

QUARTZ

The strange logic to Peter Thiel's support of Donald Trump

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October 18, 2016

Peter Thiel, the billionaire venture capitalist and one of Trump's most prominent supporters, is forcing Silicon Valley to take sides.

The co-founder of PayPal and Palantir is donating \$1.25 million to the Republican nominee for US president, Donald Trump, [reports The New York Times](#). The country remains divided, but the rest of Silicon Valley has managed to raise a virtually united front against the candidate.

Thiel's move is exposing a fundamental rift among entrepreneurs and investors. What is more important: tolerating unconventional thinking, or the decent, democratic and tolerant world Silicon Valley says it wants to promote? That debate is raging across social media, and it cuts to the heart of Silicon Valley's self-image.

Some founders are refusing to do business with Thiel, worth an [estimated \\$2.7 billion](#). Investors are trading barbs about whether disavowing Thiel is a principled stand or a witch hunt resembling McCarthyism. Others are calling for boycotts of Thiel's companies. The diversity initiative Project Include, run by Ellen Pao, has [broken off ties](#) to the Y Combinator (YC) startup seed fund over its decision to keep Thiel on as an advisor.

"We agree that people shouldn't be fired for their political views," [writes Pao in a Medium post](#) condemning Thiel's support of Trump. But, she writes, "this isn't a disagreement on tax policy, this is advocating hatred and violence. His attacks on [Black](#), [Mexican](#), [Asian](#), [Muslim](#), and [Jewish](#) people, on [women](#), and on others are more than just political speech; fueled by hate and encouraging violence, they make each of us feel unsafe."

YC has been steadfast in saying it will not dump Thiel. YC's president Sam Altman, a Hillary Clinton supporter, has said he opposes Trump because "the principles he stands for represent an unacceptable threat to America." But he won't disavow Thiel, who is officially an advisory partner at the fund. "YC is not going to fire someone for supporting a major party nominee," he tweeted on Oct. 16. "That's a dangerous path to start down."

Paul Graham, a co-founder of YC, also took to Twitter to defend Thiel, as well as the decision to keep him on board. Graham said Thiel is "eccentric, but earnest" with a "blind spot about Trump's character." He compared Thiel to "American leftists who misguidedly idolized Stalin in the 1930s and 40s," but refused to support the idea that he should be fired.

Cyan Banister, a venture capitalist at Thiel's Founder Fund, shot back, arguing that the attacks on YC for supporting Thiel amount to a kind of discrimination in themselves.

Thiel, for his part, has been an unapologetic Trump booster from the start. He served as a California delegate for the nominee, and spoke on his behalf at the Republican National Convention in Cleveland this summer. Even as the candidate has been condemned for racist, sexist and anti-democratic rhetoric, Thiel has never publicly wavered in his support.

But why? Thiel is known to promote offbeat, sometimes offensive, ideas. He founded the Seasteading Institute to "establish permanent, autonomous ocean communities." He is pursuing radical life extension and wants to be frozen when (if?) he dies. He funded a lawsuit that closed the website Gawker, whose writers he called "terrorists." He described women winning the right to vote in the US in the 1920 as a blow to Libertarianism, a statement he later defended as a "statistical observation." Most climate change evidence, he believes, is "pseudoscience."

And if you want to know what drives Peter Thiel, and maybe his support for Trump, he's not hiding it. Thiel has been writing about his ideas for almost a decade. In a 2009 essay for the Libertarian CATO Institute, Thiel lays out his argument against democracy, and political debate itself, as hopelessly inefficient. "I no longer believe that freedom and democracy are compatible," he wrote for CATO. Thiel recalled starting a student newspaper while studying philosophy at Stanford. Despite the paper's success at loosening campus speech restrictions, "we did not achieve all that much for all the effort expended," he writes.

Thiel says while Silicon Valley is dominated by "engineers and substance...solving problems," DC is ruled by lawyers dedicated to "creating interminable processes." (He doesn't mention, of course, that the US government has coordinated things such as the moon landings and financed much of the military and industrial research that enabled Silicon Valley.)

Thiel's beliefs do not appear to have changed much. In a fascinating 2014 interview with conservative commentator Glenn Beck, Thiel repeats many of these ideas, and articulates a rebuttal of democratic politics in the US, repeating many of Plato's arguments against popular rule. He favors the more efficient, revolutionary potential of technological libertarianism, using phrases identical to those in his 2009 essay.

"It feels like so much of the system is just on autopilot and very, very hard to fix," he tells Beck, referring to the US government. "There is a sense in technology that you can make a difference, you can do things that change the world. In that sense, if I was in DC, I would be endlessly frustrated. Because you have a lot of talented people, you just can't do anything.... In Silicon Valley, you have this sense of human agency. There is a sense that the decisions people make, for good or for bad, are important and will matter."

Thiel argues a free, capitalist democracy is now an "oxymoron" in 21st century America. "The prospects for a libertarian politics appear grim indeed," he wrote in the CATO essay, "The broader education of the body politic has become a fool's errand," he writes. The great task for Libertarians, he says, "is to find an escape from politics in all its forms." Trump may represent just that escape.

Thiel's colleagues often describe him as a brilliant, contrarian, and proud iconoclast who genuinely cares about the greater good. His actions, they say, do not conform to normal expectations because he's thinking more strategically than anyone realizes. The metaphor they often use is of a chess game: He is playing several moves ahead, or even several games at once. Thiel, in other words, knows exactly what he's doing.

Many of his colleagues in venture capital are speculating about Thiel's end game. But it's safe to say he is doing what venture investors typically do with their long-shot bets: investing in opportunities with limited downside and relatively unlimited upside.

Political systems as large as the US tend to chug along with decades of stability until a shock hits the system. Radical, transformative change then suddenly becomes possible. Trump could be that shock. Thiel, who had publicly despaired at government's imperviousness to transformational change, may believe he has found his opportunity.

Trump may be the only chance Thiel has in his lifetime to remake American democracy. What's \$1.2 million compared to that?