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Peter Thiel - The Portal with Eric Weinstein - Podcast Notes

About The Author MMiller

19-24 minutes

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First, what's a portal? Think: A "portal" into a different way of looking at the world.

Key Takeaways

- **Innovation in science and technology is stagnating, specifically within the world of atoms**
  - This quote from Eric sums it up nicely – **"Go into a room and subtract off all the screens. How do you then know you're not in 1973?"**
  - As fields have become more specialized, it's gotten easier for experts to lie and exaggerate about the progress of their respective industries
- **Universities are costing more and more every year, but a good degree is still largely worth it**
- **Because of slowed progress in the realm of university science & technology research, university presidents are forced to lie about the state of affairs** (for a variety of reasons)
  - "The bigger the student debt gets, you can sort of think, 'What does the $1.6 trillion in student debt pay for?' In a sense, it pays for $1.6 trillion worth of lies about how great the system gets."
- **Peter's solution to the student debt crisis:**
  - **He'd make college debt dischargeable in bankruptcy (currently it's nondischargeable) AND if people went bankrupt, part of the debt would have to be paid for by the university**
- **The automation story has been oversold**
  - **"In the last 40-50 years, things have been slow, but we've been told things are about to accelerate like crazy. That may be true and I hope it's true. But if one was simply extrapolating from the last 40-50 years, perhaps the default is that we should be more worried about the lack of automation than excess automation."**
- **[PORTAL]**
  - Preference falsification theory states people will broadly lie about their true preferences (thus keeping a public set of preference and a private set of preferences)
  - **"One of the things about preference falsification is that when you start to believe it's a robust phenomenon and when you see that all the economic models assume your private and public preferences are the same… you start to see the world VERY differently"** – Eric
    - This is one of the PORTALS into an alternate way of seeing the universe so as not to get surprised by revolutions
- **"I always come back to thinking the problem of political correctness is our biggest political problem. We live in a world where people are uncomfortable saying what they think."**
  - Political correctness = the pressure on people to say things they don't actually believe
- **"In a democracy, if 51% of people believe something, it's probably right. If 70-80% of people believe something, it's almost more certainly right. But if 99.99% of people believe something, at some point you shifted from democratic truth to North Korean insanity."**
- **"I secretly suspect, to be blunt about it, and this is kind of horrible, that a lot of Silicon Valley is extremely bigoted and misogynistic and it can't actually make eye contact with the fact that it secretly thinks women aren't as good programmers."** – Eric
- **[PORTAL]**
  - Rene Girard**'s mimetic theory states that humans are mimetic creatures and tend to copy the desires of those around us**
    - *(This is why Peter advises to avoid competition in the business realm – when you're competing with people, you're competing over desires you most likely copied from them)*

Books Mentioned

- To read more about how Peter Thiel took down Gawker Media, check out the wonderful Ryan Holiday book – *Conspiracy*
- To learn more about Rene Girard's Mimetic Theory, check out *Things Hidden Since the Foundation of the World*
    - "It's a portal onto the past, onto human origins, our history. It's a portal onto the present and the interpersonal dynamics of psychology. It's a portal onto the future in terms of whether or not we're going to let these mimetic desires run amok and lead us to apocalyptic violence…"
- *Great Expectations* by Charles Dickens

Intro

- This is Eric's brand new podcast
- Peter Thiel (*@peterthiel*) is a famed Silicon Valley venture capitalist, philanthropist, the co-founder of Paypal and Palantir Technologies, as well as the founder of *Thiel Capital*
    - He's also the author of the highly recommended *Zero to One*
- Eric Weinstein (T:*@EricRWeinstein* and IG:*@ericrweinstein*) is the Managing Director at Thiel Capital (so Peter's his boss)

Let's Set the Stage – Innovation in Science and Technology Has Slowed

- "It feels like we're the outliers… **We're among the few people who reach the same conclusions about the relative stagnation in science and technology; the ways in which this is deranging our culture, our politics, and our society; and how we need to find some bold ways out through a portal to a different world"** – Eric
    - "It's striking how out of sync [these insights] feel with so much of our society, even in 2019" – Peter
    - Eric adds – too much time is being spent on the debate of whether or there has in fact a stagnation in science/tech innovation – THERE HAS

The Innovation Stagnation Lies Within the World of Atoms

- "I date this era of stagnation and slowed progress all the way back to the 1970s"
    - **This stagnation is most present within the "world of atoms"**
    - **Perhaps there's an exception in the world of bits, software, and internet (essentially all of Silicon Valley)**
        - **"But there are questions even within these fields. The iPhone is now looking the same as it did 7-8 years ago."**
        - "I'm optimistic… I think we could do better. We might not be able to advance on all fronts in every direction, but I think there's more space on the frontier than just in the world of bits."
    - **"We live in a world where we're working on the Stark Trek computer in Silicon Valley but we don't have anything else from Stark Trek – we don't have the warp drive, we don't have the transporter, and we can't re-engineer matter…. How good is a society where you have a well-functioning Star Trek computer but nothing else from Star Trek?"**
- 'I've been talking about the tech stagnation problem for the better part of a decade. In 2008, 2009, and 2010 this was still a fringe view… But even in Silicon Valley there's lot of people who have come around to it."

What's the cause of this stagnation?

- "Perhaps we've exhausted one orchard of low-hanging fruit [of tech innovation] and haven't gotten to the next" – Eric
- Peter thinks it's a problem of both nature and culture:
    - Perhaps we simply ran out of useful ideas to discover in nature
    - In regards to culture – perhaps there was a lot to be discovered that could be made useful, but the culture had gotten deranged

Why is it hard to convince people innovation has slowed?

- Eric has a great point – **"Go into a room and subtract off all the screens. How do you then know you're not in 1973?"**
- "In late modernity there's simply too much knowledge for any individual human to understand all of it."
  - This results in hyper-specialization and hyper-expertise and further… people who only police themselves (as a side effect – this makes it much harder to get a handle on the status of innovation as a whole)
    - **As it's gotten harder to evaluate what's going on, it's gotten easier for people to lie and exaggerate about the progress of their respective industries**
- It's also a little difficult to see, here's why:
  - There's been a series of up and downs – the 70s were down, the 80s and 90s were down, and the 2000s were up
    - (which in total = a net flat)
  - But instead, if the growth in the 1970s had just flat lined, the stagnation would be much easier to see

When will the stagnation of science and technology innovation come to an end?

- Peter estimates within the next 5-20 years

Physics and the Slowing Progress of Biology

- Physics gave us a whole lot: Atomic devices, nuclear power, the semiconductor, the world wide web, molecular biology, and the communication revolution
  - "You could make the argument that physics has been really underrated in powering the world economy" – Eric
  - **In physics, there was a clear translation of the hard science to real-world applications**
    - **But this translation has been absent in areas like genetics – we've had very little to show in the realm of gene therapy for all of our newfound biology knowledge**
- Peter's take:
  - "I continue to think we could be making a lot more progress in biology"
    - Perhaps biology is more complicated than physics
    - OR – perhaps biology attracts people who are less intelligent in the realm of mathematics/science compared to physics

The Problem With Universities

- The great scientists of our time were polymaths (like Richard Feynman) – they knew a lot about many different subjects
  - This has since changed – **disciplines have gotten more rigid and people have gotten more specialized**
    - It's actually become taboo to have other interests besides your respective field in the university/research system
- In a way: **"There's no level you can rise to in the field that allows you to question the assumptions of that field"** – Eric
  - **This makes it hard to then talk about the respective field's problem of stagnation**
    - "In a healthy system, you can have wild dissent and it's not threatening because everyone knows the system is healthy. But in an unhealthy system, the dissent becomes much more dangerous." – Peter
  - So: "The disruptive intellectual has no place left inside this system" – Eric
- **University presidents should be able to speak freely about the progress of university research (without having to lie)**
  - **They're so focused on convincing alumni to continue donating money that they're forced to keep the "everything is great in the research department" narrative going (even though it's far from true)**

The Student Debt Crisis

- **Universities are costing more and more every year, but a good degree is still largely worth it**
  - "If you get into an elite university, it probably still makes sense to go… but it probably wouldn't make sense to go to a [university ranked] #100" – Peter

- - Eric agrees
  - **In 2000, college debt in the U.S. totaled $300 billion**
    - **It's now ~$1.7 trillion**
- **"The bigger the student debt gets, you can sort of think, 'What does the $1.6 trillion in student debt pay for?' In a sense, it pays for $1.6 trillion worth of lies about how great the system gets."**
  - So the larger the debt rises, the crazier the system gets, but also the more lies you have to tell
- In 2005, student debt became non-discharagble in bankruptcy
  - If you don't pay off your student loans by the time you're 65, the government will garner your social security wages
- **"It's always dangerous to be burdened with too much debt. It limits your freedom of action and it seems especially pernicious to do this early in your career"**
  - If you're $100k in debt right out of college, you'll likely be severely demotivated and pushed into high-paying, uncreative professions that are "less good at moving our whole society forward"
- Check out the Seeking – a company that introduces older men/women with money to younger men/women with a need for cash in exchange for dating/companionship
  - Eric recalls reading an article which claimed many students were using this service to relieve their debt burden
  - **"It's almost as if the baby boomers, by creating this system, are subjecting their own children to these things by pushing them towards a gray area that's a few clicks away from honest prostitution"** – Eric

Peter's Solution to the Student Debt Crisis

- **He'd make college debt dischargeable in bankruptcy (it;s currently nondischargeable) AND if people went bankrupt, part of the debt would have to be paid for by the university**
- What does Peter think about the idea of a college equivalency degree (CED)?
  - What's a CED? – It'd be something which proves you have an equivalent level (or fraction) of knowledge compared to someone who holds a graduating degree
  - Peter loves it
- Peter launched The Thiel Fellowship a while back
  - It's a program that pays people who've been admitted to prestigious colleges to forgo attending and instead work on their dream project
    - They don't get the degree, but they still get to keep the fact that they've been accepted to a prestigious school
- Eric has an idea – perhaps allow students to skip undergrad and instead go straight to a masters/Ph.D.
  - Peter is meh – **"I think the B.A. is not as valuable as it looks. I also think the Ph.D. is not as valuable as it looks."**
    - There'd probably be a ton of unintended consequences – students gather a lot of valuable life skills in undergrad (like how to interact with the opposite sex)

The Automation Story Has Been Oversold

- "If we have runaway automation and we're building robots that are smarter than humans…. then we probably have to have a serious conversation about universal basic income"
  - BUT – **"I don't see the automation happening… at all."**
    - **"The automation story has been oversold"**
    - Most jobs in the 21st century are service sector jobs that are not easily automatable (yoga instructors, teachers, waiters, etc.)
      - So even if automation is increasing in areas like manufacturing and agricultural – they're becoming a smaller and smaller part of the economy
    - **"In the last 40-50 years, things have been slow and we've been told things are about to accelerate like crazy. That may be true and I hope it's true. But if one was simply extrapolating from the last 40-50 years, perhaps the default is that we should be more worried about the lack of automation than excess automation."**
  - IF automation did pick up and productivity grew – "If we can get the GDP growth back to 3% per year on an annual basis, there would be a lot more room for various social programs… there would be a LOT of things we could do"
    - "But I'd be very uncomfortable starting with social programs [like universal basic income] without the growth first"

- The state of affairs: Unemployment is currently ~3.6% in the U.S. (which is very low)

The Tie Between Growth and Violence

- Eric says of Peter – **"Ever since I've known you, your focus has been a reduction of violence across a great number of different topics at levels I don't think have leaked out into the public's understanding of you and what causes you to make the choices you make"**
- Without growth, societies stop functioning
  - As long as the pie is growing, you can give something to everybody, but when it stops – it becomes a zero-sum dynamic
  - **"I suspect that if we're in for a period of a lack of growth, I don't think our kind of government can work"**
    - This may result in:
      - Violence by the state against citizens
      - More zero-sum wars globally
    - **"A world without growth will be a much more violent or deformed world"**
- **"People generally don't think of the problem of violence quite as central as I think it is"**
  - Violence is a deep problem on a human level – there's a ton of room for conflict between and within human societies
  - **"The softer biases that people have in the enlightenment world that humans are by nature good and peaceful – that's not the norm"**

PORTAL #1 – Understanding Preference Falsification

- Both Eric and Peter believed the odds that Trump would get elected president were much higher than the general public thought
  - **This has to do with the theory of preference falsification:**
    - **This theory states people will broadly lie about their true preferences (thus keeping a public set of preference and a private set of preferences)**
      - In our culture, every 4 years these private preferences are revealed through an election
    - **"One of the things about preference falsification is that when you start to believe it's a robust phenomenon and when you see that all the economic models assume your private and public preferences are the same… you start to see the world VERY differently" – Eric**
      - **This is one of the PORTALS into an alternate way of seeing the universe so as not to get surprised by revolutions**
  - Eric voted for Bernie Sanders in the 2016 primaries but says – "I felt that both you and I had realized the Clinton neoliberal story was a slow motion one-way ticket to disaster"

Political Correctness

- **"I always come back to thinking the problem of political correctness is our biggest political problem. We live in a world where people are uncomfortable saying what they think."**
  - Political correctness = the pressure on people to say things they don't actually believe
  - Eric started the intellectual dark web in part to create a coalition of people who are willing to speak out in public and take risks for the larger majority
- There's a soft tipping point where the wisdom of crowds shifts to into something that's "softly totalitarian"
  - There's 2 ways to have a one-party state:
    - If everyone happens to believe X
    - If 85% of people believe X and the other 15% pretend to
  - **"In a democracy, if 51% of people believe something, it's probably right. If 70-80% of people believe something, it's almost more certainly right. But if 99.99% of people believe something, at some point you shifted from democratic truth to North Korean insanity."**
- **"I secretly suspect, to be blunt about it, and this is kind of horrible, that a lot of Silicon Valley is extremely bigoted and misogynistic and it can't actually make eye contact with the fact that it secretly thinks women aren't as good programmers." – Eric**
- "When we can't talk about things, we can't solve them" – Peter

A Valuable Lesson Eric Learned From Peter

- One thing Eric learned from Peter – **"It's one thing to have a contrarian position, it's another thing to hold it when the whole world starts hating on you"** – how so?
    - Specifically related to Peter's support of Trump from the beginning
    - And his battle to take down Gawker Media, which you can read about in the wonderful Ryan Holiday book – *Conspiracy*

PORTAL #2 – Girard's Mimetic Theory

- Another theory that's a portal into a different way of looking at the world – Rene Girard's Theory
    - What's the underlying principle of his theory? – **Humans are deeply mimetic and tend to imitate others**
        - **The most important part to know about – our desires are often copied from other people**
            - *this is why Peter advises to avoid competition in the business realm – when you're competing with people, you're competing over desires you most likely copied from them*
    - After discovering this theory as an undergrad at Stanford, Peter really began to question many areas of his life. He found himself asking:
        - "Why am I at Stanford?"
        - "Why does this matter so much?"
        - "Why am I doing all the things I'm doing?"
- To learn more about Rene Girard's Mimetic Theory, check out *Things Hidden Since the Foundation of the World*
    - "It's a portal onto the past, onto human origins, and onto our history. It't a portal onto the present and the interpersonal dynamics of psychology. It's a portal onto the future in terms of whether or not we're going to let these mimetic desires run amok and lead us to apocalyptic violence…"

Innovations in Science and Tech Should Be the Result of Non-violent Means

- An honest account of scientific progress reveals that advanced weapons were mostly developed for the pursuit of violence
    - Ex. – Developing rockets to deliver atom bombs
- **"One of the challenges, and we should not understate how big it is, at resetting science and tech in the 21st century is how do we tell a story that motivates sacrifice, hard work, and deterred gratification for the future that's not intrinsically violent."**
- Sure people are scared where runaway AI or biotech weapons might lead humanity, but we should also be considering how a science/tech stagnation might possibly lead us to very negative situations
    - **"I'm more scared of the world where nothing happens. The stagnation world goes straight to apocalypse. I'm much more scared of that."**

Additional Notes

- **"Let's not dance around it, it feels like, almost universally, all of our institutions are now pathological"** – Eric
    - "Or sociopathic" – Peter
    - "You can try to be honest and say the expectations are dialed down or you can continue to say everything's great, and somehow it's been very hard to have the honest reset" – Peter
- **"It feels to me that almost all of out institutions are carbon copies of each other at different levels of quality and that there are only a tiny number of really innovative intuitions"** – Eric
    - "The diversity of institutions is unbelievably low"
- Check out Peter's appearance on Dave Rubin's podcast
- Peter was born in Germany
    - His family moved to Africa when he was 1
    - Comparing Germany and California – "California is optimistic but desperate. Germany is pessimistic but comfortable."
- Looking forward to the 2020 U.S. election
    - **"I think the Democrats can win in 2020, but they have to have more of an agenda than just telling the Republicans to hurry up and die'**