

THE ECONOMIC CLUB

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Signature Event

Walter Isaacson

Speaker

Walter Isaacson
Professor of History, Tulane University
Best-selling Author of “Elon Musk”

Moderator

David M. Rubenstein
Chairman
The Economic Club of Washington, D.C.

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DAVID M. RUBENSTEIN: I don't think Walter needs much introduction. Everybody knows he's a great author, written a dozen books.

WALTER ISAACSON: You know Henry Kissinger's line when somebody said that?

MR. RUBENSTEIN: What?

MR. ISAACSON: He said, I may not need a great introduction, but nobody enjoys one more. [Laughter.]

MR. RUBENSTEIN: Right. That's probably true. So you would enjoy an introduction?

MR. ISAACSON: That's right.

MR. RUBENSTEIN: All right. Well, here's an introduction.

MR. ISAACSON: No, no. [Laughs.]

MR. RUBENSTEIN: From New Orleans. Went to Harvard. Rhodes scholar. Rose up at Time magazine to be the editor of Time magazine, then be president of CNN, then was the CEO of the Aspen Institute for a number of years. And now is a professor at Tulane University, and he's moved back to his native New Orleans. And he has written books on geniuses including the aforementioned Henry Kissinger, most recently Jennifer Doudna, and then also Steve Jobs, Leonardo da Vinci, among others. And now he has a new genius, I guess.

MR. ISAACSON: Mad genius. [Laughter.]

MR. RUBENSTEIN: Elon Musk. I should also mention did Benjamin Franklin, who – of all the people you've written about, if you could have dinner with any one?

MR. ISAACSON: Oh, I mean, Ben Franklin. Man, he's great. He opens up the big barrel of pork when George Washington comes to Philadelphia. He's – like, you know, he throws good parties. [Laughter.]

MR. RUBENSTEIN: OK. So – OK. So you finished a book on Jennifer Doudna, and you timed it well because the Nobel Committee when your book came out just about gave her the Nobel Prize. So did you know in advance she was going to win –

MR. ISAACSON: No. It's very hard to hack the Nobel Prize Committee voting machines, but we worked that. I did stay up. She didn't, but it's 4 a.m. in New Orleans and you know they're about to announce it. And I did stay up that night.

MR. RUBENSTEIN: All right. So that was good timing. And now you have a book – how did you decide to do Elon Musk as opposed to – I assume you have a lot of people who are presumed to be geniuses will call you and say, by the way, I'm a genius; can you write a book on me. [Laughter.]

MR. ISAACSON: Well, you actually did – I don't know if you remember – say – [laughter] – no, no, no, I'm not saying you called me. I'm saying you told me to do Elon Musk. You said it was the most interesting character around. [Laughter.] No, he hasn't called.

MR. RUBENSTEIN: I didn't call about me. But, yes, you're right; I did suggest –

MR. ISAACSON: You did suggest it. And when you – for which, thank you, I think. And when you suggested it, it was so interesting to me because I love the intersection of technology, business, humanities. And he's bringing us into the era of electric vehicles almost singlehandedly after GM and Ford have gotten out of it, and into space travel, and dealing with artificial – so I said, this is a great book of technology. And then, of course, it became a wild ride.

MR. RUBENSTEIN: All right. So when you have an idea for someone like Elon Musk, do you call them up and say, guess what, this is your lucky day; I'm going to write a book about you? How hard was it to convince him to do it?

MR. ISAACSON: There's a guy, Antonio Gracias, you may know, at Valor Capital, who's on the Aspen Institute board and also an old friend of Musk, and he kept saying, you ought to do it. So one day he put us together by phone and we talked for an hour and a half, Musk and myself. And I said: If I do it, I'd like to not just do it based on a few interviews, but I want to take two years and be by your side one week a month wherever you go, every meeting, nothing off-limits. And secondly, I don't want you to have any control over the book and I'm not going to let you read it in advance. And he went, OK, just in a monotone. I went, wow. And then I was with a group of people. I had gone somewhere to take the call and came back. And they said, my God, we didn't know you're doing Musk. I said, what do you mean? They said, well, he just tweeted out that Walter Isaacson's writing my biography. [Laughter.] I said, wait, I haven't even told my – I hadn't told Simon and Schuster yet. [Laughter.]

MR. RUBENSTEIN: So he did honor his commitment, basically let you spend two years with him. You spent roughly two years going to any meeting you wanted to, is that right?

MR. ISAACSON: Yeah. The only exceptions, which are somewhat relevant, were ones that were high-classified discussions, like with General Milley.

MR. RUBENSTEIN: OK. All right. So how did you come up with the clever title?

MR. ISAACSON: [Laughs.] You know, I've always – all my books are unclever-titled, meaning "Ben Franklin," "Albert Einstein," "Elon Musk." I figure you might as well be straightforward.

MR. RUBENSTEIN: So after spending roughly two years with him –

MR. ISAACSON: Your friend Kissinger, if I can do one more joke of his?

MR. RUBENSTEIN: Yes, go ahead.

MR. ISAACSON: I did a book on Kissinger which is called, you know, “Henry Kissinger.” And somebody said to him, do you like the book? And he says – [imitates voice] – “I love the title.” [Laughter.]

MR. RUBENSTEIN: You might tell people when – he didn’t actually like anything other than the title, and so he stopped talking to you for a while. And then what happened?

MR. ISAACSON: Time magazine, when I was the editor, decided to invite for its anniversary everybody who had been on the cover of Time, and of course, he was invited and I didn’t know if he’d come. Phone rings and my assistant says, it’s Dr. Kissinger. I pick up the phone and he goes – [imitates voice] – “Well, Walter.” And my first reaction is this is Graydon Carter, who does a great imitation, playing a joke on me, so I just don’t say anything. He says – [imitates voice] – “Even the Thirty Years’ War had to end at some point. I will come to your party.” [Laughter.]

MR. RUBENSTEIN: But his wife?

MR. ISAACSON: Then, positive, said that’s great, we’d love to have you. And Nancy, he says – [imitates voice] – “Well, you know Nancy; she’s partial to the Hundred Years’ War and we’re going to have to work on her.” [Laughter.]

MR. RUBENSTEIN: So – OK. So you trail him for roughly two years, and when you were doing that do you come away with a sense now that he is truly an incredible genius but personality is a little bit complicated, or most geniuses have complicated personal lives and other kinds of psychiatric issues?

MR. ISAACSON: Yeah, and him, you know, an order of magnitude greater because all people have dark and light strands interwoven. I came away feeling he was much more of an engineering genius, especially when it came to creating assembly lines and factories and products and understanding with a fingertip feel the material properties of everything from Inconel to stainless steel. But also, he had zero emotional – well, close to zero emotional receptors. And that lack of empathy – and this is a very complicated thing in the book – that lack of empathy his brother says is – actually makes him a – I can’t use the word; it begins with A. But it also is one of his superpowers, which is he can care about the mission and not care about who he crushes when he goes to it.

MR. RUBENSTEIN: So we won’t dwell on it, but his upbringing was a little complicated. You might just summarize –

MR. ISAACSON: Yeah. He had – you know, he knew pain. He was in South Africa and he used to get beaten up all the time. Went to a wilderness camp where they encouraged the kids to fight over the food, and you know, he’s scrawny and socially awkward. Second time he went, he had gotten bigger. And he said, I just wanted to punch everybody in the nose as hard as I could, and even though they’d beat me up at least I had punched them in the nose. And it’s almost a

metaphor for later. But when he gets beaten up in the schoolyard as a kid, he has to go to the hospital at one point because they smash him on the concrete steps. And those scars were nothing compared to when he gets home his father makes him stand in front of his father for an hour and a half and the father berates him for being a loser, for being stupid, for – takes the side of the person who beat him up. And so that’s one of the dark demons that still dance in his head. His mother, Maye, said, about when I was starting to write the book, here’s your theme: The danger is that Elon becomes his father.

MR. RUBENSTEIN: So he – ultimately, the parents divorce. She gets tired of being abused by the father. She moves to a different part of South Africa. And then the three children they have – Elon’s brother and his sister – move with her for at least a while, then they move back with the father.

MR. ISAACSON: What’s really interesting is at age 12 Elon is living with his mother, who is – you know her – is a delightful person, decides to move back with the father. And that’s a deeply psychological thing. He says: I was made for the storm. I like drama. And his brother says he associates pain with love because he just wanted to be with his father, who psychologically abused him.

MR. RUBENSTEIN: So his father and he don’t talk anymore. Is that right, or am I –

MR. ISAACSON: Definitely not. Yeah.

MR. RUBENSTEIN: And –

MR. ISAACSON: His father also had two children by what was his stepdaughter.

MR. RUBENSTEIN: In other words, his father remarried and then he – after he remarried, he divorced his second wife. But the stepdaughter he had with the second wife, in effect, he then married her and had two children with her.

MR. ISAACSON: Wow, you read the book carefully. Even I had trouble – yeah.

MR. RUBENSTEIN: Well, it’s unusual. So that’s right, more or less?

MR. ISAACSON: Yes. That’s exactly right.

MR. RUBENSTEIN: OK. So how does he come to the United States? Why did – and how did he –

MR. ISAACSON: Seventeen years old, he’s basically a runaway. And look, if you have a common theme on things, people who are misfits as kids – whether it be Leonardo being born out of wedlock, his dad won’t legitimate him, he’s gay, he’s from the village of Vinci, he runs away; to Ben Franklin running away because he’s being apprenticed by his father to his brother; obviously, Einstein; and Kissinger leaving at that age because of a misfit. And so it happens to

Elon. At age 17, he just basically runs away. Can't get into the United States, but goes to Canada because his mother's father was from Canada.

MR. RUBENSTEIN: OK. So he gets – eventually, he gets into the United States and he goes to the University of Pennsylvania?

MR. ISAACSON: Yeah. Yeah. Are you on the board there, too?

MR. RUBENSTEIN: No, no. [Laughter.] I didn't go there. But he goes to the University of Pennsylvania.

MR. ISAACSON: Yeah, couldn't get into Duke. [Laughter.]

MR. RUBENSTEIN: Or Harvard. So – OK. [Laughter.] So he – all right. He goes to the University of Pennsylvania and he graduates, right?

MR. ISAACSON: Yeah, physics and business.

MR. RUBENSTEIN: But his board scores, as you got access to them, are not 800 SATs, right?

MR. ISAACSON: You know, yeah, you really did read this book. It's interesting about geniuses, is that they aren't necessarily the smartest people, meaning the ones with the most mental processing power. They tend to be the people who think different, as Steve Jobs would say. And that was him.

MR. RUBENSTEIN: All right. So he did OK, gets into Penn. And then he decides he's going to go to get a Ph.D. at Stanford.

MR. ISAACSON: One day. He drops out after a day.

MR. RUBENSTEIN: He lasted a day.

MR. ISAACSON: Because he wants to start his own company. There's Silicon Valley and the irrational exuberance there.

MR. RUBENSTEIN: So he starts a company that later becomes Zip2.

MR. ISAACSON: Yeah, but more importantly, of course, is the payment and social media company he starts called X.com. And that's his second company, after he was successful with Zip2. And he wants it to be an everything app, where you can transfer payments of money, you can be part of a social circle, you can post content and people will pay for it. And he does. And it's pretty good. And he and Peter Thiel merge their companies. And Peter Thiel ends up winning the battle to call it PayPal rather than X.com, and then ousts Elon. And for 20 years or so, Elon is saying: I want to fulfill that vision of X.com, of a social media company that includes payments, which is what you're now seeing.

MR. RUBENSTEIN: He was part of PayPal – he merged his company into PayPal, and then they pushed him out as a CEO. So he’s wandering around. He’s got some money. And then ultimately, when PayPal was sold, he gets some real money.

MR. ISAACSON: Yeah, definitely. And he has two companies that he’s sold for quite a bit. And everybody thinks he’s going to relax, you know, get a vacation. And he says, I always want to put my chips back on the table. I hate the calm. I want the storm. And so he decides, I want to build a rocket company to send rockets to Mars. They stage an intervention with him, in which they make a highlights reel of every rocket blowing up and stuff. And so he says, you don’t get it, that’s what – I know I might go bankrupt, but I need to push this mission.

MR. RUBENSTEIN: So his mission was not necessarily to do what SpaceX became. Initially, it was to get to Mars to save the species.

MR. ISAACSON: You know, I always thought that that was, like, the type of pontificating you do on podcasts or at pep talks for your team, which is we have to get humanity to Mars. And after a while, after that mantra came over and over again, I’d hear him mumbling it to himself. He would be walking through the launch pad down in South Texas or just sitting in the – he’d say, we have to get humanity – and I think he truly believes that mission. And he’s mission driven. He had three missions coming out of college. Get us to the era of sustainable energy, to electric vehicles, batteries, and solar roofs. Get us, humanity, to Mars. And he had read Isaac Asimov once too often and believed that we had to keep artificial intelligence from harming humanity.

And, as you said with satellites, he backfills. Once he has a mission, he says, OK, my mission is to get to Mars. What’s the best way to do it? Oh, these rockets can launch communication satellites. I can make a ton of money by recreating the internet in low Earth orbit. But that wasn’t his original goal. That’s just a way to fund the mission.

MR. RUBENSTEIN: So he gets SpaceX off the ground. And where does he get the money for that? Is it his money?

MR. ISAACSON: It’s his money. And, of course, in 2007 and in early 2008, they blow up the first three rockets. Because, unlike NASA or Boeing or anything else, he’s just, like, OK, it may work. Let’s try and fail, and fail fast, and then iterate. And so, of course, he runs out of money. And I know I’m jumping ahead, but also Tesla runs out of money. In 2008, zero money and he’s writing money out of his personal checkbook to try to keep this fourth launch going and Tesla going.

MR. RUBENSTEIN: So the first three launches blow up on – blow up. The fourth launch works.

MR. ISAACSON: And it’s right at the end of 2008. Everything is gone. He is sort of staying up all night. Talulah Riley, his second wife, is, like, holding his head as he vomits, he has such stress. But he loves the stress. And in December, Christmas Eve, both companies are out of money. But then the fourth rocket attempt goes up. And karma happens, because he had this

huge fight with Peter Thiel and everything else when he's ousted, but he decided to try – and he's not very empathetic – but he decided, all right, maybe you guys are right, and he stays friends with them. And in this late 2008, they all chip in to keep SpaceX alive.

MR. RUBENSTEIN: All right. So he gets the money to keep SpaceX going. And SpaceX becomes the thing that NASA used to be. It used to be NASA was launching rockets. And now he's launching the rockets for –

MR. ISAACSON: Yeah, NASA gave up sending astronauts into orbit with this grounding of the space shuttle 12 years ago. No entity has been – no entity in the world has been able – country or company – to launch rockets and things into orbit like us, and then re-land the rocket upright.

MR. RUBENSTEIN: Was that his idea, to re-land it so it's reusable, or?

MR. ISAACSON: So, yeah, it was his idea. But you're – [laughs] – I don't know if this would amuse you. Jeff Bezos, it's like one click; he patents the idea of re-landing rockets upright. Now, he's never done it, and somehow your friends at the U.S. Patent Office provisionally give him a patent. And Musk is actually trying to do it, didn't even think you could patent the idea. And they do have a – Bezos backs off.

MR. RUBENSTEIN: OK. So he lands these rockets back and they're reusable?

MR. ISAACSON: On drone ships. Yeah, on Boiesie Bollinger's ships. Boiesie Bollinger has these drone whatever they are – flat things in the Gulf of Mexico. And he lands them.

MR. RUBENSTEIN: So SpaceX ultimately evolves into another business that he has, Starlink. Can you explain what Starlink is?

MR. ISAACSON: Well, that was a way to make money, which is he realized that internet and communication service is at least a trillion-dollar business. If he can get 3 percent of it, then he has a budget larger than NASA. And so surprising, nobody else has been able to launch these satellites that can be in low Earth orbit. I don't know that Scott even has had to figure out, do we use them for airplane travel, because it's used for boats now. And he's launched almost 5,000 of them. The amount of satellites or mass he has launched to orbit is greater than the total of everything launched by every country and every company in the world. So he's got more. And so he's able to recreate the internet in low Earth orbit.

MR. RUBENSTEIN: So recently, part of your book, you made a correction part of it. But explain how Starlink became so important that the war in Ukraine was dependent on it.

MR. ISAACSON: Yeah. And the correction doesn't change the thrust of the fact that he had the only satellites and he got to decide whether they could be used or not in this war.

MR. RUBENSTEIN: And you convinced that he told you that –

MR. ISAACSON: Yeah. Yeah, well, what happened was in March, Ukraine invades Russia. And Teledesic, which is what they were using, gets knocked out. All the military satellites. No communication between the Ukrainian[s] and the military – you know, they can't control their troops. And the only communication that that isn't able to be disabled by the Russians is Starlink. So you see that first night – all the text messages are in the book. Can you help us? Can you save us? And Musk, having read, you know, hero comics as a kid, feels he's the hero on the world stage. He sends 100, 200, then 1,000 Starlink dishes to the – to Ukraine. And they use it. And without them they would have been crushed in the first week of the war.

What happens in September of that year is – I'd been a week with Musk down in Texas. I finally get back to New Orleans. It's a Friday night and my high school football team is playing. I know that sounds ridiculous. Only one person here – and it's Arch Manning. It's one of his last home games. So, you know, all sorts of people. We're going to see – phone keeps ringing. It's Elon. I finally go underneath the bleachers at the Newman School, and he's saying to me: They're using Starlink to do a sneak Pearl Harbor attack on the Russian fleet in Crimea, and I'm not allowing it. I'm not going to allow it. I'm not going to allow it. I'm going, wow. And the Ukrainians don't know. So I wrote in the book, he turned off Starlink on the Crimean coast. Then he later said, no, it had been geofenced before then. The issue that night was whether I should enable it for this attack. So whichever way it was, he has the power that night to make the attack fail or succeed. And he allows it to fail.

MR. RUBENSTEIN: OK. So the business is part of SpaceX. SpaceX is a privately owned company still. Has a market value of, last round, well over – I guess, over a trillion dollars, last round, or something like that.

MR. ISAACSON: I've never argued with the valuation of The Carlyle Group. [Laughter.]

MR. RUBENSTEIN: So when is he going to take that public, do you think?

MR. ISAACSON: You know, he hates taking things public. As you know, famously in 2018, he announced he was taking Tesla private and that he had funding from the Saudis, which was not exactly true. And four years of lawsuits because of that. I think he has zero desire to take SpaceX public. He doesn't need to.

MR. RUBENSTEIN: Right. Now SpaceX is –

MR. ISAACSON: And, by the way, the reason SpaceX succeeds is it takes enormous risks. Things that, you know, neither Boeing, or Lockheed, or Rockwell, or NASA would do. And I think he feels that if he were a public company, it would constrain him.

MR. RUBENSTEIN: OK. What's the obsession with X? He has SpaceX. He's renamed Twitter, X. He has a child named X too. So what –

MR. ISAACSON: Yeah, and X.com and xAI is his AI company. Because, as a very lonely kid who had no friends, he would sit in the corner of the bookstores in Pretoria and then later and

read comics. And the X-Men comics, all named X, he became – he thought it was a great mystery, unknown letter.

There's something in the book that's very poignant too, because he named his – well, his firstborn child dies in infancy. And then his next child, he named Xavier, after the comics. And she transitions and becomes – at age 16 – and becomes Jenna, and rejects him totally; says, you know, I hate billionaires – you know, she's a very progressive thinking – and changes her name. Goes to court so she doesn't have to have anything to do with him. And this pains him so much, too, and it's also in that mysterious X factor.

MR. RUBENSTEIN: How many children does he have?

MR. ISAACSON: Surviving children? He has 10, because there's one more than people knew from Claire Boucher.

MR. RUBENSTEIN: How many women were the mothers of those 10 children?

MR. ISAACSON: There was Justine, his first wife, Claire Boucher, the actress he –

MR. RUBENSTEIN: And is he married now?

MR. ISAACSON: No, but he's got young children by both Shivon Zilis, who runs Neuralink, and by Claire Boucher, known as Grimes.

MR. RUBENSTEIN: Well, let's go to another company that many people in the public know better because they buy the product, which is Tesla. Did he start Tesla?

MR. ISAACSON: No, but that whole chapter is called "The Founders," because, as I think half the people in this room can relate to, any failure is somebody else's idea. But when it's successful, a lot of people say, you know, I started that company. There was – there were three groups. There was JB Straubel – I won't go into too much detail – but he's trying to start a battery car company. There's Martin Eberhard and Marc Tarpenning, who had no money and nothing, but they had registered the name Tesla and they wanted to do it. And then Musk. Musk meets with all of them and funds this group. And all five of them become involved. As usual, with Musk, there's a falling out later. And they actually had a lawsuit in which all five get to be called founders.

MR. RUBENSTEIN: OK, so the agreement after the lawsuit is they're all going to be called founders. But he is really the funder of it and ultimately becomes the CEO.

MR. ISAACSON: Right. He funded it totally. He was the chair at the beginning. And he ousts everybody else.

MR. RUBENSTEIN: And how easy was it to get the first car off the –

MR. ISAACSON: Well, you know, here's an interesting thing for, you know, Economic Club, or whatever. The problem with the first car was he had done – they had done what every automaker in lots of other companies did in America, which is the auto industry went from making 80 percent of its IP to about 30 percent. They outsourced everything. So the first Tesla, the batteries are made in Japan. They're shipped to Thailand to a place that used to make barbecue pits to become the battery pack. Then they're shipped to England, where Lotus puts in a chassis, and the French make the – then they go back to – anyway. It is a far-flung, stupid supply chain that supposedly saves money, but it burns cash. And it also doesn't allow you to keep control.

He, like Steve Jobs, feels you have to have end-to-end control, otherwise you can't innovate. And so he brings the manufacturing back to America and believes that the building of the assembly line is as important as the design of the product. And he makes his designers sit on the assembly line so they can see every little design they make, what implications.

MR. RUBENSTEIN: And he's a person that likes to sleep overnight in the factory, just to be there all the time?

MR. ISAACSON: I mean, he's almost compelled. At times when he does – and certainly does – right after Grimes had their third child and Shivon was pregnant with twins. And they didn't know, and they were both in the same hospital. It was Thanksgiving. And he flies out to Los Angeles because he says he's got a problem with Tesla, and he sleeps on the factory floor. It's, like, Thanksgiving weekend, and I'm – and he just is getting away from these – but he wants a surge at the factory there to make sure they can make their – because they hit a million cars that period.

MR. RUBENSTEIN: So people are saying that Tesla is going to go bankrupt. The short sellers who are after him. And he is determined to beat the short sellers. So what does he do to kind of meet the target that he's supposed to get? Which is, I think, 5,000 cars –

MR. ISAACSON: Yeah, 5,000 a week. And this is 2018. He's in a total tailspin. It's when his father has just had a – I mean, yeah, his father has just had a child with his stepdaughter. Amber Heard has just broken up with him. He's having issues that he considers probably bipolar, so he's getting medicated. He's lying on the factory floor, sometimes catatonic, but he decides that if they can't get to 5,000 cars a week the short sellers are going to win. And he thinks the short sellers are evil.

And they have inside information. They have drones. They're looking at how much the two assembly lines in Fremont, California can do per week. And they know there's no way it can do more than 3,700 cars. And so they – it's the most shorted stock in history. And at a certain point, Musk – who loves World War II military history – says, they used to build the fighter planes in the parking lots, because they needed to do enough. There is a provision in the California law that if you're a car, you know, service place, you can erect a temporary tent.

It's like for muffler shops to be able to do what – he builds a tent almost as – well, actually, more – longer than this room, and wider, in the parking lot behind Tesla, without a

permit. And within two weeks, he tells his people, we've got to build this tent. And they have an assembly line – they can't even get a permit to have a motorized assembly line. So they put it on an incline so the cars roll down at the right speed. And everybody's assembling it. And on the last day of the month, the car that comes off the line just writes 5,000 on it. The stock becomes pretty quickly worth more than all next nine car companies combined. And short sellers – you probably know more than I do on the numbers – lost more on that short than ever.

MR. RUBENSTEIN: So but Tesla today is a company that is very successful, you would say?

MR. ISAACSON: Oh, God, yeah.

MR. RUBENSTEIN: And SpaceX is very successful. But he has taken on another –because in his spare time he didn't have anything to do – he took on another company called Twitter. Why did he buy Twitter?

MR. ISAACSON: Complex and, you know, I'm there right when he's opening Gigafactory, the big factory in Austin. And everything is going well. They've just done a million cars. Thirty-three rocket launches in a row landed safely and got astronauts and cargo into orbit. And I even talked to him about, you know, you got to be pretty satisfied. He said, you don't get it. I don't like enjoyment. I don't like to be satisfied. I need a storm. I need drama. And that's when he says that he's buying Twitter stock secretly. And there's almost an intervention there too, that early April, where his friends, his brother Kimbal, Antonio, Ken Howery, his son Griffin, he has an autistic son named Saxon, his mother is there. We're all having dinner at the Pershing and stuff.

And so they're all saying, you can't do this. This is really – you don't have a feel for social media. But that's not a good thing. So he gets pushed. He leaves kind of abruptly to go to Larry Ellison's house in Lanai, Hawaii, meeting another girlfriend, Natasha Bassett, I think her name is, Australian. And just stays up three nights in a row and starts sending these text messages to the Twitter management. You don't know what you're doing. You've not improved things. And I had asked him, I said, man, social media company, that doesn't seem to be – he said, no, it's an engineering problem. It's a technology company. I'm thinking, no, it's an advertising medium to gather emotional eyeballs for brands. But he doesn't feel that way.

And so after three days in Hawaii texting them, he says I'm going to go hostile on you. Then flies to Vancouver, where he's meeting Grimes with his son X to introduce him to his grandparents. And he's – they release a game called "Elden Ring" – which you and I are a little bit too old to know – but it, like, becomes this phenomenon. He stays up till 5:30 in the morning playing "Elden Ring." And at about 5:35 he sends out a message, I made an offer. So this is a crazed Ambien and Red Bull-fueled four nights, making an offer.

And then half the time after that, he's thinking, how do I get out of this? The reason he does it is, first of all, he wants – I said, what are you doing? He said, I want to fulfill my vision for X.com, the one he had done 20 years earlier. We have to have a social media platform that's like WeChat that allows people to pay, et cetera. Secondly, between being attacked by the Biden administration, Elizabeth Warren, he's paid more taxes than anybody in history has ever paid to

anything, but Elizabeth Warren says he's avoiding taxes. So he's getting his back up. He thinks the, quote, "woke mind virus" has infected Twitter. And he just loves the product, and he wants the storm.

MR. RUBENSTEIN: All right. So he ultimately goes ahead and buys it, even though he wishes he hadn't at one point.

MR. ISAACSON: Well, you know, there are many Elon Musks. And you can be with him in the middle of the day and he's, like, yelling at Alex Spiro, his lawyer, saying fight it in Delaware. This is ridiculous. She can't – meaning the chancellor – can't force me to do it. And then late at night, he's giddy, talking about this is going to be the booster for X.com.

MR. RUBENSTEIN: So at this moment, is he happy that he owns it?

MR. ISAACSON: Yeah, I mean, happy is a word that does not apply to his emotions often. He is energized and crazed about owning it. And it's a bad thing for him because he's also tweeting like crazy – and crazy is the right word for –

MR. RUBENSTEIN: But he's running SpaceX. He's running Tesla. And he's also running this company.

MR. ISAACSON: Right. And if you don't mind me jumping ahead, in March of this year, right as he's trying to launch the largest movable object ever made, Starship, he says: You got to come back to Austin. This is – and I'm thinking I'm finishing the book. I have to talk to you, but I can't do it over the phone. We got to do it – so I go. And he's at Shivon's house. We sit in the back. And he says, Larry Page at Google and Microsoft with OpenAI, they're a danger to the planet because they're going to make unsafe AI. I'm going to start an AI company. At this point, counting the number of companies and counting the number of children becomes a mathematical problem like, all right, is that now seven companies you're running?

MR. RUBENSTEIN: So he actually helped start OpenAI, is that right?

MR. RUBENSTEIN: He did it because DeepMind he had invested in, Demis Hassabis' company – that comes up with the notion of pure machine learning – that Larry Page, who used to be Musk's best friend -- Musk used to stay at his house in Palo Alto -- buys DeepMind and Musk get furious, thinking Larry Page doesn't care about AI safety. And so he starts OpenAI with Sam Altman. But then decides he wants to do it in-house at Tesla because, correctly, he believes that all these little chatbots that everybody's been excited about with large language model generative, that's OK. But that's mainly a parlor trick. What counts as real-world AI – meaning cars that can drive themselves, robots that can walk this room and figure things out – that transforms our life and economy. And that requires visual data, not just language data. And that's what he has, because he has eight billion frames a day from Tesla cars.

MR. RUBENSTEIN: So he has now – he has his new artificial –

MR. ISAACSON: xAI.

MR. RUBENSTEIN: OK.

MR. ISAACSON: Which – not to be confused with X.com or X the son.

MR. RUBENSTEIN: OK. Now, what about Neuralink? What is that?

MR. ISAACSON: You know, one of the – all the great advances of the digital age is ways to make us closely connect with our computers better. Whether it's Steve Jobs in his last board meeting that I went to where they show him Siri, and you could talk to the phone. Or Doug Engelbart before that, with the graphical user interface. The ultimate connection of humans and machines is a chip that can read your brain signals and do things. They have already made one, Neuralink, that allows a monkey to play Pong just by thinking about it. And for Musk, it's yet connected to a higher vision, is he believes that AI, artificial intelligence, robots, will run out of control, will no longer be guided by human agency, unless we can have an extremely tight connection between our minds and our machines. And that is this epic vision for Neuralink. But, typically, as Starlink is to SpaceX, he's using it to help people with ALS and paralyzed – that's going to be his business model.

MR. RUBENSTEIN: All right. So do you think he will live to our normal age – old age, and get to be 80 years old, and just live a nice retired life at some point?

MR. ISAACSON: I mean, I'm not sure I want to, you know, go there too much. But he really does not take care of himself. He has incredible stress. He, you know, can't sleep. He's – you know, if he has some doctors that prescribe many things for him. My doctor would probably ask for a different lifestyle.

MR. RUBENSTEIN: He's bipolar, you would say?

MR. ISAACSON: He says he's never been diagnosed, but then that 2018 period when he became catatonic so often, he said I guess I may be. And he says he has Asperger's. He says this, that, and the other. It'd be useful if he actually went to some doctors who told him exactly what –

MR. RUBENSTEIN: Multiple personality disorder too?

MR. ISAACSON: Definitely with that. I don't know if that's a – I shouldn't say it, because I don't know if that's a – whatever that's called – a diagnostic manual thing. But he goes from Jekyll to Hyde – just like his father did. His mother said, this is it. He'll be in a really happy, giddy mode. And sometimes, like, walking late at night in front of a launch pad in the Gulf of Mexico. Those of us from the Gulf Coast, we can feel when the atmospheric pressure is changing and the storm is – you could see him get dark. And he becomes a demon. And that's what Grimes calls it, demon mode. And when he snaps out of it, like Dr. Jekyll, he doesn't remember what he did as Mr. Hyde.

MR. RUBENSTEIN: So is it easier to write a book about a genius who's alive or who's dead?

MR. ISAACSON: Dead.

MR. RUBENSTEIN: Dead. [Laughter.]

MR. ISAACSON: I didn't know that when you told me to do Musk. [Laughter.]

MR. RUBENSTEIN: So is your next one going to –

MR. ISAACSON: Well, I mean, as you know, after I did Kissinger, which was a bit much, I said, OK, I'm going back 200 years, you know, and did Ben Franklin. [Laughter.] And then after Steve Jobs it was like, OK, I'm going back to Leonardo. This time, I think Aristotle, Socrates – [laughter] –

MR. RUBENSTEIN: So you're going to find somebody who has been dead for a while for your next book?

MR. ISAACSON: Yeah, but somebody who's at the intersection of science and art and humanities. Probably doesn't have to be dead 1,000 years. I've got a couple ideas.

MR. RUBENSTEIN: OK. So, well, it's a great book, a great read. It's a number-one bestseller now, right?

MR. ISAACSON: Because of Elon, not because of me, but thank you. [Laughter.]

MR. RUBENSTEIN: OK. So, today, do you think if you saw Elon he would be happy and congratulate you on getting him? Or he would say, I wish I hadn't done that?

MR. ISAACSON: The interesting thing is, I don't know. He's posted a few things that are fine about parts of the book. He jokingly said, "Walter told me not to read the book, so I haven't." Is that true? I don't know. I'm sure I'm going to find out, but I'm – you know, here's the main thing. And this is what Cathy, my wife, and my editor helped me do. Every sentence, every paragraph, I have to say this is aimed at the reader – the good, the bad, the ugly. It's there as a story to help the reader understand. I'm not writing it within the back of my mind saying, how is Elon Musk going to feel? And you just have to cut off thinking about that, otherwise – you only have one client, and that's your reader.

MR. RUBENSTEIN: So the book is written in a different style than your other books.

MR. ISAACSON: Yeah.

MR. RUBENSTEIN: It's, you know, part – the chapters are a couple pages.

MR. ISAACSON: I tried to do the frenetic – by the end, especially – the frenetic life of Elon Musk. Meaning, you know, on a given day, when the Twitter board accepts his offer, he flies down to Boca Chica to worry about a methane leak for two hours in Starship, and then he's

jumping around. And he's not a multitasker. He's a serial tasker, where he'll spend two hours super focused and then leap to something totally different. And I wanted the book to be incredibly fast-paced, as if it's – I mean, I'm not good at movies – but one of these movies with quick cuts, because it captures the freneticness of his life.

MR. RUBENSTEIN: Is this going to be made into a movie, you think?

MR. ISAACSON: Yeah, but I –

MR. RUBENSTEIN: Who's going to play Elon Musk?

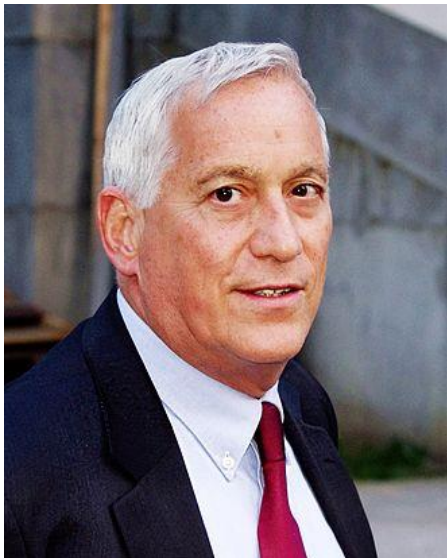
MR. ISAACSON: At one point, he jumped – he wanted Benedict Cumberbatch. And I was about to say, he's too good looking, too tall, too skinny. [Laughter.] I'm not very good, as you know, on movies. And I'm –

MR. RUBENSTEIN: Walter, I know you've had a lot of demands on your schedule since your book came out. So I want to thank you for coming here.

MR. ISAACSON: Hey thanks, David.

MR. RUBENSTEIN: And thank you for, you know, giving us insights in this book. I highly recommend it. I think everybody has a copy. So thank you very much.

MR. ISAACSON: Thank you much. And thanks for having me out. Appreciate it. Appreciate it. [Applause.]



Walter Isaacson
Professor of History, Tulane University
Best-selling Author of “Elon Musk”

Just one week after the publication of his latest book, “Elon Musk,” Walter Isaacson joins the Economic Club to discuss this new, revealing biography. For two years, Isaacson shadowed Musk, attended his meetings, walked his factories with him, and spent hours interviewing him, his family, friends, coworkers, and adversaries, resulting in the astonishingly intimate story of one of the most fascinating and controversial innovators of our era.

Isaacson has been the Editor of Time magazine, the CEO and Chairman of CNN, and the CEO of the Aspen Institute. He is a best-selling author of eight books, an Advisory Partner at Perella Weinberg, a cohost of the PBS show Amanpour & Co., a contributor to CNBC, and host of the podcast “Trailblazers, from Dell Technologies.”

Isaacson serves on the board of United Airlines, Halliburton Labs, the New Orleans City Planning Commission, the New Orleans Tricentennial Commission, Bloomberg Philanthropies, the Society of American Historians, and My Brother's Keeper Alliance. He is Chair Emeritus of Teach for America, a member of the American Academy of Arts and Sciences, the Royal Society of the Arts, and the American Philosophical Society. Isaacson is a graduate of Harvard College and Pembroke College of Oxford University, where he was a Rhodes Scholar.