mean, one of them was just to simply explain away the Trump phenomenon as a consequence of foreign interference.
Certainly the people that ran Hillary Clinton's campaign had an interest in doing that.
But then you saw it become a sort of way, I think, to condition people for the release of the Biden laptop.
And again, I can't prove that.
But it is striking that the Yoll Roth, this main Twitter executive who I think was the object of this misinformation campaign,
testified under oath that he was being bombarded with these messages all throughout 2020 that they should expect some sort of a hack and leak operation.
So when the New York Post finally did report on that computer in 2014, it was briefly censored by Twitter.
But I think more importantly, it was discredited in the minds of many voters, including myself.
I really didn't think that that laptop was what they said it was.
And it turned out that it was.
So I do think there's a real troubling pattern of behavior by both the FBI agents, but also by the former FBI executives,
including the deputy chief of staff and the chief counsel from FBI that were at Twitter as executives at the time.
And in fairness, Michael, this has been brought up many times.
But I just would like your take on it because you're a lifelong Democrat, correct?
Until, until last year.
Great. So, you know, just lest anybody think that you are like some MAGA supporter here.
Just blew my sweater.
Exactly.
This was all on the backdrop of Trump asking for the Russians, you know, during that debate to hack Hillary for him interfering with Zelensky
and trying to get him to give dirt on Biden.
And the fact that Hunter Biden was obviously dirty.
So to expect a hack, there was massive precedent for it.
So that set the stage for this, correct?
For sure.
And there is definitely that going on.
And maybe that's all there was to it.
It is just striking, of course, because, and I didn't even mention in my, this was, by the way, this is Twitter thread part seven that I did on this issue.
I didn't even get into the fact that, you know, within a few days, the many former senior heads of intelligence organizations and others came out and said that it was the result of a Russian disinformation campaign.
So, yeah, sure.
I mean, I guess we could find some other explanation for it, whether it was innocent or coordinated.
It is striking also, I think the other thing that we found was the contrast between the threat inflation

and what Twitter was finding themselves.
I mean, there was, you know, you'll repeatedly, you'll Roth would respond to FBI that, yeah, we looked into these accounts that you mentioned and they were all very low follower accounts with very little activity.
So they just weren't finding very much foreign influence on the Twitter platform.
And so I just think it was grossly inflated either for kind of good reasons or bad reasons, I would say.
Yeah.
And it's, there's no perfect way to police this stuff, obviously.
And, okay, well, listen, we appreciate your reporting.
Thanks for doing it.
And if you haven't read Michael's book, San Francisco, you did some great reporting there as well and continued success in your investigative journalism career.
Thank you, Michael.
Thanks guys.
Appreciate it.
All right.
Michael, sorry.
Oh, lost him.
It's all right.
What do you want to ask?
He's still here.
Oh, okay.
Hey, you did an interview on that.
I think I saw it on YouTube or something where you interviewed someone who was homeless in San Francisco and they were addicted to drugs and they kind of said some narrative about how they were in this condition because San Francisco basically pays them to be homeless and pays them to do drugs on the street.
Did that ever get published and did that come out because it was such a compelling couple of minutes that you got on tape there.
It really, for me, sent home a message of how far kind of progressive policies can take a society.
And it's such a beacon for where things might go as other people start to think about adopting similar policies around the world, which is why I thought it was such important reporting.
Whatever happened with that and where can folks see that because it was such a moving interview for me.
Yeah.
I used Google, Michael Schellenberger YouTube Homeless to be able to find all my videos.
There's a lot of them that we did with people on the street.
All of them, of course, people asking and wanting to do them.
But yeah, I mean, I also wrote about that in my book, which is basically San Francisco pays a cash welfare payment of somewhere between $600 to $700.
Plus you can get $200 in food stamps.
And a lot of people, sadly, use that to maintain their addiction.
And this gentleman, James, with the tattoos on his face, was very honest about how he was playing

the system.
In fact, he was himself.
We found this increasingly kind of horrified by the incentives that San Francisco was creating for people to live on the streets and live on the streets in their addiction.
So yeah, you can find that on YouTube.
People say incentives drive behavior and unfortunately these policies all came from a good place, from a kind heart and the idea that we could help people in need.
And unfortunately, the way that the incentives get structured, they can actually cause more harm than good.
It's such an important lesson.
I just wanted to say that because I think you're reporting on this really hit that home.
So thanks for doing that.
I think it's really important because we have to do the right thing for people, but we also have to be careful that the policies are done in the right way.
So thank you.
It's so well said, Friedberg, because when you're, Michael, and I just think you're very courageous for doing it because it's very easy for somebody to say, oh, well, you are being callous.
The truth is incentives matter.
And we saw, we've seen this over and over again.
If you pay for something, you get more of it.
And really San Francisco is bearing the burden.
I think this is what your book and, you know, and a lot of the videos you've made, at least the message I got was San Francisco has the lowest price of drugs, the lowest enforcement and the most incentives.
Therefore, they suffer because every person who is, you know, addicted comes here because they speak to each other.
And 90% of the people who are in San Francisco are here because we have created an incentive structure.
Is that directionally correct as we wrap here?
Yeah, 100% correct, including just the non enforcement of laws against sleeping on the sidewalk, doing drugs in public.
Now, I mean, ultimately, three times more people die living outside as an unsheltered, homeless person rather than living in a shelter.
And for me, that's all you need to know, to know that we cannot allow our brothers and sisters to sleep on the street, no matter how desperate they sound about wanting to avoid going inside.
It's three times deadlier to be on the street than inside.
So the compassionate thing is to force people into housing.
Yes.
And that's a great talk for people to say.
But, you know, because we have this perception that people have freedom and they should have the right to do this.
But a person who's taking fentanyl in your research is not thinking correctly.
And if it was any family member of ours, we would not want them to make that decision for

themselves.
We'd want somebody else to make that decision for them, correct?
Abs.
I would want that from if I was on the street so desperate that I was, you know, smoking fentanyl and breaking multiple laws every day.
Of course, I would want to be hospitalized.
You know, and usually, you know, people overcome their addiction.
That's the good news.
We always leave out of it, but it is possible.
People do overcome their addiction all the time, but they often need some some an intervention from family and friends.
And if that's too late for that, then you need the intervention from the from the city.
All right, Michael, thank you.
Michael, appreciate it.
So as we get back to the all in news network, we've now gone 24 hours a day.
All in news network has launched.
We'll just have a road.
We should sit at various offices throughout Silicon Valley, letting executives and CEOs.
Just drop it.
Imagine we did like a 12 hour marathon show for charity where just people showed up and we did a what do they call those on TV?
What is the charity?
A telethon.
A telethon.
A telethon.
A telethon.
Yeah, by J.Cow.
Yeah.
No, no, just a telethon.
J.Cow has to still fly commercial.
We'll do a telethon.
Hey, Saks, thank you for setting up those amazing drop-ins.
Well done.
Yeah, thanks, Saks.
Thanks, Saks.
That's good.
Who means your jacket?
That's a great jacket.
Is that custom?
This is the Christmas or holiday jacket.
Who is it by?
Is it by ESAIA?
It's Valentino.

All right.
Well, that's nice also.
Okay.
No, it's not ESAIA, but okay.
Let's keep going here.
We've got to go to Lightning Round.
All right, let's move.
Biggest flash in the pan.
It was our last.
I went with crypto.
Pretty easy to say that.
I'm not going to give myself a big high five, but crypto was...
What did you guys think of the Elon conversation real quick?
Well, he's very talkative.
Anything interesting or surprising for you?
He said the biggest thing that people want to make sure to avoid is margin debt.
I thought that was interesting.
I mean, he's working hard.
He's just such a product-focused guy.
He's so deeply into it.
Yeah.
Ultimately, product wins, right, Friedberg?
I mean, if anything's going...
Oh my God, of course.
It's product.
That's it.
That's it, yeah.
And then products are made by teams.
So what I think is distinctly different here, I'm just giving my personal opinion.
I don't have a formal...
By what?
Microsoft teams?
Teams make products.
And so what I just want to say here is...
Microsoft teams suck.
No, don't trigger the bundle.
But I just want to say, this is a takeover as opposed to building a company from scratch.
He's had to assemble a team and then work at this incredible product pace.
And I think those two things are starting to click.
Week 16 is going to look very different than week, the first six weeks.
Yeah, the products are already looking awesome.
And it was nice of him to give me that shout out on the affiliate badges, but I'll just give a shout out to...

I didn't hear it.
What was it?
Oh, well, he gave me some credit for the affiliate badges, but I wanted to give credit to the PMs who approached me about that idea.
An astral troll.
I win again.
Oh, okay, fine.
Whatever.
The truth is, there were...
Let me give credit to the actual PMs, Evan Jones and Patrick Trauger, who they approached me about this idea they had, and then I helped give it some momentum.
Here's the truth.
When Dave and I spent the first couple of weeks there, now that it's a little more public, you know, it's been on the program, what we found over and over again was that there were great features that were ready to be released, that were being held back by management.
And there were brilliant people with all the ideas that you think should have been released, and they just weren't allowed to release a lot of these products.
Why?
Who knows.
But now that is in charge.
I think you'll see the product cycle is going to go much quicker.
The most important thing I saw, which is such an important lesson for anyone running a business in Silicon Valley, is that the pace of decision-making matters far more than the accuracy of decision-making.
It's always been one of my three big mottos.
Say more about that for entrepreneurs.
Unpack that.
For me, my number one...
My three things are always grit, biased action, and narrative.
But biased action, the rate at which you can make decisions is a far greater predictor of success than the accuracy of the decisions you do make.
And so you have to be willing to embrace failure.
You have to be willing to make decisions that could result in something not being done correctly or making a mistake, and even getting embarrassed on the internet by making mistakes and having to call people like Paul Graham and apologize for them.
That was a big moment.
That wasn't saying those things.
As a business scales, as professional managers are brought in, their incentive is to not make mistakes.
Their incentive is to do things that are predictably going to work and are predictably not going to fail, and therefore they avoid taking the risks and they reduce the rate of action, the rate of decision making.
And that's why so many businesses ultimately don't scale past some sort of inflection

point, or when founders that are willing to push that envelope step out, everything starts to fall apart.
And it's so critically important, I think, to look at that as being, I think Elon's defining trait and characteristic is that regardless of the scale of the organization in the enterprise, he's still willing to act with that level of bias to action that you typically see in a small startup.
Okay.
And put his reputation at risk.
Yeah.
He summed that up.
I sat in a meeting yesterday.
He said that if we're not rolling back 10% of the time, we haven't pushed hard enough.
Right.
Wonderful.
There you go.
If you're never rolling anything back because you never make a mistake, maybe you're just not moving fast enough.
You're not ambitious enough.
You're not fast enough.
You're not enough of a bias towards action.
You're too afraid of making a mistake.
By the way, here's what's so interesting about the views feature is that a bunch of websites, I think it started because Instagram did a bunch of apps deprecated, you know, likes because they felt that it was too, it was part of this negative cycle.
And so they took all this stuff away and basically views is going sort of back in that direction and giving more granularity in terms of outside in social engagement on a post, which is I think interesting to see.
It's happening in a moment where all these other sites and apps are actually going in the opposite direction.
Well, it's like a standard feature on YouTube and it's very powerful for YouTube's network effects because it shows you how many views you get.
So it discourages people from using other sites because you know, you get the most distribution on YouTube.
So it's weird that other social networks don't want to follow suit.
I mean, in one hour, they had it, but they deprecated.
That's what's so interesting.
But I guess, you know, my point is we've only had this feature for an hour and I didn't realize how much distribution my tweets were getting and it definitely undermines my incentive to want to go use some other platform when I see the distribution I'm getting on Twitter.
Well, if you're getting 10 times more distribution than the New York Times, you know what's going to happen is people stopped listening and reading them.
Well, I mean, it's sort of like this podcast itself.
Like, I mean, people ask us to go and...

And my point is we have to rely on social proof and anecdotes about the actual scale and the breadth and the reach because it's impossible for us to get one holistic view that shows across all of these different modalities, whether it's Spotify or Apple Podcasts or YouTube, how many people listen or watch and, you know, we add it all up and, you know, we think it's in this, you know, sort of three to five million range of people.
But if you just had a numerical canonical number that was irrefutable, you just run over everybody.
This turns it into a meritocracy.
This is going to be terrifying to some blue check marks when they see that the people who they report on get 10 times as many views as they do.
Of course.
Which is why when people and journalists call me or other...
Look at Sean Hannity.
Go to Sean Hannity's profile.
And for the number of followers he has, how pathetically engaged his audience is.
It's all bots.
It's all trolls.
It's all nobody's.
I looked at Mitt Romney just put out a video or whatever in the first, like, half hour he had a hundred thousand views.
Like, every politician who starts seeing this is going to go, wait a second.
I mean, the world is...
There's no more views here than I am on MSNBC or Fox.
The world is a more rational place if Mitt Romney actually has more influence than Sean Hannity.
Let's hope.
Okay.
Let's move on.
We got to get through this quickly.
It's our longest episode ever.
Here we go.
We are going to do, next up, this is very, this is a very important category, best CEO of 2022.
In 2021, I went with Frank Slutman and Elon Musk, Chamath went with Satya Nadella, Saks went with Brian Armstrong, and Freeberg went with Jack Dorsey.
Now we go on to 2022.
Saks, who?
Everybody wants to know Saks is best CEO of 2022.
Go ahead, Saks.
Every founder took my advice to get leaner, sew down their burn, create runway, you know, weather the storm.
So, you're giving a generic answer, not a person.
Yeah, exactly.

I mean, look, I think actually a lot of the names, a lot of the names, well, here's the problem is that, you know...
That's good.
Let him do it.
Yeah, that's good.
Yeah, can I finish, Jacob?
The names that you mentioned from last year would be the top candidates for this year.
I mean, I think Satya Nadella had a good year.
Obviously, what Elon's doing, we just talked about.
It's amazing.
Brian Armstrong, I think, the stock hasn't done great, but he's been a strong CEO, but I don't want to repeat the same names.
I think that, you know, every CEO who responded to the regime change by cutting costs, getting leaner, extending runway, I think deserves to be on this list.
And unfortunately, a lot of them are just resisting and they're just not yet taking the medicine.
Or they've been taking the medicine in little drips and drabs instead of just like swallowing it whole and getting a move on.
Yeah, just drink the whole two tablespoons of medicine.
Don't sip it.
You got to just take it.
It's not getting better.
The stock market today should be a wake-up call.
I mean, this was one of the worst days in the market the whole year.
So things are getting worse before they're getting better.
Chamath, who is your best CEO there?
Well, the numerical answer is Vicky Hollop, who's the CEO of Occidental Petroleum.
Stocks up like 140% this year.
It's technically the best-performing stock of the year, $63 billion company.
But that's just a numerical answer, who I actually want to double down on David's answer, Saxe's answer, because I agree with that.
I have been guiding our portfolio company CEOs to be at cash flow break even now or extend runway to Q1 2025.
And they're all...
25?
Yes, because I mean, I think Elon and I are kind of roughly in the same place we have been for a while, which is like, mid-24 is when the recession ends and you need to give yourself two to three quarters of buffers so that you can go and raise around, which takes a quarter to two quarters.
And once you start to get escape velocity out of a recession, having money through end of Q1 2025, I think is a minimum requirement.
And of the companies that I think were the most precariously positioned, there was five of them that got their ax together and really did it.

But these are all CEOs of companies that, I mean, if I said them, you would know some of them.
But I do agree with David.
I think the CEO that bit the bullet, so maybe publicly what I would say is, the CEO of Klarna deserves a huge medal for having the courage to do it before anybody else did.
The CEO of CheckOut.com just took a huge right down.
These CEOs are making sure their companies survive.
Friedberg, best CEO 2022.
My vote for best CEO is Warren Buffett, and I think it is just simple arithmetic.
He has for years and now for decades proven himself to be just not just an exceptional investor, stock picker, whatever the typical quip is about what he does for a living.
But I think what's so extraordinary about Buffett is that regardless of the market conditions, he can kind of remain steadfast in his intent and in his mission.
And he doesn't kind of waiver.
And he doesn't take an active role in ranting and complaining about markets and politics.
And I think that that's what makes him such an extraordinary leader.
He stays within his zone of competence.
He doesn't do things that he doesn't know about.
He doesn't let the macro drive him and cause him to be kind of affected by it.
And he says, this is what I know how to do.
This is what I can do.
And that is all that he does do.
And he does it so exceptionally well.
And to Chamath's point, he is the largest shareholder of Occidental Petroleum, along with many other incredible businesses.
And I think he's proven in a market like we just had this year, why he is kind of the most extraordinary CEO or one of the most extraordinary CEOs, but one of the best kind of capital allocators of all time.
I'm going to go in a similar fashion as Chamath and Saks and go with the money losing CEOs who have dedicated themselves to free cash flow and to getting to profitability.
From the last cycle, Airbnb and Uber were the money losers.
And now Airbnb is my number one.
They become a money printer.
They are now making bank.
And they're still growing very quickly.
And then Uber, I put it in my second, they need to do another riff.
They need to cut some expenses, but they too are hitting the free cash flow and the network effects.
So I'm giving it to Chesky and then Dara, one and two.
Okay.
Let's keep moving.
Best investor for me, I'm going with the investors like a general category who are demanding governance and doing diligence again, or who never stopped.

Let me say it that way.
There's a generation of investors who've raised their funds in the last five years and didn't do diligence, didn't demand board seats, didn't demand boards.
Those idiots are now paying the price and they created a lot of this mess of entitlement and a lack of governance.
I want to give a shout out to the Bill Gurleys of the world who fought for governance and fought for diligence in the face of being told, okay, boomer, you don't get it.
Who do you have best investors, Chamath Palihapatiya?
I will pick what are called the pod shops.
So these are folks that have strategies where they have hundreds of investing pods underneath an umbrella and they have this very sophisticated risk infrastructure.
So this is what Ken Griffin owns in Citadel.
This is what Izzy Englander owns in Millennium, Brevin Howard is another one, D.E. Shaw is another one.
So they have all kinds of strategies, but that are essentially run by computers that allocate risk, scale you up, scale you back, turn you on, turn you off, fire you overnight.
And those strategies as a whole ran over the market this year.
They were the best performers.
They are giving back billions of dollars.
They've generated double digit positive returns.
They're raising their fees in some cases.
Some of these folks are moving their annual fee up to 4% a year.
They're carry up to 40% a year.
Incredibly incredibly well run performance businesses.
They were by and away the best investors this year.
Okay.
We're going to go lightning around from here.
Saks, do you have a best investor?
Yeah.
I said Stan Druckenmiller.
He, as you recall last year, he predicted that inflation would be lasting.
This was the spring of 2021 when transitory was the word of the day.
This year, he predicted the bear market rally we had in July and August.
And I remember back at the Coaches Summit in May, they were around that time, he was interviewed and he basically was saying that as soon as there was a bear market rally over the summer that he would then put a short position on.
I don't know if he actually did that, but he said he's going to do that.
And then it turns out that the summer rally that we had was a dead cap bounce.
So he was right about that.
And now he is predicting a hard landing in 2023 with a deeper recession than many expect.
So sadly, I suspect he may be right yet again.
Freberg, best investor for you, 2022.
Yeah.

I had Druckenmiller, I indicated that he's been doing interviews pretty much every quarter for the last two years and he's been pounding the table telling everyone what's going to happen and it all happened.
And he even told people the trades.
In mid-2021, he said he was short, long-dated treasuries and he was long commodities.
And if you had put those two trades on at that time and held them to today, you would have made a fortune.
And so I think he's extraordinary in his ability to kind of see macro in a way that others don't, but also to take extremely brave action with his portfolio.
He's renowned for how big the bets are that he makes and how quickly he can change his mind when he's wrong and make another big bet and still get himself out of the hole.
He's incredible.
So I definitely give it to Stanley Druckenmiller this year.
2021, we did our best turnarounds.
I picked Disney, Chamath, Ford, Freberg.
We worked.
Should we skip this category?
What about the worst investor of 2022?
Can we do that?
Good, Chamath.
You want a freestyle?
Tell us your worst investor of 2022.
I'll put myself in the category along with anybody else who was long tech, based if Nick, if you can just bring please back up this capital asset pricing model.
Any of us that didn't understand this got run over this year.
And just to put some very specific numbers here, there was a decent little tweet thread that Elon was a part of where they actually calculated what the expected rate of return of Tesla was.
And it turned out to be almost 14% a year.
And so when you start to compound 14% over 3, 4, 5 years, these numbers get very big very quickly.
And the reason why is that it has a huge beta, and we're in a world now where the risk free rate is quite high.
So all of us benefited from this equation essentially being upside down for the last 15 years.
And all of us who were over-allocated into things that benefited from those dynamics frankly got run over this year.
So we were, as a class, the worst investors of 2022.
Okay.
Here we go.
Let's do our best turnaround.
I am going to go with, for me, it's Metta.
They were losing money, hand over fist.

They refused to do a rift.
And then finally, Bestie Brad Gersner said, let's get fit.
He did a memo.
And finally, finally, Zuckerberg made some cuts.
Reportedly rumors, he's making a 10% or 15% cut I heard in the back channels right now based on performance.
So he's not calling it a rift or a layoff.
They're just going to cut the bottom 10% or 15% again.
So I think Zuck's going to turn it around.
Anybody have a best turnaround?
So you're saying Zuck mission accomplished?
Who had the best turnaround this year?
I'm going with Metta.
So your answer is Metta was turned around by Zuck this year?
Yes.
He turned it down to $85 and now they're up, what, 110, 115?
Yes.
He turned it around at the end of the year.
It was like a hellmare at the end of the year.
He's turned it around.
I think he's going to continue to.
Yes.
That is my position.
It sounds good.
Listen, I bought the stock at 94.
Go with that, Jacob.
Okay.
So if we're talking about very partial turnarounds here, I would say, I would say that you can measure the turnaround as of October 24th to now.
Yes, exactly.
So San Francisco is still overall a mess, but there were a few positive events that happened over the past year.
And since we're looking back, we should call these out.
So first of all, back, this was towards the beginning of the year, we were called three members of the school board, most particularly Allison Collins, remember her?
This was done by something like a 70, 30 margin and 80, 20 on Collins.
This was the school board that had dragged its feet on school reopenings.
They destroyed the merit-based Lowell High School.
They wasted hours of meetings on a silly plan to remove the names of names like Abraham Lincoln from the schools in any event.
They were removed.
Then, J. Cal, you refer to this.
We got Chesa Boudin recalled by a 60, 40 margin as San Francisco DA.

This was the DA whose agenda was decarceration.
He tried to release as many repeat offenders as possible.
The voters San Francisco had enough, and then most recently, the far less supervisor, Gordon Marr, just got rejected by his own community this November.
And the new tough DA, Brooke Jenkins, got reelected in her own right after being appointed by London Breed.
So there's still a long way to go in San Francisco, but there are definitely some green shoes that the electorate here has had enough and is looking for the, let's say, called the centrist Democrats as opposed to the radicals.
We're in the lightning round here.
We're in hour three of the all-in podcast marathon, this telethon.
Shabbat, you got a best turnaround for 2022.
Hard one to give.
So any green shoots for 2022, as Sacks would say.
No.
I mean, everything's just gotten destroyed.
It's all a disaster.
Great.
Friedberg, anything that you could...
There may be no turnaround award until 2025.
Fine.
Okay.
Yeah.
We're a little split on this.
Friedberg, you got anything?
Any green shoots?
Or I'll just go with your incisive fucking viewpoint, and I'll pick Zuck and Mehta.
That makes so much sense.
I bought it at 94.
It's at 117.
It's one of my best J-trades.
I'm going to take it.
Didn't you also say Disney was your pick of the year or something?
I'm buying more.
I'm buying more Disney.
I'm buying more.
That's what I'm doing.
I'm telling you, Disney Warner, which you talked about before, and Facebook are three of my big ones.
Let's say worst human being here.
Well, I think, look, given that this is supposed to be the year 2022, I mean, you got to say that.
In 2020, did you all say that?

That SBF was the winner of this hands down.
Okay.
Congratulations to SBF.
You are consensus worst human being.
For this year.
I mean, not ever, but just for this year.
Only for this year.
Right.
Yeah.
We all hate you equally.
Okay.
Who's number two?
Why do you hate him?
Why do I hate him?
Because all those people lost their money.
And you know, there's some, it's causing chaos.
I feel terrible for all these people who lost money.
That's why I hate him.
It's disgusting.
Did you see that?
Did you see that?
Did you see that?
The two guys copped to please Caroline Ellison and Gary Wang.
They flipped like pancakes.
They flipped.
But it turns out that they actually did engineer a backdoor into FTX and Alameda has been doing this for years.
Yes.
Wong wrote it.
Oh my God.
Oh my God.
That's game over.
You're getting 10 years.
Okay.
Well, they're talking about an interesting defense strategy that we were discussing in the chat.
Oh yeah.
That apparently, I think this is actually a fascinating defense strategy.
I think this is their only shot.
Love it.
One of our besties had this theory that he was prescribed two prescription drugs.
One was Adderall.
What was the other one called?

This was not done.
He sent.
He sent?
The patch.
It's a drug I wasn't familiar with.
I guess it's a patch.
But when you combine these two things, apparently it basically shuts down or kills the part of your brain that deals with.
Inhibition.
Inhibition.
It's cocaine.
Yeah.
What if his defense strategy was, yeah, like only an insane person would do this.
And I was acting insane because I was prescribed these drugs that had these drug conflicts and it like killed part of my brain.
Yeah.
I mean, when you think about it.
What if every criminal on Wall Street said, cocaine is my defense?
But this, you could say he was, maybe he was legally prescribed it if you could show the prescription.
And by the way, I'm not saying this should get him off.
I'm just, we're basically workshopping what his only shot of his defense would be, right?
Well, and think about it, Sacks.
He acted manic after FTX collapsed.
So that mania of doing 20 Twitter spaces would be evidence.
There's something so insane about what he did, right?
It's almost like a prescribed insanity defense.
Like I was prescribed a drunk combination that made me insane.
Anybody have a most loathsome company as we wrap?
The only way that you could come up with that is like, you'd have to have two parents that were like law professors or something.
All right.
Most loathsome company.
FTX for me.
What if this is his defense?
Yeah.
My parents boohoo.
No, no, no, no, he'll claim insanity, J. Cal.
He'll say.
Of course.
Yeah.
And they'll have a, I mean, do we think that his parents aren't going to help his defense?
You know, at this point, this kid's got to go away for life.

That's it.
You think life?
Wow.
I think it's got to be life.
I think it's got to be 30 plus years.
I mean, it's just going to be billions of dollars.
What kind of justice system do we have when people go away for 20, 30, 30 years?
How many years per billion would you sentence?
A decade per billion, at least.
Yeah.
I mean, just, you got to put in proportional sex.
Don't you think the justice system needs to look at other people who are in jail for selling cocaine, for selling marijuana, for robbing a convenience store?
They'll put somebody away for robbing a convenience store for a decade or two.
Where do they get to put him in jail for?
Just because somebody came in with a gun and robbed a convenience store, they get 20 years, this kid's going to get off?
Screw that.
Yeah, look, I think, what do you guys think the over-under is here?
You think it's life?
I'll set it at, I'll set it at 35 years.
I'll take you over.
I'll take you over.
I'll take you over.
I'll take 30.
I'll take 30.
I think this is made off level.
I said a good line then.
I think this is made off level.
I agree.
I'll take you over on 30.
I think it's going to be multiple hundreds of years sentence.
I agree.
And you'll be gone for life.
I think it's going to be life, but I said a good line.
Okay, most slow, some company is FTX.
Anybody want to go for a second?
No, let's just keep moving.
No, I'll add one.
This year, I'm going to give my, last year I gave it to Tyson Foods, one of the largest slaughter of animals on earth.
This year I'm going to give it to a company called Inotiv, I-N-O-T-I-V.
This is the company that was busted by the feds for their animal abuse in their dog breeding

facility where 4,000 beagles were rescued, one of which I adopted.
And this is a publicly traded company, stocks down 90 some odd percent, which I'm thrilled to see, terrible business, awful, awful, kind of inhumane behavior.
And so I want to kind of give them a special shout out this year.
Look at you.
And you're getting the virtue signaling points of rescuing the dog to increase your two-factor amongst besties.
Well done.
Max-Q-Factor.
Max-Q-Factor.
Max-Q-Factor.
Yeah.
Anybody else have a loesome?
Yes.
I'd like to pick this company, Zee-Boo-Doo-Bab-Doo-Dah, which destroyed the environment for a bunch
of endangered species that I would otherwise have used for various fur pelts for my sweaters and such.
Yes.
And I would like to go with Blah-Blah-Blah-Blah, which was torturing puppies, 18 of which I rescued and I am now have them in the J-Cal puppy rescue.
I am the most sensitive and caring person.
Also I would like to add SeaWorld.
I am in the process of raising money to build bigger pools to eventually release all the orcas in captivity.
That is my new focus for next year.
Okay.
Moving on.
Oh, God.
Do we want to do Best Meme?
Do we want to do Best New Tech?
I'll do Best New Tech.
I don't have a Best Meme.
I'm going with Fusion for Best New Tech.
I'm going with...
I'm going to go with ChatGPT.
I think what was so impressive about ChatGPT and the experience that everyone's had using it is that it really, for the first time, I think elucidated where these kind of machine learning tools can take us and what the kind of new product experience can be, what generative AI can yield, things beyond I think the scope of what a lot of people were imagining before.
So it was really so revealing.
And as you guys know, there's an absolute friggin tidal wave of people trying to start companies that are leveraging tools in generative AI to kind of reinvent everything from workplace

tools, enterprise software, all the way through to media, games, and entertainment.
So that's why I think ChatGPT was the most impressive new technology of 2020.
Best New Tech.
Of 2020.
And then Saks.
Lightning round, please.
Best New Tech.
Alpha Fold 3, which basically has almost near perfect accuracy in protein folding.
Saks, Best New Tech.
I can't improve on the ChatGPT, so yeah, let's keep rolling.
Best Trend.
Best Trend in business and in the world.
Mine is startups getting back and investors getting back to reality and what I call the age of austerity.
The age of focus after the age of excess, that's the best trend in our world, the age of austerity.
What's your best trend for 2022?
Marginal cost of energy generation in storage is now in the low single digit pennies per kilowatt hour, which basically means that not only will energy be free and abundant, but it will, I think, over the next decade or two, create a massive peace dividend.
It will rewrite our foreign policy.
It will rewrite national security.
That is the reason why people should care about energy transition, not necessarily climate change, although that's important.
It's a distant second to keeping men and women out of war and keeping our borders safe.
Well said.
Anybody else have a best trend to play catch up with?
Last year, I said the creator economy, which I think referred to all these kind of creators creating new products and businesses beyond their content.
This year, I think that the trend that was, again, enabled and demonstrated through chat GPT is the narrator economy.
I think this is going to be a really important trend going forward.
We'll talk about it in the prediction episode, but I think the idea that people are, and they're starting to experience this and using chat GPT and Dolly and other kind of generative AI tools is how much you can kind of narrate the product you want to see created and have it created for you on the fly.
I think that that's a really kind of powerful mind shift for people and frame shift for people.
I think it really starts to change a lot of the way that people behave, entertain themselves, businesses operate and so on.
I'd call it the narrator economy, and I think it's really kind of starting to emerge.
Okay.
Do you have a trend?

Sax.
Yeah.
I think that is the growing realization that the corporate media is failing, does not tell the truth, it has an agenda.
More and more people are opting out of it and going with independent media.
I think what Elon mentioned, where we're going to start holding these corporate journalists to the same standard on Twitter as regular citizens, they're outraged by that, but that's a huge step in the right direction.
The fact of the matter is that the press or the media is the prism through which reality is refracted.
And if it's not giving us an accurate representation of the world, we can't begin to solve our problems as we don't have accurate information.
And I think more and more people are waking up from the matrix and realizing that we're living in this media-controlled simulation.
And again, I don't think we're going to make progress until this power that the media seems to have over our reality gets broken.
Okay, let's go for worst trend.
My worst trend is the Fed trying to play catch up, the Fed trying to play catch up.
Sorry, buddy.
The Fed trying to play catch up is the worst trend for me, oversteering into the crash.
What do you got, Chamath, for the worst trend of 2020?
The worst trend was the continued, profligate spending by the federal government.
We have record deficits, record debt.
And this year, we're ending the year by adding another $1.65 trillion of spending that nobody can seemingly account for.
It is truly the Christmas tree of Christmas trees in terms of bills.
So we have not gotten religion yet around being measured in how we spend money.
Good one.
Worst trend, sacks.
Last year, my worst trend was authoritarianism growing all over the world.
I think that's a pretty decent prediction.
This year's worst trend is the government colluding with Big Tech to engage in censorship.
This is how they're going to do the authoritarianism.
We talked about it with Schellenberger and Elon.
This whole series of revelations, known as the Twitter files.
We can see this collusion, this cozy relationship between the censors at Twitter and Big Tech and the bureaucrats at the FBI and DHS and Pentagon.
This is a really disturbing dystopian relationship, as we talked about it earlier.
I feel like we spent all this time talking about the authoritarianism in Russia and China.
We seem to be obsessed with combating that and going to war with that.
But we don't spend enough time talking about this growing authoritarianism at home.
The media doesn't seem to want to report on the Twitter files at all.
Let's focus on stopping authoritarianism here.

Well said, Friedberg.
What's your worst trend?
My worst trend for 2022 is what I would call interest rate mania.
I think that this is the mania that we've been caught up in on this show that other people on our thread, people in the business community and the investing community, where everyone's obsession with did the Fed act soon enough or late enough and that interest rates ultimately drive success or failure with building businesses and making good investments.
The truth is, when interest rates go the wrong way, good investments can kind of strengthen their way, can make their way through those environments, bad investments cannot.
Good businesses can make their way through and bad investments cannot.
I think our mania around the fact that interest rates and the Fed ultimately drove bad outcomes in businesses and investments is a flawed kind of assertion.
We all want to kind of get back to the drunken days where a low interest rate environment enables us all to be successful and wealthy, and I think that that's kind of changed.
I think it's time for us to get away from the interest rate mania and focus more on solid investing and solid business building.
Here we go.
Lightning round.
We've got two to go.
Favorite media of 2022.
For me, it was Top Gun, House of the Dragon, White Lotus II, but I'm going to pick my favorite here, something you may not have heard of, the film tar.
I highly recommend it, but I did like those other three tremendously.
What do you got?
Saxury or favorite media of 2022?
House of the Dragon, I guess I enjoyed quite a bit like you did.
I'll give a shout out to my movie, Dolly Land, which will be coming out next summer.
If we're going to include podcast episodes, I would give a shout out to the unheard episode where Freddie Sayers interviews John Meersheimer, the Professor of Interest Relations.
He explains the origins of the Ukraine war and has some really pessimistic predictions about what might happen next.
I suggest everyone watch it if they want to understand this conflict and where it may be going next year.
Chamath, do you have any favorite media for 2022, you want to share?
I thought Yellowstone kicked ass, absolutely incredible.
I think it's on Hulu, but there's a show with Steve Carell, a little short series called The Patient, which is about a serial killer that kidnaps his psychologist and locks him in his basement to try to help him prevent him killing more people.
I thought it was really, really well done.
Never have I ever, the latest season, another just brilliant offering from Mindy Kaling.
She's unbelievable.
Those are probably the top ones.
What do you got?

Freeberg, any media?
Yeah, I read a book this year that I really liked.
It's called The Vital Question by a guy named Nick Lane.
Someone recommended it to me.
He's a biochemist and he talks a little bit about the origin of life on earth.
It really ties into this idea that there are certain principles of physics and statistics that make life predictive and predictable, but I think the way that he walks through how a lot of things emerge in life and how life ultimately developed on this planet are really well shown.
Yeah, I give his book a shout out.
It was a really good reading.
That book, The Vital Question is incredible.
The other one that he wrote, which is called Life Ascending, those two books you must read if you don't want to be a lot in my opinion.
Also for those people who don't understand the difference between power and energy, you will learn what that is.
Very good.
I have two book recommendations.
Putting the rabbit in the hat is Brian Cox.
You may know him from Secession.
He has a great book and he reads the audio book.
Very enjoyable.
I'm halfway through Quentin Tarantino's cinema speculation and enjoying it very much.
You will enjoy it tremendously.
Okay, and now we do the Rudy Giuliani Award for Self-Immolation.
This is for the person who poured lighter fluid and gasoline over themselves and lit themselves on fire for no apparent reason.
I go with Kevin O'Leary, who's secured a $15 million bag from FTX and then decided to try to defend it 18 ways to Sunday, burning whatever reputation he had.
Who do you have in your Rudy Giuliani Award?
This will be controversial for you guys.
I'm going to go with Elon Musk.
I don't think that Elon put himself in the position that he did with bad intentions or without paying attention.
I think he's taken on a role in buying and running Twitter that is principled.
In his mind and many other people's minds, a really important role that someone needs to play.
Unfortunately, I think his reputation has gotten really hurt because of that role.
He's not making a lot of friends and he's causing a lot of reputational damage.
He obviously had a lot of good and important things he was working on prior to taking on the additional burden of Twitter.
While many people appreciate his doing it, I think that it's causing him a lot of reputational damage.

Yeah, I don't mean to be offensive in saying that, but I think he's gotten the biggest hit on reputation.
It's certainly been a hard thing to do.
It's certainly been a hard thing to do, Zach.
But you're saying self-immolation free broke because he took it on himself.
He could have just...
Yeah, I'm not saying it's just dumb, stupid stuff.
Okay, that's fine.
It's one interpretation.
Yeah, it's not like the Rudy Giuliani idiocy.
I think he's taken on the burden of doing this and I think it's causing him a lot of reputational harm.
Okay, that's an interpretation of the award.
What do you got, Saks and Chamath?
Well, I mean, if I were to interpret the award, I think the way it was originally intended, I think I got to give it to Herschel Walker this year, unfortunately.
And I wish Republicans would stop winning this award.
At least Herschel never gave any speeches next to a dildo shop, but nonetheless.
I am so sorry that I'm so delighted, Saks, that you've been so self-aware about the follies of the dying maga, the last throes of the maga nation.
I want to find some Democrats to give this to.
I want to give it to that brain dead senator from Pennsylvania.
What's his name?
Federman.
Federman.
Thank you.
I wanted to give it to Federman, but he won.
So I don't know what I'm supposed to do.
It's like, no, listen, when a Republican self-immolates like Rudy or Herschel or something like that, they get laughed out of town.
And when the Democrat does it like a Federman, they just get elected.
So I don't know what to say.
All right, Chamath, you got any final words here?
Go ahead.
We got to end this episode.
It's going to be the longest episode ever.
I think it's poor producer, Nick.
You never signed the papers for the whole search and seizure at Mar-a-Lago looks kind of like an idiot.
So that was not politically astute.
Okay.
You would say the FBI then.
Okay.

Poorly handling, perhaps?
That's actually a great one, actually.
If we're going to get serious for a second, the combination of revelations, if we're going to look over this whole year, remember, Jason, when I basically spoke up at the time they raided Mar-a-Lago and said that it was heavy-handed and unnecessary, and now you can buy it.
I've been telling you guys for years, Donald Trump is an idiot savant minus the savant.
Why all of you guys just project all of this like insane, genius, evil level stuff?
He's not capable of that.
This is a simpleton who likes attention.
He stole a bunch of souvenirs that he didn't read when he was in the White House.
That was my position.
Hasn't read now, kept in a box downstairs just to say he had them.
That's exactly right.
I was the one who championed the souvenir.
I know he's a souvenir guy.
You said he was selling secrets to the Saudis.
No, I did not say that.
I said my idea was souvenirs.
You suggested it.
You suggested it.
I did not.
I did not.
No, just between the news.
Hold on.
You were tweeting Jared Kushner in an elaborate conspiracy theory.
I'm saying that doesn't look good.
I know it's not a conspiracy theory when you do it.
And guys, and this is the same person that basically in the beginning of his presidential campaign in 2016, in front of Hillary Clinton, said, absolutely, I bend the laws that you created the tax laws to my favor because I'm not stupid when she called him a tax dodger.
And it turns out after all these years, he was telling the truth.
Oh my God, once again, the show ends with Trump.
It's been a great 2022.
No, no, but honestly, did we learn anything except that these tax laws are egregiously stupid and the only people that are consistently guaranteed to make money in these tax laws are real estate investors.
If you put these two things together, a real estate investor who happened to be very poor at his job, which Trump turned out to be, packed billions of dollars of NOLs that he was able to use to wash his taxes for years and years.
And by the way, and he was clearly proud of it, he was just goading the Democrats and not releasing them.
They went through all this rigour, Merle, and what did we find out?
He had huge NOLs.

He had huge deductions and he paid no taxes.
Is that shocking to any of us?
It's like Chappelle said.
He came out of the house, told everyone everything you think is going on inside that house is going on.
And went back in.
And then he walked back inside the house.
Yeah.
It was pretty great.
Chappelle got it.
All right, listen.
For David Sacks, the Rain Man, for the Queen of Kinois, Sultan of Science, David Friedberg, and the dictator himself, Chamath Palihapatiya, it has been an honor and a privilege to do this podcast with you gentlemen.
This is the longest show in the history of the pod.
Enjoy everybody.
RIP, producer Nix, next 48 hours, and we'll see everybody next year.
Bye-bye.
Love you guys.
Happy holidays.
Love you, Bastas.
I'll catch you.
We'll let your winners ride.
Rain Man, David Sacks.
And as said, we open source it to the fans and they've just gone crazy with it.
Love you, Sacks.
I'm Queen of Kinois.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going all in.
I'm going to våra.

Got to print it like this, yeah.
And then we've got here B-B.
Here we have an episode right here with Em□□□□, David Sack, David Sack and
the fans coming up in the open source on IG
Sack King.
We should all just get a room and just have one big huge orgy because they're all just useless.
It's like this like sexual tension that we just need to release somehow.
Let your feet be.
Let your feet be.
Let your feet be.
We need to get merch.
I'm doing all this.
I'm doing all this.