

**All-In Podcast #175 - Google fires protestors, NPR chaos, Humane's AI Pin, Startup tax
crisis, sports betting scandal**

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David Friedberg

Chamath, did you go down to the Breakthrough thing this weekend?

Chamath Palihapitiya

The Breakthrough Prize was amazing. It's like observing exotic animals in their natural habitat.

David Friedberg

Well, a friend of mine who you hung out with down there called me last night to give me the breakdown on all the individuals he saw and what was going on with them. He's like -

Chamath Palihapitiya

I mean - I don't even know how Nat and I keep getting invited to this but like to say we were outclassed is an understatement. The people at that thing were -

Jason Calacanis

What is it? Breakthrough Awards?

David Friedberg

The Breakthrough Prize. Yeah.

Jason Calacanis

Yeah, I couldn't make it. I got invited too.

Chamath Palihapitiya

It's so incredible. Okay, first of all, shout out to Yuri and Julia. It is incredible. There were two moments where I cried. This woman goes up on stage to give an award to the people that had made this investment in cystic fibrosis.

Jason Calacanis

Yeah.

Chamath Palihapitiya

And she says, "My child was born with cystic fibrosis. And then, my second child was born with cystic fibrosis. And then, my second child died. She said that. I just burst into tears. And then, you present an award to the person that actually is helping them stamp out the disease. We celebrated the people that found the gene that caused Parkinson's. And then, yeah. I mean - the people at that is pretty incredible.

Jason Calacanis

It's in LA, right? They did it in Los Angeles.

Chamath Palihapitiya

Yeah. I mean - like look, Yuri Milner and Julia Milner - Zuck, and Priscilla Chan, and Anne Wojcicki, and Sergey Brin. Those six people are the ones that organized this Breakthrough Prize. And I think it's just a modern version of the Nobel, which tries to really shine a spotlight on people doing really groundbreaking work in physics, and math, and life sciences. And so, you get people that have just done things that are just very practical and are very real. And I think what they do is they make, frankly, these kinds of achievements much more high level in the sense that you're bringing together people from Hollywood and people from Silicon Valley, and the awareness is up, and it's just incredibly well produced. And, yeah. It's really a cool thing to be a part of, but I mean - seeing some of these people are - are very intimidating. I sat beside Vin Diesel.

Jason Calacanis

Oh, really?

Chamath Palihapitiya

That was super cool. He is a super nice guy. And on the other side of me was someone that actually Sacks knows - Toby Emmerich, who was the chairman of Warner Bros. So, just talking to these guys was super cool.

Jason Calacanis

Moving it to Los Angeles was a great move.

Chamath Palihapitiya

Great move.

Jason Calacanis

Yeah, it's just - Yeah, I was invited. I couldn't make it. So, sorry. And thank you to Julia and Yuri for inviting us again. But it - it's really great that they're giving it the celebration it deserves and making it - you know - like dare I say - sexy, and cool, and hip to be a scientist and solve the world's biggest problems. I think it's just so awesome. And you're right. Sergey Brin, Anne Wojcicki, Zuck and Priscilla, and Julia and Yuri are the founders of the Breakthrough Prize.

Chamath Palihapitiya

The craziest thing is they give a - they give a youth Breakthrough Award. So, the Breakthrough Prize is this beautiful globe. And then, the Junior winner gets like a smaller version - very appropriate. And it was a video of this kid in India who had won it a few years ago, and then went off to MIT, and then graduated. And then the video is of him coming back to Bangalore because his sister had won it this year. And he presented it to the sister. And all I could think of was, this is an incredible achievement by like a 16-year-old. And

literally, at the same time, my 16-year-old was like, "Dad, the chicken tenders from DoorDash have not arrived." And I was like -

Jason Calacanis

"You get my - I can't find my chicken fingers. Dad! I said get me the spicy fries, not the regular cajun fries."

Chamath Palihapitiya

The girl that won it, Friedberg, did something with Yamanaka factors. So, it's like - it's really incredible and inspiring. But fortunately, don't worry, my - my 16-year-old was able to get the chicken tenders and everything was fine.

Jason Calacanis

Oh, okay. Good. Yeah. Shout out. You called [bleep] and rerouted it.

Chamath Palihapitiya

I called [bleep]. And he said [bleep] can't get his chicken tenders. What do we do?

Jason Calacanis

It's hilarious.

Chamath Palihapitiya

By the way, the other - the other thing I'll say is the person that performed is really amazing - Charlie Puth. And - and the reason I say it is if you google "Charlie Puth", this guy - he's a young guy in his early 20s, I'm guessing. He is so talented. There's all these videos of Charlie Puth where he'll make a random noise - like he'll clink a Coke bottle with a fork. And then, he'll record it. And then, he'll put it into these digital editing tools. And then, he'll make like an entire five-minute song using that as the base - like as the basic building block. The guy is so talented. Anyways, it was a very - it was a very cool event.

Jason Calacanis

Fantastic. How are you doing, Sacks? Are you okay, buddy?

David Sacks

I'm good. Let's get started.

Jason Calacanis

There it is, folks. We're back. It's going to be a hell of a show.

David Sacks

Let's go. I shit got to do. Don't waste time with your - with your pointless banter.

Jason Calacanis

It's why people tune in. It's the banter.

David Sacks

They do?

Chamath Palihapitiya

It's the banter, bro.

Jason Calacanis

How are you doing, Friedberg? What do you got? A little scene from the movie Her? Wow. We're off to a strong start here. Look at all these contributions. I - I got a shrug from Friedberg. I got a -

Chamath Palihapitiya

Grunt from Sacks.

Jason Calacanis

"Let's get started." from Sacks.

David Friedberg

I don't talk about my backgrounds. Let's go.

Jason Calacanis

Anything good on the menu tonight, Chamath? I just want to - I'm coming over for poker. I wanted to know if there's any -

Chamath Palihapitiya

Octopus.

Jason Calacanis

Oh! So, the Greek comes back! And you get the octopus on the menu. I love it.

Chamath Palihapitiya

You get the octopus. I - I think that Sean missed you.

Jason Calacanis

Yeah.

Chamath Palihapitiya

He did. By the way, Sean experimented with some Greek cheese that you grill. That was pretty delicious.

Jason Calacanis

Oh, halloumi cheese.

David Friedberg

Halloumi.

Jason Calacanis

What is it?

David Sacks

What's the plural of octopus? Is it octopi?

Jason Calacanis

Yeah.

David Sacks

Aren't they like sentient creatures or something?

Jason Calacanis

Halloumi, yeah. You know what? It's interesting you bring that up. I had a grilled octopus stand at one of our events. And somebody who is – you know – a conscientious consumer of calories lobbying me to take the grilled octopus off of the menu. I won't say who.

David Sacks

Friedberg?

Chamath Palihapitiya

What? What? Wait, what?

Jason Calacanis

I got lobbied very strongly.

David Friedberg

Not only is it deeply wrong to eat all the animals that you people eat. And you will one day realize it, or your children or your children's children will realize it. But octopus, in particular, have the IQ of 4 to 8-year-olds. They can actually sign. They can communicate. They can solve problems. You can watch YouTube videos on this. It's pretty incredible. They're amazing creatures. It's also why in the movie, *The Arrival*, the future alien race is made out to be cephalopods because they're the most advanced creature that's likely to become a civilized form if humans didn't exist.

Chamath Palihapitiya

I have a one-word reaction to that: "Yum."

Jason Calacanis

Delicious!

David Sacks

Delicious!

Jason Calacanis

Yummy. It's the IQ that makes them taste so good!

David Sacks

Oh, my God. That's dark. That's dark. You're saying the IQ is like the spice?

Jason Calacanis

Yeah, it's kind of like the fat content, you know? It's kind of like -

Chamath Palihapitiya

The marbling. It's the marbling.

Jason Calacanis

It's the marbling of the tentacles.

David Sacks

Oh, that's dark. I don't know.

Jason Calacanis

Oh - oh, yeah. And by the way, thanks guys. Yeah. I'm fine. Yeah, I'm great. I'm feeling great.

Yeah, the tooth is healed. I got the implant -

David Friedberg

You look like you've been eating well.

Jason Calacanis

I just only eat things with above 120 IQ.

David Friedberg

Are you off the Wegovy or the - what do you call it?

Jason Calacanis

Well, no. No, you know - what I did was I got off the Wegovy so I could eat more animals. And now, I'm getting back on it because I feel - I feel so terrible about how many animals. I was in Austin. I ate everything.

David Sacks

JCal, let me ask you a question.

Jason Calacanis

Yeah. Go ahead.

David Sacks

If you eat high IQ foods, does it make you smarter?

Jason Calacanis

Yes, absolutely. Absolutely. This is why the Greeks invented so many things. We invented math, plumbing, cities, democracy. All the great things the Greeks created comes from the fact that we ate so many high IQ creatures. Correct.

Chamath Palihapitiya

Are you able to be vegetarian? Were you able to find good vegetarian or veggie options in Austin?

Jason Calacanis

Are you talking to me?

Chamath Palihapitiya

Yeah.

Jason Calacanis

I mean - I - I see a vegetable, I push it away. I'm like, "Wait a second."

David Sacks

JCal was on a see-food diet in Austin. If he saw food, he ate it.

Jason Calacanis

Absolutely. It's not -

David Sacks

Old joke, but -

Jason Calacanis

It's not inaccurate. The barbecue in Austin is so spectacular. Terry Black's beef ribs - I had with a friend of ours. Man, they are just dynamite. And then, the Salt Lick brisket - Franklin's brisket. I mean - it is just extraordinary. Shout out to all my barbecue folks there. And sorry for triggering.

David Sacks

Every mammal that wasn't buttoned down, JCal battered in barbecue sauce and stuck it on a grill.

Jason Calacanis

The thing that took out the rib was the bison. I'm sorry I was away. Apologies to the audience. It took out a tooth. You know - as far as I feel, worth it.

Chamath Palihapitiya

What does a bison rib taste like? Is it taste like beef?

Jason Calacanis

Man, it is - it's - the beef ribs are very tender. The bison's got a little more chew to it.

Chamath Palihapitiya

Chew to it, yeah. Gamey.

Jason Calacanis

It's a little more texture. Yeah. And they let this thing go at the Salt Lick for like 12 hours. And they're just barbecue saucing forever. It's a little chewy. And so, that's what took out the tooth. But great job, Friedberg, on moderating. The episode was fantastic. Yes, I - I was chomping on the bit - quite literally, Sacks - to talk about some stuff. Chomping on the bit to the point that I shattered a tooth. But I am back and I have so much energy. I missed you guys. I actually missed you all. Friedberg, so much good stuff happening with the Summit. And I'm delighted that Jon is doing all this work. You're doing all this work. And I can just sit back and enjoy it. So, tell us. Is there an update on the Summit?

David Friedberg

Yeah, you're just collecting your coupon. But yeah. We had, within 72 hours, I think we had more applications than we have seats. But we were still leaving applications open. And in the next week, we'll start to respond to people. So basically, if you're interested in going to the Summit. Sign up now. Get your applications in this week.

Jason Calacanis

Apply early is the key.

David Friedberg

Yeah because it's going to be done in order of when it's received. And they're going to start processing applications this week. We'd love to get everyone that wants to show up, show up. And if you went in the past, your registration window is wrapped up this week, so -

Jason Calacanis

So, alumni automatically get in.

David Friedberg

Alumni automatically are in.

Jason Calacanis

Okay. And then, tell us about the scholarship because I'm getting bombarded. And everybody who's an up-and-coming All-In fan -

David Friedberg

We're going to announce it in a couple of weeks.

Jason Calacanis

Okay. So, sit tight.

David Friedberg

So, no plan yet. But it will be - yeah, we'll still do scholarships because I think they were super successful and helpful to people that otherwise couldn't afford the ticket. I know it's expensive this year, but the reason was we actually spent a lot more per person last year than people actually paid for their tickets.

Jason Calacanis

It is what it is. Yeah. It's the same. It's less than 10, so -

David Friedberg

Yeah, we're - we're trying to get the price so that we can make - make the same break even. And we're going to have scholarship tickets with the balance.

Jason Calacanis

Great.

David Friedberg

So, it should be awesome.

Jason Calacanis

I saw a couple speakers come in. There's two that are -

David Friedberg

Not talking about it yet. Not talking about it.

Jason Calacanis

Oh, come on. Just - can we just tell the two speakers who said yes? Come on. Give the - the audience something.

David Friedberg

Not yet. Not yet. We'll do a big announcement.

Jason Calacanis

Why not? Sacks landed a big speaker and I think it's going to be awesome.

David Friedberg

In a week. In a week, we'll announce a bunch together.

Jason Calacanis

Listen. Well, one thing I don't want to wait on is today's docket because it is unbelievable. Welcome, everybody to episode 175. That's right. It's episode 175 of your favorite podcast and the largest and most listened to podcast in the world - officially. Episode 175 of the All-In Podcast starts right now. And I got so many feelings about this one.

Chamath Palihapitiya

What? It's not the largest, most-listened-to podcast in the world.

Jason Calacanis

I'm manifesting.

Chamath Palihapitiya

Oh, you're manifesting.

Jason Calacanis

I'm manifesting, Chamath. Just like - just like Phil Hellmuth is the world's greatest poker player. And then, we watch Robl roll over him.

Chamath Palihapitiya

Is that a new word that narcissists use for lying? Manifesting?

Jason Calacanis

No. It's just like - you know - the world's greatest poker player. And then, we see Phil Hellmuth get dominated by Koon - Jason Koon.

Chamath Palihapitiya

Just so you know, tonight is a murderer's row and Hellmuth is flying back. You saw the lineup. I'm very excited to see what happens tonight.

Jason Calacanis

Is Jason Koon coming or no?

Chamath Palihapitiya

Yeah.

Jason Calacanis

I mean - Koon and Robl - and then the world's greatest, Hellmuth - playing is so great to watch.

Chamath Palihapitiya

It's like a meta-ego battle, no?

Jason Calacanis

It is. And those - you know it's interesting. Two of those three guys are like the most humble guys you would ever meet in your life. Am I correct?

Chamath Palihapitiya

In your life. Just you could - you could not be more low-key and self-effacing than Robl and Koon for how good they are.

Jason Calacanis

And if you were honestly going to rank the three of them in a - in a high stakes cash game, could you just handicap it for the audience? Because we're in a - we're in a lucky position, you and I, to play with these three epic players in the world. Break down how they play in a home game - you know - like ours.

Chamath Palihapitiya

So, I would say the most dynamic range would probably be Robl because Robl has the most experience playing super, super high stakes cash. I think Koon is the most precise and like true to GTO.

David Friedberg

Hard to exploit.

Chamath Palihapitiya

I mean - Koon is impossible to exploit. Impossible. Doesn't tilt.

Jason Calacanis

No - no mistakes.

Chamath Palihapitiya

No mistakes.

Jason Calacanis

No mistakes.

Chamath Palihapitiya

Robl knows how to gamble in certain spots, Koon knows how to be unexploitable, and the third player is Phil Hellmuth.

Jason Calacanis

The third person is Hellmuth. And Hellmuth just loses his mind. It is so -

Chamath Palihapitiya

Now, the thing with Hellmuth is he's - he's capable, unlike anyone I've ever seen, of folding in spots that are - and - and he's correct by the way. I've seen Hellmuth fold Ace-King in spots that none of us would ever do it. I've seen him fold Kings in spots that are basically impossible. So, Hellmuth is able to get these soul reads on people that I think are amazing.

Jason Calacanis

Yeah.

Chamath Palihapitiya

But look, the higher and higher the stakes get, the more and more I think Robl will be comfortable and Koon will just go to a playbook that he knows and trusts.

Jason Calacanis

I am - I'm - I'm so excited to be back at the game tonight. Alright, listen. The docket is so great this week. We got a great classic All-In docket. I want to start with Google firing 28 employees who were involved in this protest at their offices. We didn't think that this would happen. We were having a discussion on the group chat. On Tuesday, about a dozen employees engaged in sit-ins at the company's offices in Sunnyvale and New York City protesting the conflict in the Middle East between Israel and Palestine. And so, they took over. Literally took over the offices of the CEO of Google Cloud. And nine employees were arrested after refusing to leave. The protest was organized by a group called "No Tech For Apartheid". And they posted a bunch of clips of this sit-in on X. Those 28 employees were fired on Wednesday after a quick investigation. The VP of Global Security was pretty direct and candid. And this is based. "They took over office spaces, defaced our property, and physically impeded the work of other Googlers. Behavior like this has no place in our

workplace and we will not tolerate it. If you're one of the few who are tempted to think we're going to overlook conduct that violates our policies, think again." So, what were the protests about? Google is involved in Project Nimbus - a \$1.2 billion cloud contract with Israel's government. Both Google and Amazon are involved in the project, which was announced in 2021. Google has denied it was doing work for the military, saying it was working with departments like finance, health care, transportation. There's a lot of details to this. But let's - let's start with you, Friedberg, since you were a Googler. And we've been talking about the culture of Google. Putting aside what the protests were about, how do you feel about protests in the workplace? We've talked about it before here with Coinbase and others. And then, is this a distinct change in tone that I'm hearing from Google - that they've had enough of social activism at the office?

David Friedberg

I mean - yeah, there was obviously a line crossed and in the - the view of security. But I think you could look at this two ways. You could look at this as being a culture of entitlement that let folks feel - that are employees - that they have permission to stage sit-ins and behaviors like this because Google is so infinitely tolerant, and giving employees the space and the room to do whatever they want to do, and all of their wishes and demands can be met and will be met if they demand it strongly enough. That's one way to look at this and that - that culture manifested this behavior. Another way to look at it is that these people feel so deeply, strongly, and passionately about the issue at hand that they were willing to risk their jobs and arrest. And they care so deeply about an issue that they think no one's paying enough attention to that they're willing to put themselves and sacrifice themselves for it. So, I want to be empathetic to that point of view as well. But I do think that there's a belief that there may have been this kind of entitlement culture - where anytime Google employees ask for stuff, they get it. Someone told me the other day about how a TGIFs at Google now - where they do these all hands and people get to ask questions - this person is - kind of - executive level - they were so sick and tired of how every question is all about employees asking for more things that they want. So, it's like, "When are we going to get this bonus? When are we going to get this gym? When are we going to get this?" That so much of the orientation of being an employee at Google is all about what Google can do for me and how I can get more. And that becomes what you ask for. It's like you give a kid something - you give them candy, they'll always ask for candy. And I think that there is certainly an element of that culture kind of being frothed up over the years at Google. But I do think that this is an issue that people care very passionately about right now. And you're seeing it all over the place. So, certainly not -

Jason Calacanis

In the same week, we had the Golden Gate Bridge get shut down - the Bay bridge gets shut down as well. Chamath, your thoughts on these protests? And then, obviously, the entitlement issues that Friedberg alludes to - specifically, at Alphabet/Google.

Chamath Palihapitiya

They are two separate things. And I think it's important to deal with them individually. Groups of people in society - in a democracy - should have a right to protest. That's absolutely fundamental and I think they can raise a lot of issues that could otherwise get swept under the carpet. When that stuff impedes the public functioning of society for other people, then I think there's a responsibility for law enforcement and other people to act and make sure that that is better managed. So, shutting down an entire bridge is not only disruptive, it can be really dangerous.

Jason Calacanis

Of course.

David Friedberg

And it can hurt your cause because then people - people dislike the cause because it hurt them, right?

Chamath Palihapitiya

Typically, what happens is you're supposed to file for a permit to protest. And when you get that, there are areas that are cordoned off and then people are allowed to express their views. That's a really healthy form of democracy. Going rogue like this will only blow up in people's faces because the folks that are somewhat sympathetic will eventually get burned by this experience and turn against them. So, that's one set of issues. I think that's just people going rogue and I think that you can't be tolerant of that kind of chaos. There should be organized protests, but not disorganized chaos.

Jason Calacanis

Okay.

Chamath Palihapitiya

And law enforcement needs to get a control of that. Inside of a company, I think this is different. It's this weird thing that I see which is like what I would call like left-on-left violence. It's like left-leaning people creating all of these distractions and demonstrations inside of left-leaning organizations for not being left-leaning enough. And so, it's kind of like a little bit nutty because I think it actually shows how totally naive these employees are and what basic business understanding they have.

Chamath Palihapitiya

The first and foremost being that they are at-will employees. These are not people that are contracted players in the NBA or are part of a union, okay? Where you have guaranteed employment through some mechanism or some arbitration process to even be let go. The fact that you don't even understand that you are at-will means that you are there because you want to be there. And Google allows you to be there because they choose for you to be

there. And at any point, if either of you break a covenant, you can be gone. That kind of stuff I think is very distracting and it just belies a poor understanding of what you're there to do. Google is a for-profit business and they are in the business of generating maximum profit on behalf of their shareholders. They are also incentivized to do that in a way that achieves a mission and a set of values that the majority of their employees agree with. And the fact that a small cohort of people can try to hijack and sabotage that overall direction, I think is very misguided.

Jason Calacanis

Sacks, I don't know if you have any opinions on this. I didn't see anything in the docket. I'm not sure if you have any strong feelings here. But your thoughts on Google employees and the protests? Putting aside - you know - the - the nature of the protest. This could be for BLM. This could be for Trump's indictments. You - you could be protesting any number of things. But the protesting at work issue. And then, Google, specifically - which we talked about with the Gemini issues and - you know - this stuff bleeding over into product. I think Friedberg said it really nicely. Hey, are people actually focused on products at Google anymore? Or is the whole place just focused on social issues that have nothing to do with their waning, apparently, product set?

David Sacks

Well, Google had no choice but to fire these employees. They were being disruptive and they were trespassing. And Google has a business to run. So, this is what any business would do. And I don't think they deserve either credit or blame for taking the action they took. In terms of the protesters themselves, I think that in the fullness of time, we may come to think of them in a slightly different light. And some of this reminds me a little bit of - of another war - the protesters in another war - the Vietnam War - where they were very disruptive. In some cases, they trespassed. In some cases, they got arrested. They were easy to make fun of in terms of what they look like. They were sort of unkempt, unshaven - all the rest of that stuff. They were hippies. And at the time, people were, I'd say, very dismissive of them or actually antagonistic. They were seen as giving aid and comfort to the enemy. And they were sort of demonized. But now, in the fullness of time, we look back on that war and realize that they had a point. In fact, maybe they were right. In fact, maybe their actions were justified. And I think that how we view these protesters at Google can't just be judged now. I think it's going to have to be judged in the fullness of time based on how we perceive this war in Gaza. And I want to make two points about why I think this war will eventually be viewed as Israel's Vietnam. The first is that, in Gaza, Israel faces a guerilla style force and they're in a quagmire. And if you read the latest news that's coming out of Gaza, what you'll hear is that after Israel has supposedly cleared an area like Gaza City or Khan Yunis - they then move south - Hamas has popped back up again. This whole idea that they can clear an area has been proven false. It's like playing whack-a-mole. They basically hit Hamas in one area. Hamas disappears down the tunnels. They come back in a different area. And this is why you're seeing a lot of articles now in Haaretz, which is an Israeli newspaper, saying the

war in Gaza is already lost. You had The Wall Street Journal last week run an article saying that Israel is winning every battle but losing the war - which is, again, shades of Vietnam here. And you got to understand, The Wall Street Journal is the most pro-Israel of all the major mainstream publications. I don't think The Wall Street Journal has ever written a truly critical article about Israel. And they described this whack-a-mole dynamic. You also have the general Gadi Eisenkot, who's a member of the war cabinet. He's a member of the - sort of - war government in Israel, came out and said that we can degrade Hamas in Gaza, but we cannot destroy it. And he said anyone who's telling you that we can destroy Hamas is telling you a tall tale. And that was, I think, in a pointed reference to Netanyahu's claim that they would destroy Hamas and Gaza. So, you've got shades of Vietnam in terms of it being this unwinnable war. I think the second aspect of - of a similarity to Vietnam is just the huge number of civilian casualties. If you recall that in Vietnam, the Vietcong tried to grab us by the belt buckle. They knew that America had superior firepower, so they tried to get in close - use ambushes, booby traps, snipers. And in response to that, the Americans used immense amounts of firepower and bombing to try and subdue the Vietnamese. And 3.4 million Vietnamese were killed in that war, according to Robert McNamara. The second thing that happened is the rules of engagement in Vietnam got extremely loose. You took a bunch of scared American kids - many of whom were conscripts - you drop them in a jungle. Pretty much because they feared ambushes, they shot anything that moved. And then finally, I think partly to justify this, you had a - a dehumanization of the Vietnamese that they were seen as - as somehow kind of subhuman. In any event, if you watch movies about Vietnam - like Platoon, which was made by Oliver Stone, who was a GI in Vietnam - or if you watch Stanley Kubrick's masterpiece Full Metal Jacket, which was based on books about Vietnam - you can see these dynamics in play very vividly. Now, turn to - to Gaza. All you got to do is look at the miles and miles of video to see. It looks like a lunar surface. I mean - even in the words of Joe Biden, there's been indiscriminate bombing there. In terms of the rules of engagement, the rules of engagement have gotten very loose. A week or two ago, you had the deaths of those seven aid workers from the International Kitchen Organization. And there's an article in Haaretz recently about the kill zones have been set up. Pretty much if you come within a certain invisible perimeter of Israeli troops, you can be shot. I mean - those are the rules of engagement. And this is why there were three Israeli hostages who escaped, and they were running towards Israeli troops, and yelling in Hebrew, and they still got shot. And again, this goes back to the rules of engagement being very loose. And then, the final piece of it is you do have this dehumanization going on of the Palestinians. You can see this in a lot of the videos have been posted by IDF soldiers. So, look. I think that these protesters - their actions are going to be judged in the fullness of time. I think there are actually good reasons to believe that Israel's war in Gaza - it's shades of Vietnam. And I think that over the long term, people may regard these protesters in a different light. Right now, they're just seeing as being disruptive, and annoying, and interfering. But if this war ends up being Israel's Vietnam - which I think it's on track to be - again, I think that people may, in time, give these protesters a little bit more credit.

Chamath Palihapitiya

JCal, what do you think?

Jason Calacanis

Interesting question. You know - putting aside what they're protesting about, I think they knew - or some number of them knew they were going to get fired - so, I think they're kind of resigning by sit-in. And I think - yeah, there could be nobility to that. If you do not want to participate in supporting things in the world, you do not have to work at Google. And you can protest and you can get fired. And we've seen some pretty intense protests. I don't know if you guys are aware of like what Greenpeace and other environmentalists did to stop whaling. I'm sure you are aware, Friedberg. It was your passion on the subject. Those people went to jail in Japan for boarding Japanese whaling ships. Like those are really intense protesters. But then, to your point, Chamath - you know - you can really hurt your cause. Climate activists - climate activists have been throwing paint on works of art. I don't know if you've seen that. And - and that's just infuriating. Like I have no tolerance for people destroying works of art or attempting to get attention. Here - it is benign to sit in an office and - and get fired. So, I just consider it resigning by sit-in. If they want to do that, that's fine. I do think there is something to Google enabling all this - to your point, Friedberg - over time. And listen, they were parodied on Silicon Valley, the TV show, because of how coddled and entitled people are. So, there's a bunch of things going on at the same time. And, you know - if you want to do these intense protests, you have the right to do them. And history will judge you over time, but you need to be able to pay the price. In this case, the price is getting fired. In the case of like shutting down the Golden Gate Bridge, like you should get a fine for doing that, I believe. And the fine should be based on whatever that costs to shut that bridge down. And that's got to be a serious fine. And you're right, Chamath. If people - if there's an emergency situation - someone's got to get to a hospital or something.

Chamath Palihapitiya

That's what I always think about when I see those things. When you block streets and stuff, or you block airports, or you block these thruways - there's a lot of just normal, everyday people trying to live their life who are probably very sympathetic to what -

Jason Calacanis

Yeah.

Chamath Palihapitiya

- what you stand for. But when you disrupt their everyday lives and/or threaten their physical security -

Jason Calacanis

Yeah.

Chamath Palihapitiya

They're not going to think that that's worth it.

Jason Calacanis

I'm also shocked that these people actually came to an office. I mean - these Googlers - I don't think they've actually been to an office before. They probably had to check that their badges worked.

Chamath Palihapitiya

Well, you know - to Sacks' - to Sacks' point, I actually would have had more respect for these people if they actually protested the war. But they didn't do that. They had a very discrete, specific claim - which was that they wanted to dissolve a business deal that Google had to provide cloud services to the state of Israel called Project Nimbus. And I think that's such a discrete thing that it's hard to understand that those 28 people would have even enough knowledge of what that is. But it sounds like a cloud hosting deal. Well, what's hosted there? And it could be any number of things. And I suspect if it's a billion-dollar-a-year deal, it's many things. It's probably like the Israeli DMV. Is that really what you want? And I think that it would have been much of a more powerful thing to do to protest the actual war, if that's what they cared about.

Jason Calacanis

You know, it dovetails nicely with the discussion you all had last week about would you back a - not a defensive but an offensive weapons company - a technology company. And it seemed like you all had reservations on if you would not back a defensive one. Anybody, I think, reasonably would back a defensive - you know - dome or interception of bombs coming in. That's an easy one. But going around the horn here, how many of us would back a company making missiles or bombs that blow people up or mines? Would you back a robot that had weapons systems on it?

Chamath Palihapitiya

I think if you want to summarize what we said last week, it's like there are all kinds of businesses where you'll end up investing in it and over time, as it morphs, some of us will be faced with some of those decisions. And it'll - it'll, frankly, depend on what is the alternative in that moment. So, I don't think anybody of us are going into go and build a nuclear bomb. But you should not be naive that if you're building nuclear reactors, you could end up being in a situation where that thing gets licensed into a - into a thing that you either agree or disagree with. So, this is my point is - I think that those kinds of answers or those kinds of questions are missing the nuances. And the nuances are very important, so it's impossible to answer this question in a thoughtful way I think - would be my - my honest answer.

Jason Calacanis

Okay. Sacks, any - any closing thoughts here?

David Sacks

Well, I think Chamath brings up an interesting point about: Why didn't the protesters just focus on the war itself, rather than Google doing business with Israel? My interpretation of that is they're trying to create a nexus to themselves - meaning they're employees of Google. They're trying to create a reason for them to stage this sit-in at Google. Otherwise, if they just grab picket signs and were on the street, it would just be much less newsworthy. So, I think they were just trying to create something newsworthy here. And it's kind of worked in the sense that we're talking about it - other people are talking about it. So, that's my interpretation of that is they were just trying to elevate the - the issue in a slightly novel way. But look. I think that they should be willing to pay the price of getting fired or getting arrested. I mean - if you're going to engage in that kind of civil disobedience or protest, you should be willing to accept the price. And I did see some comments by the Googlers who got fired saying that they thought they were being treated unfairly by Google. I think that's the wrong attitude. I think the attitude is, "Hey, this cause is so important to me that I'm willing to accept the price of being fired." Saying that you don't deserve to be fired for disrupting the workplace. That is kind of an entitled attitude. So, I think they should have just said, "Yeah, we did this on purpose because it's a really important cause."

Jason Calacanis

Yeah. "Proud to get fired."

David Sacks

Yeah, exactly.

Jason Calacanis

They should say, "I'm proud to get - I'm proud to get fired because that's how much I believe in it. My stock options..."

David Sacks

Right.

Jason Calacanis

"... at Google are less important than this issue to me..."

Chamath Palihapitiya

Yeah.

Jason Calacanis

"...and I - and I'm accepting it."

Chamath Palihapitiya

Yeah, I think they would have gotten just as much press if they actually protested the war. I think in a week from now, everybody will forget what Project Nimbus is. The odds that it gets canceled are less than zero and everybody will move on. And it will not add to the drumbeat, as Sacks said, of people that may be eventually on the right side of this issue, theoretically - may - I say "theoretically", because it that's - that - that stone is still yet to be overturned on that topic. So, I think that they missed the mark. And I think that the part of the press that people glommed onto was it was happening inside of a company in real time and there was video of it.

Jason Calacanis

Mission accomplished for them. We're talking about it here as the top story. And you know - if that was their - if they wanted to raise awareness, they succeeded and they should just own their firing because they knew they would get fired, I think. Alright, there has been a ton of chaos. And the culture wars continue over NPR. A couple of things happened simultaneously this week that are worth discussing. Katherine Maher was named NPR's new CEO back in January. I'm going to have to give a little bit of a timeline here before I get comments from the boys because there's a little setup. And so, she was named the - the CEO back in January. She officially started in March. Okay, she formerly worked at Wikimedia Foundation. Those are the people who run the Wikipedia, obviously. NPR's mission, if you don't know, is "to create a more informed public - one challenged and invigorated by a deeper understanding and appreciation of events, ideas and culture." That's their stated mission from their website. On April 9th, Uri Berliner, an editor who's been with NPR for 25 years, wrote an op-ed for Bari - Bari Weiss's Free Press - friend of the pod - explaining how NPR lost America's trust by going hard left and becoming closed minded.

Jason Calacanis

He said quote, "An open minded spirit no longer exists within NPR, and now, predictably, we don't have an audience that reflects America." Last Friday, Maher put out a statement calling his actions, "profoundly disrespectful, hurtful, and demeaning." This Sunday, conservative activist Christopher Rufo - he's the person who exposed former Harvard President Claudine Gay's plagiarism - he's a vocal critic of LGBTQ stuff at schools - started reposting old tweets from Maher - this new CEO. Her tweets are super far left. "Trump's a racist" - yadda yadda. There's an interesting clip of her talking at TED - talking about how truth is a bit of a distraction that prevents people from getting things done. People have gotten pretty inflamed about that clip. And then, on April 16th, Berliner was suspended for five days without pay. Wrapping this all up, Berliner then resigned after 25 years - saying quote, "I cannot work in a newsroom where I am disparaged by a new CEO whose divisive views confirm the very problems that NPR I cite in my Free Press essay." Sacks, your thoughts?

David Sacks

I mean - this just seems like a dog-bites-man story. I mean - what is the novel revelation here? The person running NPR is a liberal.

Jason Calacanis

I mean - I'm kind of with you, but -

David Sacks

What took 25 years to resign? I mean - all you have to do is listen to NPR. It's always been liberal, okay?

Jason Calacanis

I agree.

David Sacks

Yeah, this is not some recent capture of an institution.

Jason Calacanis

So, why is this going so crazy viral right now? Why has this become the topic of the moment?

David Sacks

Well, apparently, there are some quotes that this new CEO, Katherine Maher tweeted or said that you can point to that seem kind of woke and kind of crazy woke, but they're just actually pretty standard. I just don't see the breaking news here. If they end up firing Katherine Maher, they're going to hire someone just like her. I mean - they're going to have the same views. NPR has always been left of center. And the only change that's happened is that the left has now become woke.

Jason Calacanis

Yeah.

David Sacks

And so, it's become obsessively focused with the ideas of white supremacy and - and - and white privilege. And she simply - she simply reflects that.

Jason Calacanis

I agree. It's like a tempest in a teapot. Like newsflash - NPR is woke and left-leaning. I mean - I guess, maybe, that somebody who was there for 25 years wrote the exposé is interesting or - I don't know. Chamath, any thoughts on this one and why it's taking up so much head space for people?

Chamath Palihapitiya

I don't think it is. I think it's taking up a lot of head space amongst breathless journalists. I don't think it matters to the public at large. I don't think anybody cares.

David Sacks

Can I just add one thing? Which is I do think that the government should not be funding this anymore. I think NPR, at this point, is mostly funded by private donations. But it got started with government money and the government still funds it. And given that it is this left institution, at this point - and really, always has been - there's simply no reason for the government to be funding one side of the political debate that way. So, I think there is maybe an issue there in terms of reminding people that, "Hey, this is like government funded. Why?" And there's no reason why NPR can't be funded with either private donations or private subscription dues.

Jason Calacanis

Yeah, this is - just to give people some back-of-the-envelope math, NPR's budget is like \$320 million. It's \$1 per American. And they get a bunch of programming fees and some corporate sponsorship. The corporate sponsorship is like 100 million bucks. The programming fees is what the local radio stations pay them. Net-net this is costing like maybe - I don't know - \$0.30 an American. And if you just swap out - and this is the way I like to look at these to be objective. If you were saying this was funding Fox News or - I don't know - Ben Shapiro and Daily Wire, how would you feel about it? You'd be like, "Well, why is the government funding that?" They should just cut NPR and all this public broadcasting stuff loose over the next year or two? Wind it down and let them fend for themselves in the new media landscape.

David Sacks

Look, JCal. I agree with you. They could easily Substack it. NPR is not going to go away. Just create subscriptions and you're fine.

Jason Calacanis

Yeah. I mean - it's only like - they're down to whatever. It's - it's very hard to find the numbers. There's a little like hiding of the money here. But there's so little at stake here, I think that's why it's so contentious. Nobody cares.

David Sacks

The government should not be funding one-sided ideological institutions on either side of the political debate. And you're right. If this was funding going to Daily Wire or something like that, people would be up in arms. So -

Jason Calacanis

Yeah, cut them loose.

David Sacks

In any event, what's good for the goose is good for the gander.

Jason Calacanis

The next tempest in a teapot is Humane's AI pin getting barbecued by our modern day Walt Mossberg - Marques Brownlee, who is an awesome YouTuber. I love his reviews. And it's created a bit of a social media Rorschach test here. Getting a lot of feels from people in Silicon Valley. Let's just tee this up here. Humane is a hardware startup that you may have heard of. They make an AI-powered wearable computer. It's basically a pin you put on your chest. It's about the size of a pack of cigarettes - maybe half the size of it. It's founded by two Apple execs back in 2018 - raised a quarter of a billion dollars or so. And the device is now in the hands of reviewers. It's pretty innovative and Marques talks about how innovative it is in his review. It will let you talk to it. It's got a camera on it. We'll show it here on the screen. If you're not subscribed to the YouTube channel, just go to YouTube right now and you'll see us playing the video of it. Search for "All-In". And really interesting interface. It does, obviously, voice. It connects you to an LLM on the back end, so if you want to know - you know - some piece of information, it can answer those questions for you. But Marques showed it just absolutely failing at a bunch of tests - being overpriced - and he called it the worst product he's ever reviewed.

Chamath Palihapitiya

Jesus.

Jason Calacanis

He's very thoughtful and methodical, but the title is obviously a bit link-baiting. As a co-founder of Engadget, I can tell you if you want to get a lot of clicks, just say something is the best or the worst ever and you can get ten times the views. The pin, according to him, doesn't do anything better than a smartphone. It's slow. It doesn't work. It's often wrong. It's 700 bucks. The battery sucks. So, many different ways to go with this. Everybody is talking about it on X and in the media. Where - where do you stand on this one, Friedberg? Both on how people are responding to it in the tech industry as being like anti-tech/anti-innovation versus, "Hey, it's just a reviewer giving his candid feedback on a product that's clearly not ready for prime time."

David Friedberg

I think there's a lot of issues. One is just the challenge of deep tech. More specifically, in this case, hardware investing. You have to invest a lot of capital before you even have your first product. And then, you don't really know how well it works until you've already burnt through a lot of capital. I mean - this is one of these stunning stories of a startup that has raised a quarter billion dollars. And then, they come out with their first product. And it turns out, it needs a lot of work because it doesn't do anything that consumers really are compelled by - as evidenced by the review. So, I think it - it highlights that - that challenge and why that

market finds - particularly in this environment - it to be so hard to get capitalized. Now, obviously, there are some entrepreneurs like Elon who can take that capital and drive to the outcome - spending hundreds of millions of dollars before you get your first rocket into space. And you have a lot of failings along the way. But the general tone of here is a deep tech investment is very likely to fail because you spend so much money before you even know. And at that point, you have less money and you can't really make the necessary iterations to get there. So, it's a tough data point for other deep-tech companies that need to raise a lot of capital. Then, I think it brings up the point about ex-Apple people. That there's a degree of confidence because people come from Apple and a degree of hubris in the employees that come from Apple that says, "I have worked at the best hardware company in the world. Therefore, this person is likely to succeed." And it turns out that when you don't have all that built-in infrastructure for testing and optimization - all of that built in distribution - all of the feedback systems that Apple has engineered into their business model for so long - maybe you miss some of the data around what makes a product great or not before you launch.

Jason Calacanis

I think that's your key point, Friedberg. That is the best point is these folks come from Apple. They're used to unlimited resources. And what you don't see is all the product Apple doesn't release, right? They never released their car. Correct, Friedberg? And - and they get to -

David Friedberg

Well, I think - I think - then there's also this question about like, where is the value in the product? Because they thought, "Hey, if we have AI on a pin, it'll work.", without the consumer feedback about whether or not people are willing to sit around and wait for 12 seconds to get an answer to a question. And then, it - it brings up this other really important point, which is half the people in Silicon Valley are running breathlessly into the conversation saying, "Do not disparage a startup that's working really hard at getting their first product right. It'll destroy the motivation of other startups that need to kind of iterate to get there." And we can't just take the first V1 and say, "That that's it."

Jason Calacanis

Chamath, your thoughts? You're laughing hysterical at this.

David Friedberg

Well, no. Then the other - the other - the other - the other half of Silicon Valley are running in and saying, "This thing's a piece of shit. What are you talking about? It doesn't fucking work." So, it is a really interesting kind of - you know - debate.

Jason Calacanis

Rorschach.

David Friedberg

Yeah, Rorschach test on what's going on - on what people -

Jason Calacanis

Chamath, what do you - what do you see in this inkblot of a product?

Chamath Palihapitiya

Neither of those two cohorts. I think that incredibly motivated, dedicated entrepreneurs don't even know that this is happening and don't care.

Jason Calacanis

Got it.

David Sacks

Yeah.

Jason Calacanis

In other words, the reviewers are going to review products and you just got to plow ahead and make a better product.

Chamath Palihapitiya

The idea that in 2009, '10, or '11, right? That when all the rockets weren't working - you know - and Elon was back against the wall that he was reading TechCrunch or -

Jason Calacanis

Yeah.

Chamath Palihapitiya

- getting upset because a product failed some other random product that had nothing to do with his I think is laughable. I think no great entrepreneur cares. I don't think Friedberg is going to change what's happening at - at Ohalo based on - what is this thing called?

Jason Calacanis

Humane.

Chamath Palihapitiya

Right. Friedberg, have you changed? Have you made decisions? Are you sadder today in Ohalo when you walked into the office to manage your team?

David Friedberg

No. No.

Jason Calacanis

Okay, so there you go. There's your answer. None of this matters.

Jason Calacanis

Sacks, your feel on this?

David Sacks

Yeah. I mean - I'm having a hard time understanding all the controversies this week. I mean - reviewers are going to review, protesters are going to protest, and NPR presidents are going to NPR.

Jason Calacanis

Here we go.

David Sacks

I mean -

Jason Calacanis

Yeah, what's going on?!

David Sacks

Everyone's just doing what they're supposed - everyone's doing their job. Yeah.

Jason Calacanis

Here's an idea for the Humane team. Be thankful somebody took the time to review your product and give you candid feedback and incorporate it back into your product and make it work.

David Friedberg

And irreverent elitists will eat octopus. Here we are. Here we are.

Jason Calacanis

Absolutely. Ah, so delicious. So delicious.

David Sacks

High-IQ foods. We should create a new category.

Jason Calacanis

High IQ foods. Yeah, what are the other high-IQ foods we eat?

Chamath Palihapitiya

Acorn-fed beef.

Jason Calacanis

Yes.

Chamath Palihapitiya

For sure, high-IQ. Pigs. Very high IQ. I saw that cow playing chess before he was served for dinner.

Jason Calacanis

Actually, I was having a pulled pork sandwich from Buc-ee's and it helped me solve Wordle for the day before I ate it. So, I got Wordle in two tries. Oh, I'm so sorry. Oh, that one landed. I didn't want that one to land. Yeah. I mean - okay, let me ask this question. Do we think the world - let's say this thing did respond?

Chamath Palihapitiya

Here's the theme. Here's the theme, Jason. Here's the theme, Jason. The problem is that I think people, right now - the real Rorschach test is if you are so easily distracted, you probably don't have enough to do.

Jason Calacanis

Right. That's the entitlement - is that you don't have enough work on your plate.

Chamath Palihapitiya

No, I don't want to call it - I don't want to call it entitlement, but I think the reality is that if you get caught up in all of these silly little fake battles or decisions, I think what it really means is that you're not busy enough and/or you're not working on something that matters enough to you. Because when either of those two things are true, people tend to be - tend to have blinders on, and they are super focused, and they just don't have an opinion. They don't care. Like honestly, many of these topics today, I really don't care. And it's not because I'm better, or worse, or smarter, or dumber. It's because I'm so overworked right now. I don't have time to have an opinion on this stuff.

Jason Calacanis

Chamath's got a CEO job and now he's got to work!

Chamath Palihapitiya

No, but - and I think that anybody else trying to do their job well is probably in the same category.

David Sacks

I hadn't even heard of this reviewer. What's his name? Marques Brownlee?

Chamath Palihapitiya

Marques Brownlee.

David Sacks

I never heard of him.

Jason Calacanis

If you're on YouTube, he's kind of like the new Walt Mossberg. He does 20-30 minute videos. They get millions of views.

David Friedberg

He's - yeah.

Jason Calacanis

He's huge. I don't know that he makes or breaks a product though, by the way. He does not make or break a product. The product makes or breaks itself.

David Sacks

Yeah, look. When I was running companies, I wouldn't care about what one reviewer said. I would care about the totality of the reaction to the product, which would include customers, as well as reviewers, and so forth. So, I don't think there's any point in getting too bent out of shape at one review. I think what's kind of happening, in terms of the reaction here, is that people want to give this company like mercy points for being innovative. So, my guess is the product just isn't ready for prime time, but everyone wants to kind of like - they want their reviewers to take it easy on them or something because they are being innovative and they're breaking new ground in this - this area of wearables. But the reality is - in the real world where you want to charge people for your product - like customers don't have mercy points.

Jason Calacanis

Nope.

David Sacks

So, that's just reality.

Jason Calacanis

Yeah, if - if the car breaks down, the car breaks down. And -

David Sacks

Yeah.

Jason Calacanis

By the way, Marques got a little bit of heat just a month ago because he reviewed the Fisker. The Fisker is just a piece-of-garbage car. And he said it's the worst car he's ever reviewed. And you know what? Reviewers exist in the world to inform customers about what products and services they should buy. And then, they should inform you to make a better product. Period. Full stop. There is an easy solution to this, by the way, which Apple did. They - they released the Vision Pro as a developer kit. They put a bunch of caveats on it and said, "Hey, we understand this is high-priced. It's a developer kit. This is in beta." What Humane should have done is they should have said, "This is the Humane beta for developers."

Chamath Palihapitiya

I still don't know what it is. What is this?

Jason Calacanis

Okay, it's a wearable. It's a square. It has a projector on it. You put your hand out. It projects a little screen that shows you like a computer screen, and you can talk to it, and ask it questions.

David Friedberg

Well, the primary function - yeah, the primary function is like a chat AI assistant that sits on you and has a camera. And so, you can say things -

Chamath Palihapitiya

Camera - as in it's taping everything that it sees?

Jason Calacanis

It doesn't do that by default, but it could.

David Sacks

You want my take?

David Friedberg

But sorry. Let me just - let me just give the quick overview. And basically, you ask it questions and it can go get the answers. The problem is that it has to go make a request to the internet, run an AI model, and come back. So, it takes like 12 seconds to get results. Most of the time, according to the reviewer, the results are actually wrong because it's hallucinating models.

Jason Calacanis

Because LLMs suck.

David Friedberg

The voice-to-text translation is wrong. There's a lot of things that are wrong about it. So, it takes a long time. It's clunky. And then, the battery burns out every two hours. And it gets super hot because of the way they get it to magnetically stick to your clothes. So, it gets very hot. So, there's all sorts of issues. And it's \$700 bucks.

David Sacks

Other than that, how was the play Mrs. Lincoln?

Jason Calacanis

And by the way, most importantly, to you Chamath, it will screw up your fabrics. If you wear this with a Loro Piana sweater -

Chamath Palihapitiya

No.

Jason Calacanis

It's going to drag your sweater down.

Chamath Palihapitiya

Hold on. I was just thinking this.

Jason Calacanis

You would never attach it to a \$6,000 sweater.

Chamath Palihapitiya

Yeah. It's - basically, what you're telling me is it's an overpriced device that could give you first-degree burns.

Jason Calacanis

And it will ruin your sweaters.

Chamath Palihapitiya

And it doesn't give you - and doesn't answer the questions that you ask.

Jason Calacanis

Yeah.

Chamath Palihapitiya

But then - but then, do I think the questions? Or do I have to say it out loud, so it looks like I'm talking to myself?

Jason Calacanis

You look like a lunatic. Yes. You're walking around like a crazy person talking to yourself.

David Friedberg

That was the other thing he said - is like when you're in a crowd and there's a voice around you, you can use your hand and hand gestures to control it and do things with the projector thing that it does.

Jason Calacanis

Yeah. And it - and it damages your clothes.

David Friedberg

It's some - it's some - it's really cool, interesting features. It's just like - it's not quite there yet.

Chamath Palihapitiya

Who invested in it? Let's not make fun of it. Let's make fun of the investors. Who - who invested in it?

Jason Calacanis

Sam Altman. Shout out to Sam. He's coming on the program, I think. Yeah. Listen, I - I - the concept, I think, is good. Wearables are going to provide -

David Friedberg

I don't know. I give these guys -

Jason Calacanis

- some distinct value when they work because you don't have to take your phone out. And so, the idea behind wearables - like your watch is - you know, like there are some things I do on my watch now where I don't take my phone out - I have an app called -

Chamath Palihapitiya

I'll take the other side of this. I'll take the other side when you're done. Yeah. Yeah.

David Sacks

Yeah, me too.

Jason Calacanis

Yeah, I use Fitbit. A company - a company we invested in - and it puts all my workouts on my watch. When I'm doing weights - I started doing weights now. That's why I look so buff, folks. Subscribe to the YouTube channel to see. And I do my sets and I log them all with my - my watch. I don't have to take my phone out. That's like the first thing. And then when I'm skiing,

I can see each run. I showed you Slopes - I'm not an investor in it, Chamath - where I can see my speed and all that.

Chamath Palihapitiya

But you're saying something totally different. That's - that's utility.

Jason Calacanis

Yes.

Chamath Palihapitiya

Of course, you'll find a device will give you utility. I thought you were saying something else, which is everybody's going to have wearables. And I want to take the exact opposite side.

Jason Calacanis

Okay, go ahead. Yeah. I don't know that everybody will have wearables, but I do find a couple of little things that work for me.

Chamath Palihapitiya

I totally get that - you know - the use of an accelerometer or whatever in a watch or in a band that you wear on your wrist for a workout. And I think that that's valuable or -

Jason Calacanis

Heart rate.

Chamath Palihapitiya

A glycemic monitor so that you get - all of that stuff makes super sense for you as an individual. But that's not an experience where you're engaging with it to sub - to replace some other social interaction. That's just you getting utility as you live your life. What I'm saying is the idea that you start to rely on a device as your interface into the world. I would take the exact other side of the bet, which is I think that humans are getting so sick and tired of being - of only communicating in these very rigid ways. Like I'm telling you - like if you look at our children's generation, they don't know how to make eye contact. They don't know how to talk. And I think it's going to come back and bite them in the ass. And so, I think the pendulum is going to swing in the other direction where it's like, "Okay, enough of this stuff. Let's actually look each other in the eye and talk to each other..."

Jason Calacanis

Yes!

Chamath Palihapitiya

"...the way that humans were meant to be." And I - and I think that in that, devices like a glucose monitor or a band has value, but I don't think it's going to be this interface where

you're sign languaging it while you're at Coachella. I think you're going to rip the devices off and actually be at Coachella without any devices.

Jason Calacanis

Did any of you guys read Jonathan Haidt's book, *Anxious Generation*? It is unbelievably awesome. It touches on all -

Chamath Palihapitiya

Not yet. I have not read it yet.

Jason Calacanis

I - I - stop what you're doing and just listen to the audiobook on your walks on Audible. This book is super important and awesome. *The Anxious Generation* by Jonathan Haidt. I cannot tell you how important it is. Sacks, any closing feelings here? You have a take? Any hot takes?

David Sacks

Well, I would - I would slightly disagree with you guys about this - this device. So first of all, I think that humans are becoming more and more cybernetic. We're getting more and more immersed with computing power. And I agree, it creates this anxiety and all these problems. But on the other hand, I think it's an irreversible trend. So, I think that I would not bet against things that make us more cybernetic. I think the problem here is that this company is trying to do two difficult things. The first thing is it's trying to capture everything that's happening in the world around you - to feed it into an AI model - so it can make you smarter. The other thing is trying to do is reduce your dependance on your phone by creating this new projection surface. And, you know - in my experience, when you try to do two hard things, you actually square the complexity and you square the difficulty - as opposed to just adding it.

Jason Calacanis

Yes.

David Sacks

So, I think of these two things, the one that sounds interesting to me is taking in all the information from the physical world and putting it in an AI model that can be helpful to you. But I see no reason to replace the phone. I think it should just work with your phone. The problem they're going to have is that that pendant will compete with the Apple glasses and all the other wearables that are going to be created to - you know - suck in all this information - this computer vision - from the world. Nonetheless, I do think that is the opportunity. It's not replacing the phone. It's layering a new platform on top of the phone that can kind of - you know, again - give you that Terminator mode in the real world.

Jason Calacanis

Yeah. And that was a complaint about this device specifically - was that it was detached from the phone. I understand why they want to make it standalone, but - and then, this opens up all the privacy. Let me ask the panel here. What do you think about this concept of recording the entire world? All these conversations and video with these devices? I think is a quick way to get yourself punched in the face. I mean - we saw that with Google Glass. People showed up at bars in San Francisco and parties with these Google Glass things on and literally got punched in the face.

Chamath Palihapitiya

Well, this is why - this is -

Jason Calacanis

This has got massive privacy things - recording your entire life with a pendant. Man, no thank you.

Chamath Palihapitiya

This is why I said what I said. I do think Sacks is right. That ultimately, you'll have some kind of brain interface because I do think a chip implant of some kind is very valuable. But what I'm also saying is that I think that that will actually lessen the social acceptability of these visible devices that are constantly getting in between you and another person. And so, the idea that we're kind of already in a quasi-surveillance state and now we're going to increase that by n! to the number of people, I think is very depressing.

Jason Calacanis

It is depressing and -

Chamath Palihapitiya

Very depressing.

Jason Calacanis

You know what? In Jonathan Haidt's book, he talks about phone lockers for schools and the transformative power they have had. When you go to a school, there are some schools now - high schools - where the students put their phones in specific phone lockers.

Chamath Palihapitiya

No, no. They do it - they do it in my kids - it's a - it's actually, Jason, these special -

Jason Calacanis

Pouches?

Chamath Palihapitiya

Pouches. And you - you -

Jason Calacanis

Those are the pouches comedians use - like Chappelle at his shows.

Chamath Palihapitiya

Chappelle uses it. Kevin uses them.

Jason Calacanis

Yeah.

Chamath Palihapitiya

Yeah, exactly. And they're great. And then what - what the school now also teaches the kids - at least, our school - which I found really interesting - is the graduated form of that is they actually now allow you to put it in an envelope because they're training the kid - like the pouch you can't get access to. You have to go back to the -

Jason Calacanis

Right. It locks.

Chamath Palihapitiya

It locks.

Jason Calacanis

You have to go get an unlock device. Yeah.

Chamath Palihapitiya

And then, I - I saw that my son last week had it actually in a - in a white envelope. And he had to close the envelope and just keep it with him as like a way of graduating from the prison form of -

Jason Calacanis

Yeah. I love that.

Chamath Palihapitiya

- keeping the phone away to like - you know - having it in your pocket. So, the schools are trying to do a lot to try to teach these kids not to be so dependent on these.

Jason Calacanis

They should ban these devices at school. 100%. And then, at the poker game tonight, we should make people stack their phones and charge somebody \$1,000 - whoever takes the phone first from the stack.

Chamath Palihapitiya

Yeah, I agree with that. I agree with that.

Jason Calacanis

Let's do it tonight.

David Sacks

Let me - let me give a - a shout out to one of my favorite sci-fi book series. It's called Nexus by Ramez Naam. And it's kind of this like cyberpunk, futuristic series. But what he talks about is when we have this brain-computer interface, you'll be able to upload your memories. And so, you know - you talk about this idea of recording your whole life through a pendant. Well, eventually, you'll be able to record your whole life based on - just through your eyeballs. And you know - you'd be able to upload, in theory, a first-person view of whatever conversation you've been in, you know?

Jason Calacanis

Yeah.

David Sacks

And so, there's a certain - look, this is pretty far off - but there is, maybe, a certain inevitability to that. And we're going to have to figure out how to deal with the privacy implications.

Chamath Palihapitiya

There was a - there was a Black Mirror episode on this exact idea.

Jason Calacanis

Yup. Yeah, you have the DVR of your entire life.

Chamath Palihapitiya

Yeah.

Jason Calacanis

And it is gnarly to think these things will exist. And I think humanity is going to have to make a decision, I think, to fight this or embrace it. I - I think we should fight it. I think it's going to ruin like social existence. And it's already ruined poker games, etc. - when everybody's on

their phone. It's ruined dinner parties when everybody's on their phones. The constant distraction is just horrific and it's having a horrible impact on this generation.

Chamath Palihapitiya

I'll double down on what you're saying. It is so lovely to be able to have a dinner where everybody just talks to each other and looks each other in the eyes.

Jason Calacanis

Yes.

Chamath Palihapitiya

And then, when you have a handful of people always on their phone, it's depressing.

Jason Calacanis

It sucks.

Chamath Palihapitiya

It's actually - it's actually not even neutral. It's a net negative and a drag on the entire night.

Jason Calacanis

Absolutely. I - I am trying to come up with ways to remove these devices from the social settings I'm in. I've been to a couple of parties with high-profile people where they have everybody checked their phones at the valet at the door.

Chamath Palihapitiya

Yeah, that's a good -

Jason Calacanis

I got to say, those are the best nights of my life.

Chamath Palihapitiya

Those are the best nights. Yeah.

Jason Calacanis

They're incredible. And, you know - no offense to people who are addicted to their phones. I - I am to a certain extent. I put my social media at 1 hour on my phone. My lord, it is hard to do less than an hour of social media in our job positions. And you know -

Chamath Palihapitiya

I deleted TikTok about a month ago. It's been liberating. I was a slave to that app. I couldn't -

Jason Calacanis

That app is addicting.

Chamath Palihapitiya

- believe how much - how much TikTok I was consuming after it was gone because I couldn't
- I couldn't find anything to replace it. And then, I stumbled into the fact that YouTube has
YouTube shorts and there is a lot of that content. But it's terrible in the algorithm is really
bad.

Jason Calacanis

Yeah, it sucks.

Chamath Palihapitiya

And so, fortunately, I just stopped using YouTube.

Jason Calacanis

It just shows you how the algorithm is such a key component of that TikTok experience
because I had the same experience. Shorts serves up garbage.

Chamath Palihapitiya

Garbage.

Jason Calacanis

Instagram serves up garbage. And then, TikTok is just like right into your brain.

Chamath Palihapitiya

The TikTok algo kicks ass.

Jason Calacanis

It kicks ass. By the way. I'm gonna give it another shout out to a book.

Chamath Palihapitiya

I miss TikTok. TikTok, I miss you.

Jason Calacanis

Yeah, whatever. That's going away.

Chamath Palihapitiya

I miss you.

Jason Calacanis

Another incredible book. I think we should book this speaker for All-In Summit. *Bad Therapy: Why the Kids Aren't Growing Up* - Abigail Shrier. This book is incredible. And if you read these two books - every parent: read these two books. And we need to have a conversation on it as parents here. Everybody read these two books. These two - these are my two top choices for the All-In Summit. I think it's like the - going to be the topic of our time. Alright, let's keep going down this incredible docket. Very important issue for us to talk about. Silicon Valley startups having a bit of a R&D tax problem. Thanks for putting it on the docket here, Friedberg. It's a bit inside baseball, but very important topic. Let's say a company like Acme Corporation generated a million bucks in revenue and they spent a million bucks on their software developers last year. Let's say they had - I don't know - five developers getting paid \$200,000 each. Well, traditionally, this company would pay nothing in income tax, right? They spent a million. They deduct that million from the million dollars in revenue that came in and everything's good. But due to the Tax Cuts and Jobs Act of 2017 - starting last year, a provision kicked in forcing companies to amortize their R&D expense over 5 years. So, in this hypothetical situation, the Acme Corporation would amortize \$200k a year and pay income tax on the \$800k in profits. This is brutal, obviously, for a startup.

Chamath Palihapitiya

"Profits" - air quotes. "Profits" - air quotes.

Jason Calacanis

Air quotes, "profits" - correct. Yeah. And this is absolutely brutal. And a lot of companies took a wait-and-see approach - just hoping Congress would fix the issue. In January, a bipartisan tax bill that would reverse these changes passed in the House. But the bill has stalled in the Senate. And we got to get this thing fixed because it's going to sink a lot of startups. Maybe people will start putting their companies in other countries. But it's attached to this Child Tax Credit, which Republicans don't want to pass. So, no reversal has happened. Friedberg, you highlighted this for us. Very important topic. Thank you for doing so. As our great contributor here, what are your thoughts on it?

David Friedberg

This became law in the 2017 Jobs Act, as you highlighted. And basically, it means that companies - not just like tech companies - but life sciences companies, defense companies - are pushing Congress to change this law because you can't actually deduct the expenses that you use to run your business. You have to only deduct them over five years - 20% a year. So, like you pointed out - if you're making \$1 million but you're spending \$1 million, you made no profit. But you got to pay taxes as if you made \$800,000 in profit. And a lot of these small companies don't have that cash. So, venture-capital-backed companies and public companies that are profitable, they can afford to do this because they have large balance sheets. So, it doesn't affect them as much as it does the literally hundreds of thousands of small businesses that work in the life sciences sector, or the defense sector, or the tech

sector that are struggling this year to make the tax payments that are required under this - this law that went into effect last year.

Chamath Palihapitiya

But why?

David Friedberg

And Congress promised that they were going to repeal this law leading up to April 15th - which happened, obviously, a few days ago and make it retroactive to 2023. But they didn't.

Chamath Palihapitiya

But Friedberg, they know basic math. Congress knows basic math. How do they - how do they - what loophole do they think they're closing?

Jason Calacanis

Yeah, what was the intent here?

David Friedberg

Yeah. So, the - the original intent was that this was one of the ways - you guys know whenever you pass a bill, it gets run through the OMB and the CBO that figures out what's the budgetary cost of the bill.

Chamath Palihapitiya

Yeah.

David Friedberg

And one of the ways that they made this work - this bill - the 2017 Trump Tax and Jobs Act. You guys may remember in that bill, they also made it impossible to deduct entertainment and dining expenses when you take people out to dinner anymore.

Jason Calacanis

That sucks.

David Friedberg

And they did all those things to make up some of the money they were using for basic general tax breaks for companies. So, they used this as a way to say like, "Look - in a couple of years, we're going to kick in this R&D expenditure thing and it'll trigger a lot more revenue for the federal government. It'll create a lot more taxes and a lot more revenue." So, that was the idea. And everyone was like, "Yeah, okay. Sure, we'll do that. Great. It makes the accounting work." And then, in a couple of years - you know - nudge, nudge, wink, wink - we're going to come back and repeal it. Except Congress has stalled out. There's this ineptitude where any time someone tries to pass a bill in Congress, someone else says, "I

want to get money." And so, the Democrats showed up and said, "We want this Child Tax Credit thing to show up.", which basically was passed during COVID and they want to extend it going forward. And the Child Tax Credit says that you can get a check for \$1,800 a year in 2023, \$1,900 in 2024, and \$2,000 in 2025 for having - for each child you have.

David Friedberg

And the Republicans in the Senate are saying, "Wait a second. For people to get this thing, we want to make sure they're working. We want to make sure it's not as retroactive." So now, there's this big debate about how big the Child Tax Credit should be. And that's keeping this R&D thing from going through. And meanwhile, I've gotten tons of emails from CEOs of tech companies that are breaking even. These are not tech companies that are making a ton of profit. They're not public. They're not venture backed. They're just people running - running their business. And now, they're going to have this huge tax bill even though they didn't make any money this year. And it's crippling businesses around the country and -

Chamath Palihapitiya

What do they do?

David Friedberg

They're going to write a check. They're going to borrow money. They're going to go to the bank. Borrow money. Or they're going to incur penalties with the IRS because they don't have the cash to pay the tax bill because they don't have any profit. They didn't make any money. If they just ran the business break even - which a lot of these companies do - is just make a little bit of money or break even. And then, they've got this huge tax bill and profits they didn't actually have. They got to go figure out how to write a check.

Jason Calacanis

And also, how do you define R&D? I was talking to an accountant. He's like, "Yeah, I don't know if that's R&D." I'm like, "You don't know if it's R&D?" Like, okay. So, if I make some piece of software - yeah -

David Friedberg

Yeah. There's all this writing in the - if you get audited by the IRS, they have the ability to basically capture everything. So, like let's say you're a mobile app developer and you make a million a year, but you spend a million a year on your developers.

Jason Calacanis

Okay.

David Friedberg

They're going to count that - they have the ability to count that as an R&D. So, the - the accountants - the tax accountants tell you, "Book it all as R&D because, otherwise, you

could get audited and actually get in trouble. Because anything that involves the development of technology now is considered R&D. Again, a company working in life sciences as a research company doing lab work can kind of get it -

Jason Calacanis

But if I do bug fixes? Is a bug fix R&D? If I make a new feature in an application this year, does it have to be amortized over five years? If I put a new filter in my photo-sharing app?

David Friedberg

I'm not a tax attorney. My - my understanding is most - most of the stuff is getting captured. And that's why it's hurting everything from defense, to life sciences, to lab equipment, to startups that make software, to everything. And Congress can't get out of its own way where this - this bill passed, by the way, bipartisan in the House. Then, it went to the Senate. And now, it's getting taken apart in the Senate. And now, it's stalled out and everyone's freaking out that it's stalled out past April 15th. And it's actually going to hurt a lot of small businesses in this country. And here's the other problem. Is it actually limits our ability to invest in innovation in this country because now you're better off - there's no other country in the world that does this. Every other country in the world tries to incentivize investment in innovation. And here in the US, we're basically saying, "No, we're going to tax you for investing in technology, development, and innovation." And the other thing that's - that's actually not being talked about is even in this bill where they're repealing this, they're leaving in the fact that if you invest in R&D outside the US, you have to amortize it over 15 years.

Jason Calacanis

Oh, my God.

David Friedberg

So, let's say that you're a US developer and you hire people offshore.

Jason Calacanis

Yeah.

David Friedberg

You got to basically amortize the offshore stuff over 15 years, which means you'll never make a profit. You'll always going to have to pay taxes. It's - it's -

Jason Calacanis

I mean - how? We're trying to kill innovation in this country. And the two things they got to solve is this one and then M&A. We got to have a better solution for allowing companies to be bought and sold in this - or merged in this country. These two things are putting a lot of headwinds on the startup ecosystem and on the venture and the risk-taking capital

ecosystems. If you're in Washington D.C. or involved in our government, please solve these two issues. You - you got to figure out a way to allow companies to be bought and sold. You got to figure out a way to - to fix this tax issue. Or else, we're going to kill a lot of startups. And these are the companies that pay a lot of taxes. And these are the capital gains that fund a lot of states' treasuries.

Chamath Palihapitiya

It means that -

David Friedberg

Well, it's also - it's also an illustration of just how hungry we are for tax revenue in this country. You know, it's only going to grow. And I'm not sitting here complaining about taxes. You know, the Trump tax cut that he put in place in 2017 added \$1.5 trillion to the federal deficit. So, tax cuts, in general, are not great when you're spending a lot. But it does highlight just how much we are spending at the federal level and the demand for tax revenue. And that demand causes this countercyclical problem, which is now we're going to eat into innovation - which is supposed to drive - get us out of -

Jason Calacanis

Yeah.

David Friedberg

- the problem - the spiral that - that results from this debt. So, it really highlights like just the challenges that are going to emerge - particularly, in the decade ahead - because we have all of the spending that's coming in front of us over the next decade and how we're going to start to demand more and more tax in all these weird ways that can really hurt industry.

Jason Calacanis

Unintended consequences are very real. Chamath, you were going to say something?

Chamath Palihapitiya

Well, doesn't it mean, though, that if you run it at break even and without a lot of growth - by year 5, you'll be back to where you were. So, you really have to cover the taxes in years 1 through 4.

David Friedberg

That's right. If the business - but if the business is growing, you're always going to be in a hole.

Chamath Palihapitiya

Right.

David Friedberg

Right. So, if your revenue is growing and your OpEx is growing, you're always going to be in a hole.

Chamath Palihapitiya

I think Jason mentioned it earlier - and I think it's the key thing - which is: What is R&D then?

David Friedberg

Yeah.

Chamath Palihapitiya

And maybe you just move things to COGS and just be done with it. I mean - that's what I do.

David Friedberg

But remember - remember businesses - and - and you guys know this - like when you look at a public company's financials, what you're seeing is their GAAP financials - generally accepted accounting principles. And that's the way that you present the financials of a business. That's different than the way you present financials to the IRS. You don't have a lot of discretion in your tax financials. Your tax financials are actually quite different than your GAAP financials.

Jason Calacanis

Yes.

David Friedberg

So, when you file your taxes, there's a lot of rules on what you are allowed to deduct and aren't allowed to deduct. That's quite different than how you present your corporate financials to investors. And that's really where people get screwed - is you don't have that sort of discretion that you do in - kind of - sharing your financials with investors, so.

Jason Calacanis

This is not financial or accounting advice. Get great representation.

David Friedberg

I just hope Congress resolves this because it's quite -

Jason Calacanis

Yes, super important. Alright, sports betting has gone mainstream. If you don't know, two out of three college students have placed a bet in the last year since the Supreme Court struck down the Amateur Sports Protection Act. 38 states have legalized sports betting. I think that's a great thing, but we're starting to see some weird behavior because of it. Tons

of sites like DraftKings, FanDuel, ESPN BET, BetMGM - all of these have broken out. But this week, we started to see some weird behavior. The NBA banned a 24-year-old player, Jontay Porter, for life after a scandal. This one is bizarre and interesting. Porter was a bench player for the Toronto Raptors averaging about 14 minutes per game. It's important. On these gambling apps, you can do all kinds of prop bets. For those of you who don't know, prop bets could be things like Steph is going to hit five 3s in the game or LeBron is going to score under 30 points. You're just betting on unique things that could happen. And then, you can parlay them together. You can put multiple bets together and it automatically gives you a price. And you can do really - you know- deep wagers doing this. The NBA found out that Porter was telling people to bet his unders for points and rebounds during certain games. During those games, he'd play a few minutes, then check himself out of the game with an "illness" quote-unquote. Technically, the bet would still count since he played the game, but everybody who bet his unders would win. Normally, nobody would notice this, of course, because he doesn't play that much. He's a bench player. But DraftKings, because they have all the data, tipped everyone off because Porter was the biggest moneymaker on March 20th. This led to an NBA investigation. DraftKings will give you a leaderboard of the biggest bets and they saw that somebody placed an \$80,000 bet that Porter would hit the unders on a bunch of different categories. Crazy outlier bet. DraftKings canceled the bet. The NBA found that Porter separately placed dozens of bets on NBA games using his friends' accounts, winning a whopping \$22,000. And this idiot, now, is banned for life from the NBA - allegedly, allegedly, allegedly. But obviously, the NBA has the receipts with DraftKings. Chamath, you owned a NBA team for a little while and you watched as David Stern -

Chamath Palihapitiya

For a decade. Yeah.

Jason Calacanis

For a decade, you watched as David Stern, who was absolutely opposed to gambling. And then, Adam Silver embraced it. Tell us from your front row seat, your thoughts on wagering in the NBA -

Chamath Palihapitiya

Well, David -

Jason Calacanis

- and wagering writ large.

Chamath Palihapitiya

Okay, look. I remember when I joined the ownership group of the Warriors, I had to file this enormous document. And one of the things that they really dig into is whether you've bet before. And they make it really, really clear that it is completely not allowed to bet. And the only way that you can bet is if you're betting on non-basketball. And if you were in Vegas and

you go to a casino and a true sports book. That's the only time it's tolerated. The thing with all of these sites - FanDuel and DraftKings - is they did deals with the leagues where part of the feature is that when there is really crazy asymmetric betting on something that's obscure, they report it back to the leagues. So, the leagues know how to look at it. Because typically, what happens is - if you're talking like a very well contested basketball, Jason, you have a relatively balanced book, right? And what the - the goal is is to figure out: Where are the sharps betting? Meaning the really smart money guys. And everybody else is a square. And most of retail is a square, okay? They're going to lose their money. And so, the goal is to always find out where the sharps are going. But there are some of these bets. And in this case, this is why they found out. When you have something being bet that's very obscure - in size - these apps immediately go back to the league and say, "This just happened."

Jason Calacanis

So, compare that to, Chamath, what would happen previously before sports betting was legal in the US.

Chamath Palihapitiya

Before what would happen is like all of these bookies would be able to have relationships with some of these players. Sometimes they would also have relationships with some of the refs. And it has spilled over. So, the NBA has had to deal with an example where one of the refs were - I think he was betting on some -

Jason Calacanis

Yeah, Tim Donaghy. Yeah.

Chamath Palihapitiya

Tim Donaghy. And then, he was point shaving. So, this has been going on for a long time. It moved into the realm of it being automated with algorithms looking out. The fact that this kid didn't have anybody on his team that explained that DraftKings and FanDuel are going to send this data to the NBA is inexcusable because maybe the kid would not have done it, right?

Jason Calacanis

Do you agree with the lifetime ban or do you think they should be -

Chamath Palihapitiya

Yeah. Yeah, it has to be lifetime.

Jason Calacanis

Has to be.

Chamath Palihapitiya

Has to be. Has to be. Has to be.

Jason Calacanis

For the NBA to have integrity. Yeah. Yeah, it's really - and - and what do we think about this becoming legal in the US and people - the embracing -

Chamath Palihapitiya

The other thing I'll say - well, the other thing I'll say - and I mentioned this a few weeks ago - everything is being gamified. You have an entire population that - seemingly in America, consumer spending still goes up. Folks are relatively still flush with cash. There's lots of free cash flow. There are new and more aggressive forms of stimulus constantly coming down the pike - whether it's student loan forgiveness or something else, right? Governments are inventing new and new ways of buying votes. That's going to put more and more money in people's hands. That means a larger and larger percentage of it will bleed into these kinds of things. And it's not just sports gambling. There was an article in the Wall Street Journal about this woman who's a well-respected lawyer who became totally addicted playing like a bingo app, right - and lost her entire life. So, these forms of gambling and addiction are just going to skyrocket, I think. Because you have these apps that are really incredibly well engineered to get you super hooked. And then, the adrenaline rush and the dopamine rush of actually winning money is a thing that, for some people, they can't turn off once they feel it for the first time.

Jason Calacanis

Yeah. We know some of those people and - you know - it's - it's hard for them to control their sports betting, blackjack playing, other things. They just - they get too into it.

Chamath Palihapitiya

They get too into it.

Jason Calacanis

They get just - you know. But other societies - other geos - Australia, New Zealand, and the UK - they've had this for a while, so they've figured out how to deal with this.

Chamath Palihapitiya

Well, this is what I'm going to tell you. The last thing I'll say on this is when I was in high school - so, in the early '90s in Ontario - in Canada - they introduced sports betting as a way of generating revenue for the government. What I will tell you is that my entire high school - all the boys, not the girls - we became instant gambling addicts. We were figuring out how to put bets on. Most of it was betting in hockey because that's the sport that we all knew the best growing up in - in Ottawa. But it was all day, every day. It consumed us. And I think when you look inside of these apps, you're seeing a lot of young men with a lot of free cash

and a lot of time getting sucked into the gamification of this thing. I think it's going to be a big problem.

Jason Calacanis

And I - I will tell you - Sacks, I'm interested in your position on this because there is a whole system and ecosystem emerging here. The states are getting massive amounts of revenue. \$11 billion generated last year up 44.5% from 2022. The league is printing money from this - all the leagues. The NBA will generate \$167 million from betting this season - up 11% year over year. The sportsbooks obviously killing it. DraftKings got a \$20 billion market cap. And bettors obviously love it. It's more fun. It's making the games more engaging. And the media is loving this. All of the podcasts - Bill Simmons, ESPN - you can't watch a game - you can't hear sports commentary without this being integrated. And it's being integrated at a very fundamental editorial level. They're asking the hosts -

Chamath Palihapitiya

And JCal -

Jason Calacanis

- of these shows their spend and what they're betting on.

Chamath Palihapitiya

And they're - and they're doing something very smart, which is they're paying huge endorsement deals to the players as well.

Jason Calacanis

Yes.

Chamath Palihapitiya

I think DraftKings did something with LeBron. This is genius because when you get that ingratiated, you'll never get ripped out. Because if they become a huge part of the off-court revenue model for these players.

Jason Calacanis

We're locked in. It's like - it's like the new -

Chamath Palihapitiya

Locked.

Jason Calacanis

It's like the new Air Jordans. Sacks, what do you think about this - just in terms of on a societal basis and the United States? You know, it's just sort of like cannabis. You know, this is a new thing for Americans to have access to. There's a lot of weird behaviors going on -

edge cases. But what do you think net- net, as a society, you take away from the emergence of sports betting and this next generation being so addicted to it?

David Sacks

Well, I think cannabis is the right analogy. I think adults should be able - allowed to bet on sporting events just like they're allowed to drink or - you know - smoke pot or engage in other mild vices. Some people handle it responsibly and some don't. It's probably - on a societal basis, it's probably not a great thing. But it's something you allow to happen because of personal freedom. And hopefully, people use it responsibly.

Jason Calacanis

Friedberg, you have any thoughts? You - you place any bets, Friedberg? I'm not - you place any bets on sports? I'm curious.

David Friedberg

I do not.

Jason Calacanis

You do not. I don't - I don't - I don't place bets on sports. But I love playing cards because it's social. Chamath, you would do any sports betting now and again? Maybe the - maybe on the Super Bowl you get - once in a while, you place a bet - a wager?

Chamath Palihapitiya

When I got admitted to the ownership group in the NBA, I stopped. And I probably made three bets since then - both - all three were like on the Super Bowl at a casino, which - so, it was legal when I was still an owner. And I've not done it since. And I've refused to download these apps because I love sports. And I think that if I added this to it - I just don't think it would be good for me. So, I don't want to do it.

Jason Calacanis

That was my exact take too. Sacks, you ever place any bets? You're not a wager on this stuff either, right?

Chamath Palihapitiya

No, I'm not a sports better.

Jason Calacanis

Yeah. You ever bet on chess? Is there any gambling -

David Sacks

No. No one - no one bets on chess because it's so obvious who's going to win. There's like a very precise rating system and -

Jason Calacanis

Correct, yeah.

David Sacks

So, in poker – poker is very different because you can have players at the same table and you know who are the great players and who are not the great players. But still, in any given hand, the underdog can win because you can basically suck out or whatever. There's a significant luck component on every single hand. Over the long term, you believe that the luck kind of evens out and you reach your expected value. But on any given hand, you can believe that you're the winner. And so, there's a lot of gambling in poker, even though it is a skill game. In chess, like that just doesn't work. I mean – if I play Magnus Carlsen or any 2000 rated player, I'm just never going to win. So, there's no point in betting.

Chamath Palihapitiya

Sacks, what's your rating?

Jason Calacanis

1400.

David Sacks

I'm a little better than that. I'm like – I'm probably more like 1600.

David Friedberg

Last time, I was 1400. I stopped playing him because he would just – I would get to the middle game with Sacks. I'd get like 30 moves in and then he would just smash me. I'm like 800 or something. How do you get better at chess?

Chamath Palihapitiya

Friedberg – Friedberg, you have a rating?

David Friedberg

I don't want to talk about it.

Jason Calacanis

He doesn't want to talk? Friedberg!

Chamath Palihapitiya

Why? What's your rating?

Jason Calacanis

Friedberg, are you still upset about the octopus stuff?

Chamath Palihapitiya

No.

Jason Calacanis

Oh, okay.

Chamath Palihapitiya

What's your - but what's your rating?

David Friedberg

It's too personal a question. It's too personal a question.

Chamath Palihapitiya

Do you - do you never share information where people can actually, like root for you?

Jason Calacanis

Get to know you. Yeah, be vulnerable, dude.

Chamath Palihapitiya

Come on. What is it?

David Friedberg

I'm - ask - ask me other questions. Just don't ask me about my chess rating.

Chamath Palihapitiya

Are you ashamed about your rating?

David Friedberg

Don't ask me about my chess rating. Ask me about anything else.

Chamath Palihapitiya

What is the - what is the lowest rating?

Jason Calacanis

What's the best way to get better? Should I get a coach or something, Sacks? What's the best way to get better?

David Friedberg

The chess.com app has very good lessons on it too. It's actually quite good.

David Sacks

Yeah, you could get a coach and that would definitely help. There's also these exercises you can do called Puzzle Rushes that teach you how to spot tactics, which is probably -

David Friedberg

Well, that's all all tactics. Yeah.

David Sacks

That's probably half the game.

Jason Calacanis

Like you learn how to do a knight fork or something like that - how to do pins.

David Sacks

You just need to spot tactics quickly is really the key.

David Friedberg

My - my puzzle rush scores are pretty good.

Jason Calacanis

Oh, you were over a 1000 on Puzzle Rush?

David Friedberg

No, no. You play - it's like how many you can get in a certain period of time - how many - and it gets - it gets sequentially harder as you complete the puzzles. And you have like a limited period to do it, so -

Jason Calacanis

Yet, you feel shame? You feel shame?

David Friedberg

I do.

David Sacks

If you want to get better at chess - I've watched a lot of chess videos on YouTube and there's a very good series by John Bartholomew called "Climbing the Ratings Ladder". And for each level of Elo ratings, he has a series of videos. So, like - I don't know - if you're like a 1200, there's a whole series for 1200s. And he'll play a bunch of games against 1200s showing what they typically do wrong and you can learn from it. It's actually - it's a good series.

Chamath Palihapitiya

Have you - have you spent time, Sacks, like studying like openings and like studying like specific lines? I don't even know if I'm using the right language here like -

Jason Calacanis

Openings is right.

David Sacks

Yeah, I haven't spent a ton of time studying them, but I'm certainly familiar with a number of the most common openings. So, I guess, yes. I guess on some level, I've studied them. I would say that depending on where you are in your development, that may not be the most pressing thing for you to do. You know, I think you - you probably do want to just know a few basics of a few of the most common openings, but - but there's probably other things for you to learn first. You don't need to like memorize a bunch of complicated lines.

Jason Calacanis

I think it's like really cool that kids are learning this. I know this may be a counter or a contrarian view, but I - I think kids having access - you know - or young adults having access to sports betting / poker is kind of a good thing because I - you know, if controlled - because they're learning about odds, and gambling, and - and framing it. I, with my 14-year-old, am doing an allowance. And then, I decided to do an investment club. And so, I'm putting \$100 every month into like a Robinhood account. And we're going to do like two meetings every month. One to buy a new stock and one to examine our existing stocks. And I'm just starting an investment club. So, if anybody's kids are in that age group and they want to join it, let me know. Because I'm going to do like a - with a - the cousins - like a zoom call every month where we just talk about stocks.

Chamath Palihapitiya

That's great.

Jason Calacanis

And then, I'm going to have them actually buy it, so that they can be prepared for the real world and how companies are going. But how do you think about your kids, Chamath? Because you got to do this gambling when you were young. Didn't that help you, ultimately, as an adult?

Chamath Palihapitiya

I mean - I ran a casino in my high school.

Jason Calacanis

Was that - was that the -

Chamath Palihapitiya

Yeah, I mean - I - I ran a - I ran a little blackjack game where the rich kids could play and I was the house. And I would make a few extra hundred bucks a week.

Jason Calacanis

Nice.

Chamath Palihapitiya

And that was great because like - you know - between that and my job at Burger King, it really helped. And then, I would go and take that and I actually became pretty decent at blackjack. And I would go - there would - there would be these what's called charity casinos. So, casinos in Ottawa, Ontario were illegal. But if they were to raise charity for various charities, they were allowed. And so, my friend - my friend and I would show up at these things and just run them over.

Jason Calacanis

Anybody else run an illegal business as a - as a kid? I'll tell you about mine after. Sacks, you run any illegal businesses as a kid?

David Sacks

No comment.

Jason Calacanis

Come on. It's statute of limitations. What did you do? You must have been running some scams. Come on. Tell us. I'll tell you my two scams after you tell us yours.

Chamath Palihapitiya

Oh, by the way. I'll tell you. I had a bad debt situation in my - in my -

Jason Calacanis

Oh, really?

Chamath Palihapitiya

- lunch game. You know, I used to - I used to let people bet up to a buck. Okay, so 4 or 5 guys up - you know - \$0.25, \$0.50, or a dollar. And one guy he like demanded an expanded credit line.

Jason Calacanis

Oh, really?

Chamath Palihapitiya

And so, I gave him up to two bucks.

Jason Calacanis

How many boxes of ziti did he go down?

Chamath Palihapitiya

And one lunch, he lost 80 bucks. And it took me 3 months to get paid. It was the worst experience.

Jason Calacanis

80 boxes of ziti?

Chamath Palihapitiya

I had to - no \$80.

Jason Calacanis

No, I know. I'm just doing the Sopranos.

Chamath Palihapitiya

I - I had to - I had to sweat this guy for 3 months to get my \$80. He was rich too. His parents were rich.

Jason Calacanis

What did he do? Did he have to do your term papers or something? Did he have to do your essays and clean your - clean your bike?

Chamath Palihapitiya

No. No, I wouldn't have gotten this guy to do anything.

Jason Calacanis

Come on, Sacks. Give it up. What was your - what was your scam you were running as a kid?

David Sacks

Let's move on.

Jason Calacanis

I had two scams. Friedberg, you have a scam when you were running when you were a kid. Any scams?

David Friedberg

I used to go to the recycler newspaper. Do you guys remember that?

Chamath Palihapitiya

Yeah.

David Friedberg

The recycler? And I would buy used like electronics equipment and computer equipment. And then, I would like sell it. So, I would then like post other ads. I basically did ad arbitrage as a way to think about it. So, I would go and find people selling stuff that I thought was like underpriced and I would buy it.

Chamath Palihapitiya

But did you fix it?

David Friedberg

There was nothing to fix. You would just - it was underpriced. And then, I knew like the better market to go sell it at and make more money. So then, I'd buy like all these like old -

Chamath Palihapitiya

Like a broken receiver.

David Friedberg

This Discman and a receiver - good speaker - speakers that I knew were good, but they were like deeply discounted. I'd drive around in my white van. I'd pay people cash. I'd load it up. And then, I'd go sell it to like other people by putting ads.

Jason Calacanis

Oh, you were like a flipper.

David Friedberg

Yeah, it's like a flipper bet.

Jason Calacanis

No wonder you wound up at - no wonder you wound up at Google. I had - I had two really good scams when I was a kid. The first was this guy owed my dad some money for backgammon. My dad was a backgammon shark and he would play in his bar. When I would show up at 6 in the morning, my dad would be playing blackjack with guys. They would get - you know - in deep with him. And so, this guy who was in the mob owe my dad some money. And for the vig, he gave him a copy of The Empire Strikes Back on VHS. And I was like, "What?!" You know, this is before it was out. They had recorded in the movie theaters in 1984 or something - whenever that came out. And it was a really bad copy. So, I - my dad comes home. He gives me the copy. We watch it. It was incredible. It's like, "Thanks, dad." And I got my friend to bring over his VHS. I made ten copies of it. I go to school - McKinley Junior High School in Brooklyn - and I sell them for 30 bucks a pop.

Chamath Palihapitiya

Oh, my God.

Jason Calacanis

Selling like hotcakes. And then, I get pinched. Math teacher says, "What's going on with these Empire Strikes Back? And I said, "What do you mean? I don't know what you're talking about." He's like, "I heard you got Empire Strikes Back."

David Sacks

You kept your mouth shut.

Jason Calacanis

I looked him dead in the eye. And I said, "Are you interested?" And the teacher goes, "Yeah, how much are they?" I said, "30 bucks. But I'll give you one for 10." And he said, "Okay." He pulled out 10 bucks. I sold my math teacher - I kid you not - The Empire Strikes Back for 10 bucks.

Chamath Palihapitiya

Can you do this whole thing again but in the Christopher Walken voice?

Jason Calacanis

No, I'm not going to do. But I'll give you the other one I did.

David Sacks

No, it's a Joe Pesci voice.

Chamath Palihapitiya

Do this one in the Christopher Walken voice.

Jason Calacanis

And so, the name of it was "Jason's Hot Tapes". And so, I made a business card and laminated it "Jason's Hot Tapes". And I would hand it to people and I'd hand him the "Jason's Hot Tapes" card and I'd say, "Give me my card back." But I would just show them that I had a card - a business card.

Chamath Palihapitiya

Oh, that reminds me. I was also in the fake ID business.

Jason Calacanis

Ooh, say more.

Chamath Palihapitiya

I don't know. I grinded out - grinded out fake IDs with a buddy of mine.

David Sacks

Alright, that was mine. That was mine.

Jason Calacanis

Oh! Sacks was it the fake ID business too?

Chamath Palihapitiya

We used Harvard Graphics. Sacks, what were you using? I was using Harvard Graphics.

Jason Calacanis

Photoshop? PageMaker?

David Sacks

Well, this was in the days before holograms. And it wasn't - it just wasn't that hard to - you know - copy. So, we just made like boards or whatever and Polaroids. So, we did it for ourselves and we did it for friends.

Chamath Palihapitiya

Yeah, same.

Jason Calacanis

Here's the thing about the fake ID business. The bouncers were like, "If you've got money, show us any piece of paper..."

David Sacks

They knew. They knew.

Jason Calacanis

"...so we have plausible - we have plausible deniability."

David Sacks

That's right. They just wanted plausible deniability. That's exactly right.

Jason Calacanis

Exactly. That was the - that's the key to the racket. Did you put McLovin in University of Hawaii?

David Sacks

Yeah. Actually - well, it's kind of funny. Is sometimes the bouncers would go, "What's your name?" And you'd be like - you'd be stumped because you didn't remember what was on -

Jason Calacanis

You were so drunk. You don't even remember. You were like, "Hi, my name is Chamath."

Chamath Palihapitiya

Mine was like - mine was like - no, mine was like Raj Patel.

Jason Calacanis

"My name is Raj Patel."

David Sacks

Or they would ask you what was your birthday and you don't remember what's on your ID?

Chamath Palihapitiya

Yeah, because I -

David Sacks

You don't know what's on your ID because it's fake.

Jason Calacanis

"I had one drink."

Chamath Palihapitiya

I don't remember. I don't remember. You know, the - the - the key - the key in the fake ID game is to use your - your month and day that's yours.

David Sacks

Yes.

Jason Calacanis

Right.

Chamath Palihapitiya

And then, just change the year.

Jason Calacanis

Yes!

David Sacks

Yes.

Chamath Palihapitiya

That's the key.

Jason Calacanis

That's the key! Alright. So, I'll give you the second one.

Chamath Palihapitiya

Do it in the Christopher Walken voice.

Jason Calacanis

So, my friend - his brother had a DeLorean. He - I - I can't do it. I can't sustain it. Anyway, this kid who I grew up with, [bleep]. Oh, I shouldn't say. Anyway, his name was [bleep]. Bleep that out. He lived up on 13th Avenue. I go to his house. His brother's got a DeLorean. It was incredible. And we're in junior high school and I'm talking to his brother. And I go into the garage and there's all DeLorean parts on the wall. And I said, "Why do you have all these parts?" And he said, "Oh, you know - there was a DeLorean that - you know - fell apart. And we picked up the pieces." They had stolen another DeLorean because DeLorean stopped producing and they just chopped it up. But he had it in his garage. So anyway, we're playing Chessmaster at the time. And I had hacked a copy of Chessmaster. It was very easy to do. And the guy said, "You got Chessmaster? Can you get me more copies of that?" I said, "Sure, how many copies you want?" He's like, "How many can you make?" I was like, "Well, floppy disk costs 4 bucks." He's like, "I'll give you 10 bucks a copy of Chessmaster". I said, "Fine." I go with my friend. We go steal floppy disks from the store. So, we - we don't want to pay the 4 bucks for them.

Chamath Palihapitiya

Not the - not the three and a half, the five and a quarters.

Jason Calacanis

These are five and a quarters. And we go into the store, and we take the flier, and I hold the flier open, and I hold it behind my back, and my friend takes the disks out of the sleeve at Staples or wherever, dumps them in there, we made copies of it. And then, we were selling Chessmaster for 10 bucks a pop, at scale, and giving them to the guys on 13th Avenue who were then reselling them for 20 bucks. This is when Chessmaster was like a \$100 product. Shout out to Chessmaster. But that was my second scam.

David Sacks

This is - this is some degenerate shit.

Jason Calacanis

Yeah, it's - and that's not even the best one. The best - I'll give you the best one. This is the best - and I'll give you the last scam we ran. There were parking permits in the late '80s in Manhattan, they were hard to get. But they were legit. If you had a parking permit in your window for the fire department police - you know - you could park in Manhattan in a lot of different areas. And so, we went and we took a picture of these. Then, we got on PageMaker or whatever and I went down to Canal Street and I bought at Pearl Paints like the - the same color orange and that lamination kit. And we got on Photoshop. I kid you not. We held the picture up and we tried to figure out the fonts they used. And we made a copy of the placards to park. And then, we sold those for like 50 bucks. And people used them and they wouldn't get tickets. They worked. So, we sold police placards that had to be super illegal in 1988. Alright, everybody. For your sultan of science - the exceptional David Friedberg. Your chairman/dictator - Chamath Palihapitiya. The Rain Man - yeah - David Sacks. I am your world's greatest moderator, JCal. We'll see you on episode 176. And hopefully, in September, at the All-In Summit. Bye bye.

Chamath Palihapitiya

Bye, bye.