

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

I have a little surprise for my besties.
Everybody's been getting incredible adulation.
People have been getting incredible feedback on the podcast.
It is a phenomenon as we know.
I thought it was time for us to do performance reviews of each bestie.
Now, I, as executive producer,
I'm not in a position to do your performance reviews.
I too need to have a performance review.
So I thought I would let the audience do their performance reviews.
So we went and we're debuting a new feature today.
At this very moment, it's called Reddit Performance Reviews.
Oh, God.
Cue some music here, some graphics.
Reddit Performance Reviews.
And so we'll start off with you, David Friedberg.
This proves why you haven't been successful in life so far.
I haven't been.
Are you kidding me?
When you're not trying to build a successful enterprise,
instead of keeping the judgment to yourself,
which is what all elite performers do,
you turned it over to a bunch of mids on Reddit.
Yes, no, they were already doing it.
They were already doing it.
We just collected it.
What elucidation were you going to get from Reddit?
Yeah, really?
Let's not ruin the bit.
Do you think Elon does 360 performance reviews?
On Reddit?
On Reddit of all things?
You know how many 360 performance reviews I've done in my life?
Zero.
Of course.
And that's why this will be so entertaining.
OK, go, go.
Start off with me.
Let's see how it's going to work.
You are going to be presented with the candid feedback
that you've gotten in the last 30 days on Reddit.
But for the first time, and you have
to read it out loud to the class.
Friedberg, you'll go first.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Here's your first piece of candid feedback in your 360 from the Reddit in cells.
Go ahead, Friedberg.
Read it out loud.
David Friedberg deserves more hate.
He and the others have made it their mission to convince us that reforming social security is the only way forward to survive.
He hides behind this nerdy, apolitical persona and then goes hard right out of nowhere.
It sarks fearmongered about the deficit as an excuse to restructure entitlement programs.
We would see that as the partisan right wing take it is.
When Friedberg does it, we're supposed to act like he has no skin in this game.
He's just the science guy.
No.
He's a rich guy who would rather work your grandparents to death than pay an extra 5% tax.
All right, there's your review.
Very good.
I think you took it well.
And you don't have to respond now.
Don't be defensive.
Just take it in.
Just to counter briefly, I have highlighted multiple times.
I think we're going to 70% tax rates.
But hey, you know, teach their own.
Everyone's got an opinion.
That won't generate more revenue.
Yeah.
History's any guide.
Yeah.
Well, the audience has been waiting for this.
David Sacks has never taken a piece of feedback.
And the feedback he has gotten, he hasn't taken well.
So here we go, David.
Here's your performance for you.
Go ahead.
I was just going to read this.
Go with the bit.
Come on.
It's a little feedback for you.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Come on.

All right.

And I'm going to do this too, and I haven't seen mine.

Oh, Nick pulled these?

Nick pulled these.

This is not a creation.

These are actual pieces of real feedback.

Go ahead, Sacks.

Nick, you're fired.

That's it.

Get out of here.

OK, good idea.

Go ahead, Sacks.

The thing about David Sacks, if he wasn't rich, everyone would dismiss him as being both stupid and boring.

And the secret to his wealth is just following Peter Thiel since college.

It's like if Turtle from Entroth pretended to be a public intellectual.

Oh, that's great.

Oh, that's good to work.

OK, so the dictator.

Has never had a 360 review.

He informs us, and I think his staff, you know, for all the people at Social Capital, you can get in on this by just posting to Reddit since he wouldn't do 360 reviews at Social Capital.

Go ahead.

Let's pull up Chumans.

Feedback for the quarter.

Go ahead, Chumans.

Here's your feedback.

Chumans is the biggest self-serving leech.

As long as he can make a dollar trade on it, he will burn anything down to the ground.

Fuck the consequences to society or anyone else.

This was actually the good part of the 360.

The pros?

The positive feedback.

Yeah, why'd you give him such a good review?

That was the pros.

That's not the truth.

That is the truth.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Oh, yeah, I got to read mine.
I haven't seen this.
I'm bracing for impact here.
Oh, no.
What's the critique exactly?
What is that?
What is the critique from all the leads on Reddit?
How is it supposed to improve from that?
I mean, that's like accurate.
It's pretty accurate.
All right, here we go.
I got to read mine.
OK.
I can't wait for AI to replace J.Gal.
J.Gal is the least skilled knowledge worker on the show.
I think he has about three shows left
before AI replaces his hosting skills.
An ability to trick dentists into investing in hypes.
Hypes be fun.
That's pretty good.
That last part.
So I'm going to ask you, I do have a lot of dentist friends
in the funds.
OK, I'm going to pay for a lot of kids' dentist school.
Great idea.
Great idea, J.Gal, to give us a story.
Yeah, what a great bit.
There's one group one.
There's one for the whole group.
This is a group survey.
This is our group 360.
Vote to rename the podcast.
The vote is binding.
And the podcast, we're renamed.
Three billionaires in J.Gal, three kind of smart guys
and J.Gal, three assholes and free bird.
That's a pretty good survey.
That was pretty good.
Yeah, that's a good one.
All right, everybody, welcome to the all in podcast.
We're still here.
Episode 129, all in summit 2023.
General mission sold out.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Too many people apply for scholarships.
That's on pause.
And there's a couple of VIP tickets left.
Get them while they're hot.
Just search for all in summit, free bird, anything to add?
We'll just get through the grift real quick here in the beginning.
No, it's going to be great.
Did I get it all right?
That was it?
Yeah, I mean, just more demand than we predicted.
We looked for a bigger venue.
Couldn't find one.
We're I think we're excited about Royce Hall.
It's still, as you pointed out, two and a half times
the size of last year.
So we want to make sure it's a great quality event.
But unfortunately, way too many folks want to go.
So we have to kind of pause ticket sales.
What's my wine budget?
\$300 per person per night, \$1,000 per VIP per event.
Thank you.
OK.
I will handle it from here.
So there's 750 of them.
So I think you have \$750,000 in wine budget.
Thank you.
I mean, I just can't believe I just gave
Tramot \$750,000 to buy wine.
Guys, I'm going to curate an incredible wine here today,
by the way, he's doing a sommelier job.
Yeah, sommelier Josh.
Sommelier Josh.
All right, let's get to work.
Let's get to work.
OK, the Senate had a hearing this week for AI.
Sam Altman was there, as well as Gary Marcus,
a professor from NYU.
That's an overpriced college in New York City.
And Christina Montgomery, the chief privacy and trust
officer from IBM, which had Watson before anybody else
was in the AI business.
And I think they deprecated it or they
stopped working on it, which was quite paradoxical.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

There were a couple of very interesting moments. Sam claimed the US should create a separate agency to oversee AI, I guess he's in the Chimoth camp. He wants the agency to issue licenses, to train and use AI models, a little regulatory capture there, as we say in the biz. He also claims, and this was interesting, dovetailing with Elon's CMBC interview with, I think, Dave Farber, which is very good, that he owns no equity in open AI whatsoever and was, quote, doing it because he loves it. Any thoughts, Chimoth, you did say that this would happen two months ago, and here we are two months later, and exactly what you said would happen is in the process of happening. Regulation licensing and regulatory capture. Sam went a little further than I sketched out a few months ago, which is that he also said that it may make sense for us to issue licenses for these models to even be compiled and for these models to actually do the learning. And I thought that that was really interesting because what it speaks to is a form of KYC, know your customer. And again, when you look at markets that can be subject to things like fraud and manipulation, where you can have a lot of bad actors, banking is the most obvious one, we use things like KYC to make sure that money flows are happening appropriately and between parties where the intention is legal. And so I think that that's actually probably the most important new bit of perspective that he is adding as somebody right in the middle of it, which is that you should apply to this agency to get a license to then allow you to compile a model. And I think that that was a really interesting thing. The other thing that I said, and I said this in a tweet just a couple of days ago, is I'm really surprised actually where this is the first time in modern history that I can remember where we've invented something, we being Silicon Valley. And the people in Silicon Valley are the ones that are more circumspect than the folks on Wall Street or other areas.

[Transcript] All-In with Chamath, Jason, Saks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

And if you gauge the sentiment, the hedge funds and family offices right now are just giddy about AI. And it turns out if you look at the 13Fs, they're all long NVIDIA and AMD. But if you actually look at the other side of the coin, which is the folks in Silicon Valley that's actually making it, the rest of us are like, hey, let's crawl before we walk before we run. Yeah, let's think about guardrails. Let's be thoughtful here. And so the big money people are saying, let's place bets. And the people building in are saying, hey, let's be thoughtful, Saks. Which is opposite to what it's always been, I think. Right, we're like, hey, let's run with this. And Wall Street's like, prove it to me. Saks, you are a less regulation guy. You are a free market monster. I've heard you've been called. You don't believe that we should license this. What do you think about what you're seeing here? And there is some cynical, cynical thoughts about what we just saw happen in terms of people in the lead wanting to maintain their lead by creating red tape. What are your thoughts? Yeah, of course. I think Sam just went straight for the end game here, which is regulatory capture. Normally when a tech executive goes and testifies at these hearings, they're in the hot seat and they get grilled. And that didn't happen here because Sam Allman basically bought into the narrative of these senators and he basically conceded all of these risks associated with AI. He talked about how chat GPT style models, if unregulated, could increase online misinformation, bolster cyber criminals, even threaten confidence in election systems. So he basically bought into the senator's narrative and, like you said, agreed to create a new agency that would license models and can take licenses away. He said that he would create safety standards, specific tests

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

that a model has to pass before it can be deployed.
He says he would require independent audits who can say the model is or isn't in compliance.
And by basically buying into their narrative and agreeing to everything they want, which is to create all these new regulations and new agency, I think that Sam is pretty much guaranteeing that he'll be one of the people who gets to help shape the new agency and the rules they're going to operate under.
And what these independent audits are going to, how they're going to determine what's in compliance. So he is basically putting a big moat around his own incumbency here.
And so, yes, it is a smart strategy for him.
But the question is, do we really need any of this stuff?
And what you heard at the hearing is that just like with just about every other tech issue, the senators on the judiciary committee didn't exhibit any real understanding of the technology. And so they all generally talked about their own hobby horses. So you heard from Senator Blackburn. She wants to protect songwriters. Holly wants to stop anti-conservative bias. Klobuchar was touting a couple of bills that have her name on them. One's called the JCPA, Journalism, Competition, Preservation. What does Bernie Sanders want to do? He wants to protect the 1% of the 1%? Durbin hates Section 230. That was the hobby horse he was riding. And then Senator Blumenthal was obsessed that someone had published deep fakes of himself. So all of these different senators had different theories of harm that they were promoting. And they were all basically hammers looking for a nail. They all wanted to regulate this thing. And they didn't really pay much, if any, attention to the ways that existing laws could already be used to stop any of these things. If you commit a crime with AI, there are plenty of criminal laws. Every single thing they talked about

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

could be handled through existing law
if they amount to being harms at all.
But they want to jump right to creating a new agency
and new regulations.
And Sam, I think, did the expedient thing here,
which is basically buy into it in order to be an insider.
If this was a chess game, Sam got to the mid-game.
He traded all the pieces.
It went right to the end game.
Let's just try to checkmate here.
I've got the lead.
I got the \$10 billion from Microsoft.
Everybody else get a license and try to catch up.
Friedberg.
We have Schumann Pro regulation licensing, I think,
or just being pretty thoughtful about it.
Right there, you've got sacks being typically a free market
monster, let the laws be what they are.
But these senators are going to do regulatory capture.
Where do you, as a sultan of science,
stand on this very important issue?
I think there is a more important kind of broader set
of trends that are worth noting and that the folks doing
these hearings and having these conversations are aware of,
which implies why they might be saying the things
that they're saying.
That's not necessarily about regulatory capture.
And that is that a lot of these models
can be developed and generated to be much smaller.
We're seeing models that can effectively run on an iPhone.
We're seeing a number of open source models
that are being published now.
There's a group called Mosaic ML.
Last week, they published what looks like a pretty good quality
model that has a very large token input, which
means you can do a lot with it.
And that model can be downloaded and used by anyone
for free, really good open source license
that they've provided on that model.
And that's really just the tip of the iceberg
on what's going on, which is that these models are very
quickly becoming ubiquitous, commoditized, small,
and effectively are able to move to and be

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

run on the edge of the network.

As a result, that means that it's very hard to see who's using what models how behind the products and tools that they're building.

And so if that's the trend, then it becomes very hard for a regulatory agency to go in and audit every server or every computer or every computer on the network and say, what model are you running?

Is that an approved model?

Is that not an approved model?

It's almost like having a regulatory agency that has to go in and audit and assess whether a Linux upgrade or some sort of open source platform that's being run on some server is appropriately vetted and checked.

And so it's almost like a fool's errand.

And so if I'm running one of these companies and I'm trying to get Congress off my butt and get all these regulators off my butt, I'm going to say, go ahead and regulate us.

Because the truth is, there really isn't a great or easy path or ability to do that.

And there certainly won't be in five or 10 years.

Once these models all move on to the edge of the network and they're all being turned around all the time every day, and there's a great evolution underway.

So I actually take a point of view that it's not just that this is necessarily bad and there's cronyism going on.

I think that the point of view is just that this is going to be a near impossible task to try and track and approve LLMs and audit servers that are running LLMs and audit apps and audit what's behind the tools that everyday people are using.

And I wish everyone the best of luck in trying to do so.

But that's kind of the joke of the whole thing.

It's like, let's go ahead and paddle these Congresspeople on the shoulder and say, you got it.

You're right.

There you have it, folks.

Wrong answer, Chamatha sacks.

Right answer, Friedberg.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

If you were to look at hugging face,
if you don't know what that is,
it's basically an open source repository
of all of the LLMs.
The cat is out of the bag.
The horses have left the barn.
If you look at what I'm showing on the screen here,
this is the open LLM leaderboards,
kind of buried on hugging face.
If you haven't been to hugging face,
this is where developers show their work,
they share their work,
and they kind of compete with each other
in a social network showing all of their contributions.
And what they do here is,
and this is super fascinating,
they have a series of tests
that will take an LLM, the language model,
and they will have it do science questions
that would be for grade school.
They'll do a test of mathematics,
U.S. history, computer science, et cetera.
There's a Jeopardy test, too.
I don't know if it's on here,
but the Jeopardy test is really good.
It's like straight up Jeopardy trivia
and see if it can answer the questions, yeah.
Which actually, Friedberg was actually his high school
Jeopardy championship three years in a row.
But anyway, on this later board,
you can see the language models are outpacing
what open AI did, I'm sorry, closed AI
is what I call it now because they're closed source.
Closed AI and Bard have admitted
that internal person at Bard said the language models here
are now outpacing what they're able to do
with much more resources.
Many hands makes for light work.
The open source models are gonna fit on your phone
or the latest, you know, Apple Silicon.
So I think the cat's out of the bag.
I don't know how they pull it back in.
There's nothing incompatible about that,

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

what Friedberg just said with what I said.

In fact, Friedberg's point bolsters my point.

It's highly impractical to regulate open source software in this way.

Also, when you look at that list of things that people are doing on Hugging Face, there's nothing nefarious about it.

And all the harms that were described are already illegal and could be prosecuted.

You don't need some special agency, you know, giving it seal of approval.

Again, this is gonna replace permissionless innovation, which is what has defined the software industry and especially open source with the need to develop some connection or relationship and lobbying in Washington to go get your project approved.

And there's no really good reason for this, except for the fact that the senators on the judiciary committee and all of Washington really wants more control so they can get more donations.

Sachs, I have a question.

Do you think that creating the DMV and requiring a driver's license limits the ability for people to learn how to drive?

The DMV is like the classic example of how government doesn't work.

I don't know why you'd wanna make that your example.

I mean, people have to spend all day waiting in line.

He sends people to it.

He's got a VIP person who waits in line.

You gotta spend all day waiting in line to get your photo taken and it's insane.

I mean, everyone has a miserable experience with it.

No, but it's highly relevant because you're right.

If you create an agency where people have to go get their permission, it's a licensing scheme, you're gonna be waiting in some line of untold length.

It won't be like a physical line at the DMV building.

It's gonna be a virtual line where you're in some queue where there's probably gonna be some overwork regulator who doesn't even know how they're supposed to approve your project.

They're just gonna be trying to cover their ass

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

because if the project ends up being something nefarious, then they get blamed for it.

So that's what's gonna end up happening.

Let me also highlight something that I think is maybe-

I think the gut analogy would be better.

A little bit misunderstood.

But an AI model is an algorithm.

So it's a piece of software that takes data in and spits data out.

And we have algorithms that are written by humans.

We have algorithms that have been written by machines.

These are machine learn models,

which is what a lot of what people are calling AI today is effectively an extension of and out of.

And so the idea that a particular algorithm

is differentiated from another algorithm

is also what makes this very difficult

because these are algorithms that are embedded

and sit within products and applications

that an end user and end customer ultimately uses.

And I just sent you guys a link to the,

you know, the EU has been working towards passing this AI act.

Oh God, here we go.

There are a couple of weeks ahead of

these conversations in the US.

But I mean, as you read through this AI act

and the proposal that it's put forth,

it almost becomes the kind of thing that you say,

I just don't know if these folks really understand

how the technology works

because it's almost as if they're gonna audit

and have, you know, an assessment of the risk level

of every software application out there.

And that the tooling and the necessary infrastructure

to be able to do that just makes no sense

in the context of open source software,

in the context of an open internet,

in the context of how quickly software and applications

and tools evolve and you make tweaks to an algorithm

and you gotta resubmit it for authorization.

Oh, you can be sure their number one job, Friedberg,

is going to be to protect jobs.

So anything that in any way infringes on somebody's ability

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

to be employed in a position,
whether it's an artist or a writer or a developer,
they're gonna say, you can't use these tools
or they're gonna try to throttle them
to try to protect jobs,
because that's their number one job over there.
All three of you, do you guys think that this was Sam's way
of pulling up the ladder behind him?
Of course, 100%.
Just like, absolutely it is.
And it's because you can prove it.
He made open AI, closed AI by making it not open source.
If you're Sam, you're smart enough to know
how quickly the models are commoditizing
and how many different models there are
that, you know, can provide similar degrees of functionality
as you just pointed out, Jay Cal.
So I don't think it's about trying to lock in your model.
I think it's about recognizing the impracticality
of creating some regulatory regime around model auditing.
And so you're very, in that world, in that scenario
where you have that vision, you have that foresight,
do you go to Congress and tell them
that they're dumb to regulate AI
or do you go to Congress and you say, great,
you should regulate AI?
Knowing that it's like, hey, yeah,
you should go ahead and stop the sun from shining.
You know, like it's just, yeah, go for it.
So basically he's telling him to do that
because he knows they can't.
Therefore he gets all the points, all the joy points,
all the social credit, I don't wanna say virtual signaling,
but he gets all the credit, relationship credit,
with Washington for saying what they wanna hear
and reflecting back to them,
even though he knows they can't compete
with Facebook's open model, which is number one.
Yeah, there is historical precedent for companies
that are facing congressional scrutiny
to go to Congress and say, go ahead and regulate us
as a way of creating relief.
Yeah, and I think that it doesn't necessarily mean

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

you're gonna get regulated, but it's a way of kind of creating some relief and getting everyone to take a breather and a sigh of relief and be like, okay, the industry is with us.

You know, they're...

Gardez, what do you think of the Gardez strategy?

Sax, the Gardez strategy he's pulling here.

What's Gardez?

I think that's in chess when you are gonna take the queen.

What?

Anyway, what do you think of his chess moves?

I can guarantee you that's not a strategy in chess.

So I think it is a chess move, nonetheless.

Is he pulling up the ladder, Sax, or no?

I don't think that's his number one goal, but I think it is the result.

And so I think the goal here is,

I think he's got two pass in front of him when you go to testify like this.

You can either resist and they will put you in the hot seat

and just grill you for a few hours,

or you can sort of concede and you buy into their narrative and then you kind of get through the hearing

without being grilled.

And so I think on that level,

it's preferable just to kind of play ball.

And then the other thing is that by playing ball,

you get to be part of the insider's club

that's gonna shape these regulations.

And that will, I wouldn't say it's a ladder coming up,

I think it's more of a moat,

where, because it's not that the ladder comes up

and nobody else can get in,

but the regulations are gonna be a pretty big moat

around major incumbents who know they qualify for this because they're gonna write these standards.

So at the end of the day,

if you're someone in Sam's shoes,

you're like, why resist and make myself a target?

Or I'll just buy into the narrative

and help shape the regulations

and it's good for my business.

I like the analysis, gentlemen.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

This is a perfect analysis.

Let me ask Jamath a question.

Jamath, what is the commercial incentive from your point of view to ask for regulation and to be pro-regulation?

Your pro-regulation, can you just highlight for me at least what you think the commercial reason is to do that?

How do you benefit from that?

Like not you personally, but generally, like where does benefit arise?

I think that certain people in a sphere of influence and I would put us in that category have to have the intellectual capacity to see beyond ourselves and ask what's for the greater good.

I think Buffett is right two weeks ago.

He equated AI to nuclear weapons, which is an incredibly powerful technology whose genie you can't put back in the bottle, whose 99.9% of use cases are generally quite societally positive, but the 0.1% of use cases destroys humanity.

And so I think you guys are unbelievably naive on this topic and you're letting your ideology fight your common sense.

The reality is that there are probably 95 billion trillion use cases that are incredibly positive, but the 1,000 negative use cases are so destructive and they're equally possible.

And the reason they're equally possible, and this is where I think there's a lot of intellectual dishonesty here, is we don't even know how transformers work.

The best thing that happened when Facebook open sourced Lama was also that somebody stealthily released all the model weights.

Yeah.

Okay, so I don't think that-

Explain a little bit for what we're talking about here.

So there's the model and there's the weights.

Think about it as it's a solution to a problem.

The solution looks like a polynomial equation, okay?

Let's take a very simple one.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Let's take Pythagorean theorem.
X squared plus Y squared equals Z squared, okay?
So if you wanna solve an answer to a problem,
you have these weights, you have these variables,
and you have these weights associated with it.
The slope of a line, Y equals MX plus B, okay?
What a computer does with AI
is it figures out what the variables are,
and it figures out what the weights are.
The answer to identifying images flawlessly
turns out to be two X plus seven,
where X equals this thing.
Now take that example and multiply it
by 500 billion parameters and 500 billion weights,
and that is what an AI model essentially gives us
as an answer to a question.
So even when Facebook released Lama,
what they essentially gave us was the equation,
but not the weights.
And then what this guy did,
I think it was an intern apparently or somebody,
he just linked the weights so that we immediately knew
what the structure of the equation looked like.
So that's what we're basically solving against,
but we don't know how these things work.
We don't really know how transformers work,
and so this is my point when I think you guys
are right about the overwhelming majority
of the use cases, but there will be people
who can nefariously create havoc and chaos,
and I think you gotta slow the whole ship down
to prevent those few folks from ruining it for everybody.
Shamath, hold on, hold on, hold on.
Let me just talk with Shamath about this, Shamath.
Hold on, I haven't had a chance to chime in on my position,
so I'd like to just move my hand if I may.
Nobody cares.
Okay, well, I do.
I think actually I split the difference here a little bit.
I don't think it needs to be an agency in licensing.
I do think we have to have a commission,
and we do need to have people being thoughtful
about those thousand use cases, Shamath,

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

because they are going to cause societal harm or things that we cannot anticipate.

And then number two, for the neo-fight with the 1600 rating on chess.com sacks, Gardez, an announcement to the opponent that their queen is under direct attack, similar to the announcement of Czech, the warning was customary until the early 20th century.

So since you do not know the history of Czech, now you've learned something here today.

Totally early 20th century.

Okay, well, since I've only played chess in the 20th and 21st centuries, I'm unaware of that.

Jekal and Francis Browns, Gardé.

Gardé?

C'est très magnifique.

Gardé.

Shamath, in the context of what we're talking about, that models are becoming smaller and can be run on the edge.

And there's obviously hundreds and thousands of variants of these open source models that have good effect and perhaps compete with some of these models that you're mentioning that are closed source.

How do you regulate that?

How do you, and then they sit behind an application.

And they sit behind tooling, yeah.

I think in order for you to be able to compile that model to generate that initial instantiation, you're still running it in a cluster of thousands of GPUs.

But let's say we're past that.

You can't be past that.

We're not past that yet, okay?

We don't have five million models.

We don't have all kinds of things that solve all kinds of problems.

We don't have an open source available simulation of every single molecule in the world, including all the toxic materials that could destroy humans.

We don't have that yet.

So before that is created and shrunk down to an iPhone, I think we need to put some stage gates up to slow people down.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

What do you mean by those stage gates, yeah?

I think you need some form of KYC.

I think before you're allowed to run on a massive cluster, to generate the model that then you try to shrink, you need to be able to show people that you're not trying to do something absolutely chaotic or havoc creating.

I don't think that that's unreasonable.

And that could be as simple as putting your driver's license in your social security number that you're working on an instance in a cloud, right?

It could be you're putting your name on your work.

It becomes slightly more nuanced in that.

It's like, I think that, Jacob,

that's probably the simplest thing for AWS, GCP and Azure to do, which is that if you want to run over a certain number of GPU clusters, you need to put in that information.

I think you also need to put in your tax ID number.

So I think if you want to run a real high-scale model, that's still going to run you tens or hundreds of millions of dollars.

I do think there aren't that many people running those things.

And I do think it's easy to police those and say, what are you trying to do here?

So let me just push back on that

because Mosaic ML published this model that is,

let me, I can pull up the performance chart

or Nick, maybe you can just find it on their website real quick of the new model they published.

Chimac, they trained this model on open source data that's publicly available.

And they spent \$200,000 on a cluster run

to build this model and look at how it performs

compared to some of the top models that are closed source.

Just say it for the people who are listening.

Yeah, so for people that are listening,

basically this model is called MPT-7B.

That's the name of the AI model, the LLM model

that was generated by this group called Mosaic ML.

And they spent \$200,000 creating this model from scratch and the data that they trained it on is all listed here.

It's all publicly available data

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

that you can just download off the internet.
Then they score how well it performs on its results
against other big models out there like Lama-7B, GTT.
I know, but I don't exactly know
what the actual problems they're trying to ask it to compare.
Right, but the point is that this model theoretically
could then be applied to a different dataset
once it's been built.
I don't think so.
I just wanna use your point earlier about toxic chemistry
because models were generated and then other data
was then used to fine tune those models
and deliver an output.
Hold on a second, those answers
were to specific kinds of questions.
If you wanted to all of a sudden ask
totally orthogonal thing of that model,
that model would fail.
You would have to go back and you'd have to retrain it.
That training does cause some amount of money.
So if you said to me, HMF, I could build you a model
trained on the universe of every single molecule
in the world and I could actually give you something
that could generate the toxic list of all the molecules
and how to make it for \$200,000, I would be really scared.
I don't think that that's possible today.
So I don't understand these actual tests
but I don't think it's true that you could take this model
and these model weights, apply it to a different set of data
and get useful answers.
But let's assume for a minute that you can, in fact,
take \$200,000 worth of GPU classes.
But I don't want to assume it.
Here's my point.
I want to tell you what's happening right now
which is that's not possible.
So we should stop so that then I don't have to have
this argument with you in a year from now
which is like, hey, some Jack Jerkoff just created this model.
Now the cat's out of the bag, so let's not do it.
And then what's gonna happen is like
some chaotic seeking organization
is gonna print one of these materials

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

and release it into the wild to prove it.

But here's the point for the audience.

We are at a moment in time where this is moving very quickly

and you have very intelligent people here

who are very knowledgeable talking about the degree

to which this is gonna manifest itself,

not if it will manifest.

You are absolutely 100% certain, Freeberg,

that somebody will do something very bad

in terms of the chemical example as but one,

we're only determining here what level of hardware

and what year that will happen, Chamatha saying.

We know it's gonna happen, whether it's two or 10

or five years, let's be thoughtful about it.

And I think this discussion we're having here

I think is super relevant.

And I just think that on a spectrum,

this is a unique moment where the most knowledgeable people

across every single political spectrum, persuasion,

for-profit, non-profit, Democrat, Republican,

Elon and Sam, I'll just use those

as the two canonical examples to demonstrate,

our pro-regulation.

And then the further and further you get away,

the less technically astute you are,

the more anti-regulation and like pro-market you are.

And all I'm saying is I think that should also be noted

that that's a unique moment,

that the only other time that that's happened

was around nuclear weapons.

And that's when Bertram Russell and Einstein-

I actually think it's politically incorrect

to be anti-regulation right now.

I think because of what you're saying,

just give me a second,

I think because of what you're saying,

everyone on the left and the right,

it's become popular to be pro-regulation on AI

and to say that AI is gonna doom the world.

And it's unpopular and it's politically incorrect.

No, I'm saying Elon and Sam.

No, I'm saying Elon and Sam are correct.

I don't care about that.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

I've explained my point of view on Sam, Elon's different, but I think it's become politically incorrect to stand up and say, you know what, this is a transformative technology for humanity. I don't think that there's a real path to regulation. I think that there are laws that are in place that can protect us in other ways with respect to privacy, with respect to fraud, with respect to biological warfare and all the other things that we should worry about. Elon has said pretty clearly, he doesn't give a shit about what it does to make money or not. He cares about what he thinks. So all I'm saying is that's a guy that's not trying to be politically correct. Elon has a very specific concern, which is AGI. He's concerned that we're on a path to a digital superintelligence, it's a singularity. And if we create the wrong kind of artificial general intelligence that decides that it doesn't like humans, that is a real risk to the human species. That's the concern he's expressed. But that's not what the hearing was really about and it's not what any of these regulatory proposals are about. The reality is none of these senators know what to do about that. Even the industry doesn't know what to do about the long-term risk of creating an AGI. Nobody knows. Nobody knows. And so I actually, I disagree with this idea that Chamath earlier said that there's a thousand use cases here that could destroy the human species. I think there's only one. There's only one species-level risk, which is AGI. But that's a long-term risk, we don't know what to do about it yet. I agree, we should have conversations. What we're talking about today is whether we create some new licensure regime in Washington so that politically connected insiders

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

get to control and shape the software industry.
And that's a disaster.
Let me give you another detail on this.
In one of the chat groups I'm in,
there was somebody who just got back from Washington.
I won't say who they are.
It's not someone who's famous outside the industry,
but they're kind of like a tech leader.
And what they said is they just got back
from Capitol Hill and the White House.
And I guess there's like a White House summit on AI.
You guys know about that?
Yeah.
So what this person said is that
the White House meeting was super depressing.
Some smart people were there to be sure,
but the White House and VP's teams were rapidly negative.
No real concern for the opportunity
or economic impact, just super negative.
Of course.
It's basically the mentality was that tech is bad,
we hate social media, this is the hot new thing,
we have to stop it.
Of course.
That basically is their attitude.
They don't understand the technology.
Talking about the White House, yeah.
The White House, yeah, and the VP specifically
because she's now the AI czar.
To put Kamala Harris in charge of this makes no sense.
I mean, does she have any background in this?
Like it just shows like a complete utter lack of awareness.
Where's the Megan Smith or somebody like a CTO
to be put in charge of this?
Remember Megan Smith was CTO under, I guess Obama.
Like you need somebody with a little more depth
of experience here, like hopefully
in the multi-decade point.
Are you guys then saying your pro-regulation
depending on who's in charge?
Well, I'm pro-thoughtfulness.
I'm pro-thoughtfulness.
I'm illustrating that really this whole new agency

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

that's being discussed is just based on vibes.

You're not down with the vibes?

Vibes.

The vibe is that a bunch of people watching don't understand technology and they're afraid of it.

Is there anything you're afraid of that you're gonna wanna control?

These are socialists, David.

They're socialists.

They hate progress.

They are scared to death.

That jobs are gonna collapse.

They're socialists.

They're union leaders.

This is their worst nightmare

because the actual truth of this technology is 30% more efficiency and it's very mundane.

This is the truth here, I think, that representatives have.

30% more efficiency means Google, Facebook, and many other companies, finance, education.

They do not add staff.

Every year, they just get 30% more efficient every year and then we see unemployment go way up

and Americans are gonna have to take service jobs

and white collar jobs are gonna be refined

to like a very elite few people

who actually do work in the world.

There is absolutely no-

There'll be a lot of new companies.

If humans can become,

if knowledge workers can become 30% more productive, there'll be a lot of new companies.

And the biggest shortage in our economy is coders.

Right, and we're gonna have an unlimited number of them now.

They're all gonna go to service.

I don't know if it's unlimited,

but yes, it's a good thing if you give them superpowers.

We've talked about this before.

So I think it's too soon to be concluding that we need to stop job displacement that hasn't even occurred yet.

I'm not saying it's actually gonna happen.

I do agree, there'll be more startups.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

I'm seeing it already.
I just think that's what they fear.
That's their fear is,
and that's the fear of the EU.
The EU is gonna be protectionist, unionist,
protect pro workers, which is fine.
Well, union is not gonna be affected
because these are not blue collar jobs
we're talking about.
These are knowledge workers.
There's white collar unions that,
all the media companies created unions.
And look at them, they're all circling,
all these media companies
are circling the training going on in business.
But that's on the margins.
I mean, that's not-
They're trying to start tech unions.
Sure, they're trying to start them.
But when we think of unionized workers,
you're thinking about factory workers,
and these people are not affected.
Okay, listen, this has been an incredible debate.
This is why you tune into the pod.
A lot of things can be true at the same time.
I really think the analogy of the atom bomb
is really interesting because what Elon is scared about
with general artificial intelligence
is nuclear holocaust, the whole planet blows up.
Between those two things are things like Nagasaki
and Hiroshima or a dirty bomb
and many other possibilities with nuclear power,
Fukushima, et cetera.
So let's move on.
There's been no Hiroshima.
Not yet, right.
And the question is, is a three-mile island,
is a Fukushima, is a Nagasaki, are those things probable?
And I think we are all looking at this saying,
there will be something bad that will happen.
There will be the equivalent.
All right, let's meet this to that.
Check out GBT strings together

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

and these large language models string together words
in really interesting ways,
and they give computers the ability
to have a natural language interface.

That is so far from AGI.

I think it's a component.

Now do auto.

Now do auto, GBT.

Hold on, I think it's a component.

Obviously, the ability to understand language
and communicate in a natural way
is a component of a future AGI.

But by itself, these are models
for stringing together language.

Now do auto, GBT, where these things go out
and pursue things without any interference?

I would be the first one to say that
if you wanted to scope models
to be able to just do human language back and forth
on the broad open internet,
there's probably a form, David,
where these chat, GBT products can exist.

I think that those are quite benign.

I agree with you, but I think what Jason is saying
is that every week you're taking a leap forward
and already with auto, GBT is you're talking about code
that runs in the background.

Without supervision.

It's not a human interface that's like,
hey, show me how to color my cookies green
for St. Patty's Day.

It's not what it's like.

Plan my trip to Italy, yeah.

Yeah, it's not doing that.

So I just think that there's a place
well beyond what you're talking about.

And I think you're minimizing the problem
a little bit by just kind of saying
the whole class of AI is just chat, GBT
and asking kid asking it to help it with its home.

This example, I hate to say it out loud,
but somebody could say, here is the history
of financial crimes that were committed

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

and other hacks, please with their own model
on their own server say, please come up
with other ideas for hacks, be as creative as possible
and steal as much money as possible
and put that in an auto, GBT, David,
and study all hacks that occur in the history of hacking.
And it could just create super chaos around the world.
And you can make sure-
The tech industry is gonna regret buying
into this narrative because the members
of the Judiciary Committee are doing
the same playbook they ran back in 2016.
After that election, they ran all these hearings
on disinformation claiming that social networks
have been used to hack the election.
It was all a phony narrative.
Hold on that they got-
Man, look what happened.
That they got tech companies to buy into-
The Russians hacked Biden.
The Russians hacked, who had to write after that?
Stop it, stop.
They got all these tech CEOs to buy
into that phony narrative.
Why?
Because it's a lot easier for the tech CEOs
just to agree and tell the senators
what they want to hear to get them off their backs.
And then what did that lead to?
A whole censorship industrial complex.
So we're gonna do the same thing here.
We're gonna buy into these phony narratives here
to get the senators off our backs.
And that's gonna create this giant AI industrial complex
that's gonna slow down real innovation
and be a burden on entrepreneurs.
Okay, lightning round, lightning round.
We gotta move on.
Three more topics I wanna hit.
Let's keep going.
I wanted to become an evil-
More evil.
Yeah.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

What is it called?

An evil comic book character?

A supervillain.

A supervillain?

I would train-

If you wanted to be an even more loathsome supervillain, continue.

I would take every single virus patch that's been developed and publicized, learn on them and then find the next zero day exploit on a whole bunch of stuff.

I mean-

Can we even publish that idea?

Please don't.

I mean, I'm worried about publishing that idea.

That's not an intellectual leap.

I mean, you have to be-

It's obvious.

Okay, let's move on.

Another great debate.

Elon hired a CEO for Twitter, Linda Jacarino.

I'm hoping pronouncing that correct was the head of ad sales at NBC Universal.

She's a legend in the advertising business.

She worked at Turner for 15 years before that.

She is a workaholic is what she says.

She's gonna take over everything but product and CTO.

Elon's gonna stick with that.

She seems to be very moderate and she follows people on the left or right.

People are starting the character assassination and trying to figure out her politics that she was involved with the WA World Economic Forum, which anybody in business basically does.

But your take sacks on this choice for CEO and what this means just broadly for the next six months, because we're sitting here at six months almost exactly since Elon took over.

Obviously you and I were involved in month one, but not much after that.

What do you think the next six months holds and what do you think her role is gonna be?

Obviously there's some precedent for this

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

with when at SpaceX.

Listen, I think this choice makes sense on this level.

Twitter's business model is advertising.

Elon does not like selling advertising.

She's really good at selling advertising.

So he's chosen a CEO to work with

who's highly complimentary to him

in their skill sets and interests.

And I think that makes sense.

I think there's a lot of logic in that.

What Elon likes doing is the technology

and product side of the business.

He actually doesn't really like the,

let's call it the standard business chores

and especially related to, like we said, advertising.

And he loves to offload that stuff.

So he wants to offload that stuff.

He wants advertisers to think it's his personal nightmare.

Right, so I think the choice makes sense on that level.

Now, instantly you're right.

Her hiring led to attacks from both the left and the right.

You know, pointed out her views on COVID and vaccines
and her work with the WEF.

And then on the left, I mean,

the attack is that she's following Libs at TikTok,

which you're just not allowed to do apparently.

A follow is not an endorsement.

Well, if you're just following Libs at TikTok,

they want to say you're some crazy right winger now.

Well, she also follows David Sacks.

So that does mean that she's pretty.

That is a signal.

But the truth is, if you,

Sacks, correct me if I'm wrong here

or Chamath, maybe I'll send it to you.

If you pick somebody that both sides dislike

or are trying to take apart,

you probably pick the right person, yeah?

Here's what I think.

Okay, go ahead.

We're not gonna know how good she is for six to nine months,

but here's what I took a lot of joy out of.

Here's a guy who gets attacked

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

for all kinds of things now, right?
He's an anti-Semite apparently.
And then he had to be like, I'm very pro-Semite.
He's a guy that all of a sudden
people think is a conspiracy theorist.
He's a guy that people think is now on the raging right.
All these things that are just like inaccuracies,
basically firebombs thrown by the left.
But here's what I think is the most interesting thing.
For a guy that theoretically is supposed to be a troll
and everything else, he has a female chairman at Tesla,
a female CEO at Twitter,
and a female president at SpaceX.
Of course, it's a great insight.
It's the same insight.
I think a lot of these virtue signaling lunatics
on the left, virtue signaling mids.
They're all mids.
And you know what?
They're all mids.
They're also mids.
You have Elizabeth Warren and Bernie Sanders
giving the CEO of Starbucks a hot time
when he doubled the pay of the minimum wage,
gave them health care.
Freeberg loves it.
Freeberg, you love mid, right?
That's a great term, isn't it?
It's so funny.
It's so funny.
These fucking mids.
And I paid for the college tuition.
What gives you the right at Starbucks
to pay for college tuition and double the minimum wage?
That's all right.
So, so mid.
I don't know why it's so funny to me.
Isn't it so great?
You can just pick as you can picture them.
When I say that these are these mids,
feverishly typing on their keyboards,
their virtue signaling nonsense.
Saks wrapping it up.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Yeah, look, like you said, Elon has worked extremely well with Winshaw, well, who's the president of SpaceX for a long time.

And I think that relationship shows the way to make it work here at Twitter, which is they have a very common skill set.

I think my understanding is that Gwynn focuses on the business side and the sales side of the operation.

Elon focuses on product and technology.

She lets Elon be Elon.

I think if Linda tries to reign Elon in, tell him not to tweet or tries to meddle in the free speech aspects of the business, which is the whole reason he bought Twitter, which I think-

That is the beginning and end of it.

Yeah, that's right.

That's when it will fall apart.

So my advice would be let Elon be Elon.

He bought this company to make it a free speech platform.

Don't mess with that.

And I think it could work great.

And a free speech platform it is.

When you are saying anything about COVID, and I really don't even want to say it here because I don't want to even say the word COVID or vaccine means that this could get tagged by YouTube and be D, the algorithm could D, I don't know what they call it, deprecate this and when we don't show up and people don't see us

because we just said the word COVID.

I mean, the censorship built into these algorithms is absurd.

But speaking of absurd,

Lena Kahn, who has been the least effective FTC chair,

I think started out pretty promising with some interesting ideas.

She's now moved to block a major pharma deal and December Amgen agreed to acquire Dublin-based Horizon Therapeutics for \$27.8 billion.

This was the largest pharma deal announced in 2022.

FTC has filed a lawsuit in federal court seeking an injunction that would prevent the deal from closing.

The reasoning is the deal would allow Amgen

[Transcript] All-In with Chamath, Jason, Saks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

to entrench the monopoly positions of Horizon's eye and gout drugs.

The agency said that those treatments don't face any competition today and that Amgen would have a strong incentive to prevent any potential arrivers from introducing similar drugs.

Chamath, the pharmaceutical industry is a little bit different than the tech industry.

Sheer insanity.

Explain why and then Saks will go to you on the gout stuff because I know that personally impacts you.

Go ahead, Chamath.

I think that this is a little like scientifically illiterate, to be honest.

Unpacked.

The thing is that you want drugs that can get to market quickly, but at the same time you want drugs to be safe and you want drugs to be effective.

And I think that the FDA has a pretty reasonable process and one of the direct byproducts of that process is that if you have a large indication that you're going after, say diabetes, you have to do an enormous amount of work.

It has to be run on effectively thousands of people.

You have to stratify it by age.

You have to stratify it by gender.

You have to stratify it by race.

You have to do it across different geographies, right?

The bar is high.

But the reason the bar is high is that if you do get approval, these all of a sudden become these blockbuster 10, 20, 30 billion dollar drugs, okay?

And they improve people's lives and they allow people to live, et cetera, et cetera.

What has happened in the last 10 or 15 years because of Wall Street's influence inside of the pharma companies is that what pharma has done a very good job of doing is actually pushing off a lot of this very risky R&D to young early-stage biotech companies.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

And they typically do the first part of the work.
They get through a phase one.
They even may be able to sometimes go
and start a phase two trial, a two-way trial.
And then they typically can get sold to pharma.
And these are like multi-billion dollar transactions.
And the reason is that the private markets
just don't have the money to support the risk
for these companies to be able to do
all the way through a phase three clinical trial
because it would cost, in some cases,
five, six, seven, eight billion dollars.
You've never heard of a tech company
raising that much money except in a few rare cases.
In biotech, it just doesn't happen.
So you need the M&A machine
to be able to incentivize these young companies
to even get started in the first place.
Otherwise, what literally happens is
you have a whole host of diseases that just stagnate, okay?
And instead, what happens is a younger company
can only raise money to go after smaller diseases
which have smaller populations,
smaller revenue potential, smaller costs
because the trial infrastructure is just less.
So if you don't want industry to be in this negative loop
where you only work on the small diseases
and you actually go and tackle the big ones,
you need to allow these kinds of transactions to happen.
The last thing I'll say is that
even when these big transactions happen,
half the time they turn out to still not work.
There is still huge risk.
So don't get caught up in the dollar size.
You have to understand the phase it's in.
And the best example of this is the biggest outcome
in biotech private investing in Silicon Valley
was this thing called StemCentrics
and that thing was a \$10 billion dollar dud, right?
But it allowed all these other companies
to get started after StemCentrics got bought for \$10 billion.
Freeberg, I wanna get your take on this,
especially in light of maybe something

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

people don't understand, which is that the amount of time you get to actually exclusively monetize a drug because by understanding, you correct me if I'm wrong, you get a 20-year patent, it's from the date you file it, but then you're working towards getting this drug approved by the FDA.

So by the time the FDA improves the drug, this 20-year patent window, how many years do you actually have exclusively to monetize that drug?

And then your wider thoughts on this FDA thing.

Yeah, I'm not gonna answer that question right now because I do wanna kinda push back on the point.

I'm generally pretty negative on a lot of the comments Lena Kahn's made and her positioning and obviously as you guys know, we've talked about it on the show.

But I read the FTC filing, it's in federal court.

And if you read the filing, let me just start.

The company that Amgen's trying to buy is called Horizon Therapeutics, which is a company that's doing about four billion in revenue a year, about a billion to a billion and a half in EBITDA.

So it's a business that's got a portfolio of orphan drugs, meaning drugs that treat orphan conditions that aren't very big blockbusters in the pharmaceutical drug context.

And so it's a nice portfolio of cash generating drugs.

Amgen buying the business gives them real revenue, really, but and helps bolster a portfolio that is aging.

And I think that's a big part of the strategic driver for Amgen to make this massive \$28 billion acquisition.

The FTC's claim in the filing, which I actually read and I was like, this is actually a pretty good claim is that the way that Amgen sets the prices

for their pharmaceutical drugs is they go to the insurance companies, the payers and the health systems and they negotiate drug pricing.

And they often do both multi-product deals.

So they'll say, hey, we'll give you access to this product at this price point, but we need you to pay this price point for this product.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

And over time that drives price inflation, it drives costs up and it also makes it difficult for new competitors to emerge because they tell the insurance company, you have to pick our drug over other drugs in order to get this discounted price. And so it's a big part of their negotiating strategy that they do with insurance companies. So the FTC's claim is that by giving Amgen this large portfolio of drugs that they're buying from Horizon, it's gonna give them more negotiating leverage and the ability to do more of this drug blocking that they do with insurance companies and other payers in the drug system. So they're trying to prevent pharmaceutical drug price inflation and they're trying to increase competition in their lawsuit. So I felt like it was a fairly kind of compelling case. I'm no lawyer on antitrust and monolithic practices and the Sherman Act, but this was not, sorry, let me just say this was not an early stage biotech risky deal that they're trying to block. This is actually a mature company with four billion in revenue and a billion and a half in EBITDA. I understand, I read it too, but two comments. It is because the people that traffic in these stocks are the same ones that fund these early stage biotech companies and I talked to a bunch of them and they're like, if these guys block this kind of deal, we're gonna get out of this game entirely. So just from the horse's mouth, what I'm telling you is you're gonna see a Paul come over the early stage venture financing landscape because a lot of these guys that are crossover investors that own a lot of these public biotech stocks that also fund the private stocks will change their risk posture if they can't make money. That's just the nature of capitalism. The second thing is Lina Khan did something really good about what you're talking about this week, actually, which is she actually went after the PBMs. And if you really care about drug inflation

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

and you follow the dollars, the real culprits around this are the pharmacy benefit managers and she actually launched a big investigation into them. But this is what speaks to the two different approaches. It seems that unfortunately for the FTC, every merger just gets contested for the sake of it being contested. Because I think that if you wanted to actually stop price inflation, there are totally different mechanisms because why didn't you just sue all the PBMs? Well, there's no merger to be done, but you can investigate and then you could regulate. And I think that that's probably a more effective way. And the fact that she targeted the PBM says that somebody in there actually understands where the price inflation is coming from. But I don't think something like an AMGEN horizon because what I think will happen is all the folks will then just basically say, well, man, if these kinds of things can't get bought, then why am I funding these other younger things? Yeah, but we're just not seeing a lot of the younger stuff get blocked. I don't think we've seen any attempts at blocking speculative portfolio acquisitions or speculative company acquisitions. So I think these guys are getting cut up in the dollar number, you know? So I think the problem is they see 28 billion, they're like, we need to stop it. You know what's amazing? I'll just wrap on this because it's a good discussion, but I think we got to keep moving here is I took the PDF that you shared and I put it into ChatGPT now. Oh, wow. And you don't need to upload the PDF anymore. You can just say summarize this and put the link and it did it instantly. It's awesome. Are you using the browsing plugin or? I just use ChatGPT.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

No, it's not the browser plugin.
I just did, this is the 3.5 model.
I just gave it the link
and it pulled the link in the GPT 3.5 model.
I didn't know it could do that.
That's new.
They must have added browsing in the background.
Yeah, we're just pulling a file.
They did today, by the way.
Whoa.
They did it today.
They did it today, yeah.
Well, remember last week we said
that they had to build browsing
into the actual product like Bard, right?
Otherwise it couldn't be Bard.
I got to say, closed AI is on the top of their game.
The app is available in the App Store now, right?
That's it today?
No.
They had a test app.
I was on the test flight.
Oh, no, no, no.
They just launched the app today.
They did?
Oh, that's game over, man.
If this thing is an app form,
that's gonna 10x the number of users
and it's gonna 10x the amount of usage.
By the way, I just did the same thing for Bard.
We should compare the two,
but Bard was pretty good as well, yeah.
Yeah, wow.
Can you ask Bard to actually compare its summary
with ChatGPT summary?
And tell us which one's better.
All right, this is some interesting news here.
You know, we, speaking of platform shifts.
Do I get to give my view on the Lina Khan thing?
Oh, well, yes.
But first start with, I didn't want to,
this was getting a little personal here, David,
and I didn't want to trigger you.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

I know you've been struggling with the gout because of your lifestyle choices, the alcohol, the foie gras, everything, but no, you've lost a lot of weight to give you a lot of credit.

Tell us, what do you think about the bundling we're seeing here?

Because it does seem Microsoft-esque with the operating system.

Yeah, it's very similar.

And what I said in the context of tech is that we should focus on the anti-competitive tactics and stop those rather than blocking all mergers.

And I think the same thing is happening now in the pharma space.

If bundling is the problem, focus on bundling.

The problem when you just block M&A is that you deny early investors

one of the biggest ways that they can make a positive outcome.

And what's the downstream effect of that?

Yeah, exactly.

Look, it is hard enough to make money as either a pharma investor or as a VC that there's only two good outcomes, right?

There's IPOs and there's M&A.

Everything else basically goes, everything else is a zero, it goes bankrupt.

So if you take M&A off the table, you really suppress the already challenged returns of venture capital.

Yeah, well said, well said.

And you're right, you mentioned earlier that we were willing to give Lena Khan a chance.

We thought that some of our ideas were really interesting because I think there are these huge tech companies that do need to be regulated, these big tech monopolies, basically that you have the mobile operating system that you do Oply with Apple and Google, and you've got Amazon, you've got Microsoft. And there is a huge risk of those companies preferring their own applications over downstream applications

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

or using these bundling tactics.

Yes.

If you don't put some limits around that, that creates, I think, an unhealthy tech ecosystem.

This is the insight.

And I think it's exactly correct, Sax.

For Lena Khan, I know she listens to the pod, hey Lena, you wanna go after tactics, not acquisitions.

So if somebody buys something and they lower prices and increases consumer choice, that's great.

If it encourages more people to invest more money into innovation, that's great.

But if the tactics are, we're gonna bundle these drugs together to keep some number of them artificially high or reduced choice, or if we're gonna bundle features into the suite of products and we do anti-competitive stuff, you have to look at the tactics on the field.

Are people cheating?

And are they using the monopoly power to force you to use their app store?

Just make Apple have a second app store.

That's all we're asking you to do.

There should be an app store on iOS that doesn't charge any fees or charges 1% fees, break the monopoly on the app store.

Sax is so right.

Perfectly said.

She actually did issue compulsory orders to the PBMs.

So to your point, Sax, the FTC has been worried that what Freeberg said has been happening, but the real sort of middleman manipulator in this market are the pharmacy benefit managers.

And so this week, she actually issued compulsory orders to the PBMs and said,

turn over all your business records to me, I'm gonna look into them.

That makes a ton of sense.

But then on the same hand, it's like you see merger and you're like, no, it can't happen.

It just doesn't speak to a knowledge of the market.

We should have Lena on.

Hey, Lena, I know you listened to the pod.

I've heard the back channel.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Just come on the pod.

She would be a good guess, right?

We would have a good conversation with her, I think.

Yeah, yeah.

Lena Khan, open invite, Nikki Haley's coming on the pod.

By the way, you have homework to do for the summit, which is to see if you can get Donald Trump to come up to the summit.

Okay, huge love, J.Kal, love all in, great pod, okay?

That's a few trademarks.

Okay, not as good as apprentice, but close, okay?

Great.

Your mannerisms are unbelievable.

Did you practice it?

I did, I did a little bit,

only cause I like to troll people and trigger them.

I'm gonna really dial in my Trump in the coming weeks.

All right, here we go.

Apple's long anticipated AR headset.

That stands for augmented reality, which means VR.

You can't see the real world.

You're just in a virtual world.

AR lets you put digital assets on the real world so you can see what's happening in the real world, but you can put graphics all around.

That's expected to be revealed as early as June.

The projected cost is gonna be around \$3,000 at one ship into the fall.

This is a break from Apple's typical way of releasing products, which is to wait till it's perfect and to wait until all consumers can afford it.

This is a different approach.

They're gonna give this out to developers early.

And Tim Cook is supposedly pushing this.

There was another group of people inside of Apple who did not wanna release a Chama, but there is some sort of external battery pack.

It seems like a bit of a Franken product, Franken-site kind of project here, that, you know,

perhaps Steve Jobs wouldn't have wanted to release, but he needs to get it out,

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

I think because Oculus is making so much progress.

The Killer app supposedly is a FaceTime-like, live chat experience.

That seems interesting, but they look like Ski Goggles, your thoughts Chama on this as the next compute platform, if they can get it, you know, to work.

Would you wear these?

Would they have to be Prada?

What's the story here?

No, no.

Does this seem like a weird conversation because none of us fucking know, none of us have seen this product and none of us have used it.

So like, this is just-

Friend of the Bob Palmer Lucky,

Friend of the Bob Palmer Lucky says it's incredible.

So what?

That's just like commenting on one guy's five-word tweet.

Let's just talk, let's-

Palmer knows.

I mean, Palmer invented Oculus.

Great, but what are we talking about?

We have nothing to say about it.

What do we know about it?

Okay, I'll have a form of really good question here.

Do you believe this is gonna be a meaningful compute platform in the coming years

because Apple is so good at product?

How do we know till we see it?

We gotta see it.

I think it's Facebook.

Of course they're good at product.

Let's see the product though.

Like, all right, fine.

Sax, what are your thoughts?

I think it's a good thing that they're launching this.

Like you said, it is a deviation for what they've normally done.

They normally don't release a product unless they believe the entire world can use it.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

So their approach has been only to release mass, mass market products and have a very small portfolio of those products. But when those products work, they're billion user home runs. This obviously can't be at a \$3,000 price point and it also seems like it's a little bit of an early prototype where the batteries are like in a fanny pack around your waist and there's a way to go around on this. But I give them credit for launching what is probably gonna be more of an early prototype so they could start iterating on it. I mean, the reality is the Apple Watch, the first version kind of sucked. First five versions. Yeah, now they're on one that's pretty good, I think. So look, I think this is a cool new platform. They get knocked on for not innovating enough. I think, good, let them try something new. I think this will be good for Meta to have some competition. Yeah, it's great. Having two major players in the race, maybe it actually speeds up the innovation. I mean, we get somewhere. Chamats, any of that here? I mean, I think they should have done something in cars. I agree with David like, what should they do in cars? Well, if you were gonna talk about the car, what would it be? Tell me what you think would be the right approach. You were gonna do the Facebook phone. That could have changed the entire destiny of Facebook. They should have bought Tesla when they could have had the chance for four or five billion dollars. They could have bought it for 10 billion, 20 billion. It's only when it got to 50, 60 that it got out of reach. What do you think the car should be? No, they could have bought it at 100 billion. They could have bought 100 billion. Tim Cook, famous, he wouldn't take the meeting.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Elon said it.

He wouldn't meet with us.

Bizarre.

Bizarre.

Maybe they missed an opportunity there,
but I do think the end game
with the AR headset are glasses, right?

Yes.

Where you get the screens
and you get the terminator mode.

And in, is that, what is that?

These are just glasses then.

Oh, okay.

You're acting like they were like fancy technologies.

This size glasses is what you're talking about.

Yeah.

When you have like a little camera built in
and a conjunction with AI,
then it gets really interesting.

So that's the end game here, I think.

Give the audience an example
of what this combination of AI plus AR could do.

When you're walking around,
it could layer on intelligence about the world.

When you meet with somebody
and it can remind you of their name
and the last time you've met with them
and give you a summary of what you talked about,
what action items there are.

You could be walking in the city and it could tell you,
it knows you like Peking Duck.

It could show you, hey, there's a Peking Duck place over here
or some reviews of it.

It just knows you and it's customized in the world.

What about for people that do the same routine,
99% of the time?

How does it gonna help you then?

It could tell you your steps every day.

Could tell you incoming messages
so you don't have to take your phone out.

Are you gonna spend \$3,000 on that?

No, but you would spend,

people spend \$400 to get your notifications on your wrist.

[Transcript] All-In with Chamath, Jason, Saks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Why do you want it on your eyes for \$3,000?

I would love this.

Maybe I just do like a lot of meetings
or I'm at events where people are coming up to me
and I've met them like once a year before.

Like it would be really helpful
to kind of have the Terminator mode.

Well, let's be honest though,
the Terminator mode for you
to be able to be present with your family and friends
but be playing chess with Peter Tiel on those glasses,
that's your dream come true.

You and Peter in AR playing chess all day long.
Throw up the picture of Saks beating Peter Tiel.
I watched the clip from the early all-in episodes
when we discussed you beating Peter Tiel.

What a great moment it was for you.

All right, listen, let's wrap up with this Gallup survey.
The number of Americans who say it's a good time
to buy a house has never been lower.

21% say it's a good time to buy a house,
down 9% from the prior low of a year ago,
prior to 2022, 50% or more consistently,
thought it was a good time to buy.

Significantly fewer expect local housing prices
to increase in the year.

Hey, Saks, is this like a predictive of a bottom
and pure capitulation?

And then that means maybe it is in fact a good time.

How would you read this data?

I don't see it as a bottom necessarily.

The way I read the data is that the spike in interest rates
have made it very unaffordable to buy a house right now.

You've got, you know, the mortgages are what,
like 7% interest rate or even slightly higher.

So people just can't afford the same level of house
that they did before.

I mean, mortgages were at three, three and a half percent
like a year and a half ago.

Now, I think what's kind of interesting
is that even in the 1980s, the early 1980s,
when interest rates were at like 15%,
you still had 50% thought it was an okay time

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

to buy a house or an attractive time to buy a house.
So for the number to be this low tells me
that it's not just about interest rates.
I think consumer confidence is also plummeting
and people are feeling more insecure.
So I think it's just another economic indicator
that things are looking really shaky right now.
And I'll tell you, one of the knock-on effects of this
is gonna be that people can't move
because in order to move, you have to sell your current house
and then buy a new one.
And you're not gonna wanna sell your current house
when prices are going down.
And then for the new one, you're gonna lose your 3% mortgage
and have to get a new one at 7%.
So you're not gonna be able to buy anything
like the house you currently have.
Freezes the whole market.
Freezes the whole market.
So it freezes the market, it freezes mobility.
I think over the last few years during COVID,
you saw tremendous movement between states.
I think that's gonna slow down a lot now
because people just can't afford to trade houses.
So as a result of that, I think discontent is gonna rise
because I think one of the ways that you create
a pressure valve is when people are unhappy in a state,
they just move somewhere else.
Well, now they're not gonna be able to do that.
Well, and you can also move to a better opportunity
for you and your family, whether that's schools, taxes,
a job, lifestyle.
So yeah, you're gonna reduce joy in the country.
And it also, it screws with price discovery,
doesn't it, Jamal?
If you don't have a fluid market here,
then how does anybody know what their house is worth?
And this just, again, creates more of a frost.
I think Friedberg has said this a couple of times,
Friedberg, you can correct me if I'm wrong,
but the home is like the disproportionate majority
of most Americans' wealth, right?
It's all their wealth.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

All their wealth, yeah.

So, I mean, there's that factoid.

And then what does that do for their savings or whatever?

Yeah, it's okay.

You got incoming, what's going on?

They're bringing you your lunch?

No, I was looking at some mansion.

Where are you looking?

Be honest.

Mansion, that's for sale.

It's like \$175 million, but they just got the price to 140,

so I'm just taking a little game.

I mean, this is gonna be a lot of distress in the market soon.

I'm predicting a lot of distress.

Actually, can we shift to the commercial side for a second?

I just got an update.

Sam's Elb just passed away, yeah.

Sam's Elb passed away?

Oh, wow.

Rest in peace, yeah.

Rest in peace, Chicago, yeah, crazy,

bombastic, interesting guy.

Yeah, but speaking of the real estate market,

so I want to give an update on San Francisco CRE.

I was talking to a broker the other day,

and so here are the stats that they gave me.

So, it was a local broker and someone from Blackstone,

and they were fans of the pod and just came up to me

and we started talking about what was happening in San Francisco.

So, shout out to them.

Didn't take a photo, but at any event,

they're fans of the pod, so we started talking about

what was happening in San Francisco, real estate.

So, the SF office market is just a level set,

it's 90 million square feet.

They said the vacancy rate is now 35%.

So, that's over 30 million square feet vacant,

and vacancy is still growing as leases end

and companies shed space,

because some of that space that they're not using

is not for sub-lease.

Everyone says, what about AI?

Is AI gonna be the savior?

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

The problem is that AI companies are only, that's only about a million square feet of demand. So, one million out of 30 million is gonna be absorbed by AI, and maybe that number grows over time over the next five, 10 years as we create some really big AI companies, but it's just not gonna bail out San Francisco right now. The other thing is that, VC backed startups are very demanding in terms of their tenant improvements, and landlords don't really have the capital right now to put that into the buildings, and startups just are not the kind of credit-worthy tenants that landlords really want. So, this is not gonna bail anybody out. They said there are a ton of zombie office towers, especially in Soma, and all these office towers are eventually gonna be owned by the banks, which are gonna have to liquidate them, and then we're gonna find out that these loans that they made are gonna have to be written off, because the collateral that they thought was blue chip that was backing up those loans is not so blue chip anymore. So, I think we've got not just a huge commercial real estate problem, but it's gonna be a big banking problem, as basically people stop pretending. Right now, they're trying to restructure loans, it's called pretend and extend. You reduce the rate on the loan, but add term to it, but that only works for so long. If this keeps going, if the market keeps looking like this, I think you were gonna have a real problem, and that will be a problem in the banking system. Now, San Francisco is the worst of the worst, but they said that New York is similar, and all these other big cities with empty office towers are directionally similar. I'm in New York right now

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

for the Side Connections Conference,
and it is packed.

The city is packed.

Getting anywhere, there's gridlock,
you can't walk down the street,
you gotta walk around people, every restaurant.

It is dynamic, and then I talked to people about offices,
and they said, people are staying in their houses,
in their tiny little New York apartments,
instead of going three train stops to their office,
they go to the office one or two days a week,
unless you're like JPMorgan,
or some other places that drop the boom.

But there's a lot of people still working from home.

The finance people have all gone back,
media people are starting to go back,
so there are three to five days here,
and the city is booming.

Contrast that, I spent the last two weeks in San Francisco,
walking from Soma to the Embarcadero back, dead.

Nobody in the city, like literally a ghost town.

It's a real shame.

It's a real shame,
and I wonder if these,
this is the question I have for USACs,
can they cut a deal?

Can they go to like month-to-month rents, sublets,
you know, loosey-goosey,
just give people any dollar amount
to convince them to come back?

Is there any dollar amount?

Because I'm looking for a space for the incubator,
in San Mateo, I've been getting a ton of inbound,
but the prices are still really high,
and I'm like, how do I cut a deal here?

Because shouldn't people be lowering the prices dramatically,
or are they all just pretending,
or will I get a lower?

Rents are definitely coming down big time,
especially for space, that sort of commodity,
and not that desirable, but what's happening is,
according to the people I talk to,
is that the demand,

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

the people who actually are looking for new space,
they only want to be in the best areas,
and they want to be in the newest buildings,
that have the best amenities,
and so that sort of commodity office tower,
where there's barely anybody ever there,
like no one wants that.

So I think people would rather pay a higher rent.

I mean, the rent will still be much lower,
probably half the price of what it used to be,
but they'd rather pay a little bit more for that
than get like a zombie office tower.

We can't talk about all this without talking about
two cases, tragically,

a shoplifter, a criminal who was stealing
from a drug store in San Francisco.

I got shot, and the video was released,

I'm sure you've seen it, Sax,

and then here in New York,

everybody's talking about this one instance of a Marine
trying to subdue a violent, homeless person

with two other people,

and it's on everybody's minds here,

and Brooke Jenkins is not prosecuting in San Francisco,

the shooter, they look like a clean chute,

as they would say in the police business,

and appropriate, and it's tragic to say it is,

but the person did charge the security guard,

the security guard did fear for their life and shot him,

so Brooke Jenkins is not gonna pursue anything,

but in New York City,

they're pursuing manslaughter for the person

who did seem a bit excessive from the video,

it's hard to tell what the reality is in these situations.

Any thoughts on it, David,

these two cases in two cities, tell the two cities?

Yeah, look, I mean, the only time you can get a Soros DA
excited about prosecuting someone

is when they act in self-defense or defense of others.

I mean, this Marine, I guess Daniel Penny is his name,

he was acting in defense of others,

the person who he stopped was someone

with an extensive criminal record

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

who had just recently engaged in an attempted kidnapping
who had punched elderly people,
had dozens of arrests.

In fact, people on Reddit were talking
about how dangerous this person was.

Apparently, a dozen years ago or so,
he was seen as more of like a quirky,
like Michael Jackson impersonator.

Street performer.

But something happened, this is according to a Reddit post
that I saw where something happened
and there was some sort of psychological break
and then since then, he's had dozens and dozens of crimes
and they just keep letting him loose
through this revolving door of a justice system we have.

And now look, no one likes to see him basically dying
and yet it's too bad, it's horrible that that happened.

I don't know though that if you're trying to
stop someone, I don't know how easy it is
to precisely control whether you use too much force or not.

So I think Daniel Penny has a strong case
that he was acting in self-defense and defense of others.

And there were two other people by the way
who were holding this person down.

There were three of them restraining him.

And what universally New Yorker said to me
of all different backgrounds was this is not a race issue.

The other, I think one or two of the other people
were people of color, it was not a race issue
and they're trying to make it into a race issue
in both these cases.

And this is literally what happens.

It just, having been through this in New York
in the 70s and 80s, when you do not-

Sorry, who's they?

Who's they when you say trying to make it a race issue?

There are a bunch of protests on the street,
both in San Francisco and New York,
people protesting these as justice issues.

The fact is, if you do not, if you allow lawlessness
for too long a period of time,
you get a Bernie gets situation.

And Bernie gets, people can look it up in the 80s.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

I was a kid when it happened,
but they tried to mug somebody, he had a gun,
he shot him and like, this is what happens
if you allow lawlessness for extended periods of time,
it's just you're basically gambling.
And what happened to Bernie gets?
He got-
You're not guilty.
The case, he got not guilty,
but I think he had an illegal gun,
so he was guilty of that.
The Bernie gets thing was really crazy
because at the time the climate in New York
and this 1984 shooting,
there was a portion of people who,
I don't wanna say they made him a hero,
but they made it a, see, this is what happens
if you allow us to be assaulted forever,
we're gonna fight back at some point.
That was the vibe in New York when I was a child,
I was 14, 15 years old when this happened.
He was charged with attempted murder,
assault, representation-
What was the name of that vigilante group
that used to walk the streets, the something angels?
That was the guardian angels, right?
Guardian angels.
So it was so bad in the 80s.
And I actually almost signed up for the guardian angels.
I went to their headquarters
because I was practicing martial arts
and I thought I would check it out.
And they had their office in Hell's Kitchen.
I didn't wind up joining,
but what they would do is they would just ride the subway
that would wear a certain type of hat
and wear a guardian angel shirt.
And all they did was-
A red beret.
Just ride the subways, a red beret
and they would just ride the subways.
And you felt safe-
What kind of martial arts were you taking?

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Taekwondo.

I was in Taekwondo, yeah.

This is before I mixed martial arts,
but they just rode the subways.

And honestly, I'd been on the subways with them many times.

You felt safe.

And it wasn't vigilantes.

They were guardian angels.

They used that term.

And many times they would do exactly what this Marine did,
which is try to subdue somebody who was committing crime.

I was, I had two distinct instances

where people tried to mug me,

riding the subways in New York in the 80s.

Two distinct times.

And one was a group of people and one was one person.

Like it was pretty scary.

Both times I navigated it,

but it was not pleasant in the 80s in New York.

Can I say one more thing about this Daniel Penney Jordan Neely case?

So look, at the end of the day, this is going to be litigated.

I don't know all the details.

They're going to have to litigate

whether Daniel Penney's use of force was excessive or not.

But here's the thing,

is that the media has been falsely representing Jordan Neely

by only posting 10-year-old photos of him

and leaving out crucial information.

This was a press report.

So again, this is why I mentioned

the whole Michael Jackson impersonator thing,

is that the media keeps portraying Neely

as this innocent, harmless guy

who is this delightful Michael Jackson impersonator.

In truth, he hasn't done that in more than a decade

because again, he had some sort of mental break.

And since then, he's been arrested over 40 times,

including for attempting to kidnap a seven-year-old child.

And so the media is not portraying this case,

I think in an accurate way.

And I think as a result of that,

it leads to pressure on the DA to prosecute someone

who has, I think, a strong self-defense claim.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

Or maybe the DA just wants to do this anyway,
and it gives the DA cover to do this.

What is Soros'...

I mean, I know that we had this back and forth with this.

But why is CNN being inaccurate?

Do you think it sucks?

They're basically cooperating
with Alvin Bragg's interpretation of the case,
and they're trying to make the case
against Penney look as damning as possible.

Yeah, why don't they just take it straight down the middle?

It's a tragedy.

We have a screwed-up situation here.

We've got a mental health crisis,
and it's a tragedy for everybody involved.

On the Bernie Getz stuff,

he served eight of a 12-month sentence
for the firearm charge,

and he had a massive \$43 million
civil judgment against him in 1996, a decade later.

This is a little different than the Getz thing,
because pulling out a gun and shooting somebody is...

Well, yeah, no, that's deadly intent, yeah.

Yeah, that's a huge escalation here,

whereas Penney, he's a trained Marine, right?

He's trying to immobilize him.

He has to believe that he's just trying to subdue nearly,
and so using a chokehold to kill him,
that's an unfortunate consequence of what happened,
but he was trying to restrain the guy.

As far as we know, right?

As far as we know.

Yeah, I mean, tragedy's all around.

We gotta have law and order.

I tweeted, like, I don't know why we still have the post office.

Maybe we can make that like once a week
and redo all of that space

and allow every American who's suffering
from mental illness to check in,

to what used to be the post office,

you know, maybe like once a week,

and obviously you can give those people very gentle endings,
but I don't think we need postal service

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

more than once or twice a week.

And then let's reallocate some money towards mental health in this country, where anybody who's sick, who feels like they're violent or feels like they're suicidal, can just go into a publicly provided facility and say, I'm a sick person, please help me. This would solve a lot of problems in society.

We've got a mental health crisis.

We should provide mental health services to all Americans, and it's obviously an easy thing for us to afford to do. And if we had done that, then this never would have happened.

Exactly. I mean, literally, you have sacks who wants to balance the budget saying, hey, this is something worth spending on. We can all agree on this.

Compared to the impact on society, I don't think it would be a huge expense.

We would save money.

We'd save money because a city like San Francisco could become quite livable or New York, and then you've got forbid these terrible school shootings.

You know, if you avoid even one of them, it's 30 people's lives or 10 people's lives.

So it's well worth it.

Convert post offices.

What we need to do is stand up, scale shelters, and it doesn't need to be done on the most expensive land in a given city.

Do it outside of cities.

Why does it? There is no expectation in Europe for Paris or London to be affordable or Hong Kong to be affordable.

There are affordable places 30 minutes outside of those places where you could put these facilities.

I just want to ask one question to Sacks because I don't know, and I know Sacks is a little bit deeper into this than I am.

What is George Soros' motivation for putting in these lawless, insane DAs?

Like, I understand that he was able to buy them, their low cost, there's not a lot of money in them.

Okay, I understand that, that's table stakes.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

But what is his actual motivation for causing chaos in cities?

Listen, we can't know exactly what his motivation is, but what he did is he went into cities where he doesn't live and flooded the zone with money to get his preferred candidate elected as DA.

Now, the reason he did that was to change the law.

And the way that he changed the law was not through legislatures, the way you're supposed to operate, but rather by abusing prosecutorial discretion.

So in other words, once he gets his Soros DA elected, they can change the law by deciding what to prosecute and what not to prosecute.

And that's why there is so much lawlessness in these cities.

But there's a better path you're saying.

Yeah, but look, this is not the only way that Soros has, I'd say, imposed his values on cities that he doesn't even live in. Where does he live?

I think he's a New York guy, but I'm not sure.

But he's gone far beyond that, obviously, in these elections. But also, he's done this across the world.

Soros has this thing called the Open Society Foundation, which sounds like it's spreading democracy and liberal values, but in fact, is fermenting regime change all over the world.

And he's been sponsoring and funding color revolutions all over the world.

Now, if you like some of the values he's spreading, then maybe you think that's a good thing.

But I can tell you that the way this is perceived by all these countries all over the world is it creates tremendous dissension and conflict.

And then they look at America and they basically say, this American billionaire is coming into our country and he's funding regime change.

And it makes America look bad.

Now, he's doing this, I think, with the cooperation of our State Department in a lot of cases.

And maybe the CIA, I don't know.

But this is why America, frankly, is hated all over the world,

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

is we go running around meddling in the internal affairs of all these countries.

And he's 92, is this guy all there?

Like, that was the other thing I heard,

is that he's not all there.

And the people around him

are doing these kind of things in his organizations.

I heard something similar is that it's the idiot son,

Alexander, who's really now pulling the strings

on the fortune. Why don't we have the medal all in summit?

Would you allow Soros to speak at all in summit?

Would you intervene? Yeah, sure.

Yeah, let's have Soros or a son.

And they could explain themselves.

If they're so proud of his work.

Well, apparently, there is an article

that Alexander Soros has visited the White House

like two dozen times during the Biden presidency.

This is an extremely powerful and connected person.

I mean, I'm sure he listens to the pod.

Okay, we'll see you all next time.

This is episode 129 of All In.

We'll see you in episode 130.

Bye-bye. We love you, bye-bye.

We'll let your winners ride.

Rain Man, David Sack.

I'm going all in.

And instead, we open source it to the fans

and they've just gone crazy with it.

Love you, West.

I'm queen of kin, why?

I'm going all in.

Winners ride.

What, what, your winners ride?

I'm going all in.

Besties are gone.

I'm going all in.

This is my dog taking an odyssey to your driveway.

Sit back, sit back.

Oh, man.

Oh, man.

My half a dash will meet me at once.

We should all just get a room and just have one big huge orgy

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E129: Sam Altman plays chess with regulators, AI's "nuclear" potential, big pharma bundling & more

because they're all just useless.

It's like this, like, sexual tension

that they just need to release somehow.

What, your feet?

What, your feet?

What?

We need to get merch.

Besties are gone.

I'm going all in.

I'm going all in.