

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

Sultan of Science, what's going on? Are you still riding high after your big NASA Zoom interview? Your Space Station Zoom interview? That was really fun. Shout out to Woody Hoberg from the International Space Station, astronaut, Cal alumni. Woody listens to the pod on the ISS while he works out. The astronauts work out. He said, two hours and 15 minutes every day to, you know, obviously your body can act if you got to work out a lot. And he's like, when he's working out, he listens to old episodes of the all-in pod. A buddy of his put him onto it. He's become a big fan. Right on. Shout out to Woody. Yeah, I got a DM from NASA astronauts. I thought it was like some sort of scam or something. I clicked on it because I follow NASA astronauts. They DM me and I'm like, what? Obviously. This astronaut wants to chat. That's so crazy. I looked the guy up, seems legit. He's following me on Twitter. So we did a Zoom call yesterday and I put it on Twitter. The call I did with him is really fun. Honestly, like a thrill for me. An amazing individual. This guy got his PhD at Cal in computer science, did a thesis on convex optimization, applied to aerospace engineering, became a professor at MIT for three years, and applied to the astronaut program and got in. Fast forward. 2023 in March, he is the pilot of the Crew Six mission, the SpaceX Crew Six mission to the ISS. And he's been on the ISS since March and he's coming back in a couple of days. An incredible individual, amazing story. It was super fun to chat with him. I don't think I've ever seen you smile or be more excited about anything. You look absolutely ecstatic. Oh, it was amazing. Did he have any comments on Uranus? Any thoughts on Uranus or no? We didn't get there. You didn't get to Uranus? Check how you blew that. Let's try that again. Okay, you want to try again. You take a swing at it. Let me take a shot at this. Freberg. So did he talk about going to the moon? Yeah, he's actually on the Artemis mission. And what about Uranus? Well done. We didn't get that far. We didn't get that far. It was the first day. It was only 20 minutes, guys. Oh, it was the first day in 20 minutes. Did he go for Uranus? Hey, I hear that we're trying to actually land on the south side of the moon, the dark side of the moon. Yeah, so he's actually on that. Would he have an opinion on the dark side of the moon or I don't know the dark side of Uranus? Three for three, one, three for three. I just want to explain. Somebody was like, why are you bullying Jake out? Why are you bullying Freberg? Tramats bullying this person? He loves the attention. Our love language is breaking shops. That's it. We like to laugh and take the piss out because everybody takes themselves too seriously. And then what's going on with the tequila? Are you guys serious about this? Because now I'm getting... Don't talk about that right now. I'm getting 50 emails a day with people about tequila. All right, enough of that. We'll talk about it later. Yeah, I did run a poll asking people if they were trying all in tequila and the poll had nearly won. Okay. And then I ran a poll asking what the most they'd ever spent on a bottle was. If you price it around 200 bucks, you can really maximize demand. I think the demand maximizing function is probably around \$180, \$190 a bottle. You do not need a majority of people that want to buy your tequila. You just need enough that are willing to pay the right price. No, I agree. I was just trying to see how much interest there would be out there. And in this poll, I think it was 41% said they would try it, 40% said they wouldn't. And then the remainder was just kind of, show me the answer. I think if we don't have advertising ever, but we have a nice sipping tequila, because I don't drink a lot, but I do like when Saq gives me a nice... Guys, 32,000 votes. So if you look at 18.8%, so it's 79% is 200 or

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

less. That's the sum of both of those two cohorts. So like if you priced it at, call it 189, you probably can get 15%. And so you could probably sell several hundred thousand bottles a year. I mean, that's like a pretty real business. Okay, but I need something smooth and I like it a little sweet. Is that a problem? Can I just give you my opinion? I think that the thing that people get wrong just as a consumer. And I think like I'm a pretty discerning consumer. The thing that I don't like is that people focus on all of this window dressing and they don't focus on the core. And the core is that, for example, in wine, there's seven or eight rating systems. And over time, if you buy enough wine and taste enough wine, you can really figure out who's good at what. And there's just nothing that replaces a highly rated wine. It's exceptional. And that kind of discernment is now moving itself into tequila. And so I would just encourage us if we're going to make a bottle, just make it an exceptionally good tasting bottle. And one of the things that I saw in the comments was that people said, oh, you can't differentiate. But then I see some other articles like Comos, which is the one that I tasted at the one and only Mandarina. That was the first hundred point tequila that had ever been given out. And so there are people that are starting to rate it and create these rankings. And if we were going to put out a product, I would air on extreme product quality versus price point. I invested in a tequila company. I showed this to you guys called 21 seeds. It was started by my friends, Nicole, Kat and Sareca. And they spent a lot of time in Mexico finding the right producer and they put fresh fruit. It's a female niche tequila. So the goal is to create a tequila that will appeal to the female demographic. And they spent quite a lot of time trying to figure out how to actually get the flavor of fresh fruit without using artificial flavoring into the tequila. And so there was this big investment in trying to get this thing to work. This thing worked. It took off and Diageo bought the company. But it was because they spent so much time on the quality of the product that I think they were successful. And that's everyone else puts their name and label on a bottle of tequila and says, Hey, this is my tequila. But if you don't get the quality right, Chamath is totally right. People don't buy a second time. You got to get it right. If you look at what the rock did, the rock went in a different direction, which is I think he has a very accessible and affordable tequila, which I think makes sense as well. It's just a different strategy. And that also works for the rock because he has almost 400 million followers. And so he can really play a volume game. But I don't think that that's what we should ever do. No, we should stand for exceptional quality. Exceptional quality. And this speaks to something else, which is one of the biggest points of feedback that I get. So for example, I took three days, Nat and I took three days, we took a little bit of our own little honeymoon away from all the kids and we went to Villadeste, just to kind of hang out in Lake Como because I was flying out of Milan and ran into a few people there. And the consistent feedback that I get from those folks is like, they love hearing about these different places, whether it's different brands, different kinds of wine, all of these things because all these folks are a little bit left out in the cold now. They don't have like how to live life well. And if you work really hard and you're lucky enough to then also have some amount of success, why should you feel ashamed about it? Why shouldn't you be allowed to enjoy that and actually like pamper yourself and celebrate yourself? And I say go for it. So if we can find high quality products like this is the thing, for example, like I think there's

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

different ways of expressing success. When I was poor, I was poor in wallet. And I was also poor in mine. And then somewhere along the way, I actually became rich in wallet, but I was still poor in mind. And so I would wear these clothes that were gaudy and have huge labels, terrible, Dior and Blensy. Yeah, all those gods don't pull it up and the haircut looked like Freedbergs. It was gross. And then I learned how to be rich in wallet and rich in mind, which is then you go totally brand off and you can actually find things that are just like really well tailored, well made, they can be almost generational pieces of clothing or whatever. And I think that it's great that you can find these things and tell other people because you find that there's a latent so many number of people that want that. So at Villa d'Este, as an example, that is probably the Harvard of hospitality. I've never been to a hotel that is more on point anywhere in the world than that one place. Incredible, incredible ways in which I call the waiters Villa d'Este, Villa D apostrophe E-S-T-E on Lake Cone. I'll give you one simple example. Matt and I were like talking about this one kind of olive oil and the waiter at the other table heard. He went to the kitchen, brought back and he said, here, I heard, I just overheard, I apologize. And I thought, this is incredible. You feel so pampered and loved and taken care of. The level of service and quality there was incredible. And I think that there are so many examples of this where if you can have elements of that in your life, you should do it. By the way, there's a very high chance that this is where I could call all of you guys for the All-In-Summit in 2025. Okay. I'm still figuring out all the details. I'm taking 2024. But my point is whether it's Laura Piana, which is, in my opinion, the top of the top in terms of brand-off, really high quality clothes. Look at that place. The point is there's all these brands that exist that take enormous amounts of time to exemplify craftsmanship and care. And I think that it's appropriate for people who can participate in those experiences to be able to have them and not feel ashamed and actually enjoy it and celebrate themselves and do it so let's go. High quality stuff, not shitty big label tacky crap.

Okay. NVIDIA has smashed their earnings. Massive interest coming into this earnings report, obviously, because we've been talking about NVIDIA. They've had a massive run-up. Everybody is trying to buy capacity to run language models, et cetera, self-driving, yada, yada. And it's not just the Googles and Amazons of the world. You have startups trying to buy H100s, A100s, and buy this infrastructure. You also have sovereign wealth funds and countries buying these in the Middle East in Europe. And you have traditional corporations buying them. This is the blowout of all blowouts in terms of performance. Q2 revenue, \$13.5 billion, up 101% year over year. That's extraordinary on that large of a number. But up 88% quarter over quarter. High growth in stocks is 20, 30% year over year. So this is just very uncommon, obviously. Q2 net income, \$6 billion, up 843% year over year. NVIDIA is now with \$1.2 trillion. It's closing in on Amazon, \$1.4 trillion, and Google at \$1.7 trillion in terms of market cap. And here's the kicker. They're printing up so much money and so much profits, rather, that the NVIDIA board is approving a \$25 billion share buyback. That's a very large number in terms of share buybacks. That's six times higher than what they were currently allotted. Yeah, I guess, Chamath, when you see this kind of extraordinary run up, what is the ramification going to be in terms of for the industry, competition, and then just trading this name? Is this

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

peak NVIDIA or is the peak yet to come? Well, I think it's peak in one way, but this is less about a commentary on NVIDIA because they're clearly firing on all cylinders. But it's a pretty well established rule in capitalism, which is when the market observes that there's a company just printing enormous revenues and profits, they want to compete with them naturally to get their share of those revenues and profits. And that typically happens in all markets, and the result of that are just decaying margins. In the absence of a monopoly, this is what you should expect. And so because in this market, there's nothing really monopolistic about what they do. What they do is exceptional and good, but there are other ways and other systems and other companies that are developing chip sets and capabilities here to compete with NVIDIA. So it probably just motivates them even more and accelerates the path where you see competition.

I tweeted this out yesterday, but one of the most interesting things that could happen is somebody like Tesla decides to either open source their chip or actually starts to sell their platform, because if FSD gets to a reasonable level of scale, that entire platform system is a learning and inference system for the physical world. And I think that has tremendous applications. You have something called risk V, which is an open architecture spec to essentially compete and create different versions of different chips that has implications more, I think, to ARM. You have companies like Google that, frankly, spun their own silicon a long time ago. TPU. You have Amazon now talking about doing the same thing. Microsoft has invested a lot of money in FPGA technology. So it's just yet another accelerant in this trend to create many forms of AI-enabled silicon. And so I think that that sort of pulls that reality forward. And I think we're going to have to figure out when the market prices that in, because I think that that probably decays the NVIDIA margin and upside over time. Again, that is not a commentary on them. That's just a market reality. Yeah, margins get computed away for folks who don't know. Tesla is making something called Dojo. It's their own supercomputer. Here's a picture of it. They showed that at Tesla AI Day last year. And you have ARM's open-source competitor is the risk V chip you're talking about. It's an open-source architecture for doing large jobs. And so I guess my question to you, Friedberg, is if you look at all this capacity coming online, do you think we're going to be in a situation where the amount of capacity compute being put online is going to outstrip the need for that compute because software is getting so much better and then maybe people are running hugging-faced jobs and various LMs on the new silicon from Apple and they're running it on their M2s? And so do we need this much capacity? Are there enough interesting jobs in the world for all this capacity? And then might that also be a headwind against Nvidia when people say, you know what? I got enough. I got enough capacity here. I think the rational way to think about this is to try and calculate the efficient frontier on compute use. So the more compute you use, the more it costs you. The question then is if you double the amount of compute you're using for a particular application, do you get twice the return on the investment? If you triple it, does your ROI on a percentage basis go up or go down? So at some point, you reach an efficient frontier, which is you start to see a declining or negative rate of return on the investment in the compute that you're using for a particular application. And this is certainly going to be application and market specific. It's going to be largely driven by the data that is available in that market to do training, to do tuning, the market's appetite to spend money for that particular set of applications that emerges

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

from that compute that's being used. And so we don't know today where the efficient frontier is across each of these different markets and sets of applications. And the market is finding that out. In the process of finding that out, everyone is spending a shit ton of money on compute. And they are trying to get as many server racks as they can. They are trying to get as many chips as they can. They're trying to get as much server time as they can. And everyone's got this idea that the more compute I can throw out a problem, the return is going to scale linearly. And it turns out that like most things, the answer is likely not. So we're at this point right now. And I would argue a bit of a cycle that there looks to be a bubble. And what I mean by that is that there's a lot of inefficient spending going on as the efficient frontiers are discovered across all these different application sets. And so my intuition without a lot of actual data to back this up is that based just anecdotally on what I'm hearing people doing in the market, what companies are doing, what startups are doing, etc., everyone is throwing everything they can at compute. And they're going to realize that they're going to need to rationalize those expenses at some point. So I would envision Nvidia is probably writing a little bit of a discovery of the efficient frontier wave right now and that this probably is not necessarily steady state. Saks, we experienced this before. As you remember from the dot-com era, there was a massive investment very similar to this in fiber and the overspending of building the fiber infrastructure so everybody could get broadband and they could stream movies, etc., happened in that 97 to 2002 time period. A lot of those companies went out of business. A lot of that fiber never got used. People were working on compression algorithms while they were building a massive fiber and a lot of that fiber got sold. I think Google bought up a lot of it. Other people bought it up and it was just a massive overspend. So is this like the dark fiber of this era where we're just going to build so much capacity that there's just going to be not enough jobs to run on it in your mind? Well, I think it's a little different than fiber in the sense that every year there's going to be a new generation of chips and so these cloud providers who are providing GPU compute, they're going to want to keep upgrading the chips to be able to address the next generation of applications. So I don't think it's quite as static as fiber where you kind of build it once and you're right that there was kind of a glut of capacity was created. Eventually, though, the internet usage grew into that capacity. But I think this is a little different because, again, you're going to need to upgrade the chips every year or two. I think Friedberg is right that this is clearly a spike in demand that may not be sustainable. I mean, recall, what happened here is that ChatGPT launched on November 30th last year and really caught everyone by surprise. It kind of took the world by storm. And over the next few months, you had hundreds of millions of users discover AI. I think it surprised even the open AI team. I think when they launched ChatGPT, they thought it'd be more of a proof of concept, but it ended up being a lot more than that. And so everyone has scrambled all of a sudden in the last nine months or so to develop their own AI strategy. And so, again, it was this giant platform shift that happened overnight. So there is a tremendous GPU shortage right now. And that's also what's leading to these almost software-like profit margins by NVIDIA. Because when everyone's clamoring to get a limited supply of these chips, and there just aren't enough, NVIDIA can almost charge whatever they want. And so I think even more than the demand, the profit margins might not be sustainable. But I think the reality is we just don't know what the steady state of demand in this market is going to be. I think we can say that it can't continue at these growth rates,

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

but probably there will be some steady state of demand that's probably at least where we are today. Yeah, I don't think it's perfectly analogous, Chamath. But just to bring up some historical context, check out this article I was reading the other day. The dimensions of the collapse of the telecommunications industry, this is August 2002. And it says the dimension of the collapse in the telecommunications industry during the past two years have been staggering. Half a million people have lost their jobs. In that time, the Dow Jones Communication Technology Index has dropped 86% the wireless communication index 89%. These are declines in value worthy of comparison to the great crash of 1929 out of the 7 trillion decline in the stock market since its peak, about 2 trillion have disappeared in the capitalization of telecom companies. 23 telecom companies have gone bankrupt in a way of capped off by the July 21st collapse of WorldCom, the single largest bankruptcy in American history. So just a little history there of this. It's not perfectly analogous. Obviously, when NVIDIA is not going bankrupt or anything like that. But this overcapacity issue is definitely going to be something. But you had mentioned that in one of your tweet storms in the past couple of weeks or these long form that you're doing on X previously known as Twitter. You mentioned that what are the jobs that could be pushed to this compute? And what if one of them works? I think you were doing a speaking that somebody tweeted out a little clip of. So let's unpack that. What do you think are some jobs that people might push here that we don't anticipate that could solve something miraculous in the world? Well, the framing is really like if you go back to the gold rush of the 1800s in San Francisco, the people that made the money were the platform enablers. They were the ones that sold the picks, the shovels, the pans and the jeans. And that's where Levi Strauss was born. The equivalent analogy, the equivalence in that analogy today is in NVIDIA because they are the dominant pick and shovel provider. So the question is, well, what are we going to use these picks and shovels to create? Are we going to find gold? And I think the question is unclear. And where will that gold be found? Will it be found inside of a big tech company or will it be found inside of a startup? If you look inside of where these resources are being used inside of big tech, it is to completely scorch the earth on the economic value of large models. And I think that that's very, very good for all of the startups that come after it. So what do I mean by this? We were also wrapped around the axle around chat GPT and then GPT in general. And now, if you look at the quality of Llama, Llama 2, basically these big companies have decided, no, we're just going to make all these models extremely good, extremely useful and very, very free. And so a lot of the resources are going there to subsidize, economically subsidize, and by implication, economically destroy the value of that category. That's going to be good for startups. And so the question is, what will you then build on top of these quasi-free, almost free tools? And so one area that I have been looking at for a while is in computational biology. I think that that clip that you're talking about was just me talking with Warren Zeeve, just around the ability to compute large complex spaces with very sparse information. It's not, it's a very difficult task today, but tomorrow in an AI model that you can train, you can literally characterize every single molecular permutation you could imagine. You combine it with something like Alpha Fold and you can understand protein folding and all of a sudden you can sequentially start to put tools together that could theoretically give you much higher probability guessing for specific compounds that could actually cure disease. A different version of that is a company that myself and a few other people started. I tweeted

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

that out, which is more in the material science space. And we've had some pretty important breakthroughs

there, which is really about trying to invent next generation battery materials. And we have one candidate that could be pretty revolutionary if it turns out to work. We don't know yet.

Some positive signs. So there are some of these green shoots. So my perspective is that a lot of the money that NVIDIA makes today is going to be money well spent because it'll be going to the big guys, big tech plus Tesla, they are then going to create some really foundational platform technologies with it, whether it's Dojo, whether it's FSD, whether it's the full platform inside of Tesla, that is the cameras plus the inference plus the training for all forms of physical world interaction, whether it's Lama 2. And all of that stuff will be given away essentially, I think, open source quasi-free to the ecosystem over the next few years. And I think that will be a really important moment, which will create hundreds of new companies doing really clever, cool things. So we haven't yet seen the big breakout company yet. And so I think that right now most of this CapEx is going to the big guys. But the dividends of all the work that these big guys are doing will be seen over the next few years in the startups that get started in the next four or five years. I love the California analogy. Ultimately, what all that prospecting for Gold did was create the state of California, putting aside the Levi's and the jeans. And if you know anything about California's GDP, it would be, yeah, I think these statistics are always talked about, 5th, 10th, 8th largest, it has a bigger GDP California than some of the largest countries in the world. So this is a 2015 chart. It's hard to find the updated information on this, but ultimately that was the product of the Gold Rush is this incredible state.

Any other thoughts on Nvidia before we move on to ARM?

I think OpenAI had a potentially significant product announcement that's related to this. So they just launched fine-tuning for ChatGPT, actually version 3.5 Turbo. It says here, fine-tuning lets you train the model and your company's data and run at scale. Early tests have shown that fine-tuned GPT 3.5 can match or exceed GPT4 on narrow tasks. So you can do things like fine-tune the formatting of the output. You can fine-tune the tone. Fine-tuning also allows businesses to make the model follow instructions better. So I think the point of this is that we're still at such an early stage of this, and there are so many applications that are going to be developed, and they're making the models more and more useful. So, Jason, to your analogy about fiber, what happened with fiber is there was a big build-out of overcapacity, but then the number of applications kept growing until that capacity got used. And I think we're probably going to see something like that here, where there is a big build-out going on of capacity and capabilities, and that's going to lead to the next generation of applications. I just think we don't know yet what the steady state of either demand or supply for these chips is going to be. Obviously, the market got taken by surprise over the last year. So you've seen, again, this huge spike in demand. The supply cannot react fast enough. That's led to gigantic profits for Nvidia. But it's hard to know exactly, again, what is the steady state going to be? Is it going to be like this, or is this a one-time spike? And we also don't know what the supply will be once the manufacturers all adjust, because now they know that the demand is there. And to your point, the big use cases are pushing us well past chips to really be more like entire systems and these racks. And so if you look at Grace Hopper, which is their next-gen design, it's like a bunch of chiplets plus memory on any huge board. It's not a chip. You're talking

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

about system-level manufacturing at this point. And that will also create different kinds of use cases. Because for example, today, right now, when you look at simple things like probabilistic tasks, I think chat GPT and all these GPTs are pretty marvelous and pretty inspirational. But deterministic tasks, they're shit. They hallucinate on simple things like multiplication. Why? Because you infer multiplication and you try to calculate it probabilistically and you get these simple math functions wrong. And so these are all these things where the software has to become more and more sophisticated and actually be able to path and tunnel code into different ways of getting it executed and then bringing it back and stitching it together. All of these things don't exist. Those are very rudimentary things that were solved in v1 of compute. So I think that to your point, David, like we don't know where this goes. We're probably going to go to a place that it's not just about chips, but it's about systems. But that's going to create this weird balkanization almost. And I think that's where a lot of the profit margins will get eroded away because that will make it a much more competitive industry. And there just isn't a lot of margin to capture when you actually stitch all these things together. Yeah. And if you think about what were the massive wins for all that extra fiber, it was really two companies. The first was YouTube, which stopped charging people for transport on their videos. Before that, if you had a video go viral, your server got shut down because you hit your \$5,000 a month limit or whatever you had set with your ISP. And then Netflix, of course, right? Netflix couldn't exist and all that dark fiber built that. So we'll see with all this extra GPU what could happen. And to your point about the breakthroughs there, you can now go into your chat GPT and you can put in custom instructions. And so it asks you, what would you like chat GPT to know about you and provide better responses? And for example, I told it, I'm a venture capitalist. I live in the Bay Area. I'm looking for concise business information. And then it says, well, how would you like chat GPT to respond? And I said, I like to see data in a table. I like to see data in those tables with hyperlinks. I like citations when possible. Yeah. Just to be clear, what you're describing with custom instructions, that was a feature I think they launched like a month or two ago. What that is doing is prompt engineering, basically. It's pre-saving like all that preamble that you would have to put in every single one of your prompts. Whereas this fine-tuning, as I understand it, is more about fine-tuning the model to improve the model for a certain kind of need or certain kind of output. Right. So the example there would be if you had your email box or you had your Google Docs or you had a repository of all your Slack messages or something in your company, company handbooks or all of Chamats letters he writes every year, you could have that uploaded to chat GPT. It's potentially very powerful, I think, for enterprises. I think the big enterprise use case, the most obvious one, is that every enterprise wants its own internal chat bot. It wants its own internal chat GPT where the employees can ask questions and the AI has accessed all the company's information and it understands permissions and privacy. So it only reveals information to people who have the right to see it. That's kind of a tall order, but I think that's what the market wants. Yeah. They want the chat GPT for the company intranet. Yes. And so I think there's a lot of people racing to provide that. And there was an interesting tweet by Nathan Benach. Anyway, he just said, bye-bye a bunch of startups. Because I guess a lot of startups are working on this fine-tuning problem. That may be too glib, a reaction,

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

because I think there's just a lot of enterprises who do not want to share all their corporate information with open AI. Of course. What if it's HR information, then you have people asking, like, who are the most overpaid people in this company? What if it's the badge information and how many hours people are working? That's more about permissions, Jason. But even if open AI can nail the permissions problem, I think there's a lot of enterprises who will not want to trust their data to open AI. They're going to be afraid about where it goes. This is why I think open source is taking off in a big way, is that I think big enterprises would much rather roll their own models and control it and do the fine-tuning. And that's why they're using tools like mosaic and hugging faces. They want to have control over it themselves. That's an excellent point. And that has implications as well into the hardware, which is also probably a good jumping off point for ARM. Because what you said exactly must happen for the integrity of an organization to want to use these things. And if that happens, then it just further accelerates, I think, how the hardware will get abstracted and, frankly, cause the open source as well. All right, let's talk. Facebook did a great job of this because when Facebook was building data centers, they had to invent tremendous capabilities that didn't exist before. And the market was really fragmented. It was very expensive. And what they did was they basically created these reference designs for servers and blades and the whole nine yards and open sourced the whole thing. And it just, you know, in essence, destroyed a market, but it created a hyper efficient market that then everybody could use. And I think the question is that if it's happening at the software layer already now, just like it did in Web 2 software, and then we see certain elements of Web 2 hardware been open sourced, I think it makes pretty logical sense that you can expect the same things to happen in the AI world. The AI models and the AI platforms and all of that stuff will first get open sourced because it's a data integrity security issue. And then the hardware will get it open sourced as well, because you just want simple reference designs you can use and plug and play. Yeah, if you want to look at that, it's called the open compute project, opencompute.org, just a way to use open source to grind down the prices, take out the margin, I guess is what you're saying, Jamal, to make all these data centers scale, right? Well, yeah, so one related story here is this just happened in the last few weeks. There's a company called CoreWeave, which provides cloud infrastructure for AI training. It secured a \$2.3 billion investment in the form of a loan. What CoreWeave is trying to do, it's kind of like AWS, but for GPUs. So essentially, instead of having to buy your own GPUs in order to set up your own infrastructure, you just basically rent compute from these guys. But this is exactly why none of these companies will really be allowed to exist in this exact way four or five years from now, because ultimately, what people want is massive throughput, right? Tokens per second, give me as many tokens per second as possible. And they don't particularly care. Again, if you understand the model, do they really care what the underlying substrate hardware should be? It doesn't seem like they should. They should care what is the throughput, what do I pay for it? And by the way, that is exactly what happened when AWS really started to scale. Because if you guys remember, when we started for subtract code into AWS, what do we care about? How much did an EC2 instance cost? How much did an S3 bucket cost? And that's all we cared about. Because that abstraction allowed us to not care about the

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

underlying hardware. Who was the vendor? What was the configuration? It didn't matter. And so in an interesting way, we're going to go through that same evolution here, because it's just economically rational that that kind of a market exists.

You should only care tokens per second, I think.

All right. In other news, oh, and by the way, there's something called Common Crawl, which is another interesting open source project that's getting a lot more attention today, because they have crawled the web and you can use this Common Crawl. They release it monthly. And that's what a lot of people are training their data on. They don't have permission from all those people to do training data, but they do have the ability for you to download an open crawl, essentially, what Google has. And you have an open source version of it. So Common Crawl was started and funded by Gil Elbaz. He's a friend.

Gil sold his company, Applied Semantics, to Google back in 2003. And a big part of his effort with Common Crawl is to... That's AdWords, right? Is it AdSense?

AdSense. So basically, Applied Semantics could read a web page and then create the keywords associated with the content on that web page. And then those keywords would trigger AdWords ads on the web page. So they called it AdSense. So AdSense started and the whole publisher network at Google was born from the Applied Semantics acquisition. And Gil was obviously a pretty significant shareholder of Google. He's even in the S1 as one of the major shareholders. He's a really great human being. And his intention with this Common Crawl project was to make the crawling of the web, the index and the caching available for all these different projects that might exist. And he didn't at the time anticipate the open AI application becoming the big breakthrough. But when GPT-3 was published, I think they said that 80 plus percent of the waiting came from the content out of Common Crawl. And so it's really been this amazing project, completely non-profit, mostly funded by Gil and has really unlocked this opportunity for a lot of the open source alternatives to now try and provide solutions that can exist and coexist with open AI and others in the commercial options in the world.

Small piece of trivia. We were one of the first AdSense publishers. And so here's a story from October of 2005, Weblogs Inc, which didn't gadget the blogging company I started hit \$3,000 a day in AdSense. Thanks to Gil and the team over there. And we wound up selling it to you. And this is the story about it. And we were included in the S1. They had two examples of publishers. One was New York Times and then one was Weblogs Inc. They wanted to show like an upstart and this one. And

a lot of history here. And it's fun to go back down to. And we were in the S1 for Google.

Gil was going to be at the summit. Oh, you're going to get the summit? Oh,

I'm going to give him a hug and take a picture. Charles Barkley had this great story, which is like he is like over the moon about being a grandfather. I saw this on 60 minutes and he said it's because I want my grandson to Google me and notice that I did some things and then we can talk about it. And Jacob, I had this thought for you. That's a cool piece of internet history that you're a part of. Hopefully, your grandkids will Google that and you can tell them that story. That's pretty cool. Or 1,800 episodes of This Week in Startups. I just tweeted an episode with Gary Tan from 2009 that I recorded at Sequoia's office. And I just put it on the This Week in Startups Twitter account. It's pretty funny to have babyfaceGaryTan from Posterous on there.

All right. ARM officially filed its F1. It's kind of like an S1 for a foreign company.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

And they plan to go public next month. ARM's revenue last quarter, 675 million down 2% year over year, up 7% quarter of a quarter. Fiscal full year 2023, 2.7 billion-ish down 1% year over year. ARM's major business, just so you know, is smartphones. 99% of smartphones are built with ARM's chip architecture. Embedded systems. They have embedded systems. We'll get into it. The problem is the market has totally moved. When SoftBank bought ARM, it was probably like the last year where there was so much focus on the hardware and platform technologies inside of mobile and tablets and all that stuff. But in these last few years, think of what's happened. We've had a massive shift to AI. And so that's pushing a lot more pressure on GPUs and whatever comes after that. We have had a reemergence of the popularity of RISC-V, which is an open source competitor to ARM. We have had Apple in source a whole bunch of their own architectural decisions in Silicon Design because- They don't want the dependency. They want the proper philosophy. Yeah. Well, also, they also care about different things. Like they care about battery life. So that's where, you know, that's the focus of their chip architecture. And so all of this just means that that market embedded systems becomes more and more constrained and commoditized over time, which again, as we said, in capitalism means that future profits will be less than historical profits. And so I think this is a very tough valuation to get right. And trying to stretch to a 60 or 70 billion dollar print, I think, is really tough. This is a, honestly, a 15 to 20 billion dollar company. So a question for you, Chamath, I'll open it up to the Davids. Why would SoftBank, I know the answer, but I'm asking you so you can explain it to the audience, why would SoftBank take a company public with these headwinds, with no growth, being flat? Why are they taking the public now? Well, SoftBank has the D lever, right? They have a very big problem, which is that they have this forget SoftBank vision fund for a second, but SoftBank itself is a telco operator that has ginormous piles of debt that they've used to finance the building of their business. And so when you have contraction in your core business, you become more and more at risk of breaching the covenants of all that debt and or you just like run out of recache flow, like all of these things really hurt your future ability to invest. And so SoftBank is under a lot of pressure to just clean up the balance sheet and D lever. And so when you have an asset like this sitting there, if you can sell 20 or 30 billion dollars of that, call it to somebody and then replenish your balance sheet, that provides tremendous liquidity and relief. And they did that as well a few months ago with Alibaba. They've started to, I think now they may have sold out of the overwhelming majority of the position in Alibaba, again, because they have massive liquidity needs because they have so much debt. So this is just part and parcel of them de-levering the balance sheet. So they're forced to get it out is I guess what you're saying. And then we've talked sacks a little bit about other companies that are going to be forced. They're on the, what do they call it when you're on a pirate ship? They make you walk the plank. I'd say this is like the walking of the plank to an IPO. You've got other companies that have issues where they just have to get public at some point. So maybe the public markets are going to open up. And in some cases, it's going to be because people are walking the plank. In other cases, it's going to be opportunistic. So maybe you could talk a little bit about your thoughts on that. I think it's hard to walk the plank into the

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

public markets. I'm not sure exactly what you mean by that because the public markets have to want to buy your issuance. So if it's not a good company, then in this environment, they're not going to be able to IPO. Well, they're going to be able to IPO. I think the question is the price. They have no choice but to get this out. Sure. So yeah, there may be a lot of down rounds into an IPO from the last private round, which was two or three times what the IPO price is going to be. Maybe what you mean by walk the plank is that, well, you tell me, but there are a lot of companies which have built up huge pref stacks because they raise too much money at the peak at valuations that are too high. And going public does allow you to reset your whole pref stack because all the preferred, with all the rights and preferences, converts to common. So post IPO, you just have common. And so it is a way to clear out all the structure and all the mess that has built up in a company. And you can get to a real valuation that reflects basically the truth of what the company is worth. Another analogy might be the house is on fire. You're on the balcony. You've got to jump or you've got to stay in the burning building. Yeah, but listen, if your company's on fire, I don't think you're going to be able to IPO. I mean, it's going to be a tough scrutinizing public market for new offerings. I think that the scenario in which you can IPO is, if the company is fundamentally good, it will be able to IPO at some valuation. And that valuation may be a significant down round from their last private round. Those will be able to get out. Yeah, and that's striped, I guess. Now, are you seeing David, the M&A activity starting to bubble up in your portfolio or in the back channels? Because I'm starting to see that a bit. Founders are packing it in, in some instances and saying, you know what, we want to try for M&A. Or some companies are getting a little bit frisky and saying, hey, what's available in the market on the small side? So are you seeing any M&A action? Not a ton yet, but there's definitely a growing number of startups who are realizing that what they're doing is not working and they're not going to be able to raise another round. And so, therefore, figuring out a graceful exit, whether it's an aqua hire or some other type of landing. Got it. Those might be the accurate walking the planks. Yes, those are the walking the planks. You're going to start seeing a lot more of that for sure. Freeberg, your thoughts on the public markets here in relation to privates and people walking the plank? I don't think there is a public market right now. There's no IPO window. This arm thing is, you know, pretty forced. It seems it's not like there's a ton of pent-up public demand to buy these arm shares. At least that's what it seems. So, you know, they're going to go shop it. They're going to find out what the market tells them it's worth. And then we'll see. The video is going to help buoy it, I'm sure. There'll be an argument that, you know, all boats will rise and arm will be a beneficiary. But I don't know if that necessarily leads into the IPO window being open again. I think we've all heard the commentary from Morgan Stanley that they don't think the window is opening until Q2, Q3 of next year, maybe. I can't remember the exact commentary. But as we all know, a lot of LPs in venture funds and private equity funds are waiting for the IPO window to reopen before they're going to start reallocating capital back into the private venture funds because they need to get liquid in order to be able to recycle capital back into the next class of funds. So, this glut right now, this inability to kind of get companies public is certainly weighing on folks. You know, you effectively have three options

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

when you're running a private company. You got to keep raising money, which means either raise private capital or go public. And we've talked about the challenges of raising late-stage private capital if you've had a high private valuation in your prior round. Going public is very difficult right now because a lot of folks are still digesting and having indigestion from the last couple of years. Or you got to sell the company or you got to get profitable. Now, on the sell the company side, many of the acquisitions that we're seeing with a few exceptions are generally more bolt-on and less like, hey, I'm going to pay some big strategic premium for some big strategic game-changing company right now because all the buyers are dealing with their own shareholder issues and their own public stock issues right now. Then the, you know, can you get profitable? It's really, as you guys know, where a lot of folks are going, which is totally restructure your ambition, restructure your plans, and build a business where customers are willing to pay you money and where you can then take that profit and only reinvest that profit and not invest more than that profit. And if you can get to that steady state, you know, you can live to see another day, another year, another decade. And those businesses, by the way, that we saw on the dot-com boom and the global financial crisis that were able to do that during the Doldrum Death Valley march that everyone's going through right now, they emerged victorious. They learned how to be frugal. They learned how to be nimble. They learned how to really focus on customer experience because they had to increase retention and they had to increase the prices they were charging. They learned how to be efficient with allocating resources. And so profitability became a core part of their DNA and their ability to succeed. So I think this is really a trial era. And, you know, on the other side of this trial era, a number of very high quality companies will emerge. But in the interim, I don't think that there's an IPO path that a lot of folks can just check the box and say, Hey, let's go ahead and go public, even if the valuation is not great. Remember, an IPO process, you got to oversell your book or the bankers won't underwrite it. So if they're, you know, you can't just say, Hey, the price is now five bucks and expect bankers are there. If a company is burning money, the big concern with going public right now is that there is no pipe market. There is no ability to do secondary, to do follow on offerings. So the company can't raise capital after it's public. So unless you're actually profitable, your option of going public right now really isn't there because shareholders don't want to buy shares in a company that may run out of money. And that would end up. And to your point, if you take this third option and you become really resilient and you have profits, Chimoth, that seems to me to be the setup for the next boom that we could experience in the coming years, hopefully, which is we don't have companies that are burning, you know, mountains of cash, people are getting to profitable, these businesses look great. And then if the big companies are now, you know, having their stock prices recover and they've laid off 20,000 employees and they got people returning to the office and they're fit and they're strong. Hey, that's a setup for strong companies buying strong companies or those strong companies that are private. The M&A market is dead as a doornail. It's more dead than the IPO market. So two days ago, the European Commission and the CMA in the UK said that they're probing Adobe Figma because they have some concerns that it's going to limit competition in the market. It looks like Microsoft will have to give a 15-year license to video game streaming

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

to Ubisoft in order to get the UK folks to agree to their Activision Acquisition. So you're talking about, in the first case, a \$20 billion merger that may not happen because the CMA, they found their footing. They clearly had a win in the Microsoft Activision thing and now they're probably going to find issue with the Adobe Figma thing. And the Europeans don't want to be left out in the action, so they're jumping in. So I think the M&A market is effectively dead. What it leaves is an IPO market, but that is very tenuous because you don't have a leading candidate that can really catalyze something. And I made this prediction earlier, but I think the only company that can really catalyze things would be if people were ready to do Starlink. I mean, it's the most obvious natural logical thing that would just get everybody excited and off the sidelines and into the arena. But that may take another year. May not, but it may. In the meantime, I don't think there's any company like Instacart. I don't think people are going to be jumping off the sidelines. ARM, it'll be tough. Even Stripe now is like a very complicated valuation trade. And I think that that's a really technical thing to be involved in an IPO like that, a technical valuation. And so companies have no choice except to get profitable and get to default alive to use the famous Paul Graham quote. That's the only path. That's it. That's the only path. You either have to be default alive, which means profitable or default investable, which means that you're capable of producing metrics that a VC will fund. But really, that starts with 100% year over year growth. There's a lot of companies that aren't growing very fast or growing 20, 30, 40, 50, 60% growth. That's not VC-fundable. Or they're flat. Or they're flat, even worse. I'm a shrinking. So those cases, they got to think more like a PE model than a venture model. And PE companies are cash positive. They don't burn cash. I put out this video a few months ago called VC or PE. What's the right framework for thinking about your startup? This was a... Oh, Kraft Ventures, YouTube. This was a talk that I gave to our portfolio companies. We recorded it and then published it. Really, it should have gotten more attention. But this was basically recommending to all those slower-growing companies in our portfolio, stop thinking that VC funding is always going to be available, and start thinking more like a PE-funded private equity company. Which is to say, you need to cut your burn to get cash or positive. You will then be able to control your own destiny. So yeah, this slide here. If you're not VC-eligible, act realistically. So we provided some guidance on what makes a company eligible for VC funding. And you can see there's a good column. There's a great column. Good starts at 2x growth. Great is 3x. Gross margins. Good starts at 50%. Great is 80%. Net dollar retention. Good starts at 100%. Great is 120%. Hack payback. Good is 12 to 18 months. Great is 6 to 12 months. Burn multiple. Good is one and a half. Great is one or less. And then there's some danger zones as well. This was to provide them with some realistic guidance in terms of whether they'll be able to raise another VC round or not. And I can tell you, most startups in the startup world right now are in the danger zone. It's a really tough environment. Listen, if you're a startup with sub-1 million of ARR and you're in the danger zone, you're probably going to have to pack it in. Or maybe you package yourself up for an aqua hire. But if you're a startup that has 50 million of ARR, but you're in the danger zone, just cut your burn. You could basically make yourselves casual positive. And you could engineer an outcome for yourself, a pretty good outcome. My anecdotal experience is one of our larger investments we brought into private equity

[Transcript] All-In with Chamath, Jason, Saks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

from where they came in. And my God, it's been an incredible experience. Because the combination of how a VC looks at a business and how a PE firm looks at a business in a moment like this is hyper additive because it's super clarifying. It's very straightforward.

And it gives the CEO an extremely clear mandate from which to operate. And then they become very measurable. And I found it to be a really, really healthy thing. Now PE guys can only get involved in companies of a certain size. So it limits 50 million and above in revenue, 100 million.

Yeah. In our case, it was a 400 million, 380, 300, more than 300 million revenue. So it's a big company. But my point is just more that we were moving along a trajectory to getting to default alive. But by adding that PE partner to our board, boom, I think we were able to focus on it probably a year to 18 months faster and with specific precision because they have a very different toolkit and a reaction to mis-execution. And that's extremely healthy.

Yeah, we had this happen. Meeting with, just from the front lines, we meet with, we have 20,000 people apply for funding from our firm. In large part, I would say we doubled the number of applications after All-In started. So shout out to my besties here, really helped our deal flow. And we find companies and we found a company that was obsessed with All-In and the two founders were Quants and they made this company called Stone Algo. We meet this company, they've got very little money. It's a bootstrap company and they got to a half million dollars in revenue just on sweat equity. And we find this company, it's not part of the Silicon Valley, accelerator system. It's basically Kayak for Diamonds. Shout out to the team over there. And we were able to place a nice bet on this company that was break even and put in a couple of hundred

thousand dollars to start them down this road to growing faster. But what a delightful thing to find a profitable company in the world. And so if you have a profitable company, like, and it's just 50,000 a month or 25,000 a month, please email me, Jason at caliganus.com. I want to invest in your company. When you have that company, small amount of revenue profitable and you're not burning

a ton, you are so attractive to investors right now. It's the highest attractiveness in the world. And I just want to point out, David, as this market has completely gone from absolute chaos, the hair has gotten tighter and tighter. You were in crazy banning and now you are tight tight is right. Saks is focused. He's deploying that LP capital. He's deploying that advice to SaaS companies. And it's no joke now, folks. General Saks is here. He is not crazy. History uncle, he is SaaS Saks is SaaS Saks is back. This is like when Marcus Zuckerberg started wearing a tie to work to start showing that it was serious. Yes, SaaS Saks is serious Saks is back with that slick back hair. All right, listen, we got to get going here. We got a lot more on the docket. I think we just, maybe I'm going to jump the fence here and we just go right to the Republican

primary. The funniest thing last night was at poker. We watched it. You watched it during poker. Were you able to focus? You have to hear Kevin Hart react when all these guys are doing it. It's one of the funniest things I've ever heard. And the worst part of the poker was Oh, the magician. Here we go.

Sastry, how can you both be playing poker here, but also on the debate stage at the same time? Oh, which I thought was a really funny joke. It's a little racist, but it was funny.

It was very funny. All right, listen, I know everybody's, I just want to go around the horn

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

here. Friedberg, did you watch the debate? Who won the debate? Who had the largest gain, net gain in terms of their profile in your mind after watching debate number one of the GOP? David Friedberg. Biggest gain. I watched the debate. I kind of think about these guys on three dimensions, which is the content, how dynamic they are and their personality.

I think those are the three dimensions that people are going to be kind of assessing them on. I think Nikki Haley did a tremendous job gaining interest with respect to her personality and her content.

Bergam Hutchinson, I don't think had a chance to move the needle on any of them.

I think Vivek was by far the winner on dynamic. He had the hardest hitting, biggest comeback, with a very close second being Chris Christie. But I do think that Vivek got taken apart when it comes to content. And I have real concerns about his personality. There's a lot of people that are just turned off by him, that he seems a little too eager, that he seems a little too smart for his own good. The commentary about him being so junior and doesn't have experience, I think standing next to those guys on stage really showed, to be honest. Nikki Haley tearing him apart on his point of view on Russia and sex, we can debate the point or not.

But I think she did a masterful. I don't think she tore him apart. I think the biggest dunk line of the evening was when he congratulated her on her future appointments to the boards of Raytheon and Lockheed. Yeah, that was brilliant. I just think he's the most dynamic character.

And I think people do in a democracy vote on that. They vote on how dynamic someone is.

They vote on their personality and whether they can trust the person. I think Nikki Haley shines there. She seems extremely trustworthy and personable. Chris Christie came across as very personable. So you're big winners. Yeah, Mike Pence, I would say underwhelmed and Ron DeSantis, man, it's like he didn't show up. So I would say Haley, Chris Christie, Vivek, and Kim Scott are probably like, you know, across those dimensions, like, you know, the four runners and everyone else is probably off. Now, let me get Chamath and then Sacks, you get to comment on both of

there. So I want to go to you last because you have the most passion here. Chamath, who are your big winners coming out of it? In other words, who gained the most last night? What can Brown do for you? What can Brown do for you? I think that... Okay, UPS settlement, great. I thought that Nikki Haley did an incredible job. And I do think that Vivek did a very good job.

And I think what's interesting is that I'm fascinated to see what the Republican reaction over the next few weeks will be to Vivek. And specifically, what I'm interested in seeing is do the Trump loyalists start to... Were they incepted with an idea yesterday,

which is that this guy can give us a lot of the talking points we want without some of the heartburn and agita that we don't want. And if he is able to thread that needle, which is what I think his effective strategy has been,

he could really build momentum going into the fall. So that was my real takeaway is that he is refining a playbook. Look, the guy is clearly a really brilliant person, well-studied, well-prepared and dynamic, as David said, so he can clap back at people, which I think is important.

But the most important thing that he's done is he has defined a very precise strategy to thread this needle of being close enough to Trump to, frankly, eventually go after him.

But do it in a way where he's slowly building credibility among Trump loyalists. And I think if you look at where other people made huge gaffes, unnecessary gaffes, was they took their beliefs and they confused them with the strategy of winning. And that doesn't work in

[Transcript] All-In with Chamath, Jason, Saks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

the Republican Party. So when the candidates were asked about Trump and the ones that drew a hard line and said that this guy is going to go to jail, what happened? They got booed. And it just ended their ability to be credible for what they said afterwards. I'm not saying that that's right or wrong. It's just an observation. So I think Vivek is doing the smartest job of understanding the rules on the field. And he's in the arena to win. And that gives him a lot. That gives him a lot of chance. Now we go to Saks. Saks, you heard Nikki Vivek, Christie from Freberg. You heard Vivek and Tim Scott. So Vivek clearly, the buzz and the search terms and everything, it seems to be favoring Vivek as the big lift here. Do you think Vivek is the Trump change agent without the indictments, without the baggage, without the Trump derangement syndrome insanity? Is Chamath correct here that he's a more palatable version of the change agent that is Trump? I think he's positioning himself as the backup plan to Trump. So he's not criticizing Trump. He is cultivating support within Trump's base, again, not to supersede him. But I think to perhaps be a backup plan, I think it is a smart strategy. But let me back up a little bit here. Who won for you? Well, let me make a couple of points. What's the best game before you make your points? What's the biggest game? Everybody else played the game. Biggest game. Well, clearly the biggest game was Vivek. That's reflected in the polling. There's a poll on Drudge Report in which 33%, which was the highest number, said that he won the debate. 22% for Haley, 18% for DeSantis. Christie got 16%. The rest were just non-factors. It's not scientific, but pretty interesting. It's not scientific, but this is corroborated by Nate Silver, had a sub-stack this morning, basically saying that based on the buzz on social media and the sentiment that he predicted, Google Trends, he predicted that Vivek would, we keep saying Vivek, Vivek. It's Vivek. It's Vivek. It's Vivek. He's going to have the biggest bounce out of the debate. Partly that's a function of the fact that he was the least well-known candidate. This gave him a lot of exposure. He is a good orator. Just the way he talks, the energy, the timbre of his voice, he projects well. He had a clear point of view in this debate. You may not agree with everything he said, but he had a very clear point of view. I expect that both the number of people who like him and the number of people who dislike him will go up as a result of this, but I think the net effect of that will be positive. Let me back up to give you a couple more thoughts on the debate. First of all, in terms of winners, I think the Republican Party, in a way, demonstrated that it is the party of ideas where there actually are debates happening. You saw here, I think, real differences between the candidates. I could break them up into really three categories, if you like. There's this neocon wing of hard line foreign policy hawks, and you saw Nikki Haley's part of that, and Chris Christie and Pence, and Tim Scott. Then you had this religious right faction where you've got Pence and Scott, and then you've got the MAGA wing, which Vivek really took up the mantle of opposing Ukraine and defending Trump. You have three very different groups within the party who are battling, I think, for mindshare within the party and to be the future of the party. It's not just about candidates and personal style, but it really is about ideas. You compare that to the Democratic Party. They're not even having a debate. They're protecting Biden from a debate. There could be a real debate because RFK Jr. has really different ideas, and he would like to take the party in a very different direction. The direction of his father and uncle, Bobby Kennedy and John F. Kennedy, he's saying that we have moved away from where we should be as a party, but

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

the people who control the Democratic Party do not want to have that debate. They have shut it down completely. There is no debate. They're just protecting Biden. That's number one, is I think we should give the Republican Party some credit for being willing to discuss and debate ideas. I agree with you on that. I love the fact that you had a vibrant debate. You had differences of opinions. Now, it was a little like a UFC fight and zingers and back and forth, but I did like the fact that you had people who, and moderation was actually surprisingly good. When they forced them to say, would you give Trump a part in or what would you do in terms of support for Ukraine? This was really well done, and they had that 32nd thing where they stopped people. They said, hey, this is a 32nd one, and they had to reign in Pence because he kept interrupting, and they were kind of respectful about it. I just want to shout out to Fox for good moderation. There were some crazy zingers in there as well. It seems like we live in zinger culture. I think the best zinger goes to the moderator who said, let's talk about the elephant that's not in the room, and then they brought up Trump. I don't know if you caught that one, but that was pretty hardcore. Well, so let's talk about winner number two, which was Trump, because Trump did not participate and he didn't pay any price whatsoever for that. He barely got mentioned or attacked on that stage. Then he did this interview with Tucker, which started five minutes before the debate, which was kind of brilliant because once again, Trump was able to suck up a lot of the oxygen, maybe not all of it, but a lot of oxygen without even participating in the debate. It was a perfect bookend. I watched both. It was a perfect bookend. You got Trump over here saying, Chamath, I'm interested in your position, but he said, listen, I don't need to be in there with these guys mudslinging, and they have zero or 1%. I think he got the sense that he's excited to debate them when there's two people left or something like that. What did you think of, did you watch Trump's thing, Freiberg or Chamath? No, you watch it? I watched the debate only. I watched both the debate and then I watched. I do think Trump effectively won the debate night because you had all these guys going at each other, and then you had Trump playing the Trump card. I'm not even going to show up because I don't have to. He literally made himself better than everyone else in the room by saying, I'm not even, it's not even worth my time to show up to talk to you guys. Go ahead and fight with each other. I'll also just restate this point about Vivek. I think it became abundantly clear that his strategy is to pander to the Trump audience, that his commentary about God is real, climate change is a hoax, there's two genders. He knows through polling, through his understanding and his intelligence that this is what this audience, that is the bulk of the voting members of the Republican party, want to hear, and he is telling them what they want to hear. Isn't that the Java politician? Isn't that better than pandering to the military industrial complex like Nikki Haley did? There was a comment last night that I thought was really important, which is that leadership is not about consensus, and what he is doing is he is reflecting back the consensus view of the majority of people in that party in order to get himself elected rather than leading with a different message that casts a different opportunity, the different light on the opportunity for this nation. And I think that's really where he and others on that stage, or he particularly falls short, is that he speaks too much to what people already believe and say,

[Transcript] All-In with Chamath, Jason, Saks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

because he knows that that's what they're voting for Trump about. And then the bet is that there's some chance, not 100%, but some chance that Trump doesn't make it all the way, he ends up in jail or people start to turn on him. And then he's the front runner, because he's basically captivated that audience. Hold on, but Freberg, and I will let you address it here. Chamath just said the brilliance of Vivek and his positioning here is that he understands how to win. And he is playing this game, and you call it pandering. Saks is, I think, saying it's understanding the needs of that audience. The job of a politician, Saks, is to win and to stay in office. So I don't believe Vivek's positions on a lot of the stuff. I think he is pandering. I think he wouldn't do what Trump did. I think he's doing the pardon, promise, because he knows he gets him votes. So how do you reconcile this? Your job is to win, right? And you would rather see DeSantis maybe pick up on some of this action, no? As your preferred candidate, then that's a good question. Freberg, do you think that a politician's job, when you're running for president of the United States, is it to understand the conditions on the field and win or not? I think the politician's job, or I don't want to say the job, I think the opportunity to get elected in a democracy is to provide leadership, to cast a light on where you think the country or whatever constituency you're supposed to lead can go, to provide a sense of opportunity, to provide a sense of optimism, to provide a sense of what's not happening today that should be different, rather than reflecting back to those people exactly what they want. Now, the flip side of that is exactly what you're saying, Chamath, which is that I think what happens in a democracy is that people elect people that represent what they believe. And I think that's what's going to happen. I think there's a lot of... I think there's a lot of... And he's raising his hand, and he's saying, I believe these things, and he's going to get elected, or he's going to put himself in a position to get elected if Trump drops out. I just think there's a lot of people who are very smart who, if they are too idealistic, will achieve nothing in their lives. And I don't think Vivek is one of those people. Idealism has a place in the world. It's not on the debate stage when you're running for president of the United States. Okay. Saks, you wanted to get in here. Go. Okay. Let's take the issue of Ukraine, because that was one of the main issues that Vivek differed from the rest of the people on that stage. There is polling by CNN that a majority of Americans have now turned against the idea of giving more aid to Ukraine. I'm sure that number is much higher in the Republican Party. If you remember, there was an event, Charlie Kirk, who is a conservative influencer, has an event called Turning Point USA, and they did polling of their conference attendees. The number one issue that everyone agreed on was Ukraine. 95% of the attendees opposed giving more aid to Ukraine. Donald Trump only got 85% popularity. The base of the party is even more united against Joe Biden's policy in Ukraine than they are on loving Trump. Okay. That tells you something. And yet, Vivek is the only candidate on that stage that was willing to raise his hand aggressively, full-throatedly, not half-hearted, to saying that he did not agree with Biden's policy on Ukraine. What is wrong with all these other people on the stage that they cannot understand what is wrong with Biden's Ukraine policy, which, by the way, is the signature policy of his presidency? What is the point of Republicans nominating a candidate who's just

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

going to agree with Joe Biden on providing aid to Ukraine as much as it takes for his laws it takes? Is this your position here at Freberg? Is that, you know, win at all costs, let's call it the Vivek, win at all costs, play the game on the field as Chamath is saying, and just win the game versus being principled? Because you did have a group of... No, no, no. I think that that framing is such a setup. Can I just say something? Okay, frame it how you want. You said playing the game on the field and Freberg said having a principle here and having an actual vision for the country. So, I'm taking both of yours. Look, I think the framing is not what is wrong with Vivek, but what is wrong

with candidates like Christie and Pence and Haley and Scott, where even though 95% of their party is opposed to Ukraine, they are adopting Joe Biden's policy. And their only criticism of Joe Biden is that he's not doing enough fast enough for them. Okay, let's let Freberg get in here.

They're completely out of step with the Republican Party as it stands today.

We got your point. But is it not, Freberg, what you're saying is that there is this profile and courage to invoke that book, where there's something that's unpopular that you have to do. And I think

Nikki Haley, Pence, Christie, and the other ones who are pro-defending Ukraine from Russia, their profile and courage, Freberg, is that they will go against that 95% polling and say it's the right thing to do. We should defend Taiwan. We should defend Israel. We should defend Ukraine against... Those are three different issues. I know it's three different issues, but they were all evoked by Vivek himself. So, Freberg, your chance. I think the West Wing does a great job of exploring

both sides of this, which is when do you have to break the mold and break the expectation of the people to do the right principle thing? And when do you have to do the thing that you don't think is right, but it's what the people want to have happen? And I think that that's obviously a balance that needs to be struck when you're in this position of being an elected leader in a democracy.

And so, there's no real answer. I wish that there was... I wish Mr. Beast had a presidential process. You guys saw his Olympics video that he did last week, where he brought people and he created these five things. I wish that we had something like that to elect president, that it was more than just oration, because we elect the president today based on their oratory skills. They go on stage and who has the best quickie comment. The person who would be the most decisive

under pressure doesn't necessarily win. The person who can inspire and attract and retain the best leadership, the person who can have the best foreign policy interactions with other leaders doesn't necessarily win. Those are skills that show up in other contexts. And when we put people on a stage and we say, okay, speak to the audience. The guy who speaks the best looks the best. It's not necessarily the guy who is best equipped to handle the challenge of the Bay of Pigs or the decision on whether or not... I think you're being very decisive.

I think you're being very decisive. Okay, Moth, you have the floor? Moth, go.

That's kind of like saying, why isn't it that it's the quarterback with the strongest arm that isn't the most successful? Why? Because that person is a fucking loser.

And the person that's the winner is the one that can thread together a multifaceted set of skills to win the game. Tom Brady was drafted in the seventh round, not the first round.

He wins the game because he has the requisite skills, which is a basket of things and a nuance

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

of skills in different moments at different times. And so I think that you're being a little glib by saying the person isn't cool under pressure or this or that. It's not true. The people that win these races have a preternatural ability to be a complete egoist, but not a narcissist. That is an incredibly deft set of skills that a fair, rare people have. It gives them this energy to be out there talking to thousands and thousands and thousands and thousands of people, maybe saying the same thing thousands of times, but being able to stay focused, being able to be on point, having a sense of what they need to believe, know the details in a certain part, know the high level in another part, stay punchy, but stay affable. That's the game. There are a set of skills that it takes to become president. You test the oration skills of a person when you put them on a debate stage. You don't test the other complex skills that it takes to be president. And getting people to understand the complexity of the role and all the other aspects of someone's personality are lacking in these fucking debates. But these other skills are in play in many things other than just the debate. The campaign is a highly sophisticated orchestration of running a small little government. Mario Cuomo famously said that you campaign in poetry and govern in prose. And there is a difference between campaigning skills and governing skills. There is a gap there. I would update it to say that you govern in prose and campaign in tweets. So the campaign definitely puts a huge emphasis on a candidate's communication skills. But that is not all just gloss or style. It also has to do with their policies and the nuances of their policies and how they handle pressure, how good they are under pressure and how good they are when they're attacked. So, you know, we put these candidates through a pressure cooker and kind of learn who they really are. I'm not sure it's a horrible process. So, Sax, let me ask you a question. Pence has been in the situation room dealing with a foreign adversary. Vivek has no military or defense experience. He has no foreign state experience. How do you assess Vivek in his ability to address those critical issues that he's going to have to lead us through versus someone who's been there and done that? And how do you, you know, give a great question, great question. You trust him? You trust Vivek? Listen, Pence made that argument against Vivek, apparently not realizing that the guy he was vice president for was in that exact same position in 2016. No previous political experience, no experience being in the situation room. The only reason why Pence got to warm his ass on a chair in the situation room is because Donald Trump picked him to be his VP. But he wasn't responsible for making any important decisions. He was basically clocking time as vice president. Give me a break. And that's why he's at, what is it, one percent? No one gives a shit about Pence. That's what they said about Obama as well. Obama had zero experience. Obama barely could get elected before he became senator and then president in a matter of four years. And for Bush, what happened to Bush? They said that exact argument as well. And what did they do? They packed him with Rumsfeld and Cheney. How did that end? Yeah, I just want to also point out here. Sometimes things get a little bit heated. And when we get heated, it's typically because we're triangulating around something very important. I think what we're triangulating around here is that we are moving from an era of incumbents and insiders to an era of outsiders. To your point, sacks, post-Trump, we now have the two or three most fascinating candidates are people who do social media, who do podcasts, who do earned media like we talked about I think two or three weeks

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

ago. It's a really good insight. And Vivek has mastered it. And he is exactly like Trump and he's exactly like Obama to a certain extent in that those people were incredibly personable. They knew how to talk on podcasts. They knew how to engage people. And I think that this spiciness that we're having here on the pod and the spiciness that you're seeing with some of those candidates is that we're moving from traditional media defining these candidates to direct to consumer, direct through Twitter slash acts, direct through podcasts. This podcast included making people like RFK and Vivek, you know, very palatable people. And Ross Perot, I know I'm going to get laughed up for bringing this up, who got 19% of the vote, which is a serious number. He went direct as well. After he dropped out.

After he dropped out. No, he got 90%

Perot because he actually went as an independent all the way. And what Ross Perot did was the equivalent of what Vivek and RFK are doing on podcasts, he bought television time. You don't know that or some people in the audience might not understand who Ross Perot even is, but look it up.

He bought television time and he went direct to the country with our budget. I thought this is going to be the future of politics. What we're witnessing right now is the transition from traditional media and the establishment defining who the great candidates are to the public.

And the people on podcasts and social media who are the tip of the spear on the vanguard, they're going to pick the winners. And I think this could be the tipping point election.

Trump was the first Obama than Trump and now Vivek and RFK. So I just like you all to maybe respond to that, especially you sex and she brought this media issue up two weeks ago.

Let me partially agree with Freeberg in this sense. Look, obviously, track record is important.

Obviously, the ability to be an executive, executive functioning is important for the chief executive of our country. So I'm not saying that we shouldn't look at that kind of record.

And this is one of the reasons why I support DeSantis. I think he's been a brilliant governor.

He's done a superb job in the state of Florida. He did the best job of all the governors during COVID. I think he did a better job than Trump did during COVID. So listen, I think those things are important. Where I disagree is just because Mike Pence has, again, warmed a chair in the

situation room as vice president, to me, that's just not that relevant experience. I mean, the VP is kind of a nothing job unless something terrible happens to the president and they get

tapped on the shoulder. So I just disagree with what is relevant experience. Second,

I think it's important to recognize that the reason why Vivek has Elaine here and the reason why Trump had Elaine in 2016 is that the establishment wing of the party is so completely out of touch with what the base wants. Look, the reason why Trump came out of nowhere in 2016 is he basically

turned everything on its head. He said, no more bushes, no more of these stupid forever wars in the Middle East. We need to build a wall, no more of this open border policy, and we need

to reset our trade relation with China. Those were three mega issues that no one else in the party was talking about. And the mega issue today is Ukraine, 95% of the base is against it,

and they have left Vivek this gigantic lane to exploit. Why? I don't know. I mean, they're trapped in legacy neocon thinking that the U.S. is going to be the police.

Are they bot and soul sacks? Vivek kept saying they're bot and soul by their donor class.

I think that was a great moment.

That's a combination of being trapped in legacy thinking where we have to be the

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

policeman of the world, combined with all the big donors in the party, many of whom are wrapped up with the military industrial complex, want to contribute to that.

Can you just say it again, what you feel like I'm not hearing?

No, I think that being president requires being better more than just an orator.

And I think that the debates allow the best orator to show off their skills and capabilities on the debate stage. I was saying, I wish that there were other events. I would love to see some set of systems to expose the candidate's success or failings and how well equipped they are rather than the person who can just give the best interview. We all know this. When you interview a candidate, an engineer, the engineer that gives the best interview is not necessarily going to become the best engineer. You can look at their code to see if they're a great engineer. You can talk to people that report it to them to see if they're a great manager.

You can learn more about their success and skills through more than just their oration on the stage. And yes, there's data and facts that we can pull from these people.

I was just speculating in kind of a pseudo-silly way about the concept of, can we do more than just put people on a debate stage?

How do you hire a CEO for your companies?

So what I'll tell you we don't do is we don't have the employees elect the CEO through a vote by having that CEO go in front of them and say, hey, I'm the best guy for the job.

But an interview is part of it.

We do reference calls. We talked to them about their strategy and through the interview, through the reference calls, through looking at the performance of other businesses they've built and run. So why can't you do that? That can have a fulsome understanding of his candidacy and his ability to be president. My point is I think that there are certain things, like with Trump, that had not been tested or tried, that are going to come up in this role that they'd never done before in the past. And I'm not saying, look, by the way, I'm certainly not a big political career guy. As you guys know, I think, I hate that people build a career out of politics. I think it's the most inane, ridiculous thing. And if we could go back and rewrite the Constitution, that's probably the first thing I'd put in there.

The thing with this line of thinking, and maybe this is where I reacted, so I apologize if I personalized it, is that it creates the risk of exactly what you just said right now, which is this blob class of people that use those arguments as the reason why change can't happen.

Yeah. I don't disagree with that. I don't disagree with that at all.

And I think that is the huge red flag about this line of argumentation around why out-of-the-box candidates can't be evaluated by reasonably smart people, of which there are 300 million of us in America that have the ability to see it. And so I actually don't think it's as hard of a job as we make it out to be, and that when you get 180, 190 million different people voting, I do think you actually get a pretty good wisdom of the crowds. And take away Trump's UI for a second. What Saks just said is so profound because what Trump nailed was three ginormous lanes that turned out now we can all agree with. None of us wanted these wars. Everybody basically believes that the border needed to be closed. And everybody believes that China has taken advantage in a way that has really hauled out the middle class in America. Those were three totems that nobody would have touched. And if we had allowed this whole thing of like, oh, Trump doesn't have this, Trump doesn't have that, he just gives cute nicknames to his

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

average series, we would have missed that he actually had enough executive function to nail the three biggest themes of our current lifetime. Okay, I think that's fair. I guess my commentary can just be reduced down to the debate stage and saying who won and who should be is different than who should be president necessarily. I got it. Looking at the broader context. Good job. But the presidential candidacy is much more than just these debates. Okay. There's a lot of other things going on. If we're judging people just based on how well they talk and how quick on their feet they are, Chris Christie is a great talker. He's a media train talker. But guess what? He got booted. That was the low point of the debate. The dull point of the debate for me was that he, I thought, took a kind of like a low key racist jab at Vivek when he was like...

Let me read it. The last person in one of these debates who stood in the middle of the stage and said, what's a skinny guy with an odd last name doing up here was Barack Obama. I'm afraid we're dealing with the same type of amateur standing on the stage tonight. You felt it was a little... No, not that. It's when he called Vivek like chat GPT.

Oh, okay. I'm having enough already of a guy who sounds like chat GPT standing up here.

Yeah. He was like this Indian tech worker and I thought, hey, man, that's like...

Did you read into it? That's interesting. I thought he was just saying he sounded...

As a South Asian tech worker. That's true. That is what I heard.

I didn't even get it. So I read that he was very robotic and formulaic or something. But what did you... How did you read it as the palace white guy on the panel?

There was something almost personal about the way that both Christie and Pence seemed to react to Vivek. It was almost like, who are you, you young whipper snapper to be on the stage with me? Especially Pence. I've been the vice president. Who are you?

You know, almost a resentment. Here's what his quotes were.

Dismissive. And I think there was a resentment that even before this debate,

Vivek was rising in the polls and those guys were going nowhere.

Let me explain it to you. And then again, it's not just oratorical skill. It's the substance of the issues and where he's willing to go that these other candidates are not.

Here are the quotes to respond to. Let me explain it to you, Vivek. I'll go slower this time.

Now is not the time for on-the-job training and we don't need to bring in a rookie. All of this dismissive stuff from Pence to Vivek got some applause because, you know, conflict and confrontation

gets applause by these lunatics in the audience who were like, it was like a...

Well, you also get an allocation of seats for your own team.

Yeah. The only reason why Pence was VP is because a rookie got elected president.

Yeah, that's a good insight. Yeah, that was very weird. I thought the thing that was very interesting, listen, not to make it all about Trump, but he was the, quote, unquote, elephant that was not in the room, was the un-dying support for Pence. You had everybody say, Pence did the right thing on January 6. What would you take away from that, Sacks? Because there was a mix of booze and cheers for Christie when he kind of said, like, we need somebody who doesn't behave this way. It's unbecoming of the presidency, referring to Trump. So what was your take on, is the Republican Party in this audience trying to move past Trump given all these indictments? I'm going to leave the Trump Stockholm Syndrome and Trump Derangement Syndrome out of this just objectively.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

Yeah. Well, I thought DeSantis had the best response, which is, listen, if we spend our time re-litigating January 6 and looking in the rearview mirror, we're going to lose to Joe Biden. This is exactly the conversation and the debate that Democrats want us to be having. I think that's just factually true, that if the Republican Party spends its time debating January 6, that's playing into Biden's hands. So you don't think Trump can necessarily beat Biden, that these other candidates have a better chance of beating Biden? Is that what you don't believe? No, I didn't say that. I just said that focusing on re-litigating January 6 is not only is it a waste of time, it's just a loser for Republicans. And by the way, it's Trump's worst quality to keep harkening back to the last election. Even I think his fans and supporters don't want to hear that. Who has a better chance of winning? Some pairing of these candidates, Sacks, or Trump in one of these candidates versus Biden. Heads up, does something like DeSantis Vivek or Haley in Vivek, pick your combination here, have a better chance versus Biden than Trump plus one of these. I think it's tough to say, but I do think that Trump has really high negatives. And in order for him to win the presidency, he's got to flip something like two or three out of five states, like swing states that voted against him last time. And I do think that this is one of the stronger arguments that DeSantis makes, is that I could deliver those states, whereas Trump may not. So I think there is an electability argument for DeSantis. Okay. And so Friedberg, hearing all this... By the way, I'm not saying that that's what's going to happen, but I do think we know that Trump does have very high negatives and he's going to have to flip some states that he lost before. He's going to have a lot of Democrats and women come out to vote against him. He supercharges the base in the way Hillary charged the other way. Can I say one other thing about DeSantis' performance in that debate? So I know that he doesn't stand out in the way that Vivek or some of these other candidates do because he didn't deliver any zingers. And also he wasn't the brunt of attack. I think we all thought that maybe there'd be a lot more incoming for him and the incoming really went for Vivek. But I think that he had a strategy in that debate. This is my interpretation. It's not based on any insider knowledge or anything like that, which was the way he answered questions was, I think, to be broadly acceptable to all the different factions in the GOP. So like I mentioned, there's kind of the MAGA faction, there's the neocon faction, and there's the religious right faction. And his answers may not have been the ones that were most loved by any of those factions, but I also think that none of his answers disqualified himself with any of those factions, which is kind of hard to do given how much they're at each other's throats. So, Sax, if this was a poker tournament and this was the final table, would you say the strategy for DeSantis was, hey, listen, I'm going to let these other guys shoot it out. I'm just going to sit on my big chip stack here. I'm in second place. Let's let the field eliminate themselves. I'm going to just protect my stack. I'm not going to play a lot of hands here. He's just sort of sitting and waiting for it to get down to three or four people and then he'll mix it up some more. Is that the strategy? I think he came across as the grown-up. Nobody really took swipes at him or shots at him and he didn't really take shots at anybody else. He did, again, try to focus the Republican Party on what it's going to take to win. He was one of the only people on that stage who had criticism of Biden. I think it was a mistake not to criticize Biden's

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

record. Yeah, I was shocked at that. That was such a weird thing that they were all going after Trump and the facts and nothing about Biden. The only attacks on Biden that I even remember from that night were from Trump's interview with Tucker, where he criticized Biden's lack of physical and mental acuity. But look, I think that if the convention were ultimately to be a broker convention, which all the different factions of the GOP had to agree on a candidate, then I think this answers to be that candidate because he may not be the candidate who is most loved by any of those factions, but I think he's made himself the most broadly acceptable to all of them. The problem is, I don't think that's the way that candidates are chosen. I think that what happens in practice is that the factions are trying to defeat each other and that one faction is going to win. I think it's probably going to be the MAGA faction. So that's the problem, I think, with this strategy. But look, he came across the grown up and he came across as the most broadly acceptable. Okay, so if this is a final table of a poker tournament and Trump is going to sit down and debate three of these people, Shamath, who's going to be left to debate Trump and be the final three of four seats here? Which three? I think it'll be DeSantis, Vivek, and it'll be either Tim Scott or Nikki Hilly. Interesting. Freberg, who are the final three who are going to debate Trump in debate number four or five? I don't know if he's going to show up. I don't know why he would if he's up 50, 60, 70% of the polls. I mean, it would just be such a Trump move to just not show up to any of these debates and just get elected. Play the game. How incredible a debate would that be if it was Trump, DeSantis, and Vivek? Fireworks. And then my fourth would be Nikki Haley. I think she did a good job. She had her moments in that debate. I think she had good advice for the Republican Party on the abortion issue. Yeah, she did a really great job. And spending. That was a great job. She pointed out how much money, I thought that was a tea party moment for her. That's when I warmed up to Nikki Haley a bunch. She's like, listen, we also approved \$6, \$8 trillion. We got to look at ourselves. And it was like, okay, is it the tea party 2010 here? I thought that was a great moment. Who do you have left, Freberg? Everybody else played the game. Play along. Who will be the final three here to debate Trump if Trump shows up? Play along for the game. I mean, Vivek seems to be in a good place. I don't know. DeSantis has a lot of money. He's probably going to stick around. Yeah. So Vivek and DeSantis, we all have consensus. I go with Nikki Haley. Here's the craziest thing. I don't think he's going to show up. We got your point. Yeah. You're critical of the fact that Vivek is having a boom or a surge based on his oratorical skills, which I think you regard as being a shallow weight too. But you're showing no enthusiasm for DeSantis, who actually has the track record of being the most capable executive. Oh, no, no. I'm not. By the way, I didn't. We're not talking about who I would vote for president. We even had that comment. We didn't even ask that question once. Okay. So we ask it now. Putting aside Trump, who do you pick? What was really interesting is hearing the governors speak about their skills. I mean, Nikki Haley, Chris Christie, Burgum, DeSantis all had moments where they shined from, hunched it from my perspective, from a content perspective, which is where I was talking about at the beginning, which people largely ignore, which is that they actually had quite a lot to draw from and point to a policy that seemed pretty strong. Here we go. Final question. Final question. I want you to give me your one and two, not Trump. Sax, we know DeSantis is number one for you. So then who's your number two to pair with him?

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

Who would you pair with?

Wait, to be what? To be the candidate?

To be the ticket. Republican ticket. You're going to go to DeSantis one, and then who do you put with him as the number two?

Well, for me, DeSantis, I think that the only candidates who have acceptable answers on what I regard as the number one issue of our time, which is Ukraine, because that could lead to World War III, the only candidates who have acceptable answers are Trump, Vivek, and DeSantis, meaning they've all been pretty clear they would de-escalate. I think all the other candidates have basically indicated in one way or another that they would escalate that war. DeSantis, Vivek, is yours?

So those three candidates are the only ones that are acceptable to me.

Okay. So we take Trump off. If Trump doesn't run, which that's my personal belief, but just of the people who are on stage last night as you're going to DeSantis, Vivek is your ticket. Chamath, who's your ticket? After one debate. Not counting Trump. If the Republican ticket. Who do you think is Republican?

You know, look, I like to buy these deep out-of-the-money options. I will go out on the limb. I think that Vivek has a really good chance of winning this Republican nomination.

That's what I saw. I saw.

Like outright against Trump?

Yeah. And the reason Trump off the table, so just picking two.

For example, no, no, no, no. I really do think he can win this thing. And for example, I thought it was very clever when he said that he had a line. He said, Donald Trump was the best. Let me be categorically clear. Donald Trump was the best president of the 21st century. And I was like, what? And then I thought about it. And I thought, why is he saying it? Does he say it because he believes it? Or is he saying because it's like a tactic? And there's probably bits of both. Yep. Because I do think that there are elements where he fundamentally does believe that Trump has at least shined the path forward. And so I think he does believe it to some degree. But then I thought it's even smarter to have said it. And again, this is where I go back to, I'm not sure that that's oratory skills versus like understanding, you know, game theory strategy and strategy and being a strategic thinker and trying to win. I thought that that was a very smart thing to have said. And all along that evening, I thought that he did the best job of preserving optionality for the Trump base to say, you know what? Vivek is all of the positive features of Trump without some of the negatives. So let's just clean up the ticket and let's go. And I think that there's still, again, there's a long way. Yeah, of course. I like the call. I like the call. But I would buy that deep out of the money option. And who's your number two then? We're going one two here, one two. Either as to pair with Vivek or your number two choice in terms of

No, then I, if Vivek doesn't figure out a way to slipstream past Trump, the Trump will win the nomination. Okay. Taking Trump out of the rest. Who's your number two? We're trying again. Okay, great. Fascinating to see this happening. I agree with what a lot of what Jamal said. I think Vivek is positioning himself to be the backup candidate for the MAGA wing. Yeah, absolutely. And he's doing it by never attacking Trump and by complimenting him. By the way, saying that Trump was the

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

best president of the 21st century, there's only been three. It was George W. Bush, Obama, and then Trump, right? Oh, sorry, Biden. Sorry, Biden. So there's been four. George W. Bush was one of the worst presidents in American history. So it's either Obama or Trump.

Obviously, a Republican candidate is not going to think highly of Obama or Biden. So it kind of narrows it down, doesn't it? Yeah, what was the intelligence of actually saying the words? Yeah, strategically brilliant. Yeah, no, I agree.

Sacks, what do you think about Vivek's unpopular statement? And it may, I'd like to hear whether it's unpopular with the base, but it was certainly unpopular in the room last night, that the climate change agenda is a hoax, which drew a lot of booze.

That was like, is that a lightning bolt kind of thing to say? Why would he say that? And what's the strategy there? It's like Trump saying he loves coal. And he loves coal miners. It's just panning.

It felt to me a little bit like he was trying to say the agenda is a hoax, meaning like all the ESG stuff is nonsense. But it comes across as him saying climate change isn't real and he's got to now deal with the repercussions of saying that. He believes in climate change is strategic. I think it's, I don't think you know what he believes, J. Cal.

But yeah, his follow-up comment around that was he said that it is an economic yoke on our country because the combination of subsidies and the lack of expansion of carbon is what's holding back the country economically. So that's, I think I remember him tying these two things together.

So that's probably where the statement goes. No intelligent person doesn't believe that the planet's not heating up. Come on. And that it's not better to go to renewables. That's just...

How do you know? Have you looked at the science, J. Cal?

Of course I have. Yes, it's massive consensus.

Yeah, you've gone deep on the science.

You know, as deep as a person needs to go. Freiberg, wait a minute.

No, you just treat it. You just treat it. Look, it's just something you're supposed to believe in.

No, I'm not saying that I don't believe it. I'm just going to get the statistics of how the planet has gotten warmer. That's it. I will say, Saks is right. That it has become a thing that it's like we're all supposed to take as given. No one is going to go up and say, here's the science that validates. Here's the data that validates. There's some empirical evidence and then people use counter empirical evidence to try and counter it. And that's what makes it a little bit of a movement now, which is the institutions, the elites, however they're framed, have been wrong so many times on the things that they told us were given, that we're supposed to assume that this is a given to F that I'm not going to be told what to believe anymore. And I don't want to be told what to believe anymore is exactly what people want. That's what they heard from that song last week. And that's what they heard, you know, in Vivek's statement. I totally agree.

Here's the thing. After COVID. Without me even making a comment on climate change.

We were told so much bullshit that was in the name of science during COVID. They told us the vaccines were safe and effective. I just want to clarify my position before you respond to it.

It's undeniable that temperatures have risen. I think it's a crazy experiment to run to not try to lower it. It's just a crazy experiment. The planet is precious. I don't think we should run it. I am not dogmatic about it. It's not a religious thing. I'm not genuine. It's not an experiment we're running, Jake. It's called human development and growth. And the temperature goes up. So why wouldn't we use renewables and nuclear and not pollute?

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

Because not polluting is good, too. When you have self-proclaimed scientific experts and or 16-year-old girls shaming everybody with pretty flimsy data, there was a while where everybody just said, ma, they must be right. And COVID exposed the hoax. And so now we're a lot less prone to believe these self-proclaimed intellectuals and their jargon and their nonsense. So ask me how much money have I invested in climate change with all that data? Zero. Ask me how much money I've invested in technologies that will benefit climate change as a byproduct of national security? Hundreds of millions of dollars. Yes. And the reason I give you that example is that, for me, that framing was just such a turn off because I couldn't buy into it. Yeah, there are multiple reasons. But the more pragmatic, realistic framing, which allowed us to actually say, maybe you're right, but maybe you're wrong, but let's not even debate the issue. Let's just go and make sure we're not dependent on another country and fighting endless wars. That got me off my ass to do stuff. And I think there's a lot of people in America that are in that second category. They don't want emotionally riddled dogma to drive their life and how they're forced to make decisions. You can come up with three or four really good reasons to not keep burning fossil fuels. They're dirty. They're pollutants. There are better options that are more sustainable, that are more cost effective. It's more cost effective to put solar in than to burn coal or build a new coal plant. So there's economic reasons. I don't think we're debating those points. What we're saying is we're not automatically going to trust X or telling us certain things without their own research. I'm not blindly trusting anybody. I'm taking the body of evidence and saying that entire body of evidence, geopolitical. I don't believe you've really looked at the evidence. I don't believe you've gone deep on this issue. Okay, anyway. I haven't gone deep on this issue. That's all I'm saying. If you listen to what I'm saying, if you listen, as opposed to telling me what I think, and you listen to what I'm telling you, there are many reasons to pursue sustainable energy, clean energy, and geopolitics is one of them, and polluting the environment is one of them, and temperatures rising, if that indeed results in damages to the oceans and weather patterns. There are five or six great reasons to stop burning coal and stop burning oil. Look at these two climate whitewashers we're living in, in this moment. People were so convinced they just needed to royal the country around the hurricane hitting California. Then by the time it landed, it was a storm. There was rain in Los Angeles. I asked people here when I got here, I said, how is hurricane? They're like, it wasn't a hurricane. In fact, the news were so tilted about it, they had to call it, it could have been a hurricane. Second, is this thing in Maui, it turns out Michael Schellenberger has done some pretty good work on this, is exposing that a lot of the reason these fires may have started was because of this radical climate agenda that caused the utility to not invest in the protective measures they should have around power lines. That is crazy, Jason. Oh yeah, I'm not defending what happened in Maui. It's obviously incompetence. We should be bearing, we have the same issue in California, which is when dogmatic belief, there's a consequence. I'm not a dogmatic believer. No, I'm not saying you are. I'm just trying to make, I'm not saying you are. I'm trying to get this point. When people dogmatically believe bodies of evidence that they themselves don't interrogate fully, they may, it may lead them to conclusions and then actions that you are now seeing have measurable human consequences.

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

If you look at PG&E in California, it's riddled with these issues.

Yeah, they shut our power off because they're afraid that wind is going to blow down power lines and start fires. Yeah, I mean, and we just need to bury them. So,

I think that it would be great to like not debate the climate issue, put a pin in it, and instead just say, we all want our kids to be able to have clean air around us.

Yes. We want clean water to drink, and we want to make sure that we have the resources to be productive as human beings without having to send our kids to war or without putting the country in danger. 100%, which is exactly my point. There are so many reasons to take this seriously and move to renewables and nuclear. All right, listen, this has been an insanely great episode. Hey, let me just get one person's comments. So, here's your red meat for sacks here.

It sounds like there was the coup 60 days later, the guy who was running the coup in Russia had a little accident, so random. Maybe your thoughts, sacks.

You're talking about Bregosian? Yeah, I mean, he had some mechanical difficulties on his PJ.

I don't know what happened. Is he not sending that citation in for maintenance? What happened?

They had a bad engineer? I mean, it's so random. Poor guy.

The latest reporting from the New York Times this morning is that Bregosian's plane was not shot down, but rather they believe there was an explosive device on it. So, we don't know.

You know, we don't know exactly who planted it. I think it was a bird strike, something random, like a bird strike. No, not a bird strike. Somebody took him out. Somebody took him off the board.

Really? Oh, it must have been Ukraine, right? That's who you were putting it on? It's Ukraine?

No, I mean, I think it's probably pretty obvious who did it, although we won't know for sure.

Say the name. Listen, I think that, allegedly, that's what you always say. Whenever a hunter binds accused of doing something, you always have to insert it allegedly. There was a little

cocaine and maybe some bribes. I think this resolves the question of who came out on top during that mutiny. There were a lot of people speculating that somehow Bregosian had the upper hand or he

was paid off or whatever. Or that it was not a coup, right? Remember, there was a line of thinking, oh, this wasn't a coup. If it wasn't a coup, then why did Putin whack him?

Whack, whack. And it was exactly 60 days later. Is that correct? That was the other thing. Is

that? Can I ask you a question? How funny is it that Putin's like, hey, Bregosian, come and see

me? We're good. Nothing to worry about. I'll send a private jet. And then it's like, listen,

where are you going to the box? Hey, you can take my PJ. And he's like, see you later. How does

this happen? You can't even write this, though. In related news, Freiburg is sending his PJ to

take me down to the old summit. Oh, thanks for the ride, Freiburg. I told you, it's like Michael

Corleone. Unbelievable. Apparently, there was a meeting about a month ago. I remember it being

reported where Bregosian and the other heads of Wagner came to meet with Putin. And the deal that

Putin supposedly offered was that Wagner could stay together, but they had to report to the Russian military. And the Wagner commanders were on board with it, but one person objected and that was

Bregosian. So it's a little bit like, remember that the meeting between Michael Corleone and

Mo Green in Vegas? Mo Green, yeah, yeah, yeah, exactly. Where, you know, Michael's like, think

of a price. And Mo Green's like, you don't buy me out. I buy you out. You know, that kind of

reaction. And the guy had some sort of death wish, I guess. You know what they say? Beware

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E143: Nvidia smashes earnings, Arm walks the plank, M&A market, Vivek dominates GOP debate & more

the dog that doesn't bark. Putin said nothing for the last two months. He was like, yeah, it's all good. Nothing out of the Putin camp. And then boom. Putin is a murderous lunatic who must be stopped and contained. Well, I think this is the opposite of being a lunatic. I think this is somebody who is very cold and calculating. Okay, yeah, murderous, calculated sociopath. He figured out how to diffuse a mutiny. I don't think it was a full on coup, but a mutiny that would have been very disruptive to his front line if he had basically tried to violently suppress it. So he cuts a deal where basically he offers banishment to Belarus. Bregosian was supposed to go to Belarus. By the way, we don't know exactly why Bregosian returned to Moscow or St. Petersburg. He was supposed to be staying in Belarus or Africa. So maybe he violated the terms of his probation. We don't know. There were all these people on social media who were pinning their hopes for regime change and liberal reform within Russia on Bregosian, which was always absurd because he was this warlord whose behavior and conduct was even more erratic and violent than Putin. So he was never going to be a great vessel for liberal reform in Russia. Nonetheless, there were all these people who pinned their hopes for regime change in Russia on Bregosian. We can see now what a stupid idea that was. The Russian regime, whether you like it or not, is stable. It is not unstable. Russia is winning the war. And you may hate Putin, but he is still a master of Russia. And eventually, we're going to have to deal with him. These fantasies that we're going to be able to regime change him, I think, are absurd and they've led us to this horrible point. Okay, for the dictator, for the sultan of science and focused sasaks with the slick back hair. I am the most great moderator. See you next time. Bye-bye. I'm doing all in.