

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E128: Google enters AI wars, Druck's warning, Trump crushes CNN & more

All right, everybody, welcome to the All in Podcast. Lots to talk about, but right off the bat, congratulations to David Friedberg, who is the chairperson of the All in Summit 2023 on the big announcement. We're going to be having the All in Summit, September 10th to 12th at Royce Hall at UCLA in Los Angeles, California. Tickets are now on sale and selling out quick. Friedberg, maybe you can just give people a little overview of why you selected the location and what you hope to accomplish in terms of the programming, just broad strokes, and then we'll get right into the show.

I think the general headline is today and tomorrow, where are we, where are we headed? I think exploring the state of the world and interesting things that we're uniquely, that we're all kind of excited about in the future. And we want to have great conversations with candid people that can give us kind of, you know, they're very honest on the ground points of view on everything from technology and markets, macro, science, society, and culture. So we're going to talk across all those different topic areas. And similar to what we did last year, the four of us on stage, having conversations with these folks. So pretty excited. I think LA is a great location. There's obviously availability for people to stay. There's great venues for us to do the evening events. And it's certainly super accessible for folks from all over the world.

And we decided this year to have three tiers of tickets. We'll have the VIP tickets. We'll have scholarships for people who fill out a form so we can, you know, have really great diversity and representation at the event and up-and-comers, maybe who couldn't afford the VIP ticket. But in between, you decided to have a standard ticket as well. That's just 1500 bucks. And there'll be a VIP lounge this year for the VIP tickets and early access to the theater and a couple of special dinner parties.

What is my wine budget so that I can take care of the VIPs properly?

Yeah. Talk about that one later.

Don't be fucking cheap, you guys. What is my wine budget? Let me treat the VIPs like the VIPs that they are.

What would you need per night, per dinner, per person, depends on how many people per person.

Well, just say per person per night. Is it like \$200 a person, \$100 per person per night? Because a person drinks a half a bottle of wine, two or three glasses. Yeah, like, you know, three to 500, maybe a thousand.

What is the truffle budget for the conference?

The truffle budget.

No, it's too early for truffles. We can only have black truffles.

No, it's September.

Yeah.

It's between white and black truffle season. It's a dead zone. You don't want to be in that. You got to either wait till the winter or you got to enjoy the early summer.

We have to have a conference in early November. At that point, we can focus the entire VIP budget, if it were according to me, would be spent on white truffles and white booze.

Got it.

All right, everybody, let's get started. Chimaphapati is with us as well, the dictator himself

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and David Sacks, the Rain Man. Yeah, Google had their IO event. They announced Palm 2. Google's language model is going to power 25 products, including Bard, which has got coding capabilities now, I guess, to go up against GitHub's co-pilot. Palm 2 will have improved multilinguality.

Wait, what?

Across 100 languages.

We'll have multi, what?

It's going to support 100 languages. And it's going to be better at mathematics and reasoning. They also announced Duet AI, which is basically Google suite of generative AI tools for Doc, Sheets, Drive, all that kind of stuff, kind of like a copy of Microsoft's co-pilot tools that Sacks has talked about a whole bunch, the guide on the side, if you will. They teased a future where AI can summarize Docs, which Box AI Aaron Levy is doing. They also previewed proactive prompts in the sidebar of Google Docs. And I talked about that a whole bunch on this week in startups. They're going to also now add images and replies.

Have you guys used Bard in the last 24 hours?

I used it last week, not in the last 24 hours.

I think you guys should use it. We should talk about it. It's really impressive. It's better than chat GPT at this point from my experience on going through a number of things, because it's actually connected live to the internet. It's connected live to search. It can pull down real-time data for you. It can do real internet searches for you and just give you the results. It's extremely powerful. I feel like it's the product that Google has been scared to do, which is the product that can truly disrupt search, and they're doing it. So how do I try it?

Do I just go to Bard?

Bard.google.com. No access needed, no cost, nothing.

Oh my God, this is great.

And seriously, use it, and it does real-time search, and it's 180 languages. It converts, it generates images for you, it can generate charts, results. It's really powerful, guys. Google has strung together, I think, a lot of features, and you can look Google's market caps up \$150 billion in the last two days.

Okay, this is pretty interesting.

And so, Saks, a lot of what we've been talking about with respect to plugins and the tooling built into auto GPT, many of the most interesting applications that folks have demonstrated or utilized are really kind of built into this Bard product.

Okay, I love Bard. Can I just give you guys what I just tried?

Okay.

Can we guess?

Guess, yeah, guess, guess, guess.

Was it something about Freberg's Anus? Uranus?

No.

It wasn't a Uranus joke. Okay, then tell us.

My first question was, why is David Freberg such a sellout? But the answer confused him with an actor. So let's forget that.

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My second question was, is Jason Calcanus a virtue signaler? And the answer is fantastic. Jason Calcanus is a venture capitalist and entrepreneur who has been accused of virtue signalling.

Virtue signalling is the act of publicly expressing opinions or sentiments intended to demonstrate one's good character or the moral correctness of one's position on a particular issue. There are a number of reasons why people might accuse Jason Calcanus of virtue signalling. For example, he has been known to make public statements about his support for social justice causes, but he has also been criticized for his lack of concrete action on these issues.

What?

Additionally, he has been accused of using his platform to promote himself and his businesses rather than to genuinely advocate for social change.

That's ultimately whether or not Jason Calcanus is a virtue signaler is a matter of opinion. There's no clear consensus on this issue, and there is evidence to support both sides of the argument. However, it is important to note that virtue signalling can be a harmful practice as it can lead to people becoming desensitized to real social problems and make it more difficult to address them effectively.

This is some woke shit. Wait, do you see what I just did? Here's mine. I asked Varg, is Tramatha a horrible human? Here's what Varg had to say. Tramatha Holly Hoppitya is a complex individual with both positive and negative qualities. He is a successful venture capitalist and entrepreneur, but he has also been criticized for his outspoken views and his past actions.

Uh, so, uh-oh. Boop. Some of Holly Hoppitya's positive qualities include his intelligence, his ambition, his drive to succeed, blah, blah, blah, blah, blah. He's also been criticized for his arrogance, his lack of empathy, and his willingness to exploit people for his own gain. This is perfect. It's the singularity.

It's balanced. It's true. It is giving you like the good and the bad. Oh my God, that's hilarious.

Yeah, but this is a very fair answer.

Ultimately, whether it's not individual, it's a horrible as a matter of opinion. I love it.

I asked it, where is the... This is going to really show you the power of this. Where is the all-in summit 2023 being held and how much are tickets? So like two questions that are deep on the website. And it says there are two all-in summits.

Yeah, that's incredible.

That's incredible.

And then it says the all-in summit 2023 will be held September 10th at 11, 2023 at Royce Hall. Tickets are \$1,500 for general emissions, \$7,500 for VIP. That's insane.

That's insane.

Wait, so Freebird, what are the key differences between Barden and ChatGPT just because you've used it?

On the modeling side, they're claiming a much larger, more robust model. It's linked to the internet, so it's linked to live search, which you can't do with ChatGPT, which is based on a static training data set. So Bard can actually engage with dynamic content and

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a dynamic content generator across the web. And then it's integrated with a number of Google services that basically can take certain live feeds of data, like flights and stock prices and so on. It's free. You don't need to be charged for over usage. You don't need to sign up and get access. It's just available to anyone. I mean, I think this is the game change that everyone is hoping for.

Freebird.

I just asked, did Stan Druckenmiller buy NVIDIA recently? So it wasn't able to find the transcript of his thing, but it did find the 13F. And it says yes, according to his 13F for the fourth quarter of 22, Stan purchased 582,915 shares of NVIDIA.

Isn't that incredible?

I just said, what was Google's restructuring expense incurred in Q1 2023? And it says, according to Google's 2023 Q1 earnings report, the company incurred restructuring expense of \$1.6 billion, including the decision to lay off 12,000 employees. They were part of a broader restructuring. I mean, it basically parsed through the press release, parsed through the Q1 data. It's really pretty impressive, huh? I mean, what do you guys think?

Check this out.

We'll do this for a couple hours.

Yeah.

David Sacks. What does David Sacks think about Hunter Biden? Everybody on the all-in-pod knows, but let's see what Bard knows. He's not publicly competent on Hunter Biden. However, he has been critical of the Biden family business dealings in Ukraine. In a 2019 interview, Sacks said that he was deeply troubled by the Biden's vomiting in Ukraine, and that he believed it was a conflict of interest for Hunter Biden to serve on the board of Barisma. That's pretty interesting. I don't know.

That's clearly inaccurate. I mean, I wasn't talking about it. Yeah, in 2019, think about that. That's when we started doing this pod.

Yeah. So the question is, where is he getting these quotes? And then why doesn't he give citations?

Well, also, Sacks has been critical of the Trump administration's use of Hunter Biden's business dealings as a political weapon.

Yeah, that's not true. You've never criticized the Trump administration.

Those quotes are wrong. Those quotes are definitely wrong.

So I just said to it, can you access, and think about this data set, and this is where Google has unique advantages. I said, can you access the YouTube transcript data? And it says, yes, Bard integrates YouTube transcript data. I said, do you have access to transcript data from the all-in-podcast channel? It says, yes, I do have access to the transcript data from the all-in-podcast channel. I said, can you access this data, answer some questions?

And now, what did Sacks say about Hunter Biden in that show? And so I would guess, so think about the chain of...

Does it change the answer?

Yes.

So far, I'm finding this to be very inaccurate.

Yeah. So David Sacks appeared. He said he believes Hunter Biden is a deeply troubled individual

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who's made a lot of bad decisions. He also said that he believes Hunter Biden's business dealings in Ukraine were highly unethical, and that he believes it's impossible that Joe... This is transcript data from the pod. However, Sacks also said that he does not believe that Hunter Biden's business dealings are a, quote, smoking gun that proves that Joe Biden engaged in any wrongdoing. He said that he believes that the evidence against Joe Biden, or, quote, circumstantial, is, quote, circumstantial, and that he does not believe that there is enough evidence to impeach him. Sacks's comments about Hunter Biden were met with mixed reaction.

Holy fuck.

Some people agree. And on and on and on.

I think it's very inaccurate, to be honest.

Yeah, that's not good.

That's not good.

Some of my stuff mixed in.

It's got some of your stuff mixed in, but also it's like, it's summarizing in a way that neither of us actually said it.

Yeah.

And they're missing the key points about what I did say.

I asked a pretty complicated question here, and I think it did a pretty decent job. I said, I would like to fly Le Premier on Air France from the West Coast to Europe. Where should I depart?

And it got it perfectly. LAX, SFO, and Seattle Tacoma.

Oh yeah, I just asked it to get me the fastest route to Portofino, and it gave me the exact flight I should take from SFO, how much the ticket is, and then the train I should take from Milan.

Meaning the shortest.

The shortest time. Yeah, because I don't want to do a layover in Germany. It's like flight of Milan, take the train, and it gave me the full schedule, which by the way, Google Flights can't do because you go to Google Flights, and all it does is give you the flight data.

It can integrate a lot of different data set to give you these answers.

Did you say fastest route or fastest flight?

What did you say?

Fastest route, yeah. So I don't want to spend the least amount of time traveling is what my objective was. This is why I was saying, I think you guys should play with this tool a bit. It is, I think, head and shoulders above chat GPT. The models supposedly better. Obviously, other people will come out with kind of, you know, measures of that and estimates of whether that's true, the extensibility, the integration of live data, and the integration with Google's very unique data set is what's so powerful that they have access to flight data that they have integrated YouTube transcript data. It's just super powerful, super impressive. God damn.

I'm using this in real time, and I do find the interface to be snappier than chat GPT, and it, like you said, it doesn't need the browsing plug-in in order to scrape more recent data from the internet that it wasn't trained on. But I'm not finding the answers to be

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more accurate, and I'm not finding them to be more detailed. I'm not seeing a reason to use this over chat GBT. I prefer chat GBT so far. I'm just telling you.

Okay. Well, the recent stuff is important.

Well, I mean, clearly, chat GBT is going to have to make the browsing plug-in much snappier and like much more part of the core functionality rather than something that's like an add-on.

Yeah, it can't be an add-on.

It's got to be able to incorporate the most recent information. I did ask this some questions about the Ukraine war, and then it gave me like a highly compressed view, and I said, please provide more detail. And then it's actually did a pretty good job expanding it, and it did it very quickly.

Well, if you look at the view drafts thing, that's always been one of its strengths, is that it will format at three different ways for you by default. If you go to the top right, so you can just sort of cycle through them. But that's an existing feature.

I mean, I definitely want to keep playing with this.

Play with it. It's one of the obviously important releases that...

I thought they were going to catch up real quick, and this seems like we got a race on our hands now. But I think the point you're making, Freberg, is a good one, which is when these big companies just get their act together, it's very hard to discern whether something is 80% as good, or 120% better. There's this fuzzy gray area where a lot of people can find utility in a lot of different products, and then the one with the better distribution wins. And so if they take Bard and they have the confidence now to just integrate it into Gmail or integrate it into these other points where they already have hundreds of millions of users, that's like a really tough distribution barrier to overcome. That's the next step that I think if Google really wants to win here, they have to force distribution of these tools in line to where people are. And if they do that, you're not going to know the difference between 80% and 100%.

Someone that's sophisticated at SACs may be able to, but the average person will just be like, this is good enough. They've got distribution. I mean, like with all products, the kind of key advantage of distribution, that's the platform advantage. Can I show you an answer? I think it's like super hallucinating on. So I asked it, what is David Sacks written about SACs?

And then it says I'm a venture capitalist entrepreneur who's written essentially about SACs. He's the founder of Yammer. Okay, that's true. But then it says he's also the co-founder of WeWork. Not true. Didn't know that. Then it says SACs. Congrats. It says SACs has written a number of articles about SACs, including, and then all five of those articles were not written by me. It's basically like hallucinating really strongly. So there's significant hallucination here. Oh, you know what? Bard is at the after party for Google IO right now, and it's had too much to drink. So it's just straight up drunk. This is why Google didn't want to release this, right, Friedberg? Like they don't want the Google brand associated with these hallucinations, whereas nobody cares about Open Ives brand. This was a big part of the innovator's dilemma that Google faced, which was number one, it could be disruptive to the core business. Number two, it exposes them to regulatory scrutiny. And number three is if they make mistakes, they're going to get more scrutinized than some, you know, rinky dinky startup where everyone's so forgiving.

But it's great to see, look, I mean, as a shareholder, it's great to see them take this risk.

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It's great to see them put this out there. They've now released robust coding capabilities. They've integrated scientific research papers. Obviously, they're going to continue to improve model performance, improve integration with these data feeds. And they have a very large head count,

I think north of 10,000 people working 10,000 smart people. So if you can organize those people, and they've got this significantly advantaged infrastructure, they have a real shot at being a platform player here. The question later is going to be how much is this going to disrupt core search revenue? You know, what categories of search revenue are going to get disrupted? And, you know, are they going to make that up in other ways? And I think time will tell there. But I think this is the progress that shareholders and investors were looking to see with respect to the product competition in AI. And certainly some shareholders still want to see continued improvements on the cost structure of the business, but that's a separate topic. But this was exactly, I think it really hit the bullseye on what people were looking for.

I don't see how it's a bullseye. Look at this. So I just asked it, can you give me a complete list of all the articles on SaaS that SaaS has written in the last three years? So now at least it's over the target. Those five articles and mentions are correct. Does chatGPT do that? Well, no, because of the browsing plugin.

Right. But I'm just saying, like, they got a lot of work to do here on quality.

Yeah, they all do. But it is snappy. And I finally got to these five articles being correct.

AI regulation, we talked about it five weeks ago on the show, I think.

Well, there's been some movement there. Vice President Harris met with CEOs of Alphabet, Microsoft, OpenAI. So that's Sundar, Satya, and Sam to discuss implementing AI safeguards. And then on Tuesday, Sam Altman was interviewed by Patrick Coulson, the CEO of Stripe, and he endorsed the idea of IAEA for AI. That's the International Atomic Energy Agency.

So is that hyperbolic, delusions of grandeur, or right on target? Well, the interesting thing about the IAEA is that what I learned recently from the CEO of Planet Labs, Will Marshall, is that the predecessor organization to the IAEA is really this organization called Pugwash.

And what that was, Einstein and Bertrand Russell in the 50s post Hiroshima and Nagasaki bringing together academics to basically create a way to think about nuclear disarmament going forward, just because they all saw the damage. And there was a large framework that set up the current denuclearization treaties. And then the IAEA was set up after that. And so I think that there's a thread here, which is basically what he's saying is there's something around nuclear disarmament that is very similar to AI, both in terms of its potential, but obviously in terms of its risks.

And so there's like a whole monitoring framework. There's a know your customer kind of framework. These are not unfettered things that can just live openly in the wild. So I think it's interesting to acknowledge that Sam, who's deep in the bowels of one of the most important companies, sees both its potential, but it's dangerous enough to say that this is how we should think about it, like nuclear weapons, I think is a very important thing to acknowledge.

And the White House pledged to release draft guidelines for AI safeguards that the National Science Foundation plans to spend \$140 million on at AI-focused research centers. FTC chair Lena Kahn wrote a guest essay in the New York Times calling for AI regulation due to large share risks, including monopoly consolidation, fraud, extortion, and bias.

Any thoughts there, Saks, about adding regulation to the mix right now? Are we jumping the gun

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here

and going to smother this thing before it even gets correct answers?

Serious risk. And the White House also announced that Kamala Harris would be the AI czar for this issue, which I don't think inspires anyone with confidence that they're going to, you know, get this right. Look, my concern here is I think we should have conversations about the risk of AI. We should be thinking about that. I think people in the industry need to be thinking about what guardrails can be put on it. I think Elon's raised I think long-term concerns about whether this could lead to AGI. You basically create a superintelligence that you can't control.

I think people in the industry haven't really figured out how to address that. That problem is called alignment. And everyone's trying to figure out how do you even make alignment work, is that theoretically possible? So there are real and valid concerns. Jake, how you've raised the issue of deep fakes. I think provenance of data is going to be a real issue. People committing fraud or other kinds of criminal acts using it. So there are real concerns. But the problem is that we have no idea how to regulate this yet. And the fact that Kamala Harris is the AI czar now, again, just points to the fact that nobody has a good idea of what this is supposed to be or who the expert is supposed to be. And this idea of creating an atomic energy commission, look, I can see why Sam and other industry leaders might want that because they're going to quickly develop relationships. The biggest AI companies, which now includes open AI, which has the backing of Microsoft and Google, and the biggest of the big tech companies, they have all the lobbyists in Washington. They have all the political connections.

They're the ones who are huge donors, and they have political relationships, and they're going to help construct the regulations. And it's going to turn into another example of industry capture, just like Darth K. Jr. told us about on the show last week, when he talked about how the big weapons companies influence our foreign policy, the way that the big pharma companies influence the FDA, and so on. We're going to end up in a situation in which the big tech companies have inordinate influence over this new regulatory agency. And since it's not clear what the regulatory agency is even supposed to be doing yet, they're going to end up promulgating a bunch of regulations

that create a barrier to entry for the little guy.

They're going to create a mode with regulation.

For the big guys, and they'll slow down the whole process of innovation in the space, which some people might like, but I think is really the best hope that America has to get out of its horrible fiscal situation, all this debt. We need a massive productivity boost to get out of the massive debt bubble that we're in. So what I'd hate to see is that, yeah, we basically kills this thing in the cradle. Interesting. Yes, we are in a deep pit here, and Stanley Drucker Miller gave a speech at USC at the 37th annual meeting of the USC Marshall Center for Investment Studies, and he expressed concern about the financial crisis that could occur in the 2025 to 2035 period due to the baby boomers turning 65 and the impact on entitlements. He predicted that in 25 years, spending on seniors will grow to 60% of all taxes. Here's a look at the chart. You can see today there as the vertical line. About 5% of our GDP goes to Social Security today, and about another 5.5% goes to Medicare, Medicaid, and it's predicting here that those combined will go from what looks like 12% today up to 24% of GDP. Your reaction, Freiburg? I mean, my reaction is it is another very important voice

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stating the obvious, like the arithmetic just doesn't work. When we had RFK on last week, I prodded him on his stance and point of view on the federal deficit, the fiscal deficit this government runs, and the entitlement programs that are only going to swell, and the debt burden, which has an interest payment obligation on it, that the interest payments are swelling. When you do the arithmetic on all this, it's going to balloon the cost to service the debt, and without some degree of cutting across the board, spending entitlement programs, discretionary spending entitlement programs, you can't make the interest payments, which all inevitably leads to some form of default. That's just the math and the way this all works out. I think what he's done is put a pen to paper and shown that, call it roughly 2025 to 2035, you start to run into that fiscal scenario where you can no longer generate enough income from the US economy to fund both the interest payment obligations on the federal debt, as well as these entitlement programs, and something's got to give. Either you're going to have to default on the debt, or you're going to have to cut the entitlement programs. The point he's making is that the longer you wait to cut the entitlement programs, the worse it's going to get, because you're accruing so much debt in the interim. And as we know, that becomes very politically unpopular. And what's so scary to me, and I've shared this, and obviously Chamath has a different point of view, but it feels to me like this is that don't look up movie moment where we have this looming disaster, we don't have any fuel in the car, and all that everyone's talking about is where we're going to drive the car. And every political conversation, every candidate gets on stage, gets on a podcast, gets on a TV show, and they talk about stuff that is simply not feasible, and the direction setting with respect to social policy, wars, geopolitics, how are we going to take care of our middle class? None of that stuff is possible to actually execute against without recognizing and acknowledging that we don't have gas in the car, and we have to figure out how to gas up the car. And so it's great to see Druckenmiller being vocal, putting very simple, clear slides together. It's like what I've mentioned in the past, I would love to see a Clinton-esque, Bill Clinton-esque slide deck, where he would come up with a poster and show everyone, here's the economy, folks. And I think Druckenmiller did a great job, and I encourage everyone to go watch that. There's an audio transcript of the talk, as well as the slides are publicly available on the internet. We'll put the links in the show notes here today. I just think it's whether or not you agree with the outlook, I think it's worth everyone watching and realizing how serious of an issue this is, and why this has to become the number one topic of conversation going to this next presidential election cycle. He's also disclosed he's short the dollar along Gold, Euro, Oil, and AUD, which I guess is the Australian dollar. And he's also along NVIDIA and Microsoft, believes NVIDIA's got a monopoly on the chip market. I got a question for Chamath and then to Saks. So, Chamath, what's your just reaction to this? Do you think he's doctor-dooming it, and we can have all this debt? And then the question then becomes, is there any way out of this? We had a Trump town hall. I hate to bring it up and go back into the Trump commentary and all this, but he's the lead candidate, Saks. And he said, he thinks we can get out of debt. We just got to drill a bunch of oil, drill baby drill, and we'll get out of this problem. We'll be able to rebalance the budget. So, Chamath and then Saks. I want to be clear. I don't think it's great that we have these enormous debts and entitlement obligations. But I also don't think that there's some magical number where the economy breaks. And the reason is because we're central to not

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just

our economy, but everybody else's economy. We are the reserve currency of the world. It's not changing anytime soon. It's not even close. And we are, for better or worse, and I think Saks and I don't like it, but we are the world's policemen. We are a bunch of things. We are the world's center of innovation. We are the world's center of these great leaps forward in humanity. When we talk about all of these different things, these aren't coming from random countries. They're coming from the United States. We can debate which company, but we're never debating the country. So, I think that there's a legacy of value creation and innovation that we've always been at the forefront of, at least since America was founded, so 1776 to now.

I think the reality is that debt to GDP will continue to increase. I don't think a single politician can practically get elected by offering to cut entitlement spending to people that have spent their entire lives paying into a system. So, as a practical matter, this thing will go up, and I don't think the economy will stop. I think that economics are a relative problem where you have to weigh countries against each other. And what that means is the economic vibrancy, the productivity, the intellect, all of those things where we have to compete with El Salvador, we have to compete with Nigeria, we have to compete with India, we have to compete with Australia.

And in that context, there is very little historical artifact that says that there's a breaking point. So, I just think that if you observe the moment, it's not that what Friedberg is saying is bad. I'm not exactly sure that it's particularly actionable. And I think the disproportionate amount of action is actually the opposite, which is to reflate the money supply, to reflate assets, to create artificial prosperity and smear it to many, many, many people. And I think that you have to think about how do you want to activate your view. I can believe whatever I want, but at the end of the day, I don't want to act in a way that's against my economic best interest, quite honestly. So, I believe that winning is measured in dollars and cents on these things. And from that perspective, I don't particularly like it.

I think I'm emotionally more aligned to Friedberg, but the practical reality is I'm on the opposite side, which says the governments will keep spending, inflation will be here, assets will keep inflating, the M2 money supply will keep going up. And on general, I'm along the United States and short every other country. Chomac, doesn't that ultimately lead to just inflation? Initially starts with the inflation of assets and asset prices, but it ultimately leads to the inflation of goods and services, which can cripple the economy because then the middle class can't afford things and you have economic slowdown. I mean, that's the historical record of having these kind of inflationary moments. Yeah, I mean, inflation comes and goes, but the position of the American US dollar hasn't changed. Again, you have to remember, a lot of these foreign governments,

187 or whatever the number is, countries outside the United States, rely on the US dollar. They don't want to own their own currency. And so, yeah, you're right, dollars do get inflated, but that increased purchasing power also actually drives the balance of power back to the United States because all of these other folks all of a sudden find the ability to import a little bit cheaper. Their economies get slightly better, but the US dollar actually still does well. So, there's a complex set of interactions that are all relative. So, I think it's very hard to point to the US middle class and say, oh, this is why the US breaks. I just don't see very many good examples in a modern globalist era. And there are examples, and I think Ray Dalio has pointed these out,

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when you look all the way in the back. But to use the UK, right in the 15 and 1600s of the East India Trading Company, when we did not have a global economy or a global reserve currency, I don't think it's very useful. There's things you can learn, you know, taxation. I think we can learn about why taxation does kill innovation. You said that before, I agree with that. But I don't think there's much value in saying because it happened in these moments, it's going to happen exactly the same way here. And I think what people don't understand is we are in a unitary, singular, mono-economy that is anchored by the US dollar.

Saks, any thoughts? Saks, do you agree?

I tend to be on the Freiberg Druckenmiller side of this thing. Druckenmiller had a great quote in this interview he just gave. I don't know, Freiberg, did you mention this last week that he said that he compared the debt ceiling and fiscal spending to worrying about whether a 30-foot wave will damage the pier when you know there's a 200-foot tsunami just 10 miles out. So what he's saying is our short-term situation is bad. The long-term situation, which isn't even that long term, like 10 years out, is even worse. And I think there's a growing feeling that our political system is just not up to the challenge of dealing with these problems. It just seems fundamentally unserious. We never discuss it. The media doesn't really present us with accurate information and it has an agenda. Do you guys want to make a bet, Saks? Do you want to make a friendly wager with me? Sure, what's that? Okay, I will bet you that debt to GDP gets to 200 before it gets to 50. And I'll bet you however amount of money you want, and we can do it for our own personal gain or for charity. That may well be true, but the question is how bad is 200% debt to GDP? I don't think that's a really bad scenario. I mean, I really don't think it matters.

I think the point is... Will you guys have any money left if that happens?

Yeah, we'll have a lot of money. You'll just have to profit from it. If you think it's happening, your job is to profit from it. I'll make the same bet with you, Freiberg. I think it gets to 200 before it gets to 50. Or 250 or 300, you can pick your number. I think it will too. I'm just like... Let's do the math on that real quick. So the size of GDP is what, about 25 trillion? And we're at about 32 trillion in debt. If we're to have 200% debt to GDP right now, it would be at 50 trillion of debt. Now, let's assume... Let's impute an interest rate at which you would need to finance that. 4%. So I think 4%. You have to calculate the duration. I understand, but let's say 4%.

So 4% on 50 trillion is 2 trillion a year, which is... Isn't that like half the budget?

Yeah, more. And that's my point. That's why you have to see taxes go up to over 70% because it's the only way you can... You got to tax everything in order to fund that.

So US government has collected 2 trillion in fiscal year 2023. Now, I guess we haven't done a complete year, but let's do 2022. It basically collected 3.7 trillion.

Right. You're using more than half of the government's income based on the current tax rates to fund the interest payments on your debt. That's not even to pay for social services.

That's not even to pay for the defense. That's not even to pay for government services.

That's just more than half of the income.

I guess maybe we're just speaking past each other. I guess you guys are expressing anxiety and concern, and I'm just expressing here's how one would make money because it's pretty obvious what's

going to happen. We're going to 200. We're not going to 50. So I just kind of...

How do you make money?

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I think there's a lot of ways that you could make money.

I'm not going to share those on the pot anymore, but there's lots of ways you can make money.

What's the trade there?

Stan Druckenmiller said...

It's the opposite of Stan's trades, actually.

Oh, okay. That's good.

That would be an easy way to actually...

So would you go long the dollar and short gold?

No, because those are antiquated ways of making money where you have to have these convoluted derivatives agreements with these banks. And I've done these before where you're levered up to billions of dollars of risk. It proves nothing, and I don't sleep well at night.

I think that there are simpler strategies that you can implement, but I think Stan is basically betting that the US will break and that we will be forced in some way to bring debt to GDP closer to 50 than to 150 or 200. And I would just bet the opposite.

And it's not because I want it to happen or that he's not intellectually or morally right.

Also, inflation down again, we've kind of gotten used to this, but this...

I thought this was a particularly interesting chart. If you look at food, goods, and energy, all going in the right direction, services still very expensive.

Any thoughts on the Fed and inflation as we wrap up on sort of where we're at here?

Is it another 25 basis points? Core inflation is very sticky.

Yeah. Right, yeah. I mean, with CPI is down to 4.9%, but core actually...

It was up. It was up. It was up, what, 5.3% something like that?

Yeah, core was up.

So, yeah, the Fed is... It raised another 25 basis points where we up to like 5.25%.

I was ready to stop two hikes ago because I thought that the economy was breaking, the banking system was breaking. They're up to now to five and a quarter.

You've got core CPI still sticky. Yes, CPI is coming down, but it looks like inflation is still a problem. This is not a great setup for economic recovery.

And if you believe, here's the problem with accepting the idea that inflation is going to be persistently high, is if inflation remains persistently high, then the Fed won't be able to lower interest rates. So, they'll need to keep them elevated. They might even need to keep raising them. And if that happens, they'll continue to be incredible stress on the banking system, and more banks are going to break, and then eventually that will create the conditions for the financial crisis. I think the thing you guys have to be open to is the fact that we've never really tested the ability for the US to borrow durationally beyond 30 years.

And again, we talked about what an error it was in judgment for the Treasury not to issue 100-year bonds. But I think if there's any country in the world that can issue 100-year bonds, it's the United States of America. And I do think that they'll be able to get durational assets that are that far out on the yield curve. So, I, again, am less concerned about the debt wall here because I think you'll be able to push maturities out. You'll be able to refi a bunch of short-term obligations into the future. And if you look at where the yield curve is, 10 years at 3.5, 3.40 something. So, the thought is that inflation goes down. If you put it out to 100 years, I would be very surprised if 100-year rates, if they priced a bond, weren't

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somewhere sub 1%. So, I do think it becomes effectively free money for the United States. And I think it's just a practical thing they need to explore. By the way, corporates have explored these 50-year bonds and greater. So, I think it's just like it's a matter of mathematics, as you guys have just illustrated here, that the US has to push out past 30 years. So, we'll have 50-year US bonds. We'll have 100-year US bonds. Again, I'm not here to claim whether it's right or wrong, but I think the simple way to acknowledge that is just that we are going to reinflate the money supply over the long term because it's the only sustainable way that politicians can get elected and re-elected. And I think the best thing to do there is to own risk assets. Let's move on to the presidential election real quick. I'm curious, gentlemen, last week we had RFK on. Did you get any feedback? The show obviously did really well. A lot of people watched it. I got a tremendous amount of feedback. People thought he was a fascinating, interesting character. Some people thought he was a conspiracy theorist. They pointed out a bunch of different moments during the interview. But what was the general feedback you got? My biggest thing was, I think he surprised a lot of people to the upside. A lot of people emailed me saying they thought one specific thing with him, and we tried to address it, which is he's painted as this kind of like conspiracy theorist or anti-vax person by the mainstream media. Overwhelmingly, so much of the feedback was, wow, this guy is so totally different because you gave him a long format in order for him to really talk. I thought he was really engaging and very interesting and very smart.

Sacks, did you get feedback on it?

Yeah. I think he is very authentic. I think he's very principled. I think that he's a rebel, in a way, to grow up in the Kennedy family and to be part of all of those elite circles, whether it's in Hollywood or Harvard or where do they go for the summer?

Martha's Vineyard.

Martha's Vineyard or...

Kennebunkport.

Yeah.

Kennebunkport, whatever. You think about all of the elite circles that he grew up in, and for him to deviate from Democratic Party orthodoxy and elite thinking in all these really significant ways, shows that he is, again, very principled, very authentic and, I think, a rebel in a really good way. He's telling people a lot of things that you just don't hear on the Democratic side and through the mainstream media. I think it's all positive.

Yeah. I got positive feedback on it, Freeberg. The one thing people said was, some people said, not a lot, but they expected us to push back maybe on him harder or something or be harder. I thought we did an interesting job of letting him talk and really taking these topics to 10 or 20 minutes each. The one people were particularly, I don't know if concerned is the right word or puzzled by was that we didn't push back as much on the vaccine stuff. We just let him talk about it. A week later, what do you think about his vaccine position?

And would you have pushed back more, or do you regret not pushing back more, Freeberg?

He made a lot of generalized statements or statements that I think

take a concern about one thing and then make them evidence for a whole thing being off. For example,

there is a vaccine that isn't efficacious. There was a vaccine that had mercury in it.

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Therefore, all vaccines are bad. Oh, we over-vaccinate now.

Many vaccines today that kids take going into schools have saved countless lives and they've had a really critical role in reducing a lot of child-born illness. It's been just an incredible advance for humanity, for medicine, etc. I think he had a number of points he made about the COVID vaccine and I know he's made these points for many years. He extrapolates that it's evidence that vaccines are generally over-prescribed and overused and pharma companies are just out to make money

and the government is aligned with pharma companies to just try and make money.

I don't think that that is necessarily true. I think that there are certainly incentives that can drive bad behavior, but I do not think that looking at the evidence, both contra-evidence and evidence of safety and benefit, that childhood vaccines should be changed in terms of how we're doing things today. There may be some things to change, but generally, I think that they're very beneficial. I don't love how he frames these things. I think that instead of having a more nuanced conversation about this particular thing and this particular example, he blankets things and people get scared and they're like, oh my gosh, you're right, we should stop doing vaccines for kids. That's very dangerous. That would be very bad for society, be very bad for our kids.

And I think that we need to kind of address that in more detail over time. It's one of these hard things where you have to have kind of a nuanced conversation to give people all the necessary depth and context to feel better informed to make a better decision because there's always this kind of gripping fear that if something's off and I'm getting poisoned or I'm getting bad medicine or people are trying to make money off me, people immediately react negatively and angrily

and they want to kind of resolve to a blanket position. I don't think that that's healthy.

So I'd love to have a deeper debate on that, but the reason we didn't go into it is because we had limited time with him and we wanted to take our time kind of giving him a chance to talk about the overview of topics and getting his point of view across the set of topics that we generally thought were going to be relevant in the selection cycle. And that was with two hours.

We still didn't have enough time. You could talk for two hours about vaccine.

Could I address the conspiracy theorist point?

Yeah, sure.

So first of all, that label conspiracy theorist doesn't pack the punch that it used to.

As you recall, anyone who thought the virus might have come from the Wuhan lab was once called a conspiracy theorist. If you believed that Fauci and the NIH were funding Gain a Function Research, that was dubbed a conspiracy theory. If you believed that cloth masked and do anything, that was a conspiracy theory. If you believed that Hunter Biden was getting paid off by foreign governments, that was a conspiracy theory. So this accusation just doesn't really pack the same punch anymore.

Trump not having a relationship with the Russians and this family meeting with the Russians multiple times. Yeah.

That's still a conspiracy theory, J. Cal.

That's to you it is.

But in any event, my point is it doesn't pack the same punch. In fact, in some cases, it's starting to become a badge of honor. So that's one thing. The second thing is,

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when you listen to him make his arguments, he's not just alleging certain things. He's laying out his evidence. He's connecting dots. He's explaining the causation. And you can disagree with it. But he is thinking in terms of causation. And it made me think about something that Peter Thiel once said about founders being ass burgers, where he flipped it on his head and said, what is it about our society that talks founders out of all of their contrarian ideas unless they are a little bit ass burgers? Ah, interesting.

What is it about our political system and our media that talks people out of seeing causation unless they are a little bit of a conspiracy theorist? And what I mean by that is, look at San Francisco. All you have to do is walk down the street and you can see that things have gone totally off the rails and whatever we've done politically is not working. And yet the voters in San Francisco just like completely block that out. They don't see any causation between the way they vote at the city level or at the state level and the policies that are manifest on our streets. They just don't see any causation there. And you can just play that movie over and over again. Our elites don't see any causation between the way they ran the country and the election of Donald Trump, the fact that we hauled out our manufacturing in the Rust Belt by throwing open our markets to China, exporting our jobs to China, the way that we squandered all this money in the forever wars of the Middle East. In regards to what your views are on those policies, it's pretty obvious to me that they help cause the rise of Donald Trump. And yet you just can't get the media to see any causation between the policies they endorse and the inevitable reaction to them. The way I see this is that our political analysis, certainly our mainstream media, they're just completely bereft of seeing any causation between policies and the problems in our society. And so along comes RFK Jr. And he's willing to actually connect dots. Now, you may not agree with all the dots he's connecting, but maybe it takes it the same way, maybe it takes a little bit of an Asperger's founder to stick with their contrarian idea so they don't get talked out of it. Maybe it takes a guy like Robert F. Kennedy Jr. not to get talked out of these things that he believes, some of which I think are just obviously true. I thought one of the salient points he made was just, hey, listen, farmer spends an awful lot on advertising. The media is dependent on that advertising. They don't seem to criticize it all that much. Maybe that's something we should look into. Now, I don't think that like Pfizer is writing the script for Anderson Cooper, but you can be sure that if Pfizer didn't like something interesting Cooper said, there's somebody they could call at CNN and say something to and have a conversation about setting the record straight, whatever, how you would frame it, speaking of CNN. Right. And don't leave that point before. I thought it was a really interesting part of the conversation when he mentioned that he had been friends way back with Roger Ailes. Roger Ailes specifically told him that they could not post certain or televised certain content if it was too critical of farmer companies because they were the no one advertiser. And should farmer companies even be advertising? So then all of a sudden, let's say it was a conspiracy theory or he is like way out there in terms of his belief. But the fact is, it does bring up the point, should we actually be letting farmer companies advertise on television or on news programs? Maybe they shouldn't be allowed to be on news programs. What for? It's not like the consumer who watches the ads and go out and buy the drug, has to be prescribed by a doctor. They can ask their doctor about it. Yeah.

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All right. Well, speaking of CNN, there was an absolute train wreck of a presidential town hall with a moderator named Caitlin Collins. I don't recognize her name. I don't know if she has to show on CNN, but I saw the clips from it. I couldn't find the full debate. But my Lord was this unbelievable. It was unbelievable. He got a standing ovation. He absolutely owned her on every question. All of her questions were about January 6th. All of them are valid, but none of them were about running the country essentially. And he was hilarious, at least to this audience. And he, CNN's staffers are really upset that they did this, that they platformed him, which shows you exactly where they stand. They're upset. They guess they thought they could own him and they didn't. Did you guys see the part where he was talking about the trial? And he's like, and she has a cat named vagina. I mean, it was surreal. And I just thought to myself, is this going to be the next year and a half, we're going to have these town halls? And then I thought, oh, he's going to get elected. Is it true that Eugene Carroll has a cat named vagina? I have no idea. But I mean, it was, that was a pretty vicious section. And then I got the sense that CNN's management wants this. This is like a ratings bonanza for them. And I think they secretly want him. Freeberg said it. It's so true. He's so entertaining. I could not stop laughing. I watched him on CNN. And I was like, man, it's like one of your old TV shows that you don't really remember watching a lot of. And it comes back on and you're like, he's so ridiculous. The things he says. It's true. Because when he first got elected, I was so afraid. And then you realize this guy is just an entertainer, really. He's a terrible politician. Bill Barr said that. Yeah. Did you see the Barr interview? Yeah. The Barr clip that I shared is just bananas about Trump. But so he's a showman. And he's a great showman. You know, he's entertaining. And you realize that he was, that's all he's ever really wanted to be was like famous and popular and on television. And he got all of those things and he took it to the, to the most infinite level. What Bill Barr said was most insightful that it's chaos when he actually tries to get things done. He can't get things done. Right. And he'll tell you all the things that you want to hear, that he wants to, that you want to see get done. He did this to Peter Thiel. And Peter Thiel has spoken about this publicly. So I'm not saying anything out of line here. I don't know if this is something that's on the record or not, but it was publicly stated that Peter was disappointed that Trump did not get the things done that he said he was going to get done. And I think that's really what, what he does is he incites, he entertains, he gets people engaged. He knows what you want to hear. He sells you on it. He cripples the establishment, which everyone feels treated poorly by, that everyone feels held back by, that everyone feels has taken something from them that isn't giving something to them. And then he says, you know what, I'm going to fix all that for you. And then you get excited by it. And then all of a sudden he doesn't actually deliver it. And then four years have gone by and we've forgotten about it. And he's come back in and he's kind of, you know, titillating again. So I think he does. I think the reality is he's got a real shot at getting reelected here. Oh my God, you're right. Here's what I want to ask. I'll go around the horn. I'll start with you, Zach.

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I mean, he said January 6th was like a beautiful day. He said that everybody in the Republican party who said he lost the election is wrong and that the election was in fact stolen.

Like he literally doubled down on every single thing. So at the end of this, he gets a standing ovation in New Hampshire. So how did CNN pick that audience? Did they do that on purpose? Did they know that was going to be the outcome? But at the end of the day, after that, does that increase his chances of winning the Republican nomination and the presidency? In your mind, Zach? Yes, of course it does. Why?

Look, well, look, I mean, Donald Trump showed that he's a force of nature. He's a wrecking ball. He went into CNN's carefully laid trap where he's not just up against Caitlyn Collins. Make no mistakes. She's got an earpiece in her ear with all of CNN's researchers and hosts and producers. They're all feeding her airspace. The full force of CNN behind them.

Exactly. And he basically demolished her. He controlled the interview. He had the crowd laughing when he wanted them to laugh, responding the way he wanted them to respond.

And to the point now where the CNN staffers are like, oh my God, what did we do?

An AOC was basically, you know, wringing her hands about how could CNN platform him this way. So look, he gave no quarter whatsoever. Like you said, he doubled down on everything. He tripled down. And he showed his ability to kind of bend reality to his will. So all the strengths of Trump. That being said, I'm sure that Trump and his campaign were delighted with what happened last night because I do think it makes him more likely to be the nominee. I think first and foremost, I think Republicans want a candidate who will fight the media and their fake narratives and lies. No matter how many lies Trump tells, they think the media is the bigger liar. And they want someone

who is willing to step in the lion's den and take them on. And he is incredibly adroit and quick on his feet. And DeSantis is imploding. Well, I wouldn't say that. He hasn't been announced yet.

And Biden is encouraging the client. So what would any of them do? Yeah.

Just be fair. DeSantis clearly is the underdog, okay? But just give the guy a chance because we haven't even seen what he can do yet. But there's no question that Trump showed an adroitness and a willingness to counterpunch and fight back that the base, the Republican base definitely responds to. Now, so we know that Trump is happy with the debate. I think the other party that is super happy with this debate is Biden and all of his people. Because as much as that debate helped

Trump in the Republican primary, it did nothing for him in the general, I don't think. Like you said, Jason, he doubled down on January 6th. The campaign ads write themselves, okay? They're going

to show footage of January 6th with the tear gas and the riots. Stop being beaten, people being shot. People pushing down the barricades. And they're going to do a narrative of voiceover with Trump saying it was a beautiful day, the people there had love in their hearts.

It writes itself. Yeah. It writes itself. And then, you know, he doubled down really strongly on Roe v. Wade. That was crazy. Being overturned. He's like, yeah, that was,

I mean, I don't have his quote here. Which again, I think it doesn't hurt him in the Republican primary, but it's, you know, it will lead to a campaign attack ad in the general.

And there were other issues as well, okay? So the Biden campaign is super happy right now.

Because I think the only Republican he could be is Trump. I think the reverse is true for

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Trump. I think the only Democrat who Trump could be is Biden. I mean, they are both two of the most unpopular candidates in America in a general election. So they love the fact they're going to be facing each other. But you know who doesn't is the American people. Two-thirds of American people don't want this choice. They say they're already fatigued by it. And they're only going to get more fatigued by it. Because I think for the next, like you said, 18 months, we're going to have the Trump show with him taking on the media. And that plays into Biden's hands because Biden doesn't need to campaign. He'll just let Trump and the media beat each other up. He'll do a Rose Garden campaign where once a week he goes in front of the microphones and responds to whatever Trump's latest outrage is. He doesn't have the vigor to campaign, and he won't. And then we'll just see where the chips land. I think that it's quite possible here that after 18 months of Trump and the media beating each other up, the American people just say, you know what, this Biden guy is totally senile, but I'm like so tired of the Trump show. I've got Trump fatigue again. I'm just going to have to go with Biden. And I think this is how Biden gets reelected. This is a disaster for American. The fact that we are putting Biden, who's clearly in cognitive decline, and Trump as the two candidates again, the two candidates nobody wants, makes me think this is just like a complete disaster for America. Can we not find two other candidates? What did you think coming out of his standup special on CNN, the Trump town hall standup special? I think that I'm more surprised by the fact that the big Republican mega donors have taken a big step back away from DeSantis. I thought that if the money train on the Republican side picked DeSantis, that it would be very difficult for Trump to overcome it. But he's managed to somehow fade that bullet too. He's like Neo in the matrix. It's like you have these guys shooting bullets at this guy and he just keeps somehow finding a way to evade them. But this week, I was just going to say, well, Schwartzman, step back, Ken Griffin basically has gone silent. So there's a lot of guys that came close to him. And this is what I've maintained, which is I think DeSantis ages poorly. He's best before you actually spend time with him.

And the more time people seem to spend, and again, this is just evidence by these big Republican mega donors, they don't seem to be running towards this guy. They seem to be at least saying, we're going to hedge your brains. Or hedging. Yeah, they're waiting. Friedberg, any thoughts? And then I'll go back to you. Hold on. Let Friedberg go. He went for like 10 minutes. Let Friedberg go, and then you go. Friedberg, any thoughts on it in terms of is this making him more electable? Do you think he's going to win? Where's your gut telling you? The CNN thing? Yeah.

Yes. Post-CNN. Do you think he's going to win? Do you think he beats Biden?

The crazy polling data is that Biden had 20% of the votes going to RFK Jr., who's like a nobody no one knows candidate, and he's beating a sitting president in his own party. So that says a lot about how much support Biden has. And I think that Trump is going to be pretty appealing as the anti-Biden candidate. I mean, Biden was the anti-Trump candidate and now Trump's the anti-Biden candidate. And right now, he looks like he's dynamic and he was a big shift, I think. RFK Jr. feels a lot like a Trump candidate to me too. I mean, you know, some of the positioning and the statements and the way he talks and being anti-establishment, he could also have that appeal. I think there's a non-zero chance Biden actually doesn't run for a reelection at this point. Play that out. I can play that out. That's a really scary scenario because I think that's how we get a president, Newsom. Listen, I mean, Newsom is warming up in the bullpen right now,

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and he's not just hanging out back there and spitting shaw. He's pitching fastballs very noisily. He's been running TV ads. He's been going to Florida. He's been picking fights well outside of his state. He is basically telling the Democratic Party, put me in the game coach, and he's just waiting for the signal to go. He needs to know from Democratic Party insiders and the establishment that he can go. He doesn't want to risk throwing away his career challenging Biden. But if Biden becomes too weak to run and he gets the signal to go, he'll go and he can raise a lot of money. Can you guys just explain both of you? Like, how does that actually, like, what do you guys think happens? Like, there's a press conference where Biden says he's retiring? I think he said after careful thought and consideration, I've made the decision that at my age, I'd like to spend more time with my family and not continue this hefty responsibility. And I'd love to see someone else take the mantle. And I think that that will result, you know, from a series of polls that will indicate that he may not have a shot if he continues this campaign. I think that I'm not saying that's a certainty. I think that's a non-zero chance right now that that scenario plays out. When that does play out to Sax's point, it's probably not just Newsom, but there's probably half a dozen and likely a dozen folks that pop their head up and want to get, not just kind of have a real run at the presidency on the Democratic side, but probably end up saying, I want to heighten people's awareness of me and so on. And they all run on that ticket.

But the DNC might be having a real tough conversation in the next couple of months about how Biden is polling and whether he really is the right candidate to have on the ticket. So let's see. Let me give you a historical example. So I mentioned this, I think, when RFK Jr. was on the pod, but LBJ was the sitting Democratic president in 1968, and he went into the New Hampshire primary. And he won the New Hampshire primary, but not by a big enough margin. And a few weeks later, he announced he was leaving the race because of health reasons. But the specific challenger who helped knock him out of New Hampshire was Gene McCarthy. And then after that happened, Bobby Kennedy got in the race. So we could have a situation here where it's Bobby Kennedy Jr. is initially playing the Gene McCarthy role of being kind of the anti-war protest candidate who helps knock Biden out of the race. And then who knows? I mean, he could become...

Pete Buttigieg, Gavin Newsom.

They're going to want to come in into the race at that point. But remember, you know, the thing that happened in early 1968 that caused LBJ to leave the race is you had the Tet Offensive, and Cronkite got back from Vietnam saying the war cannot be won. And then at that point, it was like game over. Well, look, this Ukrainian counteroffensive, Zelensky just announced today that they need more time. So we've been hearing for months, if not a year, that you're going to have a big Ukrainian counteroffensive in the spring summer of this year, and Ukraine's going to win this war. And instead, it looks like it's being destroyed. Ukraine is. So this war is turning into a debacle. I think it could be an even worse debacle by the end of the year. The economy has a banking crisis going on. It's turning into a big fiasco. So I think it's very possible that Biden could announce that it's time for him to step aside. And you could see the floodgates open for Newsom or JB Pritzker or something like that. However, let me just say this. I think the odds of Biden

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leaving the race went down significantly as a result of last night. Because all of the political people around Biden are saying, we know how to win this thing. We just A-B tested the strategy in the midterms. Remember, we had three quarters of the American people in the midterms think that we were ready in a recession, and the country was on the wrong track, and the out of power party is supposed to gain seats, and the red wave turned into a puddle. Why? Because Biden's strategy of saying democracy was on the ballot and running as January 6th, it actually worked. I'm not saying I bought that argument, but enough independence did. Independence ended up breaking for Biden and the Democrats. Republicans didn't, but independence did. So independence have bought that argument in the midterms. And Trump, again, if he's the nominee, they're going to run that same playbook. Now, it's not guaranteed to work. I think this thing's going to be a nail biter. I think it's going to be a toss up if it's Biden versus Trump. But I think that Biden's people have to feel very good about this matchup because they feel like they already know how to run this campaign.

This is what he said about Roe v. Wade. It was such a great victory.

I mean, can you imagine how that's going to play with women voters? They're just going to be like, yeah, no, it was not a great victory. You took away our right to choose for ourselves.

Well, definitely Democratic women voters will not like it,

but there's a lot of Republican women voters that will support that statement.

Here, let me give you this data of the country.

So take a look at this. I don't think you're right, Jason. I just shared with you the Reuters polling data, the most recent one. And the number one issue at 24% of likely voters that they care about is the economy. 24%. Number two is crime at 14%. Number three is immigration

at 9%. Number four is inequality at 6%. And on and on and on. Only when you get down to like number 10, you get to abortion, which comes in at 3%. 2% of Democrats, 1% or, you know, 3%, 4% of Democrats, 1% of Republicans. Yeah, but what is the margin of the election?

Well, I don't think that that's the issue that breaks it. I think there's other things that there's significant differences on, particularly around crime and immigration inequality that are polling much higher in terms of importance to likely voters. But do they drive turnout, like abortion does? I don't know. I'm just thinking of these numbers. It's like, you know, one to 3% of people saying it matters to them is not that significant. I think these other topics are going to be very divisive and very different, very polar difference.

What people say in a poll and what people turn out to vote for, like for some people,

that is a major issue. But who knows? I think it's a toss up, basically. Look,

like I said, I think the only candidate that Biden could beat is Trump, and Biden's probably the only sitting president that Trump can beat. So, I mean, again, they're both poll nationally in the mid-30s. And this is the choice we have.

I got to give Saks his red meat. I saw these Republicans are going on a revenge tour here to go after the Biden family. They said they would, and they have. So, the House Oversight Committee reveals, I guess, nine Biden family members received wire transfers from foreign nationals via shell corporations, and they don't have any connections to Biden. We know that Hunter was securing the bag all over the planet. He's clearly a grifter. I don't think there's any doubt about that. What's the truth here? How much evidence do they have? Because

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this is obviously a partisan thing, just like there were partisan things on the other side when they were investigating Trump. So, how do you look at this information, this revelation?

They're using this, like, Biden crime family meme. Do you think this is actually evidence of something, or is it just another rich family with a bunch of LLCs?

Another rich family. Wait, how do they get rich? Good question. The Kennedys were a rich family, but the Bidens were not a rich family. So, how do they get rich? Their only business is...

They don't have money here. They don't know how much money is actually here and how it's being...

What evidence do they have? It's not red meat for me. I just think the media should have done its job investigating the story properly. And what this investigation has turned up is that there's a lot of members of the Biden family. I think they're up to like 10 or 12 or something.

We've received payments flowing from foreign governments. No one can tell you what any of those people did in exchange for the money. It does appear to be an influence peddling operation.

I don't know whether that's technically... It appears to be an influence peddling operation. So, people were giving money... Again, the point is that why would you give money to members of the Biden family? Presumably for some sort of access to the person who's been in Washington for 50 years,

do they know who gave the money? Is it China? Is it Ukraine? Do they have that data?

Well, I think we know about Burisma, which is basically...

They went to Hunter. Yeah.

Yeah. And then I think China is another one. Now, I don't know what the quid pro quo is for that money, but... I wonder if this is like the Kraken or if this is actually reality because

they seem to be short on actual facts. I think they got a lot there, but I mean,

they're putting out all these reports. But listen, I think to me, the actually the bigger story, or the bigger scandal, is just more details on the way that the security state wrote that fake

letter basically calling the Hunter Biden story Russian disinformation. There's an email now that just came out where Mike Morel is corresponding with John Brennan, and Morel specifically says, we're creating the letter to give Biden a talking point in the debate.

They're the former CI directors, right?

Yeah, exactly.

Both of them were CI directors at different points.

So there's no question now that that letter where 51 security state officials

claimed that the Hunter Biden story is Russian disinformation, that was all basically a political dirty trick. And dirty tricks happen, but I don't think the CIA should be involved. That's the thing.

I don't think the branches of our government should be involved in helping to get any candidate elected. But these guys weren't even in government though, right?

That's me. They're former, but...

Former, yeah.

They're highly related.

So just so we're clear, it wasn't like the CIA...

They continue to have the security clearances.

But it's not the CIA did this. These are former CIA folks.

They actually, Morel needed the approval of the CIA. So that was another thing that came out.

That's what bothers me more than anything is I do not think our permanent government,

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especially security agencies, should be involved in partisan politics. They really need to stay out. That is election meddling. That bothers me. That's a form of corruption that I think is even worse than monetary payments. Takeout, can you tell us about your trip to the Middle East? What have you been doing there? So our bestie, Brad Gerson, was coming here and we were at the poker game a couple of weeks ago, maybe a month ago, and he said he was going. And I've always wanted to come to UAE and I've never seen Dubai or Abu Dhabi. And so I said, yeah, I'd love to go with you. And we did a couple speaking gigs. Where are you staying? So four seasons in Ritz, four seasons in Abu Dhabi and the Ritz here in Dubai. And I was just going to do these three speaking gigs, a podcast and... Isn't IFC in Dubai incredible? Have you been in the financial district here? Yeah. I mean, it's, it's, and it's all been built in the last 10 years. I would say, generally speaking, what I'm super impressed about, and I'm not, it's not a fundraising trip. I was just going, but then one of your former employees, Chamath, set me up with a bunch of meetings because he's like, okay, there's a lot of people who want to meet you. So I'm doing like maybe a dozen meetings or so. And there is a real, this is a very progressive place, the UAE of all the, and Dubai obviously is very progressive. And so it reminds me of like, you know, Silicon Valley in the early days where everybody's doing something and it's incredibly cosmopolitan. There's only 500,000 nationals, but there's 10 million people here. More India is spoken than any other language in Dubai. Yeah. I mean, the number of people here from all around the world is bonkers, and then everybody's working on something. Everybody's got a project and the people are delightful. Did you go to the French restaurant I told you about in Abu Dhabi? I did. Did you get the ribeye? Did you get the ribeye? Yeah, we had like a family style thing. So I didn't get the ribeye, but it was, it was exceptional. The food's exceptional. It's just like incredibly cosmopolitan. It's like going to New York, you know, or London, and they are, there's a very unique moment in time right now. Sax, when you go to Abu Dhabi and you stay at the Four Seasons in the ADGM, go to this French restaurant and order the ribeye. It is a top five steak I've ever had. Top five. I've never been there. I've never been to the Middle East. So delicious. So delicious. So delicious. And in Dubai, do not stay at the Ritz in IFC. IFC is incredible, but the Ritz sucks. Stay at the Bulgari Hotel. Beautiful. Just beautiful. But there's a very unique moment in time. I literally came down the elevator at the Four Seasons and I met four or five people from Silicon Valley in the lobby. And then I came out of dinner and there was a table of Silicon Valley entrepreneurs and venture capitalists. It is, I mean, it's basically like going to the Rosewood in Abu Dhabi. But what a statement that is. Like the US has tapped out. We are like broke. That's, I think basically the way it's been explained to me is they believe they have 20 years, 30 years, to convert the oil economy into a technology capital allocator economy. And so they want to make evergreen funds to invest. They haven't had a chance to invest in venture capital because most venture capital, there weren't that many. They were fully allocated

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and there was no opportunity now with what's happened in the United States and this pullback and sort of the cycle starting over again. I think there's an opportunity for them to invest in some funds and start relationships. And then, you know, we've had a long talk here about human rights in different countries and it's not a monolith over here. I mean, I don't know who needs to hear that exactly, but there's, these countries are very different, very different. I'm sure they appreciate your lectures on that subject, Jacob.

Actually, you know what's interesting? We didn't have lectures on it, but we had, I've had multiple conversations about these issues.

I enjoy your lectures on this pod.

I don't lecture about it. I think these are important issues that people discuss.

And the serious thing is a number of these countries are majority young people and they are reforming very quickly and rights are changing. And so the question is for, you know, all of us and for the world is do we collaborate and, you know, support as they, you know, become more liberal and become more tolerant and they, you know, become more western,

basically. And young people, it's very western here and the parties going on here are pretty much like the parties I attended in LA or New York. And so I think actually, we're probably not as, at least UAE and a couple of the countries here are not as disparate as like we, one might think.

I'm glad you did the trip because I'm glad to hear you talking like that, that there isn't an us versus them point of view, you know, visiting and seeing the culture and the intention of the people within the culture. It's super important. And I think it's, it's good that you did it. So good to hear it.

I wanted to share the video that these guys did, but let's do it next week. I think it's really, it's worth seeing. Oh, not the Balenciago one.

No, the Lord of the Rings one that this guy did, which is amazing.

Wait, what?

There's a Lord of the Rings video?

No, not with us. Not with us, Jake.

Oh, I don't want to watch it.

Okay. Why would I want to watch that?

Yeah. Thank you.

Thank you. Exactly.

I want to watch the Balenciago video for the third time. Did you see that?

Yeah. I took an outtake from the guy's video on Lord of the Rings. We'll put the link in the show notes, but this guy made this incredible AI generated. Wes Anderson does Lord of the Rings trailer. Oh, I did see that.

Did you see that? It's amazing.

And the clip I'm using today as a background is, is an outtake from the trailer. Did you see it, Sacks? Oh my God, it's so funny. The guy is incredible. But I mean, the creativity and the potential with AI, it's just so evident. This guy talks about it on his website and on his Twitter feed. He did it in a couple of days. He learned a bunch of new AI tools. A lot of generative tools were integrated to make this possible. It's an amazing two minute piece of art

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that I think really speaks to the creativity being unleashed with AI. Again, going back to this point about it not just being about job reduction and reductionism, but it's really about unleashing new potential that we didn't envision before. Separately, there'll be another, I think we start by this next week, but there's now this kind of generative video game platform that's being demoed where you can instruct the video game intentions and it generates an immersive video game experience for you on the fly. It's something we talked about a couple episodes, probably a couple of months ago at this point.

I had something on this week in startups who showed a video game where he made like, you make 25 objects in the game in a certain style. And then you say, I want to make more characters like that. I want to make more backgrounds like that, like you take a Wes Anderson style or whatever, and it just generates them for you. And it just keeps generating them for you. So one artist can make a palette for a game and you can say, I want to have a penguin in my game. I want to have a zombie in my game.

Totally. Yeah, exactly. That's exactly right. Yeah.

And it just does it. And then people who are playing the game can say what they want with prompts and it creates it. And you can drive a storyline and then you can integrate with other people's storylines. I mean, it's really powerful. Anyway, I got to run. For David Friedberg, David Sack, and Chumap, I'll probably hop to you.

I'm your boy Jay Cal. Love you boys.

We'll see you all next time on the All In Podcast. Bye-bye. Bye-bye.

Playing out with the greatest hits here on Z100,

the Balenciago video featuring the All In cast with cameos by Brian Armstrong, Keith Reboy, and Elon Musk. Coming at you.

Balenciaga, Friday night, eight o'clock, hardest ticket in New York.

When you struggle with a problem, that's when you Balenciaga.

Fed mullet, quantitative tightening in the front, quantitative easing in the back.

The greatest source of value and wealth creation in the 22nd century could be driven by terrestrial nucleosynthesis.

Getting dressed is easy. Owning the runway is hard.

The big winners of tomorrow will likely be the Minecraft YouTubers of today.

It's easier than ever to confuse popularity and truth.

I think it is possible for ordinary people to choose to be Balenciaga.

The mainstream media is the most H&M it's ever been.

When I left Facebook, I left an enormous amount of equity on the table.

I thought, I don't want to be a slave to money. I want to be a slave to something bigger. Balenciaga.