

# *The Atlantic*

## **Peter Thiel, Trump's Silicon Valley Surrogate**

*How surprising is the tech billionaire's endorsement, really?*

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12 years ago, Peter Thiel made the luckiest gamble of his life.

He bought 10 percent of a startup founded by a scrappy Harvard kid for \$500,000. It was that company's first infusion of outside cash, and it helped it grow incredibly fast. The firm's signature product, built around the kid's idea of how identity should work online, picked up 4 million users in 2005 and another 6.5 million in 2006.

In 2012, Thiel cashed out those original shares. They now fetched more than \$1 billion. To this day, he remains on the board of that company: Facebook, Inc.

Until this week, that famous bet—the “most lucrative angel investment in history”—was the main reason that most Americans would have ever heard of Peter Thiel. Along with his co-founding of PayPal, it's why his character appeared on screen in *The Social Network* and a big part of why *The New Yorker* profiled him in 2011. But now he is stepping into a new and much more prominent role in the American republic. Thiel will speak first on Thursday evening at the 2016 Republican National Convention, where—according to early reports—he will endorse Donald Trump.

“Many people are uncertain in this election year, but most Americans agree that our country is on the wrong track,” he told *Wired*. “I don't think we can fix our problems unless we can talk about them frankly.”

Thiel is a real American character, down to his endless contradictions. Born in Frankfurt, Germany, Thiel's father moved the family to Ohio when he was very young. Thiel is a committed Christian who hates what he calls “the ideology of the inevitability of the death of every individual,” by which he means bodily death. Accordingly, he is investing millions in an “immortality project.” Finally, he is openly gay, speaking at a convention that has endorsed aggressively anti-LGBT policies.

Thiel attended Stanford University for philosophy and law. Like Newt Gingrich, Thiel is a self-conscious intellectual, fond of Leo Strauss, Ayn Rand, and René Girard. His failure to secure a Supreme Court clerkship under Justice Antonin Scalia led him to the technology industry. He

founded PayPal during the first tech boom, aiming to start a pan-global currency. In 2004, he founded Palantir, a startup-like contractor that works with large corporations and national-security agencies. Now he controls four massive financial funds, including a general hedge fund and a venture-capital pool.

For most of the last decade, Thiel has fashioned himself as an old-fashioned libertarian with a techno-futurist bent. Like many Republicans, he supports paring back regulation—but his crusade against government goes much further than that. He has invested in “sea-steading” operations, which seek to create new floating city-states on enormous ships that float beyond national borders. He preaches that interplanetary space travel is important not because there is some universal human drive to discover, but because other planets don’t have laws yet.

Many California-based designers and developers have a techno-libertarian bent, even if most of them ultimately pull the level for Democrats. But Thiel goes further in his ideology than almost anyone else—including in his support for Trump. Last week, more than 140 CEOs, investors, and leaders from across the sector publicly denounced Donald Trump’s candidacy. And earlier this year, Mark Zuckerberg, the CEO of Facebook, criticized Trump, though he avoided saying his name. “Instead of building walls, we can help build bridges,” Zuckerberg said, alluding to Trump’s most famous policy proposal.

But maybe Thiel’s support for Trump shouldn’t come as a surprise. Survey his ideas over the past two decades and unrelated events come into focus. Peter Thiel emerges as a kind of richer, suaver Donald Trump.

First, Thiel seems to believe that the post-1970s economy has left most Americans behind. Talking to *The New Yorker* in 2011, he implied that older elites had grown out of touch with regular Americans to a dangerous degree. Most college-educated Boomers benefitted from postwar affluence in a way that their less educated peers did not, he said. Sounding almost like a leftist, he blamed the globalized Information Age for consolidating wealth (including his) and destroying manufacturing jobs. “You have dizzying change where there’s no progress,” he said.

Second, Thiel loathes political correctness, and has said so for years. “I always think the biggest political problem we have is the problem of political correctness, properly understood,” Thiel told Glenn Beck two years ago. Before his widely praised book on business strategy came out in 2014, his only prior published work was *The Diversity Myth*, an attack on 1990s multiculturalism.

Third, both men love lawsuits. Trump has been involved in 3,500 lawsuits, an unprecedented number for a presidential nominee. He has filed roughly 1,900 of those suits. Meanwhile, Thiel is dumping tens of millions into a secret war to bankrupt the news site *Gawker* and drive it out of business. Media law experts say that Thiel’s actions are unprecedented in American Constitutional law. Meanwhile, Trump has said that he would like to make it easier to sue journalists.

Like Trump, too, Thiel savors narrowing in on the truly ludicrous comment and saying things that make people wonder, “did he really say that?” In a 2009 essay for the Cato Institute, he appeared to express doubts over whether it was a good idea to give women the right to vote:

THE 1920S WERE THE LAST DECADE IN AMERICAN HISTORY DURING WHICH ONE COULD BE GENUINELY OPTIMISTIC ABOUT POLITICS. SINCE 1920, THE VAST INCREASE IN WELFARE BENEFICIARIES AND THE EXTENSION OF THE FRANCHISE TO WOMEN—TWO CONSTITUENCIES THAT ARE NOTORIOUSLY TOUGH FOR LIBERTARIANS—HAVE RENDERED THE NOTION OF “CAPITALIST DEMOCRACY” INTO AN OXYMORON.

Pay attention to the words in the sentence and you’ll see that Thiel never says outright that women should not be allowed to vote. Rather, he says that women tend to favor government intervention, and—since Thiel opposes government intervention in the economy—letting women vote therefore effectively ended “capitalist democracy.” The reader can draw their own conclusions about what the right policy correction should be. “It would be absurd to suggest that women’s votes will be taken away or that this would solve the political problems that vex us,” he later added.

This is the fourth Trumpian streak in Thiel: He’ll spout something contrarian or outrageous seemingly just to say it or to sound more intellectual. Two years ago, he told Glenn Beck that he believes the idea that humans alter the climate to be “more pseudoscience” than science. (Ninety-seven percent of climatologists, and every major U.S. scientific organization, disagree with him.) Yet during the Paris conference on climate change last year, he published an editorial in *The New York Times* calling for enormous re-investment in nuclear energy. (Though that too was sly: Thiel is careful never to endorse climate change in the op-ed.)

This contrarianism has come back to bite Thiel, as Packer reported in 2011. In September 2008, Thiel bucked common wisdom and assumed that government bailouts would mollify the markets. He commanded his hedge fund to invest heavily in global stocks—and lost just as heavily as they tumbled. In 2009, he bet against common wisdom again and shorted the market—causing him to lose big, again, and miss out on a historic recovery.

Now, though, he is playing with something far graver other people’s money. Despite Thiel’s reported libertarianism, he supports a candidate who has called for an unprecedented rollback on religious freedoms in this country. And despite his aversion to nation-states and geopolitics (or maybe because of it), he supports a candidate who would toss NATO out the window and recklessly endanger world peace.

Thiel will be cool about it, no doubt. This might be the best investment he’s made since that fateful August bet on Facebook. He’ll be well positioned close to a new American president and the much less stable world order he brought about—although an order where there will still be business to conduct. It’s nice, too, that as the 243<sup>rd</sup> richest person in the world, Thiel may be rich enough to escape whatever horrors befall the average American in a post-NATO world.

Or this could be a career-staining stumble for him. Libertarians are on the ascent across the country: Among Millennials, the second-most popular presidential candidate isn't Trump, but Gary Johnson of the Libertarian Party. Instead of becoming their standard-bearer, Thiel, the seer of Silicon Valley, has permanently allied himself with the orange oligarch of Manhattan. We'll know in five months whether it was a wise choice.