



## Why tech billionaire Peter Thiel is backing Donald Trump

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One of the most surprising names on the speaker list for this week's **Republican National Convention** is billionaire technology mogul Peter Thiel. He'll speak this evening, not long before Donald Trump takes the stage to accept the Republican nomination.

Thiel's decision to back the bombastic businessman puts him at odds with many of his fellow technology leaders. Last week, dozens of influential Silicon Valley figures **denounced Trump** in an open letter, arguing that the candidate "campaigns on anger, bigotry, fear of new ideas and new people, and a fundamental belief that America is weak and in decline." They view Trump as the antithesis of the sunny optimism that has come to define Silicon Valley's culture.

"His friends have generally begged him not to support Trump," says San Francisco journalist Greg Ferenstein.

So why is Thiel, who made his fortune co-founding PayPal and investing in Facebook, backing a presidential candidate that many of his peers see as beyond the pale? Only Thiel knows for sure, but his background provides some important clues about what he sees in the real estate baron and reality TV star.

Thiel has been a political activist for longer than he's been a Silicon Valley entrepreneur and investor. As a young conservative, he wrote a book denouncing rising multiculturalism and political correctness on campus, so Trump's own complaints about political correctness have likely resonated with him.

Thiel also believes Washington gridlock and overregulation is strangling the economy, and so he might welcome the election of an outsider who could shake up Washington. And while many of Trump's critics have been appalled by Trump's authoritarian tendencies, Thiel has actually argued that freedom and democracy are incompatible — suggesting a greater willingness to use illiberal tactics to accomplish worthwhile ends.

## **Peter Thiel is a lifelong foe of political correctness**

Before he became wealthy and famous as a result of his PayPal and Facebook investments, Peter Thiel was a combatant in the culture wars. He was an undergraduate and then law student at Stanford in the late 1980s and early 1990s, which happened to be a key front in that era's fights over campus political correctness.

Thiel was at Stanford in 1988 when protesters chanting, "Hey hey, ho ho, Western culture's got to go," helped to convince Stanford's administration to change its curriculum standards. Classic authors like Plato and St. Augustine were downgraded in favor of reading materials drawn from a more diverse variety of sources.

Thiel was so concerned by these changes that he collaborated with David Sacks — who later joined Thiel at PayPal and is now the CEO of the tech startup Zenefits — to write *The Diversity Myth*, a critique of the shift toward multiculturalism at Stanford and at universities nationwide. (Today, Sacks says he regrets some of the things he wrote during this period.)

The book's arguments would be familiar to anyone following today's debates over political correctness. Thiel and Sacks argued that the inclusive language of the multicultural movement was a smoke screen for an ambitious effort to marginalize conservative viewpoints, enforce ideological conformity, and lower the level of intellectual discourse in the process.

A key theme of the book is that free speech on campus had been increasingly limited by demands for racial and political sensitivity. So it's not surprising that Thiel would be drawn to a candidate who has made opposition to political correctness a centerpiece of his campaign. There's no evidence that Thiel agrees with Trump's more outlandish comments about Mexicans and Muslims. But he has long viewed political correctness as a malign force in American society.

## **Thiel sees democracy and freedom in conflict**

In a 2009 essay for the Cato Institute, Thiel complained that the left-leaning votes of welfare recipients and women had become a major obstacle to free market reforms. "The vast increase in welfare beneficiaries and the extension of the franchise to women have rendered the notion of 'capitalist democracy' into an oxymoron," Thiel wrote. "I no longer believe that freedom and democracy are compatible."

The comment about voting rights for women produced predictable outrage. But Thiel backed down only slightly in a follow-up post: "While I don't think any class of people should be disenfranchised, I have little hope that voting will make things better."

Instead, Thiel urged his fellow libertarians to look for ways to promote freedom outside of the political process. For example, he had recently provided \$500,000 in seed money for the Seasteading Institute, a nonprofit organization that was researching how to build new, independent city-states floating in international waters.

Thiel's plan to build new societies on the high seas was **never very realistic**. But it does suggest the depths of his pessimism about the American political system. Thiel evidently believed it would be easier to build an entire new society from scratch in the middle of the Pacific Ocean than it would be to enact better policies in Washington, DC.

### **Thiel has lost faith in major American institutions**

Democracy isn't the only American institution that Thiel views as deeply dysfunctional. Another one of his pet projects, the Thiel Fellowship, encourages brilliant high school graduates to skip college. He argues that we are in the midst of a "**higher education bubble**." Instead, 18- and 19-year-old Thiel fellows receive \$100,000 grants to spend two years on independent work, such as starting a company or doing scientific research.

And Thiel is gloomy about the American economy more generally. "When tracked against the admittedly lofty hopes of the 1950s and 1960s, technological progress has fallen short in many domains," **he wrote** in 2011.

Thiel believes economic progress outside of Silicon Valley largely ground to a halt in the 1970s. And since the 2008 financial crisis, he has become increasingly concerned that few people are even talking about the problem — to say nothing of pursuing ambitious plans to change America's economic fortunes.

He is also a critic of the media, and he has a particular antipathy toward Gawker, the online tabloid that **outed him as gay** in 2007. Thiel never forgave Gawker for outing him, and in recent years he has bankrolled the Hulk Hogan lawsuit that **pushed Gawker Media** into bankruptcy this year.

### **Why Peter Thiel is backing Donald Trump**

Many of those who know Thiel remain confused by his backing of Trump. "I have had off-the-record conversations with people very close to Thiel, and I can tell you that no one understands what Thiel is doing," says Greg Ferenstein, a highly connected Silicon Valley journalist.

Ferenstein describes Trump as "the opposite of what Peter Thiel believes" — he says Thiel once told him that John F. Kennedy was his favorite president. Ferenstein suggests Thiel may have an opportunistic motive: "My guess is that Thiel believes if he supports Trump and Trump wins, he'll get a plum position," Ferenstein says. With so few business leaders supporting Trump, Thiel could emerge as an influential adviser and have an influence on a wide variety of policies where Trump has little knowledge or interest.

But it's also possible that Thiel and Trump have more in common than you might guess from Thiel's self-identification as a libertarian. Thiel is convinced that the American economy is on the wrong track — and has been for decades. He might be calculating that the American political system is overdue for a shake-up, and that a Trump presidency could expand the political conversation.

Trump's racially insensitive remarks are a deal breaker for a lot of Thiel's peers, but they may not be such a turnoff for a man who wrote a whole book criticizing political correctness. While many business leaders recoil at Trump's authoritarian tendencies, said tendencies may be more palatable to a man who has argued that democracy and freedom are incompatible.

Whatever the reasons, Ferenstein predicts that Thiel's decision to speak at Trump's convention will harm his reputation in Silicon Valley.

"Trump went after Mark Zuckerberg. He went after Tim Cook. He went after Jeff Bezos in some pretty awful ways," Ferenstein says. "If someone attacks your friends, it's harder to claim that it's some kind of triumph of open-mindedness."