

With friends like these ...

Facebook has 59 million users - and 2 million new ones join each week. But you won't catch Tom Hodgkinson volunteering his personal information - not now that he knows the politics of the people behind the social networking site

- [Tom Hodgkinson](#)
- [The Guardian](#), Monday 14 January 2008

The following correction was printed in the Guardian's Corrections and clarifications column, Wednesday January 16 2008

The US intelligence community's enthusiasm for hi-tech innovation after 9/11 and the creation of In-Q-Tel, its venture capital fund, in 1999 were anachronistically linked in the article below. Since 9/11 happened in 2001 it could not have led to the setting up of In-Q-Tel two years earlier.

I despise Facebook. This enormously successful American business describes itself as "a social utility that connects you with the people around you". But hang on. Why on God's earth would I need a computer to connect with the people around me? Why should my relationships be



mediated through the imagination of a bunch of supergeeks in California? What was wrong with the pub?

And does Facebook really connect people? Doesn't it rather disconnect us, since instead of doing something enjoyable such as talking and eating and dancing and drinking with my

friends, I am merely sending them little ungrammatical notes and amusing photos in cyberspace, while chained to my desk? A friend of mine recently told me that he had spent a Saturday night at home alone on Facebook, drinking at his desk. What a gloomy image. Far from connecting us, Facebook actually isolates us at our workstations.

Facebook appeals to a kind of vanity and self-importance in us, too. If I put up a flattering picture of myself with a list of my favourite things, I can construct an artificial representation of

who I am in order to get sex or approval. ("I like Facebook," said another friend. "I got a shag out of it.") It also encourages a disturbing competitiveness around friendship: it seems that with friends today, quality counts for nothing and quantity is king. The more friends you have, the better you are. You are "popular", in the sense much loved in American high schools. Witness the cover line on Dennis Publishing's new Facebook magazine: "How To Double Your Friends List."



It seems, though, that I am very much alone in my hostility. At the time of writing Facebook claims 59 million active users, including 7 million in the UK, Facebook's third-biggest customer after the US and Canada. That's 59 million suckers, all of whom have volunteered their ID card information and

consumer preferences to an American business they know nothing about. Right now, 2 million new people join each week. At the present rate of growth, Facebook will have more than 200 million active users by this time next year. And I would predict that, if anything, its rate of growth will accelerate over the coming months. As its spokesman Chris Hughes says: "It's embedded itself to an extent where it's hard to get rid of."

All of the above would have been enough to make me reject Facebook forever. But there are more reasons to hate it. Many more.

Facebook is a well-funded project, and the people behind the funding, a group of Silicon Valley venture capitalists, have a clearly thought out ideology that they are hoping to spread around the world. Facebook is one manifestation of this ideology. Like PayPal before it, it is a social experiment, an expression of a particular kind of neoconservative libertarianism. On Facebook, you can be free to be who you want to be, as long as you don't mind being bombarded by adverts for the world's biggest brands. As with PayPal, national boundaries are a thing of the past.

Although the project was initially conceived by media cover star Mark Zuckerberg, the real face behind Facebook is the 40-year-old Silicon Valley venture capitalist and futurist philosopher Peter Thiel. There are only three board members on Facebook, and they are Thiel, Zuckerberg and a third investor called Jim Breyer from a venture capital firm called Accel Partners (more on him later). Thiel invested \$500,000 in Facebook when Harvard students Zuckerberg, Chris Hughes and Dustin Moskowitz went to meet him in San Francisco in June 2004, soon after they had launched the site. Thiel now reportedly owns 7% of Facebook, which, at Facebook's current valuation of \$15bn, would be worth more than \$1bn. There is much debate on who exactly were

the original co-founders of Facebook, but whoever they were, Zuckerberg is the only one left on the board, although Hughes and Moskowitz still work for the company.

Thiel is widely regarded in Silicon Valley and in the US venture capital scene as a libertarian genius. He is the co-founder and CEO of the virtual banking system PayPal, which he sold to Ebay for \$1.5bn, taking \$55m for himself. He also runs a £3bn hedge fund called Clarium



Capital Management and a venture capital fund called Founders Fund. Bloomberg Markets magazine recently called him "one of the most successful hedge fund managers in the country". He has made money by betting on rising oil prices and by correctly predicting that the dollar would weaken. He and his absurdly wealthy Silicon Valley mates

have recently been labelled "The PayPal Mafia" by Fortune magazine, whose reporter also observed that Thiel has a uniformed butler and a \$500,000 McLaren supercar. Thiel is also a chess master and intensely competitive. He has been known to sweep the chessmen off the table in a fury when losing. And he does not apologise for this hyper-competitiveness, saying: "Show me a good loser and I'll show you a loser."

But Thiel is more than just a clever and avaricious capitalist. He is a futurist philosopher and neocon activist. A philosophy graduate from Stanford, in 1998 he co-wrote a book called *The Diversity Myth*, which is a detailed attack on liberalism and the multiculturalist ideology that dominated Stanford. He claimed that the "multiculture" led to a lessening of individual freedoms. While a student at Stanford, Thiel founded a rightwing journal, still up and running, called *The Stanford Review* - motto: *Fiat Lux* ("Let there be light"). Thiel is a member of *TheVanguard.Org*, an internet-based neoconservative pressure group that was set up to attack *MoveOn.org*, a liberal pressure group that works on the web. Thiel calls himself "way libertarian".

TheVanguard is run by one Rod D Martin, a philosopher-capitalist whom Thiel greatly admires. On the site, Thiel says: "Rod is one of our nation's leading minds in the creation of new and needed ideas for public policy. He possesses a more complete understanding of America than most executives have of their own businesses."

This little taster from their website will give you an idea of their vision for the world: "*TheVanguard.Org* is an online community of Americans who believe in conservative values, the free market and limited government as the best means to bring hope and ever-increasing

opportunity to everyone, especially the poorest among us." Their aim is to promote policies that will "reshape America and the globe". TheVanguard describes its politics as "Reaganite/Thatcherite". The chairman's message says: "Today we'll teach MoveOn [the liberal website], Hillary and the leftwing media some lessons they never imagined."

So, Thiel's politics are not in doubt. What about his philosophy? I listened to a podcast of an address Thiel gave about his ideas for the future. His philosophy, briefly, is this: since the 17th century, certain enlightened thinkers have been taking the world away from the old-fashioned nature-bound life, and here he quotes Thomas Hobbes' famous characterisation of life as "nasty, brutish and short", and towards a new virtual world where we have conquered nature. Value now exists in imaginary things. Thiel says that PayPal was motivated by this belief: that you can find value not in real manufactured objects, but in the relations between human beings. PayPal was a way of moving money around the world with no restriction. Bloomberg Markets puts it like this: "For Thiel, PayPal was all about freedom: it would enable people to skirt currency controls and move money around the globe."



Photo: Tim Boyle/Getty

Clearly, Facebook is another uber-capitalist experiment: can you make money out of friendship? Can you create communities free of national boundaries - and then sell Coca-Cola to them? Facebook is profoundly uncreative. It makes nothing at all. It simply mediates in relationships that were happening anyway.

Thiel's philosophical mentor is one René Girard of Stanford University, proponent of a theory of human

behaviour called mimetic desire. Girard reckons that people are essentially sheep-like and will copy one another without much reflection. The theory would also seem to be proved correct in the case of Thiel's virtual worlds: the desired object is irrelevant; all you need to know is that human beings will tend to move in flocks. Hence financial bubbles. Hence the enormous popularity of Facebook. Girard is a regular at Thiel's intellectual soirees. What you don't hear about in Thiel's philosophy, by the way, are old-fashioned real-world concepts such as art, beauty, love, pleasure and truth.

The internet is immensely appealing to neocons such as Thiel because it promises a certain sort of freedom in human relations and in business, freedom from pesky national laws, national boundaries and suchlike. The internet opens up a world of free trade and laissez-faire expansion. Thiel also seems to approve of offshore tax havens, and claims that 40% of the world's wealth resides in places such as Vanuatu, the Cayman Islands, Monaco and Barbados. I think it's fair to say that Thiel, like Rupert Murdoch, is against tax. He also likes the globalisation of digital culture because it makes the banking overlords hard to attack: "You can't have a workers' revolution to take over a bank if the bank is in Vanuatu," he says.

If life in the past was nasty, brutish and short, then in the future Thiel wants to make it much longer, and to this end he has also invested in a firm that is exploring life-extension technologies. He has pledged £3.5m to a Cambridge-based gerontologist called Aubrey de Grey, who is searching for the key to immortality. Thiel is also on the board of advisers of something called the Singularity Institute for Artificial Intelligence. From its fantastical website, the following: "The Singularity is the technological creation of smarter-than-human intelligence. There are several technologies ... heading in this direction ... Artificial Intelligence ... direct brain-computer interfaces ... genetic engineering ... different technologies which, if they reached a threshold level of sophistication, would enable the creation of smarter-than-human intelligence."

So by his own admission, Thiel is trying to destroy the real world, which he also calls "nature", and install a virtual world in its place, and it is in this context that we must view the rise of Facebook. Facebook is a deliberate experiment in global manipulation, and Thiel is a bright young thing in the neoconservative pantheon, with a penchant for far-out techno-utopian fantasies. Not someone I want to help get any richer.

The third board member of Facebook is Jim Breyer. He is a partner in the venture capital firm Accel Partners, who put \$12.7m into Facebook in April 2005. On the board of such US giants as Wal-Mart and Marvel Entertainment, he is also a former chairman of the National Venture Capital Association (NVCA). Now these are the people who are really making things happen in America, because they invest in the new young talent, the Zuckerbergs and the like. Facebook's most recent round of funding was led by a company called Greylock Venture Capital, who put in the sum of \$27.5m. One of Greylock's senior partners is called Howard Cox, another former chairman of the NVCA, who is also on the board of In-Q-Tel. What's In-Q-Tel? Well, believe it or not (and check out their website), this is the venture-capital wing of the CIA. After 9/11, the US intelligence community became so excited by the possibilities of new technology and the innovations being made in the private sector, that in 1999 they set up their own venture capital fund, In-Q-Tel, which "identifies and partners with companies developing cutting-edge technologies to help deliver these solutions to the Central Intelligence Agency and the broader US Intelligence Community (IC) to further their missions".



The US defence department and the CIA love technology because it makes spying easier. "We need to find new ways to deter new adversaries," defence secretary Donald Rumsfeld said in 2003. "We need to make the leap into the information age, which is the critical foundation of our transformation efforts." In-Q-Tel's first chairman was Gilman Louie, who served on the board of the NVCA with Breyer. Another key figure in the In-Q-

Tel team is Anita K Jones, former director of defence research and engineering for the US department of defence, and - with Breyer - board member of BBN Technologies. When she left the US department of defence, Senator Chuck Robb paid her the following tribute: "She brought

the technology and operational military communities together to design detailed plans to sustain US dominance on the battlefield into the next century."

Now even if you don't buy the idea that Facebook is some kind of extension of the American imperialist programme crossed with a massive information-gathering tool, there is no way of denying that as a business, it is pure mega-genius. Some net nerds have suggested that its \$15bn valuation is excessive, but I would argue that if anything that is too modest. Its scale really is dizzying, and the potential for growth is virtually limitless. "We want everyone to be able to use Facebook," says the impersonal voice of Big Brother on the website. I'll bet they do. It is Facebook's enormous potential that led Microsoft to buy 1.6% for \$240m. A recent rumour says that Asian investor Lee Ka-Shing, said to be the ninth richest man in the world, has bought 0.4% of Facebook for \$60m.

The creators of the site need do very little bar fiddle with the programme. In the main, they simply sit back and watch as millions of Facebook addicts voluntarily upload their ID details, photographs and lists of their favourite consumer objects. Once in receipt of this vast database of human beings, Facebook then simply has to sell the information back to advertisers, or, as Zuckerberg puts it in a recent blog post, "to try to help people share information with their friends about things they do on the web". And indeed, this is precisely what's happening. On November 6 last year, Facebook announced that 12 global brands had climbed on board. They included Coca-Cola, Blockbuster, Verizon, Sony Pictures and Condé Nast. All trained in marketing bullshit of the highest order, their representatives made excited comments along the following lines:

"With Facebook Ads, our brands can become a part of the way users communicate and interact on Facebook," said Carol Kruse, vice president, global interactive marketing, the Coca-Cola Company.

"We view this as an innovative way to cultivate relationships with millions of Facebook users by enabling them to interact with Blockbuster in convenient, relevant and entertaining ways," said Jim Keyes, Blockbuster chairman and CEO. "This is beyond creating advertising impressions. This is about Blockbuster participating in the community of the consumer so that, in return, consumers feel motivated to share the benefits of our brand with their friends."

"Share" is Facebookspeak for "advertise". Sign up to Facebook and you become a free walking, talking advert for Blockbuster or Coke, extolling the virtues of these brands to your friends. We are seeing the commodification of human relationships, the extraction of capitalistic value from friendships.

Now, by comparison with Facebook, newspapers, for example, begin to look hopelessly outdated as a business model. A newspaper sells advertising space to businesses looking to sell stuff to their readers. But the system is far less sophisticated than Facebook for two reasons. One is that newspapers have to put up with the irksome expense of paying journalists to provide the content. Facebook gets its content for free. The other is that Facebook can target advertising with far greater precision than a newspaper. Admit on Facebook that your favourite film is This Is

Spinal Tap, and when a Spinal Tap-esque movie comes out, you can be sure that they'll be sending ads your way.



Facebook founder Mark Zuckerberg (Photo: Paul Sakuma/AP)

It's true that Facebook recently got into hot water with its Beacon advertising programme. Users were notified that one of their friends had made a purchase at certain online shops; 46,000 users felt that this level of advertising was intrusive, and signed a petition called "Facebook! Stop invading my privacy!" to say so. Zuckerberg apologised on his company blog. He has written that they have now changed the system from "opt-out" to "opt-in". But I suspect that this little rebellion about being so

ruthlessly commodified will soon be forgotten: after all, there was a national outcry by the civil liberties movement when the idea of a police force was mooted in the UK in the mid 19th century.

Futhermore, have you Facebook users ever actually read the privacy policy? It tells you that you don't have much privacy. Facebook pretends to be about freedom, but isn't it really more like an ideologically motivated virtual totalitarian regime with a population that will very soon exceed the UK's? Thiel and the rest have created their own country, a country of consumers.

Now, you may, like Thiel and the other new masters of the cybervers, find this social experiment tremendously exciting. Here at last is the Enlightenment state longed for since the Puritans of the 17th century sailed away to North America, a world where everyone is free to express themselves as they please, according to who is watching. National boundaries are a thing of the past and everyone cavorts together in freewheeling virtual space. Nature has been conquered through man's boundless ingenuity. Yes, and you may decide to send genius investor Thiel all your money, and certainly you'll be waiting impatiently for the public flotation of the unstoppable Facebook.

Or you might reflect that you don't really want to be part of this heavily-funded programme to create an arid global virtual republic, where your own self and your relationships with your friends are converted into commodities on sale to giant global brands. You may decide that you don't want to be part of this takeover bid for the world.

For my own part, I am going to retreat from the whole thing, remain as unplugged as possible, and spend the time I save by not going on Facebook doing something useful, such as reading books. Why would I want to waste my time on Facebook when I still haven't read Keats' *Endymion*? And when there are seeds to be sown in my own back yard? I don't want to retreat from nature, I want to reconnect with it. Damn air-conditioning! And if I want to connect with

the people around me, I will revert to an old piece of technology. It's free, it's easy and it delivers a uniquely individual experience in sharing information: it's called talking.

Facebook's privacy policy

Just for fun, try substituting the words 'Big Brother' whenever you read the word 'Facebook'

1 We will advertise at you

"When you use Facebook, you may set up your personal profile, form relationships, send messages, perform searches and queries, form groups, set up events, add applications, and transmit information through various channels. We collect this information so that we can provide you the service and offer personalised features."

2 You can't delete anything

"When you update information, we usually keep a backup copy of the prior version for a reasonable period of time to enable reversion to the prior version of that information."

3 Anyone can glance at your intimate confessions

"... we cannot and do not guarantee that user content you post on the site will not be viewed by unauthorised persons. We are not responsible for circumvention of any privacy settings or security measures contained on the site. You understand and acknowledge that, even after removal, copies of user content may remain viewable in cached and archived pages or if other users have copied or stored your user content."

4 Our marketing profile of you will be unbeatable

"Facebook may also collect information about you from other sources, such as newspapers, blogs, instant messaging services, and other users of the Facebook service through the operation of the service (eg, photo tags) in order to provide you with more useful information and a more personalised experience."

5 Opting out doesn't mean opting out

"Facebook reserves the right to send you notices about your account even if you opt out of all voluntary email notifications."

6 The CIA may look at the stuff when they feel like it

"By using Facebook, you are consenting to have your personal data transferred to and processed in the United States ... We may be required to disclose user information pursuant to lawful requests, such as subpoenas or court orders, or in compliance with applicable laws. We do not reveal information until we have a good faith belief that an information request by law enforcement or private litigants meets applicable legal standards. Additionally, we may share account or other information when we believe it is necessary to comply with law, to protect our interests or property, to prevent fraud or other illegal activity perpetrated through the Facebook service or using the Facebook name, or to prevent imminent bodily harm. This may include sharing information with other companies, lawyers, agents or government agencies."