

LETTER FROM SILICON VALLEY

WHAT IS IT ABOUT PETER THIEL?

The billionaire venture capitalist has fans and followers. What are they looking for?

By **Anna Wiener**

October 27, 2021

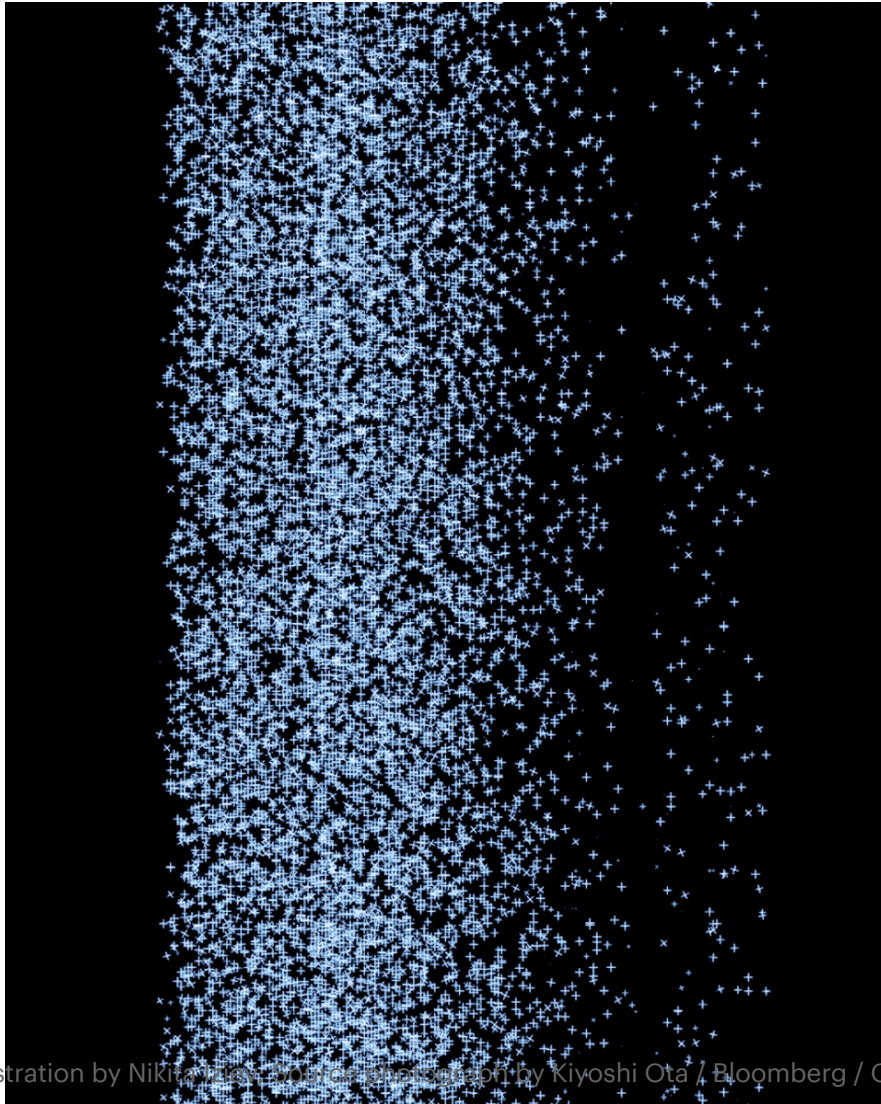
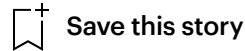


Illustration by NIKITA VIKTOROV. Photograph by Kiyoshi Ota / Bloomberg / Getty



Silicon Valley is not a milieu known for glamour and charisma. Still, Peter Thiel has cultivated a mystique. A billionaire several times over, Thiel was a co-founder of PayPal, the digital-payment service, and the first outside investor in Facebook. He went on to co-found Palantir, the data-intelligence company that has worked with the U.S. government. He has co-written a business best-seller, “Zero to One,” and launched a hedge fund; he now runs three venture-capital firms. But Thiel’s aura emanates not so much from these achievements as from a more general fish-out-of-water quality. In 2018, citing a regional intolerance of conservative perspectives, he moved from Silicon Valley to Los Angeles; he recently purchased a mansion in Miami Beach. He served on Donald Trump’s transition team and, in an address before the Republican National Convention, declared, “I am proud to be gay.” He has invested in efforts to “cure” aging, and also in libertarian organizations that hope to create floating cities in international waters. He publishes long, winding essays on politics, globalization, economics, and the nature of humanity that often contain Biblical epigraphs and references to the philosophy of his late mentor and friend, the anthropological theorist René Girard. Thiel also has side projects: Frisson, a now shuttered lounge and restaurant in San Francisco; *American Thunder*, a short-lived conservative publication geared toward Nascar fans; and the bankrolling of a lawsuit launched on behalf of the wrestler Hulk Hogan, which culminated in the 2016 bankruptcy of Gawker Media.

Thiel has fans who follow him in his peregrinations. He has become a center of gravity in the culture of Silicon Valley, and his infrequent talks and essays are circulated and analyzed by both admirers and critics. In “The Contrarian: Peter Thiel and Silicon Valley’s Pursuit of Power,” the Bloomberg journalist Max

Chafkin argues that Thiel “has been responsible for creating the ideology that has come to define Silicon Valley: that technological progress should be pursued relentlessly—with little, if any, regard for potential costs or dangers to society.” Thiel’s devotees see him differently—as a techno-libertarian who associates technological advancement with personal freedom, scientific progress, and even salvation.

Fascination with the rich is pervasive and inevitable, and, as a conservative in a superficially progressive industry, Thiel naturally attracts adherents. Still, he is an odd entry in the Silicon Valley pantheon. He is not a technologist or a product visionary; he does not helm a company that obviously shapes everyday life. Steve Jobs, Bill Gates, Jeff Bezos, and even Mark Zuckerberg have their own fan clubs, but there are no equivalents to Thielian exegesis; few people seem to bother speculating on the intellectual roots of Mark Zuckerberg’s business philosophy. How has a tech investor with esoteric interests captured the imaginations of so many? What is it about Peter Thiel?

Thiel was born in Frankfurt, Germany, in 1967, and first came to the United States as an infant. The family moved to Cleveland in 1968, but later relocated to what was then South West Africa, where Thiel’s father, a chemical engineer, oversaw the development of a uranium mine near Swakopmund. They returned to the U.S. when Thiel was still a young child, settling in Foster City, a middle-class suburb in the Bay Area. Chafkin describes Thiel’s upbringing as Christian and writes that his parents were eventual “fanatical Republicans.” (Thiel denies claims that his parents were Evangelical or Republican.) Thiel, meanwhile, became an archetypal nineteen-eighties geek—a talented student, chess player, and science-fiction enthusiast who was bullied by his peers.

Thiel arrived at Stanford in 1985. He played speed chess, discovered Ayn Rand, and gravitated toward the work of Girard, a professor at the school. Thiel was

particularly taken with Girard's concept of mimetic desire. "Man is the creature who does not know what to desire, and he turns to others in order to make up his mind," Girard wrote. "We desire what others desire because we imitate their desires." Mimetic desire involves a surrender of agency—it means allowing others to dictate one's wants—and, the theory goes, can foster envy, rivalry, infighting, and resentment. It also, Girard wrote, leads to acts of violent scapegoating, which serve to preclude further mass conflicts by unifying persecutors against a group or an individual. Thiel would later use this framework to develop his own theories about politics, tech investing, and culture.

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In 1987, Thiel launched a campus monthly, the *Stanford Review*, with Norman Book, a high-school friend. At a time when other politically active Stanford students were petitioning for South African divestment and protesting the university's plan to house the Reagan Library, the *Review* was avowedly conservative. Early issues, Chafkin notes, included a front-page story on liberal professors who were "closet Marxists"; an op-ed casting aspersions on the inclusion of nonwhite authors in a Western Culture course; and a strange, satirical sex column, "Confessions of a Sexual Deviant," about a straight young man who was celibate by choice. As the AIDS crisis raged in the Bay Area, the monthly printed treatises against "unnatural forms of sex" and "homophobia-phobia." Chafkin writes that, when a Stanford senior was charged with sexual assault, the *Review* published an ardent defense of the rapist.

After law school, Thiel clerked for a conservative judge in Atlanta, then became a first-year associate at a corporate-law firm. He quit his law job after seven months, worked for a while as a derivatives trader, and co-authored a book about campus politics, “The Diversity Myth,” with David Sacks, a friend from the *Review*. He started a hedge fund, Thiel Capital, with money raised from family and friends, and then, in 1998, met a young cryptographer, Max Levchin, and invested in his startup. Within a year, Thiel was the C.E.O. of Levchin’s company, Confinity, which offered a money-transfer service called PayPal. For Thiel, the service had revolutionary potential: a digital wallet, he said, could lead to “the erosion of the nation-state.” Confinity went on to hire four former *Review* editors, and half a dozen former staffers.

For a time, PayPal shared a floor with another digital-payment company, X.com, founded by Elon Musk. Like X.com, PayPal began to offer incentives to new customers—ten dollars to every new user, and ten dollars for every new user referred. PayPal was not registered as a bank, and did not collect information about its users; as a result, Chafkin writes, it could be used for illicit transactions that many banks and credit-card companies did not tend to support (porn, gambling), and which the company later banned. Meanwhile, Levchin created an eBay bot that contacted sellers, expressed interest in their wares, and then asked that they implement PayPal in order to be paid. (The company donated the items that it bid for and won to the Red Cross.) Thanks to these ethically dubious techniques—which might now be referred to as “growth hacking”—PayPal’s user base boomed.

By early 2000, PayPal and X had roughly the same market share, and both were losing money. After some discussion, the two companies merged under the X name, with Thiel as the executive vice-president and Musk as the C.E.O. According to Chafkin, Thiel disappeared from the company after the 2000 market crash. (Thiel denies quitting at this time.) But, months later, while Musk was on his honeymoon, a group of senior PayPal employees launched a

coup, ousting Musk by threatening to resign, and having Thiel instated as the C.E.O. Citing sources close to the negotiation, Chafkin writes that, a year after the takeover, as PayPal prepared to go public, Thiel offered the company's board an ultimatum: he wanted more equity or he would quit. (Thiel denies any ultimatum.) The board granted him the equity. Shortly after PayPal began trading, in 2002, Thiel flipped the company, selling it to eBay for one and a half billion dollars. As soon as the acquisition closed, he issued a press release announcing his resignation. Rather than continuing to lead PayPal, Thiel planned to start another hedge fund.

Dodge the rules, skirt the law, shiv your business partner, abandon your friends: Chafkin argues that the Silicon Valley edition of this playbook was written at PayPal. Perhaps for this reason, the company's early executives and employees became known as the "PayPal mafia." A group portrait made in 2007, for a story in *Fortune*, suggested that they embraced the moniker. In the photograph, twelve former PayPal employees sit in a restaurant. They are styled like the Corleone family, in plush tracksuits and back-room casual. Musk is conspicuously absent; Thiel sits center stage, at a two-top covered in neat towers of poker chips. With his high forehead, deep-set blue eyes, and faint smile, he looks placid and amused.

In the late nineties, Thiel was known primarily for his work with PayPal; a small audience also knew him through his public writing, which included a polemic against "mindless" multiculturalism at Stanford, published in the *Wall Street Journal*, and another against affirmative action, published in Stanford's magazine. (Both were co-authored by Sacks.) As the new millennium began, however, Thiel's interests and profile began to shift. Chafkin writes that, following September 11th, Thiel became "increasingly consumed by the threat posed by Islamic terrorism," and grew skeptical "of immigration, and of all other forms of globalization." While working at his new hedge fund, Clarium Capital, Thiel bankrolled a project called Palantir—its name was inspired by a "seeing

stone” from J. R. R. Tolkien’s “Lord of the Rings” trilogy—which sought to collate and analyze an abundance of government data, from financial records to cell-phone logs. Palantir reportedly used software developed at PayPal to identify criminal networks and mitigate fraud; the idea was that, if the software was good enough to identify money launderers, it could probably identify terrorists, too. (Thiel says that Palantir used no PayPal tools whatsoever.) “It was assumed that this would violate certain pre-9/11 privacy norms, but that would be totally fine in a post-9/11 world,” Chafkin writes. Then as now, it can be hard for outsiders to get a handle on how well the software works: Chafkin claims that, at least at first, Palantir’s intelligence offerings were “effectively useless” and “more a demo than a real product.” (Thiel denies this characterization.) The C.I.A. invested through its venture-capital arm, and the N.Y.P.D. was a customer. Palantir, which went public last year, is now valued at more than fifty billion dollars.

In 2004, Thiel invested in Facebook, loaning it what would later translate to a ten-per-cent stake in the company. Around the same time, he organized a small symposium at Stanford on “Politics and the Apocalypse.” Thiel’s contribution, later published as an essay titled “The Straussian Moment,” was built on the premise that September 11th had upended “the entire political and military framework of the nineteenth and twentieth centuries,” demanding “a reexamination of the foundations of modern politics.” The essay drew from a grab bag of thinkers—it meditated on Thomas Hobbes and John Locke, then combined ideas from the conservative political theorists Leo Strauss and Carl Schmitt, who wrote about the inadequacies of liberal democracy, with the work of Girard—to offer a diagnosis of modernity. “A religious war has been brought to a land that no longer cares for religious wars,” Thiel wrote. “Today, mere self-preservation forces all of us to look at the world anew, to think strange new thoughts, and thereby to awaken from that very long and profitable period of

intellectual slumber and amnesia that is so misleadingly called the Enlightenment.”

The social contract had proved inadequate, Thiel argued; because “the West” had become secular, rational, and capitalist, there was seemingly no ideologically consistent mode of retaliation for September 11th. Thiel hypothesized that Schmitt, a legal scholar and member of the Nazi Party, would have called for “a new crusade”; such a response was incoherent, however, in a secular culture that disavowed its own violent nature. Thiel quoted Strauss, who wrote that the United States owed its greatness “not only to her habitual adherence to the principles of freedom and justice, but also to her occasional deviation from them.” Acknowledging such deviations was considered “politically incorrect,” Thiel wrote, but the U.S. could still use invisible, unaccountable, extralegal, and extrajudicial channels of transnational power. Finally, he drew on Girard’s mimetic theory to lend his ideas greater urgency: countries, racing to acquire nuclear weapons for mimetic reasons of “prestige,” were raising the likelihood of “unbounded apocalyptic violence.” The “destiny of the postmodern world,” Thiel concluded, would be either “the limitless violence of runaway mimesis, or the peace of the kingdom of God.”

“The Straussian Moment” is sometimes considered a key text in the Thiel canon, even though it is strangely hard to find. (It seems to circulate primarily as a PDF of a photocopy, uploaded to Evernote.) In 2019, it was the subject of an interview with the Hoover Institution’s Peter Robinson; earlier this year, it served as the backbone of a widely read Amazon review of “The Contrarian,” which argued that Thiel’s criticisms of globalization, and his recent seeming embrace of nationalism, could be interpreted as attempts “to buy time against the apocalypse for the complete revelation of the innocent victim.” In many respects, “The Straussian Moment” is an artifact of its era: the “Politics and Apocalypse” symposium happened around the same time that Palantir was founded, and it’s not surprising that Thiel was thinking about global

intelligence apparatuses after September 11th. But it is unusual for an entrepreneur or investor to publish a disquisition on modernity. Why did Thiel need such a high-flown theory of civilization and its discontents? Was his view of the world motivating his actions, or was it justifying them?

Whether the future would be utopian or apocalyptic, Thiel positioned himself to profit. In 2005, he established a venture-capital firm, Founders Fund, which announced that it would be seeking “riskier, more out-of-the-box companies that really have the potential to change the world.” He developed an interest in life-extension and anti-aging technologies—one of the firm’s early investments was Halcyon Molecular, a startup that sought to defeat aging through the development of genomic-sequencing technology—and in defense contractors, including SpaceX, Musk’s aerospace company. Around this time, Valleywag, a new Silicon Valley gossip blog owned by Gawker Media, began making Thiel a regular subject. A 2006 post, “Three Valley Moguls Dabble in Humanity’s Future,” noted that Thiel—a “Valley exec investing in weird dreams of a super-intelligent race”—had joined the board of the Singularity Institute for Artificial Intelligence (now the Machine Intelligence Research Institute). In a later post, Valleywag mentioned a rumored million-dollar donation Thiel had made to the Federation for American Immigration Reform, a group affiliated with NumbersUSA, a far-right anti-immigration nonprofit. A 2007 post, titled “Peter Thiel Is Totally Gay, People,” was particularly upsetting to Thiel: although many of his friends and colleagues had known that he was gay, he saw the post as an outing.

As the decade drew to a close, Thiel befriended Patri Friedman, a computer programmer and grandson of Milton Friedman, who had written about so-called seasteading communities—hypothetical libertarian utopias floating in international waters. Thiel offered Friedman half a million dollars to start a seasteading nonprofit. He also gave money to the SENS Research Foundation, an anti-aging nonprofit, and to the Methuselah Foundation, an organization

dedicated to life extension. In 2009, he wrote an essay for Cato Unbound, an online libertarian journal published by the Cato Institute, in which he stated that he no longer believed “freedom and democracy are compatible,” and that “the vast increase in welfare beneficiaries” and the extension of voting rights to women had “rendered the notion of a ‘capitalist democracy’ into an oxymoron.” (Following backlash to the essay, Thiel put out an addendum of sorts: “While I don’t think any class of people should be disenfranchised, I have little hope that voting will make things better.”) All of this only served as more fodder for Gawker.

Around this time, Chafkin writes, Thiel began reading essays by Curtis Yarvin, a computer programmer and blogger who uses the pen name Mencius Moldbug. Yarvin often wrote on “formalism,” a theory that argues against democracy and in favor of a federal government structure that operates more like a corporation or dictatorship. These views later crystallized into what has been called “neo-reaction.” This ideology, Chafkin claims, holds that climate science is fraudulent, that inflationary currencies are “diabolical,” and that genetic differences predispose certain groups to “mastery” and others to slavery. Thiel, Chafkin writes, “subscribed to the first two views, if not the third.” (Thiel denies subscribing to any such views.)

In 2015, Thiel published an essay, “Against Edenism,” in the Catholic magazine *First Things*. The piece opened with verses from the Book of Revelation, gestured toward natural-resource scarcity, and culminated in an eschatological argument for the necessity of technological acceleration. “Science and technology are natural allies,” Thiel wrote, “to an eschatological frame in which God works through us in building the kingdom of heaven today, here on Earth—in which the kingdom of heaven is both a future reality and something partially achievable in the present.” (In a letter to the editor, one reader responded with gentle horror: “Christians, as I understand the faith, have no illusions about a ‘New Jerusalem’ in the here and now, or our capacity or

wisdom to construct one,” he wrote.) Some years later, in *New York*, Max Read, a former editor-in-chief of Gawker, would note that Thiel’s politics were informed by “an apocalyptic fear of stasis.” It was for this reason that, unlike most tech investors, Thiel seemed acutely aware that the tech industry might not have “added much to the economy or to human happiness, let alone demonstrated ‘progress.’ ”

Thiel, in short, was growing restless. In the past, he had spent nearly two million dollars supporting Ron Paul’s 2012 Presidential run, and another two million supporting Ted Cruz. Now, Chafkin argues, Thiel began looking beyond traditional conservative and libertarian causes, aiming to identify a base that more closely aligned with neo-reactionaries. In 2016, when Donald Trump became the Republican Presidential nominee, Thiel saw a kind of opening. “Trump was, in many ways, a perfect avatar for the political project Thiel had been pursuing,” Chafkin writes. He was “the candidate always willing to say the unsayable.” In the most chaotic politician in modern American history, Thiel may have seen a way out of stasis.

Does Thiel’s world view make any sense? Critics see a tangle of unprincipled hypocrisies—intellectual ground cover for banal shamelessness and techy self-interest. Admirers perceive depth, and an enthralling, novel framework for the future. Thiel’s involvement with Trump alienated some followers, but for others it deepened his mystique, raising the possibility that he knew something his contemporaries did not.

In some ways, Thiel’s vision of the future is familiar. Though he often gripes that Hollywood futurism is too dystopian, with sci-fi films reflective of a general technophobia, many of his investments suggest a “Blade Runner”-like world that is militaristic, private, secretive, corporate, and controlled. For him, the processes of liberal democratic life are either an obstacle or a distraction. Technological innovation is paramount. What’s on offer is a fantasy of a future

shaped purely by technology. The mixture of cool, utopian futurism and Messianic redemption is itself a sci-fi trope.

Meanwhile, vilifying Thiel provides a sort of cover for the rest of the tech industry. One implication of the Girardian theory of mimesis is that those who are scapegoated represent the broader collective's vulnerabilities and transgressions. Most prominent Silicon Valley executives have historically identified as liberal, but one might ask whether their companies and products have actually advanced progressive values or causes; today, privately owned platforms touted as democratizing are arguably among the most centralized and anti-democratic. Inasmuch as Thiel's approach to technology acknowledges Silicon Valley's roots in the military-industrial complex, he may be the tech industry's most honest representative. It is often remarked that he is a villain out of central casting.

And yet, in many ways, Thiel is genuinely eccentric; this makes him an appealing intellectual figure at a time when intellectual life is largely online and numbingly memeified. Tech culture is a body in search of a brain, with the hunt unfolding in browser tabs; the podcasts and blog posts that seem to attract the most attention tend to be ammunition for preëxisting arguments, and the books that attract readers—Yuval Noah Harari's "Sapiens," Steven Pinker's "Enlightenment Now"—are often reduced to self-affirming, sound-bite takeaways. Thiel has a more esoteric intellectual identity, which draws on anthropology, political theory, and theology. In public conversation, he moves fluidly across the vocabularies of high tech, theory, finance, and religion—an unusual mix, regardless of its cohesiveness. There is something for everyone: the Christian M.B.A. curious about Silicon Valley, the young executive searching for digestible learnings, the politics enthusiast searching for a new schema.

Thiel's faith, which is under-examined in "The Contrarian," also seems central to his world view and appeal. In 2015, at a talk hosted by the Newbigin House

of Studies, Thiel told the audience that Christianity was “the prism with which I look at the whole world.” Earlier this year, Thiel gave an interview to Jerry Bowyer, an investment manager and Christian blogger. They discussed Girard, Nietzsche, Plato, Jesus’ resurrection, the potential for human-catalyzed apocalypse, and whether the imitation of Christ could be a path toward “definite optimism” and away from a distractible, politically embroiled culture. This was not the sort of forum in which one tends to find a tech executive. To make an earnest attempt to engage with Thiel’s intellectual life is to read Girard, Strauss, and the Book of Revelation; it means exploring avenues of inquiry that are likely new to most people. (Some of these avenues, it bears mentioning, may lead to neo-reactionary thought.) Bland American curiosity about the ultra-wealthy is extended into a high-minded hermeneutic pursuit.

In the sheer variety and range of his references and inspirations, Thiel has something in common with other twenty-first-century intellectual influencers: Rod Dreher, Tyler Cowen, Jordan Peterson, Scott Alexander. Each comes with his own cache of ideas, theories, and frameworks, out of which emerges an intellectual identity. Outside the constraints of a typical academic syllabus, study unfurls on the teacher’s idiosyncratic terms, and preferences are easily confused with polymathy. In many ways, this style of intellectual life is a natural outgrowth of the Internet, with its rabbit holes, endless threads, and broken links. This intellectual style is also of a piece with the emergent newsletter economy, in which readers can subscribe to an opinionated interpreter—a personal guide.

Of course, when it comes to Thiel, what registers as mystique may simply be practiced opacity. Strauss, the conservative philosopher, proposed that academics and writers often advance their ideas through intentionally obscure prose—a technique in which “the truth about all crucial things is presented exclusively between the lines,” such that it is legible “not to all readers, but to trustworthy and intelligent readers only.” In interviews, Thiel can come across

as “Straussian”—opaque, enigmatic, even oracular. He is a master of conversational redirection, and his arguments can be indeterminate. Religious references and allusions lend his ideas about business or globalization a sense of mysticism, as though the truth of his own speech is lurking just around the corner.

Online, clues proliferate—about Thiel’s ideas and much else. Sleuths hunt for meaning, and search for signs indicating that they are among the “trustworthy and intelligent.” For Thiel’s fans, part of his appeal must be the endless opportunities he presents for decoding, deciphering, and hypothesizing. He offers readers the anticipation of revelation. Then again, the truth could be much simpler: when money talks, people listen.

An earlier version of this article misstated when Thiel co-founded PayPal.

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