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ESSAY

# Peter Thiel's Heroic Political Fantasies

By Gideon Lewis-Kraus

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A few years ago, Peter Thiel gave a lecture series at Stanford that was later collected, lightly edited and published as a book titled "Zero to One: Notes on Start-ups, or How to Build the Future." Mark Zuckerberg, an early beneficiary of Thiel's largess as a venture capitalist, contributed an endorsement. "This book," his blurb on the flap reads, "delivers completely new and refreshing ideas on how to create value in the world."

The volume does nothing of the sort, but as a self-help book, it's not bad. Think of it as the equivalent of Sheryl Sandberg's "Lean In" but for the resentful young man. And, though largely superfluous and forgettable, it is in some ways the most honest book a Silicon Valley entrepreneur has yet produced. It contains about a thick pamphlet's worth of tough-love pointers about how the most successful people think long-range, form definite plans, pursue determinate goals. Its exhortations are no more fatuous, if perhaps less specific, than those of Dale Carnegie: "A start-up is the largest endeavor over which you can have definite mastery. You can have agency not just over your own life, but over a small and important part of the world."

In Thiel's account, "technology" is what we call an act of moving from zero to one, the creation of new value in a vacuum. "Globalization," on the other hand, is simply the monocultural proliferation of what we already have. Real entrepreneurs, he writes, refuse to build an "undifferentiated commodity business" — that is, they refuse to compete in a market where they will have to compete on price. The reasoning he offers is that you can't really make any profit that way, as margins

will be competed down to zero and the only people who gain are the financiers who can consolidate and take advantage of economies of scale. But this is merely economic cover for his real point, which is that the businesses of clerks and shopkeepers just aren't important.

Near the beginning of the book, he tells a weird story about lunch in 2001. It was the early days of PayPal, and he and his (almost exclusively foreign-born) colleagues would go out on Castro Street, the main drag of Silicon Valley's Mountain View:

> PayPal was at that time the only email-based payments company in the world. We employed fewer people than the restaurants on Castro Street did, but our business was much more valuable than all of those restaurants combined. Starting a new South Indian restaurant is a really hard way to make money. If you lose sight of competitive reality and focus on trivial differentiating factors — maybe you think your naan is superior because of your great-grandmother's recipe — your business is unlikely to survive.

On its face, Thiel's example is preposterous. If you're in the business of running an Indian restaurant, the superiority of your naan is not a trivial differentiating factor; it's a signal one. But Thiel's real attitude is that running an Indian restaurant, even a profitable one, simply isn't worth doing. It's mere "globalization," the reproduction of what someone far away has decided is worthwhile.

Thiel's underlying interest isn't objective but objectivist; he's interested less in value than he is in valor. He can't imagine why any self-respecting person would want to go from one to two or two to three. He cannot sympathize with the cook who might stake his or her self-image on having Castro Street's best naan. For him, there is only the Zarathustran heroism of clawing from *null bis eins*, of escaping the herdlike mentality of *das Mann* for the freedom of the *Übermensch*. Thiel, who can't resist any chance to deride universities, does not want to see intelligence as itself a fixed cost — something in which an institution might invest — because he simply believes that a person is either creative and courageous and worthwhile or he is not.

**After it** was announced that Thiel would address the Republican National Convention, there was no end to the speculation about his motives. This speculation centered around not just his decision to speak but also the reason for his support of Donald Trump in the first place — and, even more generally, about what it might mean that one of Silicon Valley's most exalted figures had thrown in his lot with the nominee. Attempted explanations ran from the specific (an opportunity to speak to Republicans as a gay man) to the expansive (Thiel seeks the end of democracy).

For all of the expectation, the speech was muted and, for people with any familiarity with Thiel's beliefs, predictable. The oil shocks of the early 1970s, and the ineptitude of the political class to deal with that decade's succession of economic crises, left America stagnant. Decades of public support for scientific research led to such triumphs as the Apollo space program; since then, he likes to say, "We wanted flying cars; instead we got 140 characters." Beneath all of this has always been a kind of "war is the health of the state" mentality: It was only the climate of the Cold War that allowed for the efficient allocation of public resources to ambitious, organized, long-term projects.

In his convention address, in front of an audience well primed for a story that connected our economic stagnation to both national-security cowardice and political correctness, he made the point explicitly. Ours was an era in which, he said, our fighter jets can't even fly in the rain. The relevant nostalgia wasn't even for Apollo; it was for the Manhattan Project. "When I was a kid," he said, "the great debate was about how to defeat the Soviet Union. And we won. Now we are told that the great debate is about who gets to use which bathroom." He went on: "This is a distraction from our real problems. Who cares?"

The line prompted cheers from the convention floor and frustration among the North Carolina delegates. But the target of his censure wasn't totally clear. The line could plausibly have been interpreted as "Hey, trans people, who cares where you go to the bathroom? Just suck it up and use the one you're supposed to" — or as "Hey, Republicans, who cares where these trans people go to the bathroom? Just leave them alone." His point is that the very conversation itself is a distraction,

because it's not about anything important. It's a vanity exercise, like trying to run an Indian restaurant. This was his version of Trumpian straight-talk. Let's all stop being so sensitive and just get on with what matters — fixing things, making them great.

It's been pointed out, by observers inside and outside Silicon Valley alike, that Thiel's views aren't easy to reconcile with those of Trump. This is especially true for, say, trade; Thiel's free-market libertarianism doesn't square with the protectionist policy at the center of Trump's campaign. This assumes, however, that one is comparing two consistent positions, and to grant either the views of Trump or the views of Thiel much in way of coherence is an act of charity. This is obvious in the case of Trump, who has long benefited from globalization. For Thiel, yes, in theory he ought to support the free movement of capital, but in practice he uses "globalization" as more of a metaphor than a specific set of policies. He sees something he calls "technology" and something he calls "globalization" as opposing forces.

Despite Thiel's advice to young entrepreneurs — don't act in accord with fashion, don't try to be liked — it seems he himself is of two minds. Professionally, he likes nothing better than to praise active government stewardship. Personally, he, like Trump, is far from immune to that mere desire to be liked. When the camera pulled back from his face, his right hand, clutched as if holding a "Jeopardy" buzzer, trembled with an all-too-human terror.

Silicon Valley, too, is of two minds. There are those who recognize that their uniquely innovative culture is a precipitate of a lot of expensive long-term institutional investment on the part of governments, universities and corporations, and that to function in a democracy you need to worry about stuff you personally don't think is important. And there are those who believe only in charisma and prowess, the blinding insight and iron will that get you from zero to one. To what extent, commentators have wondered, can Peter Thiel's politics be taken as representative of Silicon Valley? There's no answer, but it's exactly the right question.

Gideon Lewis-Kraus is a writer at large for the magazine.

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