

**All-In Podcast #172 - SBF gets 25 years, Trump's meme stock, RFK Jr picks VP, Biden's
2025 budget & more**

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Jason Calacanis

One person who's not going to be eating well is SBF. He was just sentenced. "Breaking News Thursdays" continues here at the All-In Podcast episode 172. But SBF was just sentenced. With me again today on the pod, of course, the dictator/chairman Chamath Palihapitiya, the sultan of science David Friedberg, and the Rain Man - yeah - David Sacks. I'm Jason Calacanis. Welcome back to the #1 podcast in the world - episode 172 of the All-In Podcast - your favorite. SBF just sentenced 25 years.

David Sacks

You're always overhyping.

Jason Calacanis

Always. Hype man. Always what I do.

David Friedberg

Over promise, under deliver.

Jason Calacanis

Absolutely. I'm a - I'm a hype man. I'm like - Flavor - Flavor Flav of this organization. SBF - Sam Bankman-Fried - of FTX was found guilty, as you know, couple of months ago in November. And he just got sentenced to 25 years. In total, FTX customers lost \$8 billion, investors lost \$1.7 billion, and lenders lost \$1.3 billion.

Chamath Palihapitiya

Jason, is that without parole? When is he eligible for parole?

Jason Calacanis

So, that is a good question.

Chamath Palihapitiya

Does it say?

Jason Calacanis

It doesn't say what the parole could be. The prosecutors had sought -

David Friedberg

There's no possibility of parole in federal criminal cases.

Jason Calacanis

Yeah. So, federal prosecutors sought 40 to 50 years. So, the judge went a little bit light, I guess, and gave half. In his sentencing, Judge Lewis Kaplan said SBF had lied throughout the trial and showed no remorse. Quote, "He knew it was wrong. He knew it was criminal. He

regrets that he made a very bad bet about the likelihood of getting caught. But he is not going to admit a thing, as is his right." In related news, FTX is also selling the majority of its stake in Anthropic for \$884 million to Mubadala, the sovereign - one of the sovereign wealth funds from the UAE and other investors - including Jane Street, where SBF worked for a hot minute - The Ford Foundation, Fidelity, and some other investors. From CNBC, "Lawyers representing the bankruptcy estate told the judge in Delaware last month that they expect to fully repay customers and creditors with legitimate claims." - in the FTX case. That doesn't take into account equity holders. So, it looks like that one investment could save a lot of people their deposits.

David Friedberg

I saw an analysis recently that showed that they were going to be in a surplus. So, investors were going to get money back, and all the depositors were going to get their full 100% back.

Jason Calacanis

Yeah, I don't know how much Bitcoin or other coins they owned. But if they didn't sell that Bitcoin at 30 or 40 and it's at 60 or 70 now - yeah, that would be material, right?

David Sacks

The crazy thing is that SBF was not - it turns out - a terrible investor. He made a seed investment in Anthropic that's worth billions now. He made a seed investment in Solana that I think is worth billions now - especially now that Solana has recovered. I think that Solana was tarred with the brush of being a "Sam coin" because SBF invested in it. But as it turns out - as far as we know - it's a completely legitimate developer project. Sam was an investor, but not a participant. And if you look at the price of it, it's now rallied to something like an \$80 billion market cap.

David Friedberg

Yeah.

David Sacks

The point being that a lot of the investments he made ended up being pretty good investments. And FTX itself, the trading platform - as far as we know - was a functional, workable business. I mean - it was an offshore crypto marketplace, so I don't want to necessarily use the word "legitimate". But I think that it was - I think - as good as any of these trading platforms. So, the - the crazy part of this is - I'd say, unlike the Madoff case - where from the beginning with Madoff, it was entirely a Ponzi scheme. There was nothing of value there. In this case, you had a call it legitimate or semi-legitimate crypto platform combined with some legitimate angel investments. And so, what I think went wrong here was Alameda - that Sam decided to siphon off customer deposits to gamble with his hedge fund, which was completely optional. He didn't need to do that. I mean - he already had a winning business and winning bets in his portfolio. So, this whole Alameda thing - he didn't

need to get into it. And then, of course, siphoning off customer deposits to spray around for political donations to feel like you're a big shot was also really stupid. So, this - this is the crazy thing I think about SBF is it - it was sort of like this - this manic - there was like a manic element to it. There was a Messianic element to it. He wanted to take shortcuts. He wanted to believe he was going to save the world. And then, did all these criminal things in pursuit of that that he didn't really need to in order to be successful. And that's why I think it's such a curious case - is it's not - it wasn't full-Madoff, in a way, because there were some legitimate elements to his portfolio.

Jason Calacanis

You're right about the Messianic thing. These guys were all drunk on this effective altruism concept that I think whatever crimes they committed by stealing the deposits and then going and investing them. They saw themselves as Robin Hood. We're going to take these deposits. We're going to make a ton of money. And then, we're going to give it all away. Of course, they didn't have a CFO. Nobody did diligence on these investments. There were no controls in place. And he was literally stealing his customers' money to gamble, as you're saying.

David Sacks

Right, and I think - I think actually one - one quote that I saw reported from the judge was that if you steal customers' money, go to Vegas, gamble it -

Jason Calacanis

Yes.

David Sacks

You're still guilty, even if you can pay them back with the winnings.

Jason Calacanis

Yeah.

David Sacks

But that suggests to me, that actually, the - the FTX trustee is on a path to repaying the \$11 billion of customer deposits that were absconded with.

David Friedberg

I just found it -

David Sacks

I don't know if that's true or not but -

David Friedberg

It is true. In early February, the trustee said they now expect 100% payment back to the depositors and all the accounts. And all the excess will go to the shareholders in FTX - all the preferred holders that invested in the stock. I don't know what the total pref stack was in FTX, but it sounds like there's going to be recovery there, as well, after all of the customer deposits are made whole.

Chamath Palihapitiya

Wow.

David Sacks

So, this is my point - is he didn't need to do this. I mean, it was so insane. I mean - FTX, like I said, was a workable business. He made workable seed bets. But then, he went crazy with Alameda and the Robin Hood stuff. And so, it's just such an interesting case.

David Friedberg

Alameda - by the way, Sacks - Alameda is what he started with. So, he - he started a firm that was meant to arbitrage crypto markets because there's all these different markets that didn't connect around the world. So, the original concept was that he would set up a hedge fund like at Jane Street to arbitrage. And so, he would arbitrage crypto pairs using different exchanges around the world. He set up all these different accounts and he would trade long one way, short the other way, and make a spread. And then, he made so much money on the hedge fund. And he said, "Why don't we just do this all centrally?" And that's how he started setting up FTX - was its - his own cryptocurrency exchange. So, like the legacy was that Alameda was there from the beginning. And the arbitrage across these illiquid, no-transparency type markets was really the core driving principle when he started all this work. The crypto exchange came later. And so, it was like he always had this orientation that he was trying to arb everything. And I think I told you guys this when I saw that video on YouTube right after he got arrested. And then, they took it down off of YouTube. It was like an hour-long video showing him trading and doing his day job in the office. It reminded me of like a mouse in a maze - like trying - everything was like arb - like he was finding little arbs he could make everywhere - nonstop.

David Sacks

But they weren't good at it. They lost a ton of money.

David Friedberg

And then, they lost money. Yeah.

David Sacks

And then, he puts this dingbat in charge of Alameda who proceeds to lose billions of dollars. I mean - the whole thing was so stupid.

Jason Calacanis

I mean - it's going to be such a great movie! I can't wait for the movie!

David Sacks

I think one of the craziest parts of this is he had co-founders in FTX who weren't part of Alameda. And they just let him do this. Why would they do that? I mean - their own stakes in FTX, minus Alameda, could have been worth many millions of dollars - hundreds of millions of dollars - maybe billions of dollars.

Jason Calacanis

I mean - the truth is, in business, you can do all kinds of criminal and crazy things until you get caught. And these folks were doing insane, crazy things. The - the system is based on trust and people can break that trust. We saw it - remember, with - what was - Full Tilt Poker. They were also taking the customer accounts and gambling those - those dollars. They literally mixed the operations budget and the customer deposits at Full Tilt Poker back in the day.

David Friedberg

I think part of the - part of the rationale, if I remember right - I read the - the Michael Lewis book on this - and part of the rationale SBF gave to Michael Lewis was that Alameda was supposed to be a market maker / liquidity provider to the exchange. So, they were playing an active role on the exchange of making trades available to create the market. And that was a key aspect of getting the market moving - was that they had this well-capitalized market maker, and they knew how to actively trade on a platform, and they just built their own platform. And then, they were able to attract, with more liquidity, more participants onto their exchange. And that was a key aspect of the business model.

David Sacks

That - that might have kick-started it. Yeah, but that could have kick-started it. But like - you know - 5 minutes into it you could probably turn that off. I mean -

David Friedberg

Right.

David Sacks

You know what I'm saying? Like -

David Friedberg

Yeah. Yeah.

David Sacks

They didn't need to do that once you get to a certain point.

Jason Calacanis

Also... these people were all on speed. So, there's that.

David Sacks

It contributed to the mania.

Jason Calacanis

Yeah, I think like - they were - they were hopped up on speed and they felt that they were gods and that - you know - stocks go up. Coins go up. They can do anything they want. They can hang out with celebrities. They just got deluded. And they were super entitled. I mean - this is a level of entitlement and criminal behavior that we rarely see. Doesn't matter if their tokens went up.

Chamath Palihapitiya

When I had my one and only interaction with SBF - which was over a Zoom - I asked for a model. And this arrogant ding dong that worked for him sent me like a five-line Excel spreadsheet.

Jason Calacanis

Here's the model!

Chamath Palihapitiya

And I thought - and I thought, "This is the worst example of arrogance and hubris I've ever seen."

David Sacks

I - I had one interaction with SBF.

Jason Calacanis

Uh oh.

David Sacks

Do you want to hear it?

Jason Calacanis

Yeah.

David Sacks

I got in a little bit of a - of a tiff with him. So, it was at a - at a tech conference. This was a few years ago. This is when he was absolutely at his like peak - like everybody wanted to talk to him. He was sort of holding court. He had a bunch of lackeys around him. And this is like a pretty exclusive tech conference. I'm not going to tar their name by mentioning them in this

context. But - so, a friend of mine said, "Do you want to go over and meet with SBF?" And so, I said, "Sure, whatever." So, we go sit down. And I start asking him about this ballot initiative that he was funding in California to raise our taxes to fund a pandemic prevention center. And as it later turned out, that his brother was going to run this thing. And so, I - I said to him, "You don't even live in California. What are you doing funding a ballot initiative here in my state - where I live?" You live in the Bahamas or whatever. In order to fund this boondoggle - which, by the way is looking in the rear-view mirror. We don't need it. Like COVID's over. And even if we did need a pandemic prevention center, the federal government should do it - not California taxpayers. And he starts getting very animated and defends this thing. And we end up - we sort of get into an argument. And so, I kind of - you know - ended it by saying, "Well, listen. I'm going to - just to let you know, like I'm going to publicly oppose this - you know - vigorously." And because I - you know - I just wanted to let him know - like I'm going to call you out for this.

Jason Calacanis

Yeah.

Chamath Palihapitiya

Standing up for the little guy! David Sacks.

Jason Calacanis

David Sacks, coming in - standing up for his state.

David Sacks

So, when I got back from that conference, I actually talked about it on this pod. I talked about that ballot initiative in California.

Jason Calacanis

Yeah.

Chamath Palihapitiya

I remember. Yeah.

David Sacks

And that was the - that was the origin story of that.

Chamath Palihapitiya

And they capitulated. They capitulated, right?

David Sacks

Oh, that's right. Yeah, like a month later they dropped that thing because it was too much heat. But little did we know that they were enmeshed in all of this criminality and they were absconding with all this money.

Chamath Palihapitiya

What is Sam Bankman-Fried's brother's name? Bam Bankman-Fried?

David Sacks

Was it like Gabe or something?

Chamath Palihapitiya

Ah, Gabe. Nice.

Jason Calacanis

I had one interaction with him at some - at an annual general meeting, I got asked to interview him. And it was like a private affair a couple of months before this all blew up. And he's dressed like a slob, you know? Like literally - doesn't look like he showered. His clothes don't fit. He's wearing flip flops and shorts. It's kind of like the shtick. And he's a billionaire - blah, blah, blah. And I start talking to him and his leg is shaking like -

Chamath Palihapitiya

Restless leg syndrome.

Jason Calacanis

I mean - it - but no, it's - he's got his hand on it. He's like trying to control it.

Chamath Palihapitiya

Does he - did he have - did he have restless leg syndrome?

Jason Calacanis

It's bouncing - I kid you not - like a 100 times a minute. It was disturbing. And so, I'm wondering if this guy's got a panic attack or what's going on. And I kind of like toned down my crypto-skepticism questions because I felt so bad for him - that I thought I was having a panic attack. And then, I realized this guy's hopped up on fucking speed. And he's got so much of Adderall or whatever. These - these kids were taking some patches that you wear to release this stuff. I am convinced that these guys were taking a level of speed -

Chamath Palihapitiya

Unbelievable.

Jason Calacanis

- that would kill an elephant.

Chamath Palihapitiya

Like Vietnam War level.

Jason Calacanis

Yeah. Like these guys were out there. I mean - he was - I mean, patches? These guys are wearing patches. And he was shaking.

David Sacks

Was it like this?

David Friedberg

Oh...

Jason Calacanis

Oh...

David Friedberg

My God.

Jason Calacanis

Did Hitler have -

Chamath Palihapitiya

He was apparently totally addicted to drugs.

Jason Calacanis

Right. Hitler was also on speed. That looks like he's on amphetamines there, yeah. It did look like actually if I'm being honest. It was kind of almost exactly like that. Oh, my God! Where is that from? For people who don't know, the Third Reich was on speed. There's like many, many stories about this. Yeah, Sacks? That they were hopped up on speed.

David Sacks

I - I believe so. I'm not sure, but I believe so. I think entire books have been written about -

Jason Calacanis

Yeah.

David Sacks

- drug use by the - the Third Reich, but -

David Friedberg

Yeah.

David Sacks

- I haven't delved into it.

Jason Calacanis

Yeah, no, no. I - I've listened to a couple of podcasts about it, in fact. And so, it must be true. I've listened to some podcasts. Alright, moving on in the -

David Sacks

If it was on MSNBC, it must be true for JCal.

Jason Calacanis

Or Fox. Or Fox - or if it was Beep the Great - your anonymous friend on Twitter - it must be true. Alright, Trump just made \$5 billion on paper with his meme SPAC. Trump's social network has finally de-SPAC'd. It's now publicly traded you can go buy Donald Trump's SPAC at DJT - is the ticker symbol. They are on pace for a whopping \$4.5 million in revenue on a \$60 million loss. They're growing like 3x year-over-year and the company is not disclosing any user metrics. This quote from one of their recent filings is next level. "At this juncture in its development, TMTG - the Trump Media and Technology Group - believes that adhering to traditional KPIs such as signups, average revenue per user, ad impressions and pricing, or active user accounts - including monthly and daily active users - could potentially divert its focus from strategic evaluation with respect to the progress and growth of its business." So, they are not tracking -

David Friedberg

Isn't that the business?

Jason Calacanis

I - it's so laughable. I can barely get through it.

David Friedberg

That's crazy. They said that?

Jason Calacanis

Literally, they said it.

David Friedberg

That's crazy.

Jason Calacanis

It's a quote from their SEC filing.

David Friedberg

Wow.

Jason Calacanis

According to SimilarWeb estimates Truth Social had about 5 million - 5 million visits last month. As of Thursday morning, it's worth about \$8.5 billion - same as Reddit - or close to 2000 times top-line revenue. The company had about \$300 million in cash after the merger. By comparison, Reddit has \$800 million in revenue. Their market cap is \$8.4 billion or about 10 times revenue. So, it should be about 5, 6, 7 times revenue - would be more realistic according to basic media comps. Reddit had 2 billion visits last month with 73 million daily active users. That's pretty significant. This SPAC took a long time to close. There was an SEC investigation into three men allegedly making \$23 million buying then dumping shares of DWAC after the merger was announced. They all faced at least five fraud and conspiracy charges. Of course, this is what happened before it was de-SPAC'd. And so, what do you think? Chamath, thoughts on this meme SPAC or stock?

David Sacks

So, just to be clear - I just think we should be really clear because you're just floating this insider trading thing out there as part of the introduction, which is a huge allegation. And we have to be really clear, that is related to a few investors and not to the company itself. And their - the company's SPAC was approved by the SEC. So, I just think we have to be clear - clear about that.

Jason Calacanis

Here's the SEC charge - yeah, just to be super clear - SEC charges former DWAC board member and others for insider trading - DWAC.

David Sacks

I just don't think this is the story. This is just not the story.

Jason Calacanis

No, this is the reason it was delayed. So, just to be clear - it was - the whole - this whole thing has been delayed for a couple of years because of this.

David Sacks

Okay. Okay, fine. So, it was delayed. The SEC approved it. The company is now trading.

Jason Calacanis

What do you think of the valuation?

David Sacks

And that's the real topic. Isn't it?

Chamath Palihapitiya

Here's what I'll say. I think that this is a really important watershed moment. And it reminds me of 1997. Nick, throw this little image up. In 1997, David Bowie issued what was then famously called the "Bowie Bond". It was \$55 million that yielded 7.5%, which is about 80bps above the 10-year at the time. And these were 10-year bonds.

David Friedberg

That's awesome. I didn't know that.

Chamath Palihapitiya

The bond payments were linked to 20 albums that Bowie had released before 1990. And so, these are like 280 songs. And what he basically said was like, "Listen, folks. You're essentially buying a piece of me. And in this case, my past work. And I'm going to take this \$55 million up front. And you're going to get paid this interest based on the royalties that I generate off that historic library for a 10-year period. We think you're going to get paid the \$55 million plus a 7.5% a year. And then, I'm going to take back the rights. And if I default - if these bonds default, you will own the songs." And it turned out that it was an incredible bet. The people that bought it - I think it was Prudential, which was an insurance - I - I think it's an insurance company. They got paid. The bonds did not default. In 2007, Bowie took back the ownership of that catalog - of that back catalog. But instead what he had was \$55 million up front, which allowed him to go and buy all kinds of other parts of his catalog that he didn't otherwise own. So, why is this interesting? This was the first example, I think, of people monetizing themselves - their name and their likeness. In this case, it was done via debt. I actually think when you look today, what's happening is a - a more sophisticated version of that movement, but at much larger scale. I mean - we were all joking that there was a bunch of meme coins that launched - not with any of our support, by the way - but, you know, with our names - with all these other quasi-famous people's names. Those things went up and were worth millions of dollars of value. And I think what this Donald J. Trump - the DJT company - what it represents is effectively a trading coin - a baseball card, if you will - a trading card via a stock - on the value of Donald Trump's enterprise value - his name, his recognition, and his likeness. So this, I think, is the modern instantiation of the "Bowie Bond". And what's incredible is you can see Bowie - 30 or 40 years ago, he could have generated \$55 million in inflation-adjusted dollars. That's about 100 million in today's dollars. Trump - 3 and a 1/2 - 4 billion. I think it sits on top of this idea that these very famous people - the Kim Kardashians of the world, the Donald Trumps of the world, the MrBeasts of the world - can eventually take companies public. And when you take a company public - you have to remember, Jason - there's the revenue and the profits, right? But if you look at the balance sheet of a company, there is always a line item called "goodwill". And goodwill is what people use to separate the assets, and the liabilities, and

whatever is left over to generate the shareholder equity. So in this case, Donald Trump - the DJT company's balance sheet will show a ginormous entry in goodwill. And that is the value of his name. Coca-Cola has such a goodwill line item. PepsiCo does, Gatorade does, Nike does, and this company does. And I think there's going to be a lot of other companies that will go public that effectively generate a huge goodwill line item that represents the name-brand value of the person associated with it.

Jason Calacanis

So, you're a buyer?

Chamath Palihapitiya

I'm not saying that. I'm just saying that there is a lot of people that will be buyers that essentially will buy this as a Donald Trump - a directional bet on the value of his brand. And I'm also predicting that many other individuals will go public and have enterprise values that are levered in the same way as DJT. And that is a modern version of the "Bowie Bond" from '97.

Jason Calacanis

Friedberg, your thoughts on the - Chamath's argument that this is a proxy for the value of Donald J. Trump's brand?

David Friedberg

I think that's certainly one reason why people are buying the stock and driving the price up. And another one is probably a vote against traditional media - that there is a contingent of folks who are basically voting with their dollars and saying, "We want an alternative to traditional media and traditional publishing platforms that have censorship that we don't agree with or have editorialization that we don't agree with." And that this investment, I think, represents a way for them to vote and say, "I don't want the old way. I want a new way." And while this may or may not be the new way that succeeds. It may or may not be a great business. And it may or may not even have much viewership or - or usefulness. It's a mechanism by which people can put some money down and say, "I'm voting on an alternative. I want to see an alternative." So, I do think that there's a flash point indication that arises from this that's more than just the memeing aspect of it, which is certainly fun. Everyone crowds into a stock. Stock price goes up. It's kind of like, "To the moon!", and so on. I think there's also this element of demand for alternative media. There's demand for a different type of publishing platform. And so, I think that that's what this most represents to me from a - a what-the-market-is-telling-us perspective.

David Sacks

I think there's one other thing going on here which is that this represents a populist reaction to the lawfare against Donald Trump - that I think Trump's supporters want to support him against all of these lawsuits and this persecution that he's been facing. And I think one

proof of this is if you turn the dial over to MSNBC, they've been losing their minds all week over this because they thought they had finally gotten the man. There was this \$450 million judgment in New York that he was fined for supposedly inflating the value of - of assets against which he got loans - even though the bank did its own independent appraisal of the properties - and even though the banks fully got paid back and said they wanted to keep doing business with him. So, they thought they had finally gotten DJT. And he was going to have to pay hundreds of millions of dollars in fines. And then, lo and behold, this SPAC comes along and he makes millions and millions of dollars. Now, that's not locked in yet. We're still in this lock-up period where for 6 months there's a very small float. And it's probably the case that once there's more shares on a liquid market, we'll find out what the real valuation is. So, let's call the valuation we're seeing today - based on a very small float - let's call this more of a preliminary number. And Trump can't sell yet. But presumably after 6 months when the lock up comes off, he'll be able to sell. So, look. I think, fundamentally, what's going on here is this is political. Trump's enemies are angry about this SPAC because they see that it gives them a lifeline. And I think Trump's supporters are deliberately buying this stock to support their guy. And to say that this lawfare against Trump that basically seeks to imprison the man or bankrupt the man instead of simply run against him is a new low in American political discourse. And I think there's millions of people who agree with that. And some of them are willing to buy this stock as a protest vote.

Jason Calacanis

I agree 100% with the protest vote. It's - you know - he had what - 60-70 million people vote for him. He got 74% - 74 million, rather - 46.8% to Biden's 81 million. If - but 2% of those people want to buy the stock, it's a million and a half people. And that's exactly what's happening here. They don't care if they lose the money. Actual value of this company with \$5 million in revenue - \$4 million in yearly revenue - I mean - if you really want it to be absolutely insane and give it 100x valuation - it's worth \$400 million. And so, then if whatever goodwill - Donald Trump's likeness is - maybe that's another \$500 million. But you'll lose a large amount of money, I predict, if you buy this. And if you're buying it as a protest vote - sure, go for it.

David Sacks

Why don't you - JCal, why don't you short it as a day trade?

Jason Calacanis

You know - I never shorted a stock. And I - I - I - I think -

David Sacks

Remember Gabe Plotkin?

Jason Calacanis

No. Who is this?

David Sacks

Oh, remember from Melvin Capital? He thought he could -

David Friedberg

He blew up his fund shorting GameStop.

David Sacks

He thought he could outsmart all the apes.

Jason Calacanis

Yeah. Yeah, that's - I mean - that's exactly why I wouldn't do it. I'd never shorted. I think that - you know - you get these Trump voters and it starts going up because of the small float, which is what's happening now. They might send this thing to \$80 billion, you know? Who knows what is possible with the short float and a motivated - motivated - you know - million - 2 million people.

Chamath Palihapitiya

You guys are bringing up something else as well - which is we've shifted from fundamental-based stock trading being the overwhelming driver to - there's a lot of like very speculative day-over-day activity that you can't control anymore. And I think it's part and parcel of what's happening in other markets in America as well. So, when you look at sort of like what happened in 2016 where the Supreme Court said each state can regulate sports gambling. All forms of like online gamesmanship and betting just started to skyrocket. It could be casinos, lotteries, sports betting. It didn't matter. But everything just caught a massive, ginormous bid. And when you look at the products that service the retail market, they've also become increasingly gamified. Robinhood is probably the best example of having built an incredibly good business by making things more like a game. And then recently, adding fuel to the fire, are things like zero-day options, which are just like - and there was a big article in the Wall Street Journal where like one of the reporters - she became addicted to it. And like the Wall Street Journal gave her - I want to say like a - like a few thousand bucks, but she had to disgorge the profits. And she like 2,000x - or - or she - she got like a 2,000% return or something - spec'ing zero-day options via Robinhood. So, the point is that - on top of the whole movement to sort of allow individuals to monetize their own name and likeness via the stock market - which we just talked about - the second movement is that a lot of these things are becoming less financialized and more gamified. And so, you just have many more participants. And so to your point, you can have a GameStop moment in any of these things. You can have these zero-day options run the stock to the moon. I would be - I would tread very lightly.

Jason Calacanis

Yeah. And just another warning. You know the - the stock market bases things ultimately on like earnings and profits. And so, when we look at this as a proxy - and MrBeast would have

the same issue or Martha Stewart. You have a key man - key individual risk here - i.e. this person goes to jail, they die, whatever - which Martha Stewart always had on her businesses. And then, what is included in this is key. So, if he does another TV show and it becomes a hit again, is that included in this? No. If he has another building, are his buildings included in this? No. The golf course is included? No. What's included in this included in this deal when you buy DJT is apparently just a really -

Chamath Palihapitiya

No. You're right, JCal.

Jason Calacanis

- farkakte - crazy - you know - social network that nobody uses. So, just be clear what you're buying.

Chamath Palihapitiya

No. You're right. The - the more sophisticated version of this trading-card analogy would be if Donald Trump contributed his brand licensing revenue in perpetuity to the asset. And then, it really is a longitudinal forward bet on the Trump name.

Jason Calacanis

Yeah.

Chamath Palihapitiya

And that - that's sort of more like if Virgin - like if Richard Branson took the Virgin Holdco public.

Jason Calacanis

Yes.

Chamath Palihapitiya

That's effectively what that is as well. Like - you know - Branson over 40 or 50 years has built an incredible business. I think the stat that I heard when I got to know him was he's created 20 businesses worth at least \$1 billion or more over his life.

Jason Calacanis

With the Virgin brand.

Chamath Palihapitiya

With the Virgin brand and the Virgin brand is a licensing model where he holds that right and he will license it to you for a share of the revenue. That's independent of anything else that he may do with these businesses. And so, if he took that Virgin Holdco public, then what you're buying is a longitudinal discounted cash flow on the value of Virgin. And to your point,

if Trump contributed that name and likeness licensing capability into this - by the way, he could also still do that. So, to the extent that this business saw a contraction and maybe the Truth Social thing didn't end up being that valuable, but the other aspects of the media business he could create by basically saying, "Okay, look. This will get a share of my licensing revenue from my name.", would effectively be a proxy to do that. So, he's got a lot of outs here to maintain this market value. And then on top of that, to your point, there's 70 million odd people who would want to support him in one way, shape, or form.

Jason Calacanis

I would not go anywhere near shorting it given his - his fan base is incredibly likely to keep buying these shares. And if you want to know the actual value of this business today, I'm an expert at this. It's \$100 million. It's \$200 million. It's not anywhere close to this.

David Sacks

Then short it. Put your money where your mouth is.

Jason Calacanis

No. We just - no, no - we just explained. When you have a small float like this and a rabid group of people who are gambling, you will get your face ripped off.

David Sacks

You'll get Plotkin'd.

Jason Calacanis

It's absolutely the stupidest. What's that?

David Sacks

You'll get Plotkin'd.

Jason Calacanis

Yeah. Yeah. I mean - it's disastrous. I mean - they - what did they say? "We can be stupid longer..."

David Sacks

"We can be retarded longer than you can be solvent."

Jason Calacanis

Yeah.

David Sacks

The Redditors.

Jason Calacanis

It's such a great line. I mean - but you can gamble like this on stocks. Yet, you cannot invest in private companies. I don't get the legal system in America. Be careful out there, folks. You will lose a large portion of money is my prediction if you buy this stock. But feel free if you want to gamble.

David Sacks

Look, I think - I think this is all part of the ongoing backlash to lawfare.

Jason Calacanis

Yeah.

Chamath Palihapitiya

Yeah.

David Sacks

Joe Biden instructed his Justice Department to prosecute Trump. It's, in my view, it's utterly unprecedented in American history for one president to try and prosecute, imprison, and bankrupt his main opponent in the political election. And there are millions of Americans who are absolutely disgusted by this. I think it's a new low in American politics. And God bless all the people buying these shares to support Trump - just as a protest vote. I don't know whether they're going to make money or lose money. Like I said, I don't think you can justify the valuation based on fundamentals, but you can sure as hell justify it based on payback.

Jason Calacanis

Yeah. I mean - if you want to give your money to a billionaire, buy the stock - absolutely - feel free. I think, probably - I agree with you. Like maybe 2 of the 6 lawsuits are a bit weak. I think the 3 or 4 other ones - you know - he committed the crimes and he's just paying the price. But - you know - we can agree to disagree on this pod. Intelligent people do. Speaking of intelligent people, RFK Jr. just picked up his running mate. This is a little bit crazy and I'm really interested in hearing your thoughts on it. He chose a 38-year-old Bay Area lawyer, Nicole Shanahan, as his VP. RFK explained why he chose her. She knows Big Tech very well - how they use AI to exploit the public, how they censor and surveil Americans to push certain agendas. She understands the health consequences of toxins in our air, soil, and food. And he wanted a younger person to represent Millennials and Gen Z. He says younger generations feel like nobody represents them in Washington. He also wanted an athlete in good shape to inspire Americans to live healthier lives. And Shanahan donated \$4 million in support of RFK Jr.'s Super Bowl ad that ran earlier this year. Sacks, what do you think of this pick?

David Sacks

Well, this does not excite me. I'll - I'll be frank. But since I'm going to say something critical, I want to - let me start by saying something positive because I - I really - you know - I love Bobby Kennedy. I mean - I think that he represents a number of really great issues that I agree with. I mean - first of all, he's been the most articulate critic of the Ukraine war - understands it deeply and has explained it extremely well. He has stood up for sealing the border. He went down there - showed that it's out of control. Completely agree. He was a vocal critic of Fauci and lockdowns - was completely right about COVID. He supports - supports civil liberties and free speech. So, you know - I want to say like - Bobby Kennedy is great. The issue I have with this pick is that she doesn't represent any of those issues. She has a completely different issue matrix. And I - I watched her speech. And just to say something positive about her - I mean - I like her enthusiasm. I think she's 38 and it's nice to have someone running for political office who's not in their 70s or 80s. And I think she's genuine. I actually think she's saying what she really believes and that's really nice and refreshing. But again, if you go back to the issues themselves, she brought up three issues. Number one is she says she wants to make Americans healthy again. It's the focus on chronic disease. I'm not saying she's wrong about that. That's just not my issue. Number two, she brought up criminal justice reform. This one concerns me. Apparently, she donated to Gascón, who's a Soros DA who helped destroy San Francisco and then failed upward to L.A. So, apparently she's a Gascón supporter. That does not fill me with confidence. That is a, quite frankly, luxury liberal belief and this decarceration idea. So, I'm not excited about that. Her third issue was climate and environment related, but - but in a very specific way. She went after Big Agriculture. She said, "We can no longer support extractive corporate agriculture." I'm going to let Friedberg speak to that one. I can't really say whether she's right or wrong, but that's just not one of my issues. So, listen. At the end of the day, I feel like this pick accentuates and underlines the issues in Bobby's platform that appeal to the to the - to the left, frankly - to - to liberals. And I - look, I think Bobby's candidacy is a complex candidacy that brings together people from both left and right. But again, this pick does not speak to me. It speaks to the more liberal parts of his coalition.

Jason Calacanis

Does it increase his chances? And who would have been the person who would have increased his chances most?

Chamath Palihapitiya

Tulsi Gabbard.

David Sacks

Well, the person who would have been amazing would have been Tulsi Gabbard, okay?

Chamath Palihapitiya

Slam dunk.

David Sacks

If he had chosen Tulsi - that would have blown the doors off.

Chamath Palihapitiya

Slam dunk.

Jason Calacanis

Yeah. I mean - and Tulsi has been saying, Chamath, publicly that she would be proud to serve with Trump and it's seeming likely that she's got a shot at that, yeah? Being the VP for Trump?

Chamath Palihapitiya

I'm not going to comment on that.

Jason Calacanis

Okay.

Chamath Palihapitiya

Let me just say something else. I think Tulsi Gabbard is really impressive. I think she's independent and I think she really stands firmly on her own two feet in a way that I find inspiring. I, like Sacks, have many, many positive thoughts about Bobby Kennedy. I think he is - he was really a breath of fresh air. Jason, this - in this election cycle - because he was able to say the unsayable things and made those things more easy to be said by others. And I think that there's a really important role in that. And I think he deserves a lot of credit for that. And then, the fact that he said things that were so unconventional and not mainstream that are now mainstream views, I think says a lot to the fact that he was pretty grounded in first principles thinking on those topics. And I think that having those kinds of people in office are really good for America. All of that said, I do agree with David that I think the pic was meant to be more about covering his left flank. And I found that an odd calculation. And I wonder whether it wouldn't have been easier to cover the right flank. And there are different folks that are - that could have been in the mix to do that. And so, I think that it was a calculation though. And I think it's about - he has a core set of issues. It's about whether he appeals more to this side or to this side in order to get the totality of the votes that he think is possible. Second, he was under a little bit of a time constraint because some of these states need the VP candidate named. And he's under a shot clock that the other two are not. So, I mean - I - I wish Bobby the best because I think some combination of Bobby doing well and some upheaval between the Democrats and the Republicans is really the only chance we have of having a credible third party. Let's see now what happens. By the way, we should just say - like, you know - Joe Lieberman passed away - which is really unfortunate, you know. He was a really independent thinker as well. Let's see what No Labels really does here. There's a little bit of chaos over at No Labels, I think. But - so, there's a lot of moving parts. So, it was clearly calculus. I don't totally understand what that formula was though.

David Sacks

Just to build on something Chamath said. There's a report by Colin Rugg that the DNC realizes what Chamath said about this covering Bobby's left flank rather than his right flank. And apparently, they're in somewhat of a panic about this. And I think what you're going to see is that lawyers from the DNC and the Biden campaign are going to fight tooth and nail to keep this ticket off the ballot - at least, in the major contested states - like the 5 or 6 states where the presidency will be decided in 2024. And of course, they'll be saying they're doing this to save democracy. But you're going to see, I think, a full-court press by DNC lawyers to keep the Kennedy-Shanahan ticket off the ballot.

Jason Calacanis

Yeah, this seems really like it's going to damage Biden - which was my original prediction. And that - reason why a lot of the right wing were supporting RFK was because they wanted - they saw this as a clear path to take away a couple of points from Biden.

Chamath Palihapitiya

I think the first part of what you said -

Jason Calacanis

And it seems like that's what's happening.

Chamath Palihapitiya

First part of what you said is 100% right. I'm not sure that a bunch of Republicans are going to get organized, JCal, to vote for RFK in that way.

Jason Calacanis

Oh, no. I don't think they're going to do that. I think they supported him publicly in order to build him up as a centrist candidate knowing that it would take away from Biden. So, I just think on a strategic political basis, all these Republicans -

David Sacks

They - they didn't do that for - for Marianne Williamson. Why not?

Jason Calacanis

Yeah, no. She's not electable.

David Sacks

Because she didn't speak to them.

Jason Calacanis

Yeah, no. No, it's because she's not electable. I mean - she's like -

Chamath Palihapitiya

By the way -

David Sacks

Wait, wait, wait. So, you're -

Jason Calacanis

- into crystals and not like a viable candidate. It's - it's pretty clear she's not viable.

David Sacks

But, why - why can't you just accept that people on the right like the issues that Bobby spoke to? Isn't that the simplest explanation for -

Jason Calacanis

No, I think that they're partisans and they just want to win. So, I don't think it has anything to do with what you were saying - which would be like authentically liking and connecting with what he's saying. I don't think it was that. I think it's a strategic plan to try to pull Biden votes. And I think Republicans are smart for doing that.

David Sacks

You think Bobby is a plant? You think he's a plant?

Jason Calacanis

I think their support for him is for nefarious reasons. They're supporting him to take votes away from Biden. And here it is. We're all agreeing that this is going to take votes away from Biden. So, I think it's a very clever strategy on the GOP's part.

Chamath Palihapitiya

The other - the other -

David Sacks

Well, let - hold on. I - just - just to add one point to that - remember, that when Bobby entered the race, he did so as a Democrat.

Jason Calacanis

Yeah.

David Sacks

He did so challenging Joe Biden for the nomination of the Democratic Party. How did the Democratic Party react? They kept him off the ballot. They wouldn't give him a fair shot.

Jason Calacanis

Yeah.

David Sacks

That's why he went independent. So, he did not have to be this - you know - sort of like what you're kind of implying - like a fly-in-the-ointment-type third-party candidate. He tried to be the Democratic candidate.

Jason Calacanis

Yeah.

David Sacks

They wouldn't let him compete. If they had let him compete in a fair way, maybe he would have stayed a Democrat.

Jason Calacanis

I would have loved to have a massive competitive field of Democrats. I think the Democrats are screwing this up big time. I - I think this could be the - this could - I think they - he could peel off a couple of percentage points - yeah - in those states.

Chamath Palihapitiya

More. I think you're right.

David Sacks

I think you're right. I think you're right.

Chamath Palihapitiya

I think it's more than that.

Jason Calacanis

So, I mean -

Chamath Palihapitiya

I think it's more than that.

Jason Calacanis

So, we all agree that's what's happening here. Then, we're just disagreeing on tactics.

David Sacks

No, I don't - no, I - I think this is - I think this is where we -

Jason Calacanis

We agree it's taking points away. Yeah.

David Sacks

I think we agree about that. But what I'm saying is that this is where we've ended up. I don't think it was constructed to be this way.

Jason Calacanis

Hmm, interesting. Friedberg, your thoughts on this candidate - specifically, around her love of organic food and wanting to take on the pesticides - toxic food - you know - and the - and the industrial food complex?

David Friedberg

I remain steadfast in my commitment to there being only one major issue facing this country. And that is the federal debt and the deficit. We are increasing the federal debt by \$1 trillion every 100 days. That number is not slowing down. The current budget proposal from the Biden administration calls for over \$7.2 trillion to be spent next year. That makes the US federal government roughly 1/3 of our country's GDP. The outrageousness of the condition that the US is in right now makes it so insane to me that we are talking about any other topic - like Big Agriculture or whatever other nonsense was being spouted about as important topics to this particular person. If every voting citizen of the United States does not recognize the severity of the deficit and debt problem that the federal government faces, you are wasting your vote. And no candidate is speaking to what is clearly the biggest issue of our time. And we need to address this issue head on. So, I don't care about this person or anyone else who's running for office that is talking about stuff that we cannot actually address and problems we cannot actually solve if we don't get our fiscal affairs in order. That's my point of view.

Jason Calacanis

Got it. And respect for that. Can anybody win the presidency on a, "Hey, we're going to balance the budget. We're going to cut spending." - platform?

David Friedberg

Nope. Nope. Nope.

Jason Calacanis

So, they can't win. And it's an existential issue.

David Friedberg

That's why I - look, I mean - I'll keep shouting into the abyss and hope that a few people hear it and that at some point it becomes a topic that folks do begin to focus on. I - I think that the necessity of raising tax rates, the necessity, ultimately, of cutting entitlement programs, the necessary inflation that will arise because of the condition of the federal government's debt level, because we're going to have to keep printing money. These are the sorts of things that are like a boiling pot - that one day folks will wake up and say, "Well, what the heck happened? Everything got mismanaged." And it's not a Democrat problem. It's not a Republican problem. It's a - it's a fundamental problem of people voting themselves all the money and people getting voted into office by saying, "I'm going to do more than is being done today." And that costs money. And no one actually addresses the rampant misuse of funds, the lack of accountability in spending, and the fact that we have an incredible amount of negative ROI spending, and the fact that we've effectively created an economy that's fundamentally dependent on federal spending. And I'll go through some statistics when we talk about Biden's budget later in the show, but I think that the significance is just overlooked by all of these candidates. And we're not really talking about the thing that matters, so -

Jason Calacanis

Alright, so let's break down Biden's proposed budget of 2025. Proposed budget was \$7.3 trillion for fiscal 2025. That starts in October of 2024. It's up 18% from 2023. Projected deficit \$1.78 trillion, which is similar to the deficits we ran in '23 and '24. The budget projects an average deficit of \$1.6 trillion per year over the next decade. National debt, as Friedberg was alluding to, is insane. It's at \$34.5 trillion, but we made some charts here to go through all of this. Let's pull up the first chart. And this is comparing Biden's proposed budget in 2025 with budgets from 2005 and 2015. Defense spending has actually grown pretty modestly during that time. But entitlements, interest payments, and non-defense spending have jumped significantly. US will owe \$965 billion in interest on its debt next year. That's \$65 billion more than the proposed defense budget. And in 2026, the US will surpass \$1 trillion on interest owed on its debt. And we'll talk about that more in a minute. But let's start here with this first chart. Anything jump out to you - Chamath, here - that's notable and worth discussing?

Chamath Palihapitiya

All the areas that we need to cut, we can't even have a conversation about. So, they'll never get cut and they'll keep growing. So, I think that we probably need to figure out what the alternatives are. So, if you can't have a conversation about expenses, the only logical place is to have a conversation about revenues.

Jason Calacanis

Oh, boy.

Chamath Palihapitiya

And what that means for the government is in taxation. And so, I don't know, Jason, what we do here. There could be a couple of saving graces. So, there are some things happening - for example, on the Medicare side - that could be profoundly disruptive. They are - now, I'm not - again, I'm just going to put this out there as it's happening. I don't know if it's good or bad. But they are looking at reimbursing things like Wegovy, and Ozempic, and whatnot. If you look at the underlying costs of those kinds of chronic diseases - diabetes, heart disease, etc. - and you put a large swath of the American population on those drugs, the reimbursement value of those drugs versus the cost of actually the chronic care management would save you many hundreds of billions of dollars a year. So, that's something. Second is, on the defense side, there's a large portion of that budget that's migrating away from traditional tactical warfare to things that are unmanned vehicles, and cyber, and whatnot. That could save 2 or 300 billion dollars there. So, there are places where you could save 500 billion to a 1 trillion dollars. But I think it's going to be an almost impossible conversation and it'll happen by accident. So then, the only forced conversation that I think we are going to have as a society is around taxation. And that's really bad for - you know - a lot of people that don't believe that's the path to generating growth.

David Friedberg

One of the challenges is that there are - and we should reference these in the show, notes Nick - but there are well researched economic studies that show that when a government tries to increase the taxation level north of 20% of GDP, of that economy, that you actually see GDP growth go negative. That there's a certain natural equilibrium on which you can tax the system. Beyond that level, investment dollars go down and growth begins to shrink. And that's what triggers the spiraling problem. Because then, the government spending needs to go up to continue to grow and support growth in the economy. And it creates this inevitable -

David Sacks

Totally.

David Friedberg

- spiraling.

Jason Calacanis

Would you call this the Atlas Shrugged? The Atlas Shrugged effect is investment goes down?

David Sacks

There's a FRED chart showing percent of GDP that's federal tax receipts and then percent of GDP that's spending.

David Friedberg

Exactly.

David Sacks

And then - and then, the gap is your deficit, okay? And Friedberg's right. That I think in the absolute best economy - or best years of the best economy - so, it's like - you know - the best year of the Reagan boom and the best year of the Clinton boom when we had the government surplus - I think the government was extracting just shy of 20% of GDP. And in the '70s, when marginal tax rates were at 70% - so, before the Reagan tax cuts - we were actually extracting a lower percentage of GDP. So, there's only so much blood you can get from a stone. If you raise tax rates on a marginal basis high enough, the economy performs worse and you actually end up collecting less or people spend a lot more money on lawyers and accountants to basically figure out more structuring schemes to avoid paying taxes. So, the years in which we've got the highest percentage of revenue out of the economy are in good economic years where we've had reasonable levels of taxation as opposed to the highest levels of taxation. And so, the problem is with the spending. I mean - we used to be able to keep spending to somewhere between - I would say in the best years of - of - the years of the Clinton surplus, I think spending as a percent of GDP was like 18.8%. It's around 20% of GDP goes to federal spending. That's - that was normal. But then, the spending got out of control during COVID. And it went up to like 25-30% of GDP went to federal spending. It's starting to come down, but it's still way too big a number. Anyway, my - my point is that a starting point for dealing with next year's budget is freeze spending. Just freeze spending. You know, the 18% increase is not a good idea. If we want to get this problem under control, freeze the spending. We can talk about taxation, but you're only going to get so much blood from a stone.

David Friedberg

And increased spending is stimulatory. And so, it works well in an election year. I would say we took two major crises and we had crisis-level spending. And then, we normalized that spending and allowed it to carry forward - starting with the '08 financial crisis with our monetary policy and then being accelerated with COVID and - and our fiscal policy. I'll give you guys - I did some back-of-the-envelope math. I'm sure there are economists who have done a better job of this than I. There are directly 3 million Americans that are directly employed by the federal government. There's 167 million workers in the US. So, 3 million are directly employed by the federal government. If you take the rest of the federal spending that flows into the economy, it's about \$3.5 trillion a year. And assume 30% of that capital goes to equity holders and businesses - that own businesses that benefit from that spending - and the rest flows through to labor. That's about 13% of GDP flowing through to labor. And assuming average annual income, that's another roughly 45-50 million people that are directly benefiting - that are directly earning income because of federal spending. There's another 50 million people in the US that rely on Social Security. And here's another important statistic. There's somewhere between 12 and 20 million people in the US that pay

more than 50% tax rate today. So, those people are effectively working for the federal government because half of their – their income goes back to the government. So, when you add this all up, there's over 100-120 million people in the US that are directly working for or getting paid by the federal government in the US. That is such a significant percentage of our economy. That is such a significant dependency on individual income on a federal government. It – I don't want to use the term "socialism", but the – the ability for US labor to earn is so largely dependent and largely driven by federal spending at this point, it becomes this critical linchpin to enabling progression economically – to enabling the labor force to continue to participate – that the federal government is now the primary customer or employer of most of the labor force in the United States today. That is a deeply and profoundly different circumstance than what I think the Founding Fathers envisioned when the federal government was supposed to be this lightweight overseeing organization of a federated republic – of states. And unfortunately, I think we find ourselves in a condition – as Chamath points out – that's very hard to get out of. This is going to require a dedicated, multi-decade effort to create a slow unwinding from this deep dependency that our labor force has on federal spending. And I – I'm just like so shocked that this isn't the critical problem of our day – that we're not all spending time on. Folks have pointed out that this only goes one way at this point.

David Sacks

Hey, Nick. Can you bring up that first FRED chart? This is federal receipts as a percent of GDP. And it goes all the way back to World War II. To Friedberg's point, we've never gone above 20%. Look at that. And we've had tax rates as high as 90%. I'm saying top marginal tax rates as high as 90% – I think after World War II, because we're trying to get out of the deficit that was created by the war spending.

David Friedberg

You can't get above 20.

David Sacks

Yeah, exactly.

David Friedberg

The economy shrinks.

Chamath Palihapitiya

No, but hold on. The – the – I gave you this OECD report. It says that since 2000, we've been in the mid 20s. And the OECD average is 34 in terms of tax to GDP.

David Friedberg

Tax to GDP. Is this – this includes state and local then, right?

Chamath Palihapitiya

Probably, yeah.

David Sacks

Yeah, I just showed federal.

David Friedberg

I think this probably includes state and local.

David Sacks

Yeah. And if you - and if you -

David Friedberg

And by the way, is a whole nother bailiwick because I didn't include those numbers in my employment statistics. The US Bureau of Labor Statistics estimates that about 20.2 million Americans are employed by local and state governments - directly employed by local and state governments. So again, when you add this all up, the majority of the US labor force is employed by the government, or is a beneficiary of the government as the primary customer, or is supported by government entitlement programs.

David Sacks

If you go back to that FRED chart for a second - I mean - if you if you basically acknowledge the point that 20% is the ceiling on how much we can extract from an economy based on 80 years of data, okay - with all sorts of differing tax schemes - then, I think what we should say is that federal spending will be capped at 20% of GDP.

David Friedberg

Yeah.

David Sacks

We should - you see what I'm saying? Like if we can't go above 20% on receipts, cap federal spending at 20%

David Friedberg

Always. Always. That's it. That's it. That - that should be a constitutional amendment.

David Sacks

Right.

David Friedberg

That's it.

David Sacks

And then - and then on the revenue side, we should say, "What is the best tax code to achieve that 18, 19, 20%?" Because what we do right now is we just say, "Well, just tax the rich." But what we've seen is we've been taxing the rich as high as 90% in the past and you didn't get more revenue. So, we should be much more scientific about saying, "Well, given that our target is - let's say, 20% - what's the best way to do that?" And no one really has that conversation.

Jason Calacanis

No, none of the conversations have to do with data or building a bulletproof system. The same thing we could say about immigration, where we try to talk about the numbers here of what's a reasonable number of people and tying that to an actual number. And it's pretty obvious we should have one immigration policy when we have 5% unemployment and a different one if we had, God forbid, 15 or 20% unemployment.

David Sacks

Wait, can we just stay on budget for a second?

Jason Calacanis

It could be tied to the unemployment rate.

David Friedberg

The fundamental structural problem I'm highlighting is that we've created an economy that is so deeply dependent on federal spending. That the federal spending levels are what support so many employees and so many companies in the US.

Chamath Palihapitiya

You're answering your own question. That's why it can't stop.

David Friedberg

Right.

David Sacks

I don't think the real economy that creates all the innovation, and all the value, and all the - the good paying jobs - I think that is separate from what the government economy.

David Friedberg

That's the deflationary economy. That's the -

David Sacks

Yeah.

David Friedberg

That's the true market-based deflationary economy. The problem is - once we've layered in all of these layers of dependency from federal dollars flowing into businesses or into people's pockets, it's very difficult to back out of that.

David Sacks

I don't call that dependency. I call that special interest. I think there's a lot of special interests who are basically looting the federal government and taking all this money. And then, they turn around and use some of it to - to donate back to the politicians and lobby for more spending. So, what you're calling dependency is really more special interest - meaning that I don't think we need to have this level of spending in order to have a successful economy.

Chamath Palihapitiya

Yeah.

David Sacks

I think it makes our economy less successful.

Chamath Palihapitiya

Yeah.

David Friedberg

It's still stimulatory because, Sacks, remember Mitch McConnell - when they were talking about supporting Ukraine. His primary argument, as you remember, was that all of these dollars are going to go into defense contractors pockets - which is going to go to employees pockets - which is going to stimulate our economy. That's the fundamental thinking.

David Sacks

But that doesn't create value. That doesn't create value.

David Friedberg

I know. But that's the thinking behind it, right? I mean - that's the political system that -

David Sacks

Okay, let me just walk through this real quick. If the government prints a bunch of money and hands it to people as stimmy checks, we all understand that creates no economic value. It just creates inflation, okay? Now, if the government does the same thing - but instead of a stimmy check, pays people to dig holes and fill them back up. That's the exact same thing. No economic value, just inflation. Now, let's say the government pays people to create bombs that create holes in other countries. Exact same thing. No economic value for the country. It just creates inflation here. Why is that? Because the only thing that creates

economic value in the United States is the production of goods and services that people can actually -

David Friedberg

Totally. Totally.

David Sacks

- consume, and use, and that they want. And so, federal spending on basically make-work projects or things that people don't really want or they don't use - or even worse, bombs that get dropped on poor people in other countries. None of that creates any value. But I don't think it's a real economic dependency. I think it is just a special interest that keeps lobbying for all this stuff.

David Friedberg

But Sacks, what about housing, and health care, and education? Because those are the three biggest line items and it's been inflationary across all three of those line items in the US economy. The federal government has stepped in to provide broader access to housing, broader access to health care, and broader access to education. And in the process -

David Sacks

That's why the price goes.

David Friedberg

Yeah.

David Sacks

You know - there's that famous chart showing inflation by category. And all the categories where the federal government provides subsidies, the prices have gone up.

Jason Calacanis

Education, health care -

David Friedberg

And housing.

Jason Calacanis

- and housing.

David Sacks

The more the government tries to subsidize it, the more the providers realize -

David Friedberg

Correct.

David Sacks

"Wait a second. We can charge whatever we want because the government's paying."

Jason Calacanis

Because of grift. Yeah.

David Friedberg

Correct. There's one customer and they'll always pay.

Jason Calacanis

Yeah.

David Friedberg

There's one customer.

David Sacks

So, that's got to be completely reformed.

Jason Calacanis

Yeah, here's a chart of all employees in government. And I think this FRED chart includes all employees in government, which would include state and local. And as you can see, we're -

David Friedberg

Yeah, that's right. It's 20 million local and state - 3 million federal. And then, the math I was highlighting was just my back of the envelope math, where there's 50 million people that are on Social Security in the US - plus, if you do the math on how government spending flows into employers - into employees pockets - it's about another 45-50 million people that benefit from federal spending in the US. We're already kind of at a point of maximal dependency, if you will.

Jason Calacanis

Yeah. I mean - if you look at this chart, we have had 20,000 people working in government since the late '90s.

David Friedberg

20 million. 20 million.

Jason Calacanis

Yeah, 20 million since the late '90s. It's - it's now hitting a peak. And the question is: How far up does it go from here? It's 23. Obviously, the country is growing as well each year. So, as a percentage - we don't have the percentage but - as a percentage of Americans, it hasn't grown that dramatically. But it certainly feels like this could keep going in the wrong direction.

Chamath Palihapitiya

The one thing to keep in mind from all the doomsaying - I would just offer you two data points. The first is that our debt to GDP - either historically but also in relation to other countries - is still relatively reasonable. And what that basically shows is we have a lot more debt that we can issue, which means that there's a lot more deficits to run. I'm not saying that it's right.

Jason Calacanis

Yeah, before the Great Financial Crisis, it was running at 50-60% - our debt as a percentage of GDP. And to your point, Chamath, it's now at 1.2. It's 120%. Other countries have much higher.

Chamath Palihapitiya

So, we have a lot more to run. Yeah, so Nick, if you want to just throw that up. And so, it means that the countries on the right haven't failed. They haven't done great, necessarily, but they haven't failed in the way that we would define "failure". And it's not as if the countries on the left are crushing it the way that we would define "crushing it". And so, it's not clear that there's a real correlation between debt to GDP and the performance over large longitudinal periods of time as a country. That's the first thing I'll say. The second thing is - if you actually look at all of these countries - the thing to keep in mind is: Where are population is growing and shrinking? Because at a very basic level - you mentioned this earlier - but when countries are shrinking, there's no fundamental ability to grow GDP and you're just debating how much it shrinks. And the interesting thing about the United States is we are the only Western country that is forecasted to grow at reasonable rates above our replacement population. And so, you know - by the end of this century, we'll be around 400 - 400 odd million - individuals and other countries will have been cut in half. And so again, there's some positive news as well. Now to your earlier point, the problem is politicians will use this as a reason to continue spending because they won't be forced to. And that's not a great thing, but this is probably why the status quo will go on for a very long time. So, grab the bag. Get your bag. Figure - figure out what you're - figure out what your thing is.

David Friedberg

I don't know, man. I just want people - like voters to - people to just understand.

Chamath Palihapitiya

They're not going to. They're not going to.

David Friedberg

Yeah. And it's like -

Chamath Palihapitiya

Get your bag like everybody else is.

David Sacks

The problem we have is if - okay, Nick, can you pull up the FRED spending chart?

David Friedberg

We've talked about this a few times.

David Sacks

Well, okay. So, if you look there, there's a huge spike because of COVID - because of all that COVID stimulus -

Jason Calacanis

Yeah.

David Sacks

- that was airdropped into the economy. I think we're now down to about 22% for 2023. But that - that's a big number. You know - we talked about how the absolute max you can extract is 20%. So, what they should do is just freeze spending until the federal net outlays as a percent of GDP is down to 20%. That would be the simplest thing.

Jason Calacanis

Such an easy solution. What's great about it is it takes out the politicians making this partisan. "Hey, there is a logical amount of - you know - taxation we can do before we freeze up the productivity of the country." Which if you talk to anybody - when taxes get high, people just start getting protecting their wealth - I think you alluded to that - with strategies as opposed to investing.

David Sacks

The hard part of it is that - I mean - look, I think we should do it. You know - 20% cap and freeze spending until we get there. The hard part is that our interest expense keeps growing because as our debt rolls onto more expensive higher interest bonds, then our interest expense is increasing. Just a few years ago, our interest expense was only 300 billion a year. And now, it's over a trillion a year. And that's just going to keep growing and growing. And then, the other thing that's going to grow is all the entitlements related to - to

demographics. So, the country's demographics are getting worse. And so, the entitlement expenses are going to go up. So, even holding it to 20% - if we could get there - is going to take some work.

Jason Calacanis

I don't know if you read Larry Fink's letter from BlackRock. It was really good. And he talked about -

Chamath Palihapitiya

You mean his 2030 business plan, JCal?

Jason Calacanis

Basically, yeah. It's his way of extracting value from it. But he did make some salient points in it as opposed to just him talking his book of why you should do his retirement - your retirement savings with BlackRock. It's a fair point. But just getting the - what age do people retire at? That discussion we need to have. And we're not having that as a country. And then, what percentage of benefits do people get at different - how do we incentivize people to stay in the workforce?

Chamath Palihapitiya

Well, at minimum - don't you agree we should just allow people to opt out of Social Security and in a simple way of saying, "I don't need it and I'll take care of myself. Use these proceeds for somebody else that could use it - that - who has a better need for it."

Jason Calacanis

Absolutely. Yeah. I mean - and then, getting people to participate in the 401(k) - you know - at an earlier age - and defaulting those to on as a defaulting them to off. There's a lot of small behavioral things we could do in this country to get people saving earlier.

David Sacks

Well - yeah, look.

Chamath Palihapitiya

I - I saw that Robinhood was running a scheme where if you moved your Roth IRA, they gave you 3% cash back. And I thought, "Is there an upper bound limit on what - on how much you could move over?" Because I wonder if I could just -

Jason Calacanis

I think you have to keep your money in there for 5 years.

Chamath Palihapitiya

Yeah, but that's okay. I'm just wondering like - will they really write like \$100 million check if you move like a \$5 billion Roth over?

David Sacks

Actually, Robinhood - Robinhood just sent me something. So, we had a portfolio company called X1, which was making a new - like - credit card and credit card app. It was - like - awesome. I don't know if you guys used it. Anyway, they got acquired by Robinhood. And so, the guys there just sent me their new Robinhood Gold Card.

Jason Calacanis

Gold Card. Yeah.

David Sacks

This thing is the heaviest card. Here, just listen to it drop. Hold on. Let me tilt my microphone down.

Jason Calacanis

Don't cut yourself. Don't cut your toe off.

David Sacks

Apparently, it's got \$1,100 worth of gold in it. That's what the guys told me.

Jason Calacanis

I have one coming myself. And I'm proud to say I've sold no shares of my Robinhood. I keep all my Robinhood shares.

Chamath Palihapitiya

If my - if I move my Roth IRA, they'll have to give me the whole building.

Jason Calacanis

They'll give me a gold-plated building.

David Sacks

Actually, they - they sent it to me in a Louis Vuitton - with a Louis Vuitton wallet.

Jason Calacanis

Woah.

David Sacks

This is like unbelievable. Yeah, it's got this. Louis Vuitton and then -

Jason Calacanis

And look, they got a \$50,000 ad on - they got a \$50,000 ad on the -

David Sacks

Look at this. You got like a little LV wallet there.

Chamath Palihapitiya

Oh, I like it.

Jason Calacanis

There you have it, folks. Send a Louis Vuitton wallet, get a free \$50,000 ad on the pod. Sign up now for your Robinhood Gold. Yeah.

Chamath Palihapitiya

But what is it? A credit card?

Jason Calacanis

Yes, a credit card. It's a credit card. Yeah, their whole plan was always to provide the full suite of services.

Chamath Palihapitiya

Do you guys carry credit cards and money? Do you have any money?

Jason Calacanis

I keep forgetting my wallet. But I always carry money.

Chamath Palihapitiya

You have money?

Jason Calacanis

I always carry money.

David Friedberg

Yeah, like to tip - tip people or something.

Jason Calacanis

Always have some cash. Never - you always got to have a cup of honey just in case. It's a really bad habit. You got to keep a couple of hundie. Just in case. It's a really bad habit. You gotta keep a couple hundie in the bag.

David Sacks

You put the hundred on the outside, JCal? And there's a bunch of ones on the insides?

Jason Calacanis

No, we don't do that. You get caught doing that in Brooklyn, you get your ass -

David Sacks

You got the benjies on the outside.

Jason Calacanis

No, no, no. You know - what we do is we get rid of the ones, the fives, and the tens. You just get rid of those. You don't even keep them in circulation. That's - that is the best line -

Chamath Palihapitiya

I mean - I get cash when I go to Vegas, but that's the only time.

Jason Calacanis

The best line ever was - woman comes up to Sammy Davis Jr. and she says, "Hey can you - can you - can you break - you know - this whatever amount of money?" And he just pulls out a hundred and gives her a hundred. And she says, "No, no. Can you make change?" He says, "That is change, baby. That is change." And that's what he considered change - was the hundred.

Chamath Palihapitiya

There was a story out of Jeju. So, you know Triton poker?

Jason Calacanis

Yes.

Chamath Palihapitiya

Okay, I'm not going to say who it is. But there's a guy that was playing the high-stakes cash game. And apparently so he lost like 8 million bucks, okay? He tipped out \$450k in \$25k chips to like the staff and like the person giving him a massage and stuff. So, it apparently became a free-for-all trying to get into this game - where everybody was like, "Are we pooling tips? Are we pooling tips?" And they were like, "No, we're not pooling tips." Just flags. He was tipping off flags.

Jason Calacanis

Wow, that is incredibly, incredibly generous. Alright, Science Corner - rapid fire. You wanted to get to get to cocoa. Here we are. We're at cocoa. Friedberg, you have the floor.

David Friedberg

You guys asked about cocoa. You want to pull up the commodity price chart on cocoa? Look at that.

Jason Calacanis

Okay, this is not cocaine. This is cocoa. This is chocolate - precursor to chocolate, not cocoa.

David Friedberg

This is chocolate. As you guys can see from this chart, cocoa has moved in price from about 2000 bucks a ton - which is where it normally trades at - to \$10,000 a ton. 70% of cocoa is grown in West Africa - in Ghana and Ivory Coast. And in that area, they've been severely hit by this El Niño weather year that we're just kind of coming out of. So, here's all the cocoa production. 73% of it's in Africa - mostly in Ghana and Ivory Coast. That's where most of the world's cocoa beans are produced. Cocoa is grown from the cacao tree, which is about 10 feet tall. These bean pods - you take them down. You roast the beans. Crush it. You make cocoa. When you eat at a Hershey's bar, for example, 11% of that bar is ground up cocoa powder. So, cocoa is like the critical ingredient in all the chocolate products we consume. So, we had this massive El Niño event last year. So, here you can see sea surface temperatures. So, in Q4 of last year El Niño spiked like crazy. And that caused a lot of rainfall to hit the west coast of Africa. And as a result, this fungus was spread in cocoa trees. There's a fungus called black pod disease. And this fungus spreads when rainfall hits the ground and it splashes up - gets in the tree. And then, the tree has really bad yield and the cocoa production goes down. So now, if you look at the cocoa production out of Ghana, you can see that we've seen a like 50% rough decline in cocoa production - on the final bar chart. So, that's the effect. So, when that happened - basically, everyone started to corner the market. So, all the buyers of cocoa went in and started buying cocoa like crazy. And then, all the short sellers got squeezed because there's typically a pretty good balance on the short and long side in the market. So then, the short sellers got squeezed and it caused this big parabolic jump in price. And that's where we're at today. The chocolate companies - again, 11% of chocolate that you're buying at the store is made from this cocoa powder - they're talking about cutting the size of their chocolate bars, raising prices, and starting to use other ingredients. So, you'll start to see that happen in the shelves in the next couple of months. But this is the big news in the commodity markets right now - is this - this parabolic spike in cocoa prices. And - you know - consumers will get hit with high prices and smaller chocolate bars.

Chamath Palihapitiya

Isn't there a scene in Trading Places?

David Friedberg

Yeah, the - the OJ futures - orange juice.

Chamath Palihapitiya

Yeah, orange juice futures.

David Friedberg

That's right. They squeezed the orange market. That's right. That's basically what's happening with cocoa. So, there was a bad weather event. Yields dropped by 50%. So, we got half the production. And then, all the traders came in and they squeezed the short side of the market and price spiked. So, that's kind of what's gone on. It's like a meme stock.

Chamath Palihapitiya

If I had a dollar for the number of times a fungus has ruined a good time, man.

Jason Calacanis

Well, you know - it's interesting. I was looking at this and I was worried about chocolate prices.

Chamath Palihapitiya

Oh, here it comes. Oh, here it comes.

Jason Calacanis

I was - I was really worried about chocolate price - specifically, I'm - I'm on Amazon right now and these edible anus - Uranus prices have gone up somehow. So, these chocolate Uranus prices are skyrocketing in real time.

David Friedberg

Where do you find this? How did you find this?

Jason Calacanis

I just typed in "Uranus". I typed in Friedberg's "Uranus" and "chocolate" and this came up. It was the #1 result. So, we know what - there it is. Uranus is - chocolate prices are going up, so.

David Friedberg

I know what I'm getting you guys for Christmas this year.

David Sacks

Well, it's - did you notice it was priced in euros not dollars.

Jason Calacanis

Yeah, it's not available in America. It's just - you know -

David Sacks

It was coming from Belgium. I guess they got some serious kink going on over there.

Jason Calacanis

That's - if you want a chocolate Uranus, it's there for you. I mean - I just was like Google search "chocolate Uranus". And yeah. I don't recommend you make that search if you're listening to the pod.

David Sacks

When I - when I heard there was a spike in cocoa prices, it made me think of this.

Jason Calacanis

Oh. "Say hello to my little friend." I - when's the last time - when's the last time you watched Scarface beginning to end? Not like - just caught a couple scenes.

David Friedberg

During COVID, I watched it. Yeah.

Jason Calacanis

It holds up, yeah?

David Friedberg

Yeah. I mean - man, it is - by the way, I saw Dune 2. Chamath, have you seen it?

Chamath Palihapitiya

No. No, don't say anything because I need to wait until it comes to streaming.

Jason Calacanis

Okay, I loved it. Sacks hated it. Overrated.

David Friedberg

I'm going back to see it. I'm going back to see it again. I'm going to see it at IMAX this time.

Jason Calacanis

So, you're with me?

David Sacks

I didn't hate it. I just think it's overrated. Like Spielberg said it was like one of the greatest moments of his life or something.

David Friedberg

It is one of the greatest movies I've ever seen, I thought.

David Sacks

No, it's completely overrated. I'm not saying it's bad. It's just not that good.

Jason Calacanis

Scale of 1 to 10. Give it a number.

David Friedberg

I will do anything to have this guy do Dune 3. He's talking about whether or not he should do it. He's like, "I'm only going to do it if it's going to be better than Dune 2."

Chamath Palihapitiya

You know he's Canadian? Denis Villeneuve.

David Friedberg

Canadian guy, yeah.

Chamath Palihapitiya

He did Sicario.

David Friedberg

Sicario and The Arrival. Like he's honestly one of the top three directors of this generation.

Jason Calacanis

What is that? Villeneuve? Villeneuve?

Chamath Palihapitiya

No, Denis Villeneuve.

Jason Calacanis

Villeneuve?

Chamath Palihapitiya

Villeneuve.

Jason Calacanis

Villeneuve?

David Sacks

I don't know. The hero in that movie is like this -

Jason Calacanis

Here we go.

David Sacks

- soy boy type. I mean - I don't really believe that he's leading an army.

Chamath Palihapitiya

Soyboy.

David Sacks

I just - I just - it's not credible.

David Friedberg

You know the story? I read a lot about - you know - these were all like short stories published in magazines by Frank Herbert.

Jason Calacanis

Serialized. They were serialized.

David Friedberg

Serialized. And he was really into drugs. He was really into mushrooms. And so, the spice came around from the mushrooms.

Jason Calacanis

Makes sense.

David Friedberg

It was written in the 1965, when there was this idea that we needed to move towards zero population growth because the population spike on Earth was going to cause resource constraints and we were all going to die - if you guys remember this. And so, there was this big movement. It's what launched the hippie movement.

Chamath Palihapitiya

Did they not have math back in 1965?

David Friedberg

Yeah, they - they really did think this and that there wasn't going to be improvements in productivity. So, there were limited resources. The world was going to run out of land. And the ecology or the environmentalist movement - kind of - sprung out of this effort. So, a lot of what he wrote about was the ecology and the connection between the fungus, and taking mushrooms, and better understanding the world around you. So much of this was rooted in a hippie movement - Sacks, to your point - when he wrote these original short stories.

Jason Calacanis

Do they ever explain what the spice is in Dune?

David Friedberg

No. And it was tied to mushrooms.

Jason Calacanis

They never explained why people want spice?

David Friedberg

When he was interviewed - when Frank Herbert was interviewed later, he talked about how it was meant to be about - fungus is this degrader of life and this creator of life. And he wanted spice to be representative of mushrooms - of fungus -

Jason Calacanis

Got it.

David Friedberg

- psilocybin.

Jason Calacanis

Got it. Interesting.

David Friedberg

And it was like it opens your mind and you get more connected with nature and all this stuff. So, it was rooted in that. But they never really get into details on it in the book.

Jason Calacanis

So, this film to you, Friedberg, is a 10 out of 10. I give it like -

David Friedberg

9 out of 10. 9 out of 10.

Jason Calacanis

Okay, I was about to - I was going to give it an 8 and a 1/2 out of 10. What do you give it, Sacks?

David Friedberg

I think the first half was slower. I'd say like the second - I mean - there like - Chamath, I'm not ruining anything.

Chamath Palihapitiya

I really like Zendaya. I think she's super cool. I agree with you, Sacks. I'm not a huge Timothée Chalamet fan. I think he's too skinny for me.

Jason Calacanis

Is it his name? Is it the name or is it the whole package?

Chamath Palihapitiya

No, no, no. No, I grew up in Canada with a lot of French people, so I'm cool with that. I don't like - he's - he's just too skinny. Like, do a couple push-ups or something.

Jason Calacanis

It's the vibes, in general. What do you give it, Sacks?

David Friedberg

I'll give it an 8 and a 1/2. I won't give it a 9. I'll give it an 8 and a 1/2.

Jason Calacanis

Okay, 8 and a 1/2. What do you give it, Sacks? Give it a number.

David Sacks

I'll give it a 6 and a 1/2.

Jason Calacanis

6 and a 1/2. Now, if it had a proper lead - who was more than 120 pounds - what would you give it?

Chamath Palihapitiya

Sacks, who is a good - who is a good - yeah, who is a good lead for you, Sacks, Where you would have given it a 9? Exactly the same. Everything is the same.

Jason Calacanis

Without a soy boy.

David Friedberg

Jake Gyllenhaal?

Chamath Palihapitiya

Oh, Jake Gyllenhaal? Is it - is that a - is that a more of a Sack's 9?

David Friedberg

Like Ultimate Fighting body Jake Gyllenhaal?

Jason Calacanis

He's - yeah - he's - I mean - who - Tom Cruise?

Chamath Palihapitiya

Ryan Gosling?

Jason Calacanis

Ryan Gosling? Who do you think?

David Friedberg

Sacks, What movie is a 10 out of 10 for you? I'm actually curious.

David Sacks

I don't know. You need like a young Russell Crowe or something.

David Friedberg

Right.

David Sacks

Don't you?

Chamath Palihapitiya

Nah.

David Friedberg

But have you seen the original Dune? That guy. If you think that this guy was -

David Sacks

Kyle MacLachlan.

David Friedberg

Oh, my God. That guy.

David Sacks

And then, the - and the David Lynch movie.

David Friedberg

Yeah, the David Lynch movie.

David Sacks

That was good, actually.

David Friedberg

Yeah, it was a little - I mean - it was similarly - it was like a soft protagonist. And he kind of stumbled his way into being a Messiah.

Chamath Palihapitiya

What is - what is - what is a - what is a 9 out of 10 Sacks movie?

David Friedberg

Yeah, what's a 10 out of 10 for you, Sacks?

Jason Calacanis

Gladiator, Goodfellas, Casino...

Chamath Palihapitiya

Casino is incredible!

Jason Calacanis

Sicario...

Chamath Palihapitiya

Sicario is incredible!

Jason Calacanis

Sicario 2...

David Sacks

All those are good. All those are good.

Jason Calacanis

Yeah, I know. We have the same taste.

David Sacks

I - I might give this a 7. I - I mean - I - I got to see it again. Maybe I'll revise it up to a 7. But it's not more than a 7 in my book.

Chamath Palihapitiya

Isn't there like a Sicario 3 coming out?

Jason Calacanis

I hope so. Sicario 1 and 2 are so rewatchable.

Chamath Palihapitiya

Oh -

Jason Calacanis

Those are like the ultimate rewatchable -

David Friedberg

Not 2. Not 2. Sicario 1 was unbelievable.

Jason Calacanis

Unbelievable. Sicario 2 does it for me.

Chamath Palihapitiya

That scene with Emily Blunt at the border, where you hear the noise of like - what are those locusts?

David Friedberg

Totally.

Chamath Palihapitiya

You know? Oh, my god.

Jason Calacanis

No. No, when they're in traffic and the cars are parked.

Chamath Palihapitiya

Yeah, that's what I mean. Yeah, yeah, yeah, yeah.

David Friedberg

Yeah, that scene is like -

Jason Calacanis

That scene to me is like the Bane scene in Dark Knight.

David Friedberg

Yeah.

Chamath Palihapitiya

And - and also when he's at the dinner table of the drug lord.

David Friedberg

Yeah.

Jason Calacanis

Oh, my God. That scene is -

Chamath Palihapitiya

Intense. Intense. Intense.

David Friedberg

I think that film has probably the best cadence of any modern film. Like the way he kept pace in that film did not turn off for one second. You were hooked from beginning to end and you could watch a million times.

Chamath Palihapitiya

Beginning to end.

David Friedberg

It's like Godfather - The Godfather was also like that.

David Sacks

By the way, the pacing - the pacing in Dune 2 is terrible. I mean - he spends all this time in the wilderness and then the - the -

Chamath Palihapitiya

No, no, no! Stop, stop! Oh, woah, woah, woah! Stop, stop, stop!

David Sacks

Oh, you haven't seen it yet? Then, why we talking about it?

Jason Calacanis

Because we're trying -

Chamath Palihapitiya

I'm waiting for it to come to streaming.

Jason Calacanis

We had this whole conversation last time.

David Friedberg

Does anyone else think that The Arrival is like one of the best films of our generation?

Jason Calacanis

No. No. I mean - it's good. But it's not -

Chamath Palihapitiya

I think it's good.

David Friedberg

It's like such a mind blowing film.

Chamath Palihapitiya

Oh, Sacks. You know - maybe - maybe like a young buff Matt Damon? No?

Jason Calacanis

Matt Damon? No?

David Sacks

I don't really see him in - in the role.

Chamath Palihapitiya

Okay, how about - what's that guy's name? Adam Driver?

David Sacks

Yeah.

Chamath Palihapitiya

Young Adam Driver.

David Sacks

Yeah, yeah, yeah, yeah because -

Jason Calacanis

Oh, yeah. Adam Driver would work. Yeah.

David Sacks

Yeah, he could do it. He could do it.

Jason Calacanis

He would. Yeah, he's -

David Sacks

But that - that's kind of like a Kyle MacLachlan type pick. You know, he's a little -

Chamath Palihapitiya

Yeah, exactly.

David Sacks

- little offbeat.

Jason Calacanis

A little emo.

David Sacks

Yeah.

Chamath Palihapitiya

Yeah.

Jason Calacanis

But not -

Chamath Palihapitiya

But not so skinny.

Jason Calacanis

Yeah. I mean - the idea that he's going to win all these fights and he weighs 120 pounds wet out of the showers makes no sense.

David Sacks

Yeah, Zendaya kicks his ass?

Chamath Palihapitiya

Zendaya does?

David Sacks

Doesn't she kick his ass?

Jason Calacanis

Basically, yeah. I mean - let's not give it up here, yeah. No, that scene with - best opening scene of the film? What do you got, Sacks? What's your best, most intense scene?

David Sacks

Of - of any film? Any opening scene?

Jason Calacanis

Most intense. I mean - the Joker bank heist scene is incredible.

Chamath Palihapitiya

That's good.

Jason Calacanis

That's incredible.

David Friedberg

Daniel Day-Lewis in the shaft of There Will Be Blood.

Jason Calacanis

Absolutely. Climbing out of there with the broken leg. Oof.

David Friedberg

Oh, my God. That sets the tone. That's who he is as a person. That's everything.

Jason Calacanis

That's your - that's your spirit animal.

David Friedberg

That's it. That's it.

Jason Calacanis

You're - you're bitter, and angry, and you have a - you have a competition -

David Friedberg

"I have a competition in me!"

Jason Calacanis

"I don't like to see others succeed. I'm David Friedberg. I'd like to see the World burn."

David Friedberg

Strike. Strike.

David Sacks

Actually, it's true.

Chamath Palihapitiya

It's accurate. It's really accurate.

David Sacks

It's your favorite movie.

Chamath Palihapitiya

It's true - for a reason.

Jason Calacanis

You said it. Yeah, you admitted it.

David Sacks

Own it. Own it.

Jason Calacanis

Just own it. "I drink your milkshake!"

Chamath Palihapitiya

Keep the lie alive.

David Friedberg

I do have a competition in me. Yeah.

David Sacks

It's funny. The only - like - opening scene of a movie that I really remember is - like - Reservoir Dogs - you know - when you talk about - like - an opening scene that's memorable.

David Friedberg

Pulp Fiction?

David Sacks

Well, nah - what was the opening? Oh, yeah. The opening scene in Pulp Fiction is pretty good, too - where they're robbing the diner.

David Friedberg

Yeah, the diner. It's like you're - you're hooked on the dialog right at the beginning.

David Sacks

Yeah. Yeah, it probably is some Tarantino movie.

David Friedberg

There was nothing like that, right? When that came out, you're like, "What is this?" And then, you're just like -

David Sacks

Actually, the opening scene of Goodfellas is really good where the guy's kicking the trunk from the inside. They think he's dead.

Jason Calacanis

Yeah, yeah, yeah. Incredible.

David Sacks

Yeah.

Jason Calacanis

Saving Private Ryan.

David Sacks

Also, I'd say Heat.

Jason Calacanis

Pretty great.

David Friedberg

Chamath, if you want to go see it at IMAX -

David Sacks

You've got to put Heat on that - on that list, JCal?

Jason Calacanis

Heat, amazing.

David Sacks

Yeah.

Jason Calacanis

I mean - Heat is definitely top ten. They're coming out with Heat 2, by the way. They wrote a book and then it's coming out. I can't wait for Heat 2 and Gladiator 2.

Chamath Palihapitiya

Where - where do you go to see the IMAX?

David Friedberg

Oh, they have a good one in the city - - in San Francisco.

Jason Calacanis

The Metreon. It's a 70mm.

Chamath Palihapitiya

That's -

David Friedberg

It's a huge IMAX. It's like - it's ginormous. And they're doing the full print at that theater of Dune 2. So, it's like the actual - he shot the thing in 70mm IMAX.

Jason Calacanis

I saw it on a smaller IMAX.

David Friedberg

Which is like extremely expensive. Like -

Jason Calacanis

Like absurdly expensive.

David Friedberg

Absurdly. He spent like \$190 million on this film.

Jason Calacanis

It's fantastic. Everybody go see Dune 2.

David Friedberg

Sacks, what - what films do you have coming out? Anything interesting you're.

Jason Calacanis

You producing anything?

David Friedberg

What's in the production line?

Jason Calacanis

You bought the rights, right - to something?

David Sacks

We released Daliland earlier this year with Ben Kingsley playing Dali.

Jason Calacanis

Yeah, congrats.

David Sacks

And actually, Elon just posted a long reminiscence about how he made Thank You For Smoking, which was kind of cool.

Jason Calacanis

Oh.

David Sacks

Did you guys see that?

Jason Calacanis

Nice. No, I didn't see it. He tweeted it? Or -

David Sacks

Someone tweeted like, "Hey, did you know that?" Like Elon Musk, and Peter Thiel, and Max Levchin, and David Sacks produced this movie, Thank You For Smoking?" Because it's been like almost 20 years and so -

Jason Calacanis

I remember.

David Sacks

- people don't know about it. So anyway, someone tweeted it. And Elon responded, "There's like a really crazy story behind it." And they were like, "Oh, tell us." And he wrote up a long tweet explaining how he got the rights.

Jason Calacanis

Yeah.

David Sacks

And his memory was actually really good. I was like impressed that he remembered all of these details from 20 years ago.

Jason Calacanis

Yeah.

David Sacks

Yeah, I tweeted back like, "Look, if - if Jason Reitman's up for the sequel, let's do it."

Jason Calacanis

Reitman's doing pretty good. He's doing okay. Alright, everybody. For the Rain Man, David Sacks - Chamath Palihapitiya, the chairman/dictator - the sultan of science. I'm the world's greatest moderator - blah, blah, blah. And we'll see you. Oh, and by the way - if you're listening to this, go ahead and check out All-In Podcast on YouTube and subscribe. When we hit a million subscribers - which we're well on our way to - halfway there I think - we're going to throw a million-subscriber party. And so - yeah, subscribe. And you might get an invite. And we're going to try to have as many people at the million-subscriber party as possible. When we hit - I think, 600,000 - we're going to do a live Q&A on the channel. So, really cool milestones coming up for the pod and we'll see you all next time. Bye, bye.

Chamath Palihapitiya

Bye bye. Love you boys.