

Riding AGI, AI Anxiety, Who Funded COVID, Defending Taiwan, and California Empire

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SUMMARY

The Naval podcast features a lively discussion among three founders about the rapid evolution of AI and its implications for technology, society, and the future of work. They explore the dichotomy between open-source and proprietary AI models, the potential for AI to replace human jobs, and the broader societal impacts of these technological advancements.

- AI is evolving rapidly, with predictions of significant increases in capabilities and usage within the next few years.*
- Founders share insights on the practical applications of AI, emphasizing that cost is currently a major bottleneck rather than intelligence.*
- Open-source AI models are gaining traction and may rival proprietary models, leading to a potential shift in the competitive landscape.*
- The conversation touches on the societal implications of AI, including fears of job displacement and the need for humans to adapt to new roles.*
- There is a debate over whether AI will enhance human creativity or simply replicate existing patterns without true originality.*
- The founders express concerns about the concentration of AI power in a few companies and the potential for government regulation or nationalization.*
- The discussion reflects on the historical context of technological advancements and their impact on labor markets, drawing parallels to past industrial revolutions.*
- The podcast concludes with a humorous take on the relationship between humans and AI, suggesting that as AI becomes more integrated into daily life, it may alter social dynamics and personal interactions.*

Welcome to all the legends out there listening to the Naval podcast, the number one podcast in the universe and your authoritative source for new knowledge. Uh we've got three founders with us here today. On my right is Gary Tan from Y Combinator. They say it's the most reliable way to become a billionaire is to join the Y Combinator program >> and then start as a trillionaire. >> Start as a >> That's one way to do it. We're all drinking, by the way, except one person here is not drinking. You have to figure out at the end who's actually sober.

Yeah. >> And then on my left, I've got Daniel from Able Police. They started off by turning body cam footage into police reports, but now they have a whole set of tools for compliant AI chat, translation. What else do you guys do? >> Citizen reporting, all kinds of things. >> Okay. Then on my right, I've got Farbood from A-List, the health super app. As usual, we don't really care about what these guys are building. We care more about what

they're learning about building, what they're figuring out, what they're still trying to figure out, and the principles that they can share with other founders. So, does anyone have anything they want to jump in with?

>> I mean, the topic that everyone's thinking about right now is AI, right? >> AI? Yeah, I think I've heard something about it. >> Yeah, I kind of hate talking about it because it's the most perishable thing. like you know the podcast will be obsolete by the time it ships but it's still also the most interesting because it's the fastest changing thing in the environment that's high impact so it's the steepest learning curve and you're always trying to trade notes with people to kind of see where they're at in fact I was at a thing with you recently where I bumped into you and the conversation immediately turns to AI of course right >> so we can avoid it for a little while but I feel like we'll circle back on that topic >> I got a question for you um what are you being floored by at YC in terms of like what you see the companies doing with AI.

>> So I I think the awkward thing is like uh I basically like slept 3 hours a night for like 4 months and then somehow like went from not coding at all to like basically teaching people how to do it and making like one of the top 100 open- source packages for how people vibe code called GStack. So that is very very weird. And uh now like at some point I met Pedro from Brex and then after that I basically converted from like claude code like cult to openclaw cult within like 24 hours and then now we use both.

But like it it seems like basically if you you know the craziest idea that I discovered is that if you're just willing to spend like \$100,000 a year on tokens, you can basically live like you uh are a normal citizen in 2028. Like it's just pretty clear that token costs going to come down. Uh compute is going to go way way up like you know we think like 90,000x or so. There will be 90,000x the amount of like inference from here to like 3 years from now.

>> Oh you plot it out in some curve 90,000 times. >> I mean it's like many many orders of magnitude >> which is kind of baked in both with the chips and the data centers they're building out. >> Yeah. I mean, you know, a lot of people say that Nvidia is way overpriced, but what if it's way way underpriced by like several orders of magnitude, right? >> 90,000 by when? >> Uh, I don't know, 24 to 36 months.

>> Okay, so five orders of magnitude basically. >> Yeah. I mean, we might be off by a couple orders of magnitude, but magnitude, friends. I mean I mean it's actually the thing that's crazy is if you go up by five orders of magnitude it's not just what it does in terms of usage but in terms of capabilities because every order of magnitude you go up new capabilities emerge and you know I've been I've been pretty behind the curve on AI for a while like I missed it in 2020 to 2022 cuz you know I'd grown up my whole life hearing about AI from when I was doing CS and just assumed it was one of those things like fusion that was never going to come and then it came and when it came it came really fast and at first a lot of the stuff people were saying about it sounded breathless and like they were talking their own book seemed crazy >> but they turned out to be right so far right and it's not so I think the the big there were many big questions about AI coming up right now I think the the like one question I used to have in my mind is like is it going to be distributed or is it going to be centralized you know and now that's sort of morphed into like is open source going to be good enough for most use cases or are you always going to need the frontier proprietary models right there's the whole thing about like

it's weird that China is making all the open source stuff and the US is doing all the closed source stuff and so where do we go from there right um there's the question of is it going to be nationalized or is it going to be uh sort of private sector um especially if you're saying hey it's a new Manhattan project these are the new nuclear weapons then like private companies building them and controlling them doesn't make sense but I think the most interesting remaining question there's still one that I really care about over the others uh where there's no clear answer yet is I think the people in the labs believe that the scaling laws are such that the AIs will keep getting smarter until they become smarter than the smartest smartest humans probably through the process of recursive self- intelligence recursive improvement but or what they call ASI and I think that is the big question so you know two years ago you could have taken the viewpoint that AI will get you mid at everything but it's not going to be the pro at anything right now you're getting to the point where it'll get you the pro at everything but we don't know if it'll get you the the last creative mile like that like that last bit of like moving out of the system and creating something new, not just recombining what's already in the training sets.

>> Did the progress that it made on the airish math problem bother you? >> It bothers me for sure. I mean, not bothers me. It's a process of discovery. I don't want to be bothered by laws of the universe, right? So, bothered me, but it definitely surprises all but at the same time I still don't see like broad general creativity. But anyway, that's separate points. I was a math major and I really loved proofs and something actually making progress in that domain in a meaningful way that looked really original like there's something creepy about it almost like >> but it was directed by someone right >> Sure. So, and I I think that that's fine.

>> Everyone was surprised who was involved. Right. Right. Like I I don't know if you saw the >> All that stuff is kind of like boring. It just means like go do something else. Like if you have limited time to think about something, do you want to spend it opining over the fact that there's a machine that's better than a human at something now or just go apply your humanness to something that you haven't thought about >> or or actually to riff on Gary's point, are we going to end up in a place where a machine is strictly better than a machine with a human? like a human in the loop doesn't that's the big question right like because chess went that way there was centaur chess somebody was telling me about this but there was centaur chess where like the chess computer plus the human would beat just a chess computer but eventually just the computer alone beat the centaur model >> I I guess for like for me uh I'm dealing with AI in the most practical way humanly possible um you know spinning up thousands of agents for people on demand build a massive fleet management system, an eval harness. Um, the reality of it is like, uh, I don't think intelligence is the bottleneck. Cost is the bottleneck right now.

>> Right now, uh, when we started doing it, every single person in our app has their own open claw running for them. Uh, it's a really power. >> Yeah. >> Oh my god. >> Like like mine wrote. >> What about this OpenClaw then? People just want OpenClaw right now or they should. It's not OpenClaw anymore because when we started with OpenClaw and Opus, it was \$100 a month per person. We spent three four months driving that down to \$2.84. Do >> you use Pi now?

>> Uh we built an entire stack that is just completely wild that has an eval harness uh and then is like an entire agentic fleet that can spin up and down elastic. So that I deal with the mundane parts of that stuff all the time. I

still think what's way more interesting to is to think about what humans will do when they don't have to do these things. But I but I think that there is a very real phenomenon going right now where the people who would know the most in the labs are basically saying there will be nothing left for humans to do really when you when you read between the lines of what they're saying. They're saying in different ways but they're saying your harness doesn't matter because within a year the AI will be spinning up harnesses as needed and you won't even be the consumer because it'll be talking to other AIs and beyond the Eurish problem it'll be solving fundamental problems of material science and physics and math and and engineering and health.

>> Great. Yes, but then you know that's taking the average person out on the street working them up into a frenzy. They're getting angry and scared because fear is a precursor being try to get all my smart friends to go work at anthropic so that then I'll have lots of friends there who will get me into the anthropic level two bread line >> cuz right now I like I feel like pretty solidly in level three and you know like there's only two jobs. All right, it'll be anthropic employee and sex worker for anthropic employees. All right.

>> I mean, that's the scary part, right? That's the one and it's getting people worked up and there real world consequences of that because you don't live alone. You you live inside a hunding thundering herd called humanity. And if that thundering herd decides to like go left towards a cliff because it's mad or because it's enraged because it's poison, you're going to go with it. You know, you're not going to be the lone bison sitting out there by yourself on the edge. So, >> the thing is people are mad like nationalization, right? Like that's where it would go, you know?

>> But right now that you can see that trend starting with they're attacking data centers, right? They're attacking data centers over >> that's just stupid. >> We look back on this stuff and we think like the spinning it's a rational response but it's an irrational carrier. So they're saying it's because of water. It's not about water. >> That was a lie that was debunked. It's not about like socialism. It's not about reason. It's about how you get the people going.

>> You're getting poor and you want to you want more money or you're in this case you're right now like you're going to be replaced and you want to stop this train. You want to be like I want off this train. That's on the train. Yeah, that's rational. Totally rational. So in this this is a case of especially when you have the popular delusions of the madness of crowds, you have the ends justify the means. So in this case, the the water is just a means. They'd find another one if it wasn't water. There' be some endangered egret, some bird snail.

>> Do you think? >> Are they right? Well, they can't stop it. This technology is a genie. That's what the replace true like there's been times in the past where like yeah, like smashing like spinning looms actually stopped revolution very briefly. It slowed it down. There was other technology. >> We have spinning looms now. >> But of course, but there was other technologies. There's other technologies where they like, you know, refused to issue a patent or something. So it became unmarketable because it was just like politically going to be too difficult. I think that basically we ingest like, you know, 100 years ago 50% of the labor force in the US was working on farms and that's no longer true, right? And now it's great. Now it's a great thing. Now it's 2%.

>> I don't like working on a farm. >> We don't have 48% unemployment. Absolutely. We don't have 48% unemployment and we all have food, right? But the question is, what is the speed of transition? >> The speed of transition is the problem, right? >> It's a derivative. >> That one took like 60 or 70 years. This one. >> So I have good news for you guys. Have you ever worked at a Fortune 500 company? Those things are so stupid.

>> Nobody has. >> Oh yes. I worked at Microsoft. No, no. I mean like nobody there works. >> Yes. Exactly. >> It's already all make work jobs anyway, right? It's like how much of the population is working and then how much of that is working for the private sector and then how much of that is not working in some [_] job. Graber was right. Graber was only very few people are actually working. >> I mean, I'm working more because of AI.

I got six codeex agents running all the time. >> I'm working the hardest I've ever worked for way more. And so I just kind of think people are going to work more. >> The productivity the leverage is way higher. But that's all true until AI can totally and completely replace you, which I don't see around the corner, but I'm more open-minded about it now. >> I used to think that was an impossibility. Now I'm like, >> you know, I got to pay attention.

>> That's exactly my philosophy. It's like uh you have two two company A company B. Uh you have the same technology, everyone has access. Like you know, hopefully everyone has access. >> Well, that's a key. So are we going to is it going to be open source or is going to be great? Because right now if they keep scaremongering, some of that might be well now you need national approval. We just saw Sam Hman said that Codex 5.6 will be rolled out slowly to partners approved by the US government first. My god. So he's already cooperating because he doesn't want to get shut down like Anthropic did.

>> Uh and so it's already starting. And so then a small number of people, it becomes a defense department thing. Then it's like who has access? Who has control? You know, they have cyber weapons. Maybe they get to hack the cy the systems first. Maybe they get to control them. Maybe they get mass surveillance or we don't for our own good, right? That's how it always starts. So to me, it is definitely much scarier that a small group of people have control over AI than everybody has it. But everybody having it is also scary because of well I mean there's a print a bioweapon thing but the biop printer labs are pretty locked down to begin with so I'm not sure how real that is good >> yeah like good ship it >> yeah and in fact it is now coming out which many of us already knew and been saying for years that the funer and creators of the uh uh corona virus co 19 were basically the US government and the Chinese government working in cahoots right it was basically Fouchy and crew in North Carolina. So the joke I tweeted was like designed by NIH in North Carolina assembled in China, right? Cuz it's like the old Apple line designed by Apple in California assembled in China.

But that's basically what happened with the Corona virus. They were doing gain of function research to build a vaccine. They were being total cowboys. This is this is crazy stuff. I mean anyway, I'm not saying AI is necessarily going to lead to bioweapons because to the extent that AI would lead to bioweapons right now, you know, some smart biohacker student could already do it, right? Right. So it's not >> don't kill people but it democ it is democratizing a certain capability.

>> I mean game theory wins out in the end one way or the other. >> Game theory on this is not good. When mutually shared destruction is available to every individual the game theor is not good. >> My point of view is the problems are already out there. They're they're they're already as bad as you're like you're saying that they're going to be like the problems are already out there and like AI is the way and just technology progress in general is the solution to all those problems.

>> Jerry can't even afford his open claw that's like reading his email right now. How is he going to pay for the nuclear bomb claw that >> No, I'm good. I could pay for it. I just want everyone to pay for it. Exactly. I want everyone to be able to pay for it. >> It's like \$100,000 a year basically. >> It's totally worth it. But if you hire a person, you can afford your open claw. >> People have gotten so uh I don't know if it's AI psychosis or or or what it is that at this point I I usually just want anxiety.

>> Yeah. I just want to be like, can I just talk to your AI please? Like just you know where do I email your AI? I don't need to interact with you because people are like you can't even text someone and get an answer from them anymore. >> So many people that are writing emails and writing documents with AI like an X. I see all these posts that are clearly written by I'm like why should I read it? I want my AI to read it.

>> I think that's so clear. AI should read it. >> That's so clearly a lower class signal. Like that's like ridiculous. When I get emails that are clearly written in AI, I'm like dude that's the last. >> Well, you can write it better with AI because what you need is multi-stage voice. >> Don't you? >> I sure do. Actually, that's why I'm jumping to his defense. I I hate AI writing. It's too verbose. It's too verbose. It's too clinical.

>> No, no, but you can fix it like that. You know, we have super intelligence. Why wouldn't >> just write the the value of actually reading something and realizing it's written by a person is so much fair. >> I feel like such a way you're not writing your own stuff. How are you going to talk? You're going to lose your ability to speak well because good writing and good speaking are the output of good thinking. And if you're not read muscle, >> yeah, I suppose you can do a lot.

>> My counterargument would be, you know, how like sometimes you actually really need like a person. I mean, I don't think this replaces people, but I can have now a high bandwidth conversation with a relatively smart AI model all of the time. >> No, no. And you should do that. You should talk to the AI model all you want, but I'm saying like when you write something that's meant to be consumed by other humans, if that's written by an AI, that's a disservice to the other human. You're wasting their time.

Everything the AI wrote should instead be compressed down by you or re or you should really like take the time to make the point as succinctly as possible for the other person to respect their time. Otherwise, their AI is going to end up reading your AI and neither of you are in the loop. you're not even >> This is one reason I enjoy Twitter less lately is because so many signal like I think um in the future people will just have really really impressive skill files that actually extract like the style and the diction and like I mean the thing about the thing that people underestimate that I've learned with some of the stuff is that you can just have more and more eval like you're saying you have an eval harness right like you can have multiple levels you can have crossmodal evals

and when you enough like sort of I mean it's cross talk but if you do enough of it like you can actually improve the skill file to a point where it's indistinguishable and like this is without the next level of model like imagine fable 7 fable 8 like you will not be able to tell I guarantee like less than 9 months like you like this whole AI writing conversation will [_] go away >> I think I'm still a little better defended I'm higher up on that hill than you guys cuz I write very very short and AI are very bad at summarizing >> but also very bad at >> disting good writing is novelty >> like it's like unexpected and anything that is guessing a next token from a regression can't do it >> it's not it won't do something it won't do something original >> if if you like co-write with an AI or use it as an editor to bounce ideas off almost always it'll have like this one short it's always like a short turn of phrase where you're like oh that's good >> and it got that from somewhere else on the internet the internet's a big place >> actually I programmed a really crazy thing in Gbrain. It's the retrieval thing I made. Uh it's actually basically a collider of different vector spaces.

And so I mean and this is the kind what I mean by like boil the ocean like these are things you can do now. Like it has my whole corpus of like everything I've ever said, all my emails, all my Slacks, all my text messages, my DMs, everything. And then so I actually have like uh like 400,000 markdown files on like literally anything I've ever thought or read at this point. And then uh I have this thing called LSD mode which is uh lateral um [_] What's the s >> lesson? Sorry. Yeah. Lateral sarcastic drift. I for I mean I just wanted to call it LSD. Yeah. Yeah. I know. I was trying to make up chemical composition.

Yeah. >> Yeah. it uh but basically it's you know take every possible vector space that are is not pointed in the same direction and then cross them and then do um a ranking a re-ranking across all of these ideas and you can actually more like it's called brainstorm LSD mode >> and it just like finds bangers >> and you know sometimes I'm just if I just am bored sometimes I'll just be like give me some LSD bangers and it will literally give me like 10 or 20 ideas that like you know three or four different frontier models have actually reranked and said like actually if you look at this and we cross reference against like exa actually this is actually a really good idea and I'm like this is finding ideas at like a ridiculous amount of scale. So I mean I get it but I'm also calling [_] because I think that like this is just the classic and I think this is actually a really fun thing that is useful. It's um you know I think it's like a Paul Bukiteism like the way to you know build the future is just like live in the future and then work backwards right >> and so like it is inevitable that like rather than [_] complain about AI >> like it's helpful like it scores points like I see it on X like people love to like [_] score points on me okay so this is a problem it's like I'm [_] nearer to it like I don't give a [_] if someone comes to me and is like [_] your AI writing because it's like you know what my AI writing give is so [_] good that I don't even give a [_] No, I I read it, you know, like I'm alive. I'm a human being still, right?

>> But um anyway, that's how that's, you know, welcome to my TED talk. No, I I just think like I just think >> I agree like to predict the future, you just live in the future, right? That's the best way to learn and everyone should be AI maxing just to figure it out. Otherwise, you're going to have no sense of where it's going. I think like today's virtue signal is ex I mean >> I think that it's not helpful to people like there are people who are going to listen to this who want to be rich >> and they're going to be like oh no like I shouldn't use AI to write oh I see so I mean I agree with you that like human beings and like what you really think matters a lot and you should write >> and then for me that writing process is like actually workshopping in telegram with my open I would say for I don't use AI to write. Well, that's not true. I used to write code. So, maybe I am >> contradicting myself.

But code is like it's a utilitarian. It's like it's not meant for a code is meant to be consumed by another computer. It's not meant to be consumed by a human. So, if I want to create something that's meant to be consumed by a computer, I will use a computer. Yeah.

>> But if it's meant to be consumed by a human, then I want to understand the thing. I want to, you know, ruminate, marinate within it. And then I want to respect the reader or listener's time. Yes. And give them that insight nugget. Now the AI is useful for brainstorming. >> That that part I like. I do use AI to brainstorm. I use them like give me synonyms for this, give me other ideas associated with this, pull in tangential information. You know, I argue with it sometimes, especially because a lot of them are on guard rails, but I don't use it to actually create the output that then I expect a human to sit there and read. That just seems to me like discontinuity, right? It's it's kind of unfair.

>> It's a quality thing. I mean, I agree with you like out of box the quality is bad. Yeah. But you can have like 2028 level stuff. I mean like I think the pattern that I'm trying to like you know tell people is that like yes like AI writing out of the box sucks right now. Like if you rely on it out of the box it sucks. But if you have an eval harness, if you've actually gone to like build a big enough corpus, if you actually like >> you done crossodal eval and like built, you know, a bang like I have a banger, but I want to see some banger essays from you >> because I feel like and even even if they were from >> essays right now from Yeah. They wouldn't even be good enough because you are the president of Y Combinator, right? I want to see someone who's just like out there posting, >> right? using this system. Rise up, make an anon account, disconnect it from yourself entirely, then come back and throw it in my face when you get to 300,000 followers.

>> Okay? >> Because I'd be so I'd be so curious if you could do that. >> Absolutely. >> That would prove it. >> He could absolutely do that. >> He could cuz there are 300,000 people out there who will fall for it. >> But if you get that, then at least that's something, right? But it can't be. >> But if you pick up or me or someone you know who's like smart and insightful and like and wants like high quality content and knows what that looks like, you're not going to get those people.

>> I've never been more creative. And I think something happened probably just in the past few months, especially with uh codecs. I I think I'm like I'm way ahead of the curve on codecs. Like I can I'm running my computer from home on my phone here um in a way that you can't actually do without modifying codecs in some ways. Uh and like the amount of create creative productivity I have is way higher than it ever was. I think like 6 months ago, 12 months ago, the promise wasn't quite there. And so everyone was like, eh, this AI thing is not that useful. But I think it hit an inflection point in the past few months.

>> Yeah, I think I think clog code was a tipping point. December in December 2025 was the tipping point and you had to reevaluate AI. AI has had a couple of tipping points. One was diffusion into images, you know, which kind of started it all when you first saw like stability stay and you were just like whoa okay made a dog face it can be like cats and guys on the moon. Yeah, it was wild when it first came out and then probably instruct GPT and chat GPT and then there was another jump with the reasoning models like O1 and O3 but I think the cloud code was a big unlock cuz it just unlocked a series of practical use cases whereas before it was like okay it's a

better Google search or you know it's like I this saves me time like doing research or I can learn from this or I can even have a small conversation but >> cloud code was a massive unlock.

>> Well the big thing here is like this is the worst it'll ever be. >> Oh of course. Yeah. Yeah. No, it's getting >> there are like so many cryptoisms that basically super apply to >> Yeah. Yeah. You could have said that when Fable was released and you would have been wrong cuz they t away from us. >> Yes. >> Briefly, briefly it'll be >> use cases. You couldn't tell the difference between Fable and MiniAx >> for almost any.

>> So that brings me to a good topic I do want to discuss is open source versus closed source, right? How good are the open source models? >> Really unbelievable. >> Okay. I haven't tried G. >> Five times five to 10 times less the cost. >> Yeah. Okay. cheaper than when like when should we use them? >> MiniAx is just mindbendingly good. >> It needs a good harness though. >> Uh yeah. Yeah, it does need a good harness, but it's it if you got one, it works really well.

>> I was thinking today I'd love to see like take the latest and greatest open source model and they seem to have gone from a 12-mon gap to a 9 month to 6 month and now some people are saying three months. I don't know if it's weeks. Some people are saying three months. Whatever it is what it is. It's very jagged, right? In some domains they seem caught up in some domains they don't. But I would love to see someone take the latest and greatest open source model, put it inside a very good harness, give it all the tools, make it available through a beautiful download desktop act and jailbreak it, strip it of every time it pushes back at you for anything stupid, any tone policing, any I don't want to research that. I'll just tell you the truth every time and just call it truth.ai. Like that's all it does. Like I just want to see that. I just want to see what happens. is like cuz the one place where the frontier I'll always pay for more intelligence because I'd rather be right more often than wrong cuz I just think you're high leveraged right and obviously I can afford it but maybe if I was doing some highly repetitive task I wouldn't but as a simple example like if you're doing something where the AI is right 90 you have one AI that's right I saw the stat like 99.9% of the time and the other one's right 90% of the time well if they're recursively looping and you run them a 100 times the one that was right 90% of the time is not going to be right 13% of the time whereas the one that was 99.9 will drop to 80 or 90 right So intelligence doesn't matter on the margin. Now those numbers are obviously chosen 99.9 versus 90. It's not 99 versus 90. You notice it's 100x more 100x lower error rate errors accumulate compound. That the point errors compound. Anyway going back I will pay for more intelligence. But and I'm not that cost sensitive on matters of judgment because you're always applying leverage and your time is also very valuable. But what I am curious about is the mo the frontier models do annoy me by constantly trying to railroad me. you know, they're always like, "Well, I shouldn't be telling you that. How about I give you this other answer?" That's >> okay. They're really messed up things.

How much of that are they doing? >> If you talk to it about like serious personal stuff. Uh, and it also like always mess up UTC versus like Pacific time and it thinks it's like 7:00 p.m. and it thinks it's like 5:00 a.m. I was like, "Hey, this is time to go to sleep." >> That's why it does. >> And after a while, I was like, "What is going on with you?" Like, it's literally 7:00 p.m. And it's like, "Oh, sorry."

Like, anthropic ruff is me. So to you know if I'm if you're talking about something serious and I think it's late

like >> but I would love like a completely jailbroken best of breed >> open source model fully local is fine doesn't have to be in a nice package. It doesn't have to be local actually. >> What are what are you doing where the jailbreak is so important because like >> well there there are a couple of things where it does stop you or crochet. You see that right? There are a whole bunch where you don't see it where it's successfully keeping you away from whatever you want to know.

>> But you can always just switch to GLM 5.2 too and it'll just do it. But create a time of your life. >> Go ask it any question about race, gender, immigration, mental health, doctor advice, legal advice. >> I don't see why you need a harness for this, right? Like for me, I'm using harness cuz I'm using agents cuz it's going out and doing things. >> Just say harness like just I just want by harness. I just mean like I want it maxed out. I don't want any excuse for like why my open source model is even slightly worse than it could be. I want it operating. I want the best open source model configured in the best way and it just tells me the truth all the time cuz I used to go to Grock for that but even Grock is a little neutered.

Yeah, it's not >> talked about this. >> Is he? Okay. >> People pointed out like some of the he was like, "Oh jeez." And we wanted it to just be real and it was giving neoliberal answers. >> Right. Um I'm dying to talk about what you said the other day, but I also don't know if you want to say it publicly. >> The entire um probably hacked. It's probably already hacked. >> Oh, no. I'll talk about it. Uh so the question is like where are the open source models catching up? Right. And so there's a couple of different theories and I'll just lay out the theories that I know and the evidence for them, but I don't have a point of view yet.

>> I mean, it's possible that these are true. >> So what so there's some of it that's obviously, you know, the Chinese are doing their own pre-training. They have their own compute. They have their own data sets. In fact, they can crawl more of the data sets because they're less bound by copyright laws, right? So they can crawl YouTube and Reddit and all that stuff. Uh and they train these models. That's like the base model, right? Then there's like the accusations that anthropic made which is that they're distilling our models which is they're taking they're quering our models and mass taking that data using that train if I >> were China that's what I would do >> for sure and that's creating a jagged intelligence kind of model and definitely some of that is going on but I think it's rich of anthropic to call that out when anthropic crawl the open web and distill the open web that's all these AIs are right in fact one platform that I think would be very popular if the government were to do it is to say hey you guys have since you trained on the open web if you trained on open web and open data you have to open your model after X months, after 12 months or something, right? That seems to be like a fair a pretty fair thing to say, especially like open AI, you have to be otherwise, you have to be actually open AI, right? An anthropic, you're the you're the one talking doom and gloom and you're building God, but you're not going to keep God in a leash for yourself, Dario. We don't want like a priest, you know, controlling God for the rest of us, interpreting the Bible for the rest of time. So, I think that would be a popular thing. Okay. So anyway, number one, they are uh they are they have their own pre-training, but they get the full corpus of the web.

They don't have to obey any copyright laws, right? Second, they are distilling the existing American models which are starting to get more locked down and a lot of this government nationalization control helps them be locked down. But you know, there are data brokers online that are taking like Cloud Max accounts and reselling

tokens from that in an API format to end users of like 80% off because those plans are heavily subsidized for end users. They charge the enterprises. It's like \$8,000 a month retail.

>> Anyone anyone who's like run like an exchange or uh regulated online brokerage knows that KYC is a dime a dozen. People get by KYC all the time. They like print passports in Vietnam if you want. Right. >> The expenses there. Yeah. >> Yeah. Exactly. So I think the distillation is going to be hard to stop. But I think the the biggest one to think about and there's some genuine algorithmic breakthroughs like the Deep Seek paper Deep R1 systems people very very smart people and and I would guess just by looking at the numbers of resumes and so on that the majority of mathematicians and researchers in AI today are Chinese like they produce more STEM graduates more PhDs in the relevant fields more Olympiad winners than anybody else right so and then a lot of the US staff is Chinese so in fact that's why I tweeted AI as our Chinese against their Chinese, right? And these guys and and I don't think there's any conspiracy required. These guys are all just friends, you know, they they live in the same dorms. They went to the same schools. They live in the same buildings and apartments. They hang out. Yeah. And they they switch jobs like crazy. And not just the Chinese. You see, everyone's hopping from lab to lab to lab and they're just taking data with them. Okay. So, there's all of that going on, right? But then on top of it, I don't think that the AI companies have the security profile of a top US national secure compartment facility, right? They do not know how to protect secrets. So, of course, they're getting hacked. Of course, the weights are getting leaked. And if you're if you're Chinese or anybody else, you're not going to like just take the weights and release them back. You're going to use that to distill at high speed and train your own model, right? Or to augment your model. So, I think there's another whole system right there that's going on. And the last one, actually, I think the biggest one is none of those. I think no conspiracy is required for the following. If you look at where China is, they're like, "Okay, we're behind in in so they've always been behind in software." The US has been way ahead in software. And being ahead in software allows you to extract all the margins because for the longest time, VCs never invested in hardware. Why? Because hardware is a commodity business, right?

And software had the network effects, the lock in. Software is art as Patrick Coulison said, it locks you in. Uh, and so people want to invest in software. And so even in the US, whenever you get a hardware company funded, the VCs will always ask you, well, what's the software lock in? What's the software piece? Right? And so this is why like I used to say, yeah, hardware is the moat that buys you time to build a software castle, right? But guess what? Clawed code burned software down. Software was eating the world and AI eat software. So now software is commoditized. The moment you can specify it, an AI can oneshot it or twoshot it or get to it within a couple of hours.

>> Went from like 5% to about 25% hardware. 20 to 25% hardware batch. >> Hardware is also commoditized by China. Any hardware I can make here, you can make in China. more cheaply and more easily. The whole ecosystem is there. Shenzhen has like 3,000 manufacturers of this tiny little cable all in one. >> Nixon for normalizing relations with China and taking us off the dollar standard or the gold standard. >> So, and so bringing reassuring manufacturing back the US is going to take a full generation. It should be done. No question. I'm a big fan of American manufacturing, but it's going to take a long time. In the meantime, China outproduces every one of the supply chains because they realize there are scale economies in production. So, they subsidize the thing up front, then they become the global supplier. They drive everybody else out of

business and then they control the whole supply chain across these critical industries. So they own hardware. No one's going to beat China on hardware in the next decade. It'll ramp up. We'll fight on a bunch of fronts, but they own hardware.

So they like the commoditization of software. So when software is getting commoditized, that helps China. So if you're the Chinese government, you're basically funding all these labs. You're doing kind of a public private partnership where you're saying, "Don't worry, you don't have to make money. You can be number two or number three. just open it so the other labs can learn from you and we can catch up and keep up and if the software is commoditized then we win on the hardware. So the way I think about it today is that hardware is commoditized. So but it's owned by China for the most part. There's some few exceptions like SpaceX in the US.

Software is commoditized. So what's not commoditized? It's actually just AI research developing working on AI itself is the new software engineering. The problem with that is that software used to be democratized. Everyone could compete. John Carmarmac and John Romero sitting there with a small team could code up Doom and Quake and compete against EA and Activision and so on. Can't do that in AI. AI takes massive resources, huge GPU clusters, you know, small numbers of researchers, massive data sets, proprietary data sets. So in that and then now regulatory capture. So it seems like all the value, all the choke points are going into AI and that's controlled by a very small number of companies and ironically the only thing keeping us afloat is a Chinese government subsidizing the whole thing on open source so that their hardware can stay competitive.

>> Yeah. I mean I I think the um >> plus they had the weights. No kidding. >> Well, they might use that as I mean >> you could sneak about on one USB stick. Are you telling me that hasn't already been done? >> It's like you need physical access like you need one person on the inside. Like there's so many people way every male AI founder is walking around with a beautiful Chinese girlfriend. Have we talked about that? Like no one talks about that. Go walk outside Silicon Valley, right?

>> I think we all come from a world where advantages like had some durability and you could actually operationalize your advantage against the rest of the world, but that's just like narrowing down in time. So, you know, you might have the smartest model, but what are you going to do with it in two weeks and 3 4 weeks when until somebody else has it too? So the I think there's a different part of the game theory that we've not experienced before, which is the time contraction of any of these advantages.

Um, and I don't think it makes it harder to predict who's going to be in charge of anything because like you said a few months later, the smartest model is now open source. >> Guys, I'm so [__] worried. >> This is one of my tweets I'm proud of. A couple of years back, I said soon everybody will have AI anxiety. Like we're all feeling it. We're all feeling AI anxious, right? It's it's incredible. >> Jubilant. I am AI jubilant.

But it's both. But it's both, right? It's it's the anxiety in its good form is is kind of FOMOish, which is like look, look at all the great >> Don't worry about me, guys. >> Yeah. But like everyone I know that's working at Frontier Lab on these things that are researchers, they're like depressed. >> They are. >> Yeah. >> They're

stressed out because they think it's going to kill us all. >> That's cuz they're kill. The first ones I met in 2021 were saying to me that they were putting off having kids or thinking about not having kids because they were afraid for the kids' future.

And I was like, what are you talking about? as opposed to every other time in human history when people were not were never afraid of their kids' future and so they didn't have any kids. >> Wait, so why is this not just going to result in Star Trek the next generation? Like that's that's my hope. >> The [_] part of it would be great. >> The [_] part about Star Trek the Next Generation is that they have AGI clearly, but that AGI is somehow not running things.

>> I mean, they couldn't conceive of it yet, right? >> They have the holiday, but somehow people are still doing >> that good enough of writer. They're >> not just living in the holiday. There's plenty of science fiction that's, you know, bothered to see that idea further through. >> I mean, some some large percentage of the San Francisco population has been oneshotted by fentinel. You don't think the holiday will take out the rest? >> Right. Right. They just don't show that on the show. Like Gene Rodenberry like I'm sure he conceived of it and it just be too much of a bummer to show like these giant holiday, you know? I mean, >> you say this and you're living in Star Trek in your mind and you're happy.

That's true. you're like excited for it and it's like but yes, you recognize he just there's a ton of terrible things that are going to happen, >> right? >> And you're just like, "Huh, it wasn't in Star Trek." >> Well, but you're blowing my dreams over here, Daniel. >> But to Gary's defense, like there's there's been so much electricity, like that was a big one, right? Railroads, the cars, these were big changes. >> Used to have to ride a horse ac like the Pony Express. Do you remember that? That was insane. But the more But the more I was the more Yeah. The more rapid the change, the more influential the displace, the more tumultuous it was.

And so now we're having a very rapid change. We're displacing white collar. We're placing we're displacing government. We're displacing managers. We're displacing academics. We're displacing journalists. You know, I learn more from AI than I did in my college classes cuz I can sit there and I can have it meet me at my exact level of knowledge because they give that to me visually. Give me a graph about that. I can ask dumb questions. I don't understand that. Explain it again.

Explain it again. Explain the third different way. Explain it visually. explain it audibly. Explain it with with dancing elves. I don't care like just just to keep going over until I get it. >> I could not do that in class. I can learn so much better. I just have to care, right? If I care, I can learn anything better than with any tutor, better than with any teacher >> where so all the people are obsolete and they're going to lead a revolution.

>> Well, no. We need to want more things. And if you want more things, we want Yeah, which is great. That's the good news. Good news. Everyone wants more things. And then if you have this tool and you're not averse to using it, this is why I'm so against like sorry to bring up the AI writing thing again, but like I understand like that makes sense humans and like there is a disrespectful aspect when you do bad writing, right?

But like that presupposes that like the AI can't write. Well, >> that's a fair point because right now the writing is voluminous. giant giant like it takes a little thing like prompt you give it >> well okay but here's the thing you're giving it a prompt right >> yes >> why don't you just send me the prompt why do I need to read all the garbage >> because it has to draw on like all of human experience >> give me the prompt just send me the prompt >> I mean that might happen >> I'll send it to my I have my codeex put put together a markdown file that I send to my developers that they can give to their claude code uh to go execute prompt. Go do it.

>> Don't talk to me. Have your agent talk to my agent. That's literally what it is. >> My thing will just file an issue on your GitHub repo. And then >> yeah, what I want to do is I want to get on the Zoom and I'm on the Zoom having the conversation and then 10 minutes in I know this is not for me >> and then I just hit a button and the agent takes over. Agent Naval keeps talking and I go after the next one.

>> Yeah. >> I swipe right on you. >> Yeah. >> But for but then the joke's on me cuz you were never there to begin with. >> I think it's time for politics. >> Politics. Politics. Sounded like it's been politics most of most of the time. >> Let's start with fearongering. >> Politics doesn't matter because of AI. >> You know, that's not true. What are you talking about? >> Everything's going to end. Nothing that's like politically relevant right now is going to be relevant in 3 years.

>> I will say that I wish I could vote for their job. >> I I wish I could vote for an AI to represent us in Gary will make it open. Somebody can make it. They can open source it. They can put the weights out for us to take a look at. >> Read the weights. You can look at the weights. I mean, not personally that weight, but like a fully transparent AI that is running for >> this thing. They had this thing a whole field called mechanistic interpretability where to try to figure out how the AI thinks and they've like made very little progress.

>> Sure. I'm not saying we're going to know, but I'm just saying you have access to the same >> are not legible. By the way, it's like it's an anacronism. Our training data is in natural language and in computer languages that humans can read and write. And so the AIS are trained on that. But in the future, the AI will develop their own languages. They'll compete. They'll communicate with each other in some kind of a binary high-speed protocol. They'll almost be talking compiled code or maybe even something completely different that we can't even imagine which will be more efficient for communication. It's only humans who demand the legibility. But the AIS don't really have it. And part of what makes AI systems so much better than human-coded expert systems is that they don't have to be legible. So they can find correlations and patterns that that we cannot articulate. In fact, even most of our knowledge is inarticulatable. Most of your feelings are in articulatable. You don't even know half the time what you're feeling or thinking. You're not even talk about our feelings.

>> Yeah. >> Yeah. Yeah. Let's do that. We're experts in that one place where we are experts. >> GLM 5.2. I'll vote for GLM 5.2 for for office. Yeah. >> You're Chinese overlords. >> Hey, it's my favorite distillation of fable. >> I really do appreciate how the Chinese are making all the open source models out there. It's kind of pathetic that the US just >> the global economy will appreciate. >> Cance is probably the global leader in video, right?

the best. So in some places actually that so that's an interesting point about open source in some cases now open

source is number one >> and at least historically like if you look at things like Linux or other open source projects once something open source kind of gets in the lead it rarely surrenders it and that's because an ecosystem springs up around it where everyone starts plugging into especially in enterprise use cases so right now Claude and CodeEx are like slightly ahead of GLM uh Fable and maybe a lot ahead of GLM but if something like a GLM were ever to surpass them, it's not clear they'd get a lead back.

>> I mean, because how can you rationalize your limited resources at a company going into something that open source is winning at? You have to do something with your resources and failing to catch up to open source with your precious resources is not a good use. You'd have a clock like so if you're open air anthropic you would have a certain amount of revenue and money and cash in the bank and investor backing and you would have to use that to sort of jump meaningfully ahead of the open source and take the lead again before that runs out. So that's an because like if you look at the AI race, you know, two years ago, people thought that Google and Elon and uh and Meta were also competitors.

>> Yeah, there were five kings. There were five kings. >> There's two kings now. >> There's two kings. And why is that? Well, it's not just cuz those guys have the best models. >> Open AAI and Anthropic are the only ones that are making revenue off of their models directly. And so they're not subsidizing cross subsidizing from other business. They're not running out of cash. They're actually pouring the cash back in. And the second is because they have very active user bases and now a lot of the improvement is coming through reinforcement learning. They're getting the guidance and the trajectories to improve the models. And so they're just pulling away and maybe Elon cuz he took SpaceX public and he's got that war chest. He gets maybe one more bite at the apple plus he's got the data centers in space. So you know don't bet against Elon. Um Google I think has lost it.

>> That's quite sad. It's really amazing what happened. >> I was always like bearish on Google. I was tweeting some pretty anti- Google management stuff back in the day. um where I was like we'll know they're serious about AI. >> Gemini 3.1 Pro was like the moment that was that's as good as it was but it wasn't enough was better. >> It wasn't good enough. It was they never even got the basic app working. I remember I tried to upgrade to pay them \$20 a month. It was a nightmare. This huge run. No, no, you need to be part of Google one. No, no. You need Google Workspace account.

>> They were first to have contact usable contacts. Very cool. And then every time, even today, the iOS app, which I know it's not their platform, but everyone else seems to figure it out. You put a query into Gemini, you background, it always loses the connection. It just drops it. Whereas all the others will just run it in the background. How hard is that? It's 2026. Run a background app, guys. >> GRPC. You >> just need a little bit more Sparta over there. Meta might be too much.

>> I think it's too late for I think it's too late. >> I think they have to kill 5,000 Google PMs. >> Like that's the only way. It's PM slop. The whole company's PM slop at this point, right? Like anywhere you go, it's just like tons of products overlapping. It's a huge mess. You can't figure way through the maze. >> Some incentive problem now. All the best people want stock in open iron anthropic or they want to be sitting alongside the best colleagues in open airropic or they want the data set from open ironic and they certainly don't want to be tied

down by all the PMs >> uh and all the legacy BS and they should have replaced Google search Google AI a long time ago. I don't even look at the results anymore. I just look at Google.

Here's here's an alternative vision which is like Google today could uh I mean they probably have all the transcripts of all the meetings or if they don't they should have it >> and they have all your emails >> right and then they probably need to use anthropic fable 5 or whatever because like their own models are not quite good enough but you could diorize all of these you could have like you know a markdown file for every single employee at Google and you could compute a score >> which you cleverly trademarked and patented >> that's right Google >> running through Gstack of course you No. Anyway, uh >> Google Omni is the best for um >> Google Gary has a price. It's 7%.

>> So, >> it's standard. It's just standard. >> Seriously, I mean you could solve this. Like if someone was a true like really wanted to fix this like all of these things are just systems problems, right? Yeah, but it would take it would take Larry and Sergey walking in there and literally it's like that scene from Entourage when Ari Gold walks back in the office is shooting people like >> only with their open claws and live ammunition. Like I'm serious like you don't they don't need to be there physically. Like you know one of the things I learned from Pedro at Brex like that's how he runs Brex like you know he has total information awareness on like every team and one of the thing like the thing that got me >> didn't didn't they lose to ramp?

>> I mean I'm kidding. I'm kidding. the red guys come in. >> I don't have any skin in the game on either of those. Okay, >> we're accepting sponsorships from whoever calls in first. >> Whoever pays us more, we'll talk >> one or anyway um I mean no like I mean he really did like instrument um the CEO brain like for him like it's personal claw that knows like the KPIs and literally what all of his directs talk about in those meetings and it's significant spying on them all the time.

>> I mean yes. No, I mean the thing is like I mean they're not the only company like I've talked to other CEOs. They don't publicly talk about this behind closed door. This is like the max thing that you could do is like how like concentrate the power in your CEO or co-founding team so you have actual awareness of what the [_] is going on. >> Well, the reality is the team should be much smaller and most your employees are GPUs working the data center. I mean I mean of course if you can have 10 fewer 10 like a tenth of your employees right now and just make them the 100x guys then that's easier said than done like most people most CEOs do not want to fire 50 people but there should be a lot more >> I've been on boards where it's like bro like we're [_] and we need to fire 80% of the people and you have a shot like you literally but you don't know which 80% like tens of millions of dollars you don't know which 80% you're working through managers What I'm saying is now you get and that's not that's not a little thing. That's a big [_] thing. Like you can have total information like >> okay like >> this is a big thing to me. I think that the future is essentially that like you need to ride the [_] AGI.

>> Like you actually need to like the most significant thing to me is like the 1 million token context window is a big deal. It's like I mean I talk about as like three Harry Potter books, but guess what? Like a human being can keep in their brain. [_] seven things plus or minus three. Like we are little monkey brains. Like we talk about like super intelligence is like in the future. [_] that. Super intelligence right now like an agent working

for you can literally make a like a thousand pages like printed valuable useful credible.

>> Let's not talk about AI writing again. >> No. It's not a writing thing. No. It's an idea thing. It's like a you can understand what the [__] is happening in your or like every CEO in the world >> like really >> so so you could you could have your AI say tie into all the systems in the entire company evaluate everything and tell me which 20% to fire right now. >> I mean you could do that and you should >> that's like like the easiest thing in the world >> but no one will do it. No one's doing it project at meta.

>> Plus it's not perfect. >> Do you know anything about this? I like only what I read is like I mean half of the smart people I knew at Meta have left. >> Yeah. >> I mean I'm sorry like I really like Meta, you know, like you guys are great but like it's also Yeah. I think it's it's become a sweat shop for I don't think you can build a culture or morale by just buying people especially all different from all different stripes and places and ramming them together. It's then you have no idea how many are actually missionaries, how much are how many are mercenaries.

Culture is a real thing that takes time to evolve and grow. Meta of all places needs to do what I just described which is like should you know someone has to actually know what is actually happening per person per team and it's I mean you can do this now right but you also have to tune it like there has to be a rating it's like what is actually a good employee what is their behavior what are their characteristics like you can actually tune your culture right now >> I mean it's taking the whole engineering team and turning them into data labelers is just like it's like dropping a nuclear bomb in the place >> that seems indiscriminate to me, right?

Like why would you do that? Especially because you have this incredibly fine grained thing. Like you have a prompt, you have a skill file, you have like a bunch of markdown. Like you can actually tune it to exactly the output. >> I think their org is just too large. It's the same problem as Google. When you have a large org, you do things that actually make sense in certain domains. Then it gets leaked to the press, gets sensationalized. Oh, they're turning everyone into data labor. It's probably have too many people. You have too many cooks in the kitchen. But it's still like way less than what you can fit in three Harry Potter books, right? Like so I mean I'm sorry to like bring that up, but like I think that >> millennial example you could give.

>> Sorry, I don't know. >> Read another book. >> Yes. >> Well, I think the big scary question is will there still be a startup ecosystem >> because on the one hand you're shrinking the size of the firm. People are more leveraged. That should mean more startups, small teams can do more. Great. Fantastic. >> We've definitely seen that. I mean people can get to 100 mil arr like not raise a big >> but doing what? Selling software and software is getting completely all these legal guys like Harvey and whatever like it's a good test like wouldn't claude just basic mythos or fable just do a better job than something trained specifically on legal especially with tool use >> it depends because it depends on whether or not um the frontier labs stay open for their best models or do they close them >> I think anyone who pays them enough they'll find a way to be open so if a law firm will pay them the best result like that's >> that's not that's not a given it is possible for anthropic to say like actually Fable 6 >> I would I I would bet my business they're not going to enter my vertical.

I think if they can enter your vertical without without a custom model, they'll do it. And I think one of the less one of the bitter lessons here is that the general models beat the specialized ones. >> Yes. >> They don't have to enter it. It's just going to people. Yeah. Exactly. >> Toate that market. Not because, >> you know, open AI legal act, right? It's just because it's so much >> like why would I use something?

>> Why would I pay \$5,000 a month for some other SAS company? I think that like 2027 will be the year of the uh AI harness war is like is it going to be codeex? Is it going to be co-workcloud code? Is it going to be openclaw Hermes? Is it going to like what is it? You know who's like what harnesses are people going to use daytoday for everything? >> Yeah. Right now so a lot of Silicon Valley after 2007 got to exist because you had two mobile phone providers. You had uh you had Apple and you had Google.

If you had only one, if you if Android didn't exist as an ecosystem, it would have been a much tougher position for startups, you would have been facing a kind of a true monopolist at the end of that chain or the top of that chain. >> Right? Now, you at least have two horses fighting each other, right? So, they kind of force each other to behave a little bit. If it boils down to just one, it's a very bad situation for startups.

>> Well, then they nationalize it and then, you know, maybe we could get the government to >> do they really nationalize it? They didn't nationalize Google. They didn't nationalize, you know, Apple. >> It depends on how bad it gets. I mean like search it's a good utility like there are lots of reasons >> and if you nationalize it it might slow down and lose cuz now the DMV is running it and China wins right >> it's not like the Chinese are asleep there's an ASML machine supposedly somewhere in China now you hear about that Howard Lit ASML and was all mad because an ASM ASML machine somehow leaked into China >> that's the lithography machine there's only 184 of them >> that's our silk worms escaping >> yeah or and then on top of it they're developing you know their Huawei chips they're working on their 7 nm ter 5 nanometer whatever processes they're building their fabs they're they're working on it they're not dumb I mean you've got 1 whatever 1.4 four billion people there. They've got a lot of STEM PhDs. They have a lot of national pride.

They can redirect capital. I'm not saying it matches up to innovation uh in a free market economy. But the US is ahead because we have created this very thin layer where we take the absolute best and brightest from all over the world and we incent them like crazy to compete with each other and then we collect the rewards from that. And Silicon Valley actually disproportionately collects the rewards and California collects the rewards and it's not really spread out to the rest of the country as much. The rest of the country is scared shitless now. Um, but that's it. That that's the thin blue line standing between, you know, the so-called free world and the Chinese competition. Now, I'll actually take a radical point of view. I don't think we're in competition with China. I I I I don't see the competition. Taiwan, I mean, every Taiwanese person I talked to doesn't want to fight. You know, the rich people in Taiwan are busy dodging the draft by taking their kids out of the country. You know, there's some some rule in Taiwan that like >> mandatory >> mandatory conscription. But if your kid has spent I don't know the numbers but something like 3 months a year for the last 5 years out of the country then they're not eligible for the draft anymore or no more mandatory conscription. So every rich person is always taking their kids for 3 months a year out of the they have like a standard system doing it. They're not interested in fighting the second largest political party there is very pro-China. So it's already very compromised. They are most

people in Taiwan are thinking they're going to go like Hong Kong. They're going to get rich in the process. that gateway to China and then one or two generations later they'll assimilate and how the heck is the US going to defend Taiwan like aircraft carriers are dead in in landbased missiles from China can take out aircraft carriers drones DJI is the largest defense contractor in the world it's like us trying to like it's like China trying to defend the Florida Keys from us yeah >> you know it's it's ridiculous the whole concept is ridiculous so and you saw we just went through with Iran how do you think we' fair we'd run out of missiles in like seven days we don't have manufacturing uh base. Now, maybe Ander and Seronic and others get there and build all of that up, but that's a long ways off. Uh so I I mean I think the Chinese know that and I think the Taiwanese know that and I think everyone's trying to save face while like over 10 20 years Taiwan slowly reunites with China and outside of that we don't really have a beef with China.

You know, okay, Japan, whatever. Um you know, North Korea's got a South Korea issue, but it's not in our backyard. One of the big problems the US is facing is that we've been in a low growth, high inflation environment for a while. Now maybe growth is picking back up, but so is inflation. And people are fighting over the spoils of the democratic socialists coming up, you know, the billionaires tax, the wealth tax, the the socialist trying to seize the means of production. Uh, you know, Mum Donn doing these rings around the democratic establishment and they're talking about the eradication of Western civilization.

Um, people, you you got to put food on the table. You got to make people feel good. You got to make people feel like they're not going to go jobless. You got to feed them. And picking a war with China just seems like the stupidest thing to do. Now, we should have the appropriate tariffs against them. If they have tariffs against us, if they subsidize their businesses, especially in network effect or scale economies, to compete with us, then we should also have our own barriers because you got to protect your local industry so it doesn't get snuffed out so you at least have a fighting chance because these things do have economies of scale. It's not as simple as David Ricardo said where it's just like, oh yeah, I'm selling bananas and you're selling watermelons and we can just trade. No, because the guy who gets better at doing something gets really good at doing it and then can do it very very cheaply or he gets a network effect around either an ecosystem or an actual lock in where new users create value for existing users. So you you can't have that simplistic of a mindset. You do have to play on even playing field. You have to make sure the currencies are aligned, no one's subsidizing, etc., etc. But that said, there's no reason for us to go to war with China. There really isn't.

>> But is is Taiwan like it or is it like control the South China Sea? It's like >> why why do we need to control the South China? Like, okay, so the world breaks in half. >> The world's already broken into many pieces. >> I know, but like right now our ships go through there and it's fine, right? But like the world literally >> Why would they stop our ships from going through there if they're carrying, you know, trade goods back and forth? Like >> who knows why they might want to do that. We have a rule that's like, you know, the rule of the sea is that we can free freely pass wherever we want.

>> There is no we have a civil war going on internally in this country, in case you haven't noticed. It's nationalists versus communists. Like everyone is going more radical in both sides. I mean it might be fine if the world breaks in half and China controls Asia right and it's like get our ships through sometimes they charge

things China China does control most of East Asia and to the extent that it does not it is up to Japan and South Korea and others to look out for their interest so they can ally with the US but we're not going to get into a shooting war with China over interests in the South Pacific >> we would never do that but we will sail a ship through there and they'll hit it >> why would they hit our ship going through there >> if they run a ship to getting our ships No, no, but if they if they put a ship through the Panama Canal, why would we attack it? If it's a legal trade vessel carrying goods and services back and forth from the US that we're trading on, >> incentivized to do any of that to each other.

>> Yeah. >> I think right now, China actually cares way less about this stuff than we think. >> China's very internally focused. Like the CCP is very internally to ever get >> they they want to stay in charge of their empire. And you know, I'm not a fan of communist, the Communist Party, although I think CCP resembles more of a capitalist fascist organization. And the communist is a veneer, right? Fascist in the sense of like it's it's like the nation uniting for a common cause, right?

>> They're very good at making money. >> Yeah. Exactly. Not only that, they are actually pretty hyper competent, which actually if you compare it to like the California government, it's disrour. >> High IQ and homogeneous, right? Yeah. >> Well, I mean, when you look at highspeed rails, like guys, just change the SQL. It's time to build. It's time to build. No one's building. There's a few of us building in Silicon Valley, but we're even building ethereal things that are scaring >> they're communist instead of Yeah.

>> We'll just send ours over there, but they're like, "Nah, no, no. We don't want these guys like not so good." >> What do they call them? Baou like they have like a bao. Yeah. What does that mean again? >> It means uh white and left. >> White and left. Yeah. And it's kind of derogatory look down term, right? They're effeminate or stupid or something like that. >> I mean, all of the above. Yeah. I mean, that's how I think of them.

>> Yeah. Exactly. >> Centrist Democrat. Everybody >> centrist Democrat Democrat San Francisco baby. I feel I feel like you're wearing it. You're you're you're like, "Please don't eat me, sir." >> No, I mean, look at San Francisco. Like, it's you know, >> San Francisco is on the rebound. >> We're going to run the table on the supervisor seats at least, you know, like >> but the problem is that LA is sinking. Yes, >> LA has sank. Uh, Hollywood Hollywood got chased out insane. Like, it's insane.

>> This is not a problem. This is opportunity. All my friends in New York are going to come back to San Francisco. >> This is the This is the problem. California has a monopoly on all the warm dry coastline, all the Mediterranean land in the United States, which is the most powerful empire in the world. So, it's the most powerful, it's the best land in the world, all in one state. There should be five or six different states.

>> 30 to 50% of the GDP of the United States will concentrate in California. >> The arable land, the beautiful coastline, the good weather. It's it's a it's a curse of geography. They've got all the natural resources, right? It's like basically southern Italy or France or even better, but in the US, and it's all in one freaking state. California is this weird direct democracy. The worst idea ever 50.1% can vote anything and they just read a headline. They're like, "Yeah, yeah, free free free cats, free food for cats and dogs for everyone.

Great. We'll vote for it. Eat the rich." >> Styers Styer couldn't get in there, right? Um, you know, basically like we actually have two relatively centrist options for governor, >> which is good. Which is amazing. That's great. Like I like that. Right. So >> I think all these commotist experiments will fail everywhere. like they failed in San Francisco, they're going to fail in New York. Um >> I I don't I don't agree. I think they'll fail like the difference with San Francisco is demographics are destiny and the demographics of New York and the demographics of LA and the demographics of Chicago are just firmly committed to that that cause and the worse it gets the more they'll vote for. It's like Venezuela. They're going to vote way all the way down and there is no there is no one out there to fly in and arrest the next Maduro. It has to be solved internally. United States the last bastion for freedom. Even the COVID unlocks the the lockdowns would not have lifted if you didn't have militia men start marching around in the red states and purple states carrying M16s and AR-15s past the state houses being like we're we're done with the lockdowns.

Then the lockdowns came up. The whole world would have been lockdowns a works baby. Yeah. The whole world would be in lockdowns for 6 to 12 months longer if it weren't for the 40 million intrians Americans who have guns and they whether and everybody likes to hate on them and everybody likes to [__] on them but they guard your freedom. Yeah, freedom ain't free. You need those people out there, right? And so, look, when when the US if the US were to collapse, first of all, I think freedom bleeds out from the rest of the world. You can already see what's happening in Australia and UK with the speech laws and the censorship and all that. Uh, and the weird arrests and so on. But if the US degenerates and falls, it doesn't fail like Europe did.

Or Europe isn't fair that well these days either, but it doesn't become like a big retirement home in a museum where everyone's on good social welfare for a while. It fails like a Latin American country fails because it is bordered by Latin America. So you got a lot of people who want to get in here and they will get in here. So you're looking at much more like cartel and drugs and crime and violence and those kinds of institutions. So >> okay, white pill robotics >> robot. No, you're right. Technology.

>> I don't want to do UBI. We should do UBR. >> UBR is good. I like that. >> We need to have universal basic robot. Everyone should have a robot and the robot should cook for you, pick up your [__] The good and the bad news is that the the robotics the the robotics boosters say it's 2 three years away. The robotics skeptics say that it's 5 to 10 years away and no one thinks it's impossible.

>> Yeah. >> And so we already have self-driving robots, self-driving cars. >> I think we can make people really happy if they have a better life. Like they don't, you know, I mean, who likes to clean their toilet bowl? Nobody. But a lot of the issues around you have a robot do it. It's great. You love this if you vote for centrist Democrats. A lot well, a lot of a lot of the immigration and a lot of the uh and a lot of the taxation issues are happening because the boomers are retiring. There aren't enough people below them to take care of them. They're voting themselves lots of benefits. There's not enough money left in social security. The population is shrinking. So, smaller number of workers are carrying a large number of these guys. So, they're saying, "Okay, we'll just sell the country and retire."

>> This is the path. We need centrist Democrats who are pro technology, who are abundanceoriented. >> Okay,

but but to play devil for a second, like healthcare, 90% of healthcare is wasted. It's not even people It's not even stuff people need. No, no, but it's like like how much of health care goes into like keeping you alive for the last two weeks, right? That's not really >> I can fix this with markown files. Okay. >> Okay. But and then education is just like a big LAR. Anyone who wants can go educate themselves right now with AI, educate themselves right now with all the open source courseware and all that stuff. They just want the stamp and they want to go to college and they want to hang out in idilic paradise for four years and they want to protest for social justice and they just want to chill with their friends and party and get paid for it. It's already UBI.

>> You said a very important thing already. >> The college is not about the actual act of learning. It's about like being in a room with a certain set of people who like have the right networks. Correct. >> It's it's socializing. It's babysitting. It's credentialism. There's just a tiny bit of education sprinkled in for a few STEM degrees and then you go after a bunch of [_] jobs. >> Legitimize it. Yeah. And then there's Yeah. All the social sciences and politics science.

>> We don't want more [_] jobs. We want better [_] jobs. >> Okay. Like I mean why? >> That's true. That's true. Yeah. Yeah. >> I mean why can't we just instead of like going to a cubicle and like break your brain and do a bunch of [_] like being an investment banker or something? >> Think we're all going to end up being plumbers and electricians and cutting hair. All the white collar stuff is just going to collapse into nothing and make software. It's going to collapse into nothing because it's just eating more and more. Don't you see how this is going? Everything's going to be gone.

>> There's a good version of this where people don't have to have just a shitty manual jobs. uh they can actually be handling and guiding the robots and the AIs and and so if we don't get ASI if AI gets you to expert level but doesn't go beyond still needs human guidance, taste and creativity, humans are still the motivated things in the environment and so people become like Pokemon trainers. You like robot handlers, right? AI handlers and you use that to start and that's to be to the truth of it.

That's what we're seeing today. The people who are using AI today are more productive than ever. They are not being displaced. The only reason you're being displaced by an AI is because you refuse to use the AI. If you're using the AI, you have more work than ever. >> I mean, the one thing you can't replace is human desire. Even if robots have their own desires, they cannot replace human desire. So, as long as humans have desires and there are AIs and robots that can help fulfill them, then you always need humans in the loop. You'll always have >> Yeah. Like the moment I find out I'm talking to an AI or I'm reading the work of an AI or I'm even looking at art created by an AI, I'm completely uninterested. Assuming it's completely done by an a human using Wait a second. Wait a second. That's just because it's shitty right now. I guarantee you it will be indistinguishable and it will be very very good.

>> I don't agree. I think even if it is indistinguishable >> the moment I know it's done. Like for example, >> but that's the Chinese box at that point. Yeah. Yeah. Yeah. But which is like actually when I first saw GPT3 or whatever it was whatever was available from the API like that was my reaction. I was like, "This is a bunch of [_] Like, this is a trick, whatever." But like, that's not how I feel now. Like, I get a lot of value daytoday, like

hour to hour.

>> Do you do you have a relationship with the AI? Do you hang out with it? You talk to it? Is it a friend? >> It's getting there. >> Whoa. >> It's not my girlfriend, but >> my wife is going to watch this, buddy. >> It's You just have someone in the Filipino call center being your girlfriend, then you're just like filling in for the What's the difference? What's the difference between an AI and someone in the Filipino call center controlling a good chatting with you?

>> It's a buddy of mine. Okay. Don't talk to my friend. Don't talk about my friend like this. >> Nothing's going on. >> We're going to end with my AI psychosis. >> I just think that it is actually very useful, obviously. >> I have a friend who's a landlord for one of these AI companies that does the AI people that you talk to, right? Like your AI girlfriend companies. >> And he said that to hire extra security because these guys would show up in the middle of the night saying, "Where is she? Which which box is she in? I want to take her home. I want to save her.

>> Gary's having his first black pill moment. Oh no, that doesn't sound good. >> This podcast has blackpilled me. >> By the way, this entire podcast was AI generated. No one was actually here. We deny everything.