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Inside the Coffeehouse | Episode 5
Ben Hunt, Author of Epsilon Theory & Co-Founder/CIO, Second Foundation Partners

This week on our *Inside the Coffeehouse* series, we welcome Ben Hunt back into the SmarterMarkets™ studio. Ben is author of Epsilon Theory and Co-Founder & CIO of Second Foundation Partners. David Greely sits down with Ben to discuss what AI is teaching us about how we use language – and how we can build digital tools not to outsource our consciousness, but to increase our ability to have trusted conversations at scale.

Ben Hunt (00s):
So how do we change the world? I think we change the world by building, I will call it the ability to have trusted conversations at scale. That's how we change the world, Dave. It has to happen from the bottom up. Can't come from the top down. It's not just what we are talking about. It's not just the type of stories we are telling. It's about telling it to a group that we trust as opposed to speaking out to a crowd through social media.

Announcer (27s):
Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions: are we facing a crisis of information or a crisis of trust, and will building Smarter Markets be the antidote?
This episode is brought to you in part by Abaxx Exchange, where trading in centrally cleared, physically deliverable LNG and Carbon futures contracts is now underway, ready for smarter markets.

David Greely (01m 10s):
Welcome back to Inside the Coffeehouse on SmarterMarkets. I am Dave Greely, Chief Economist at Abaxx Technologies. In this podcast series, we are introducing you to Coffeehouse, SmarterMarkets' new social media platform for advancing the conversation on energy, climate markets, and technology. It's a space where the executives and icons you listen to on our podcast can engage with each other in thoughtful conversations, disagree without being disagreeable, and discuss how our market systems can be redesigned and improved to address the most important challenges of our time, including climate change and the energy transition. That feeling of grabbing a cup of coffee with colleagues to catch up on the most important issues is what we're creating on this platform. And our SmarterMarkets members are invited to follow the conversation. If you would like to learn more about SmarterMarkets Coffeehouse or join our waitlist, visit Coffeehouse at www.smartermarkets.media.

David Greely (02m 07s):
Building new markets begins with the exchange of ideas. Many of today's great exchanges were born in coffeehouses, including the New York and London Stock Exchanges. At SmarterMarkets we are building our virtual coffeehouse to facilitate the exchange of ideas that will lead to the smarter markets of tomorrow. Our guest today is Ben Hunt, Author of Epsilon Theory, and Co-Founder and CIO of Second Foundation Partners. We will be discussing what AI is teaching us about how we use language and how we can build digital tools not to outsource our consciousness, but to create the ability to have trusted conversations at scale. Hello, Ben. Welcome back to SmarterMarkets.

Ben Hunt (02m 47s):
It's great to be back, Dave. Thanks for having me.

David Greely (02m 50s):
Well, it's great to have you here. I always enjoy talking with you, and I think part of that is you have always thought deeply about language. Its structure, its power in shaping how we think and the choices that we make and with the mainstreaming of artificial intelligence in the form of large language models, I think we have all become more curious about not only how do these models work, but what do they tell us about our own use of our language. So I wanted to ask you, you know, we talked a little bit over a year ago, but I wanted to ask you like in that time, how has the development of LLMs been shaping your thinking about how we use language?

Ben Hunt (03m 29s):
I will start with something close to home. I mean, how we are actually using it in our work. I've been trying to think of best way to describe this. What we do in our day job is we are trying to find the semantic structures in unstructured data. That's a $10 phrase, semantic structures. The examples I like to give, if I am talking to somebody from Hollywood, I say, well, an example of semantic structure is the hero's journey, right? It's that old story. It's a story arc, it's a script. It's a narrative archetype. I mean, there are thousands of different scripts and movies that use the hero's journey as their base. Different characters, different settings, different words to describe it but what we mean by semantic structure is that it's one story. It's one coherent story and the kicker is that I really believe this is that, that we humans are hardwired to respond to that story.

Ben Hunt (04m 33s):
That our brains are wired not just for grammatical structures, but I think even more so for semantic structures, for story arcs and archetypes as I am describing now in Wall Street, an investing, an example of semantic structure might be, well we are bullish on the new thing, right? Again, can take a thousand different forms, not dependent on what the new thing is. It's dependent on telling a story in a certain way that we humans are also hardwired to respond to. We start paying attention to that new thing. We start getting excited about the new thing. So that's what we try to do in our day job and our initial cracks at this, and I, gosh, I have been working with language, we didn't call it large language models. We didn't call it natural language processing 30 years ago, 35 years ago. Now, my God, we are getting old, but that's what it was.

Ben Hunt (05m 39s):
You know, the math hasn't changed. The linguistic approach hasn't changed, but what has changed is just the raw firepower that's at our fingertips. So our initial work on this was to use my brain and my partner's brain, Rusty Gwen, use our brains as the engine here. So what we would do is, this is a famous Richard Feynman phrase, how do you do science? Well, you think really hard about a problem, right? So that's all we would do. We would think really about an archetype that we had a glimmer of, and we would write down libraries of words and phrases, grammatical structures, convoluted rule sets for the linguistic searches and wild cards and dilemmas as they are called. It worked actually pretty well. What we were able to build by thinking really hard about a problem. But it was small. What we were able to build, and what I mean by small is I like to use a fishing analogy.

Ben Hunt (06m 46s):
So you're fishing in a lake that's got all these amazing fish in it, and we built the equivalent of a little hand net, a little dip net and so when we dip it in and remember this is a lake full of fish, you know, we would catch some fish, think of that as signal. And the signal we would get would usually be, oh, that's a good fish. It's a good signal. We didn't have a lot of false positives. We didn't catch something and say, oh, that's a signal and it turns out that, you know, that's the boot. That's just an old shoe that was in the pot. Yeah, would we call it something? It was decent sized fish, but when we put it into practice, our actual results were fine, not barnstorming, you know, not great and the reason was there were all these fish that got away too many false negatives.

Ben Hunt (07m 34s):
In other words, we didn't have a big of net. So what we did in our own work was let's replace the Ben and Rusty thinking really hard about linguistics and semantics and the like and let's get a large language model, which is built around the conception of semantics. It doesn't think like me and Rusty, it doesn't think like us humans. The artificial intelligence of a large languish model, I like to call it a non-human intelligence artificial that makes it seem fake. It's not a fake intelligence, it's a real intelligence, but it's also profoundly not human intelligence. We have all seen, I think, the cartoon of the Shaghaf Monster with a million eyes and kind of the jelly monster that this is what a large language model is, and we put a pleasant face on it through our training and our reinforcement learning and stuff like that.

Ben Hunt (08m 29s):
But it's a very non-human kind of monstrous thing back there. We said, okay, let's use that as our engine. Let's build a backend and a front end large language model as I am mixing all my metaphors here, but as our steam engineer, as our source of energy and maybe we will catch more fish. I bet we catch some old shoes as well. Our expectation was, okay, we will be catching a lot more fish. We are building a much bigger net. We will get a lot more signal from incorporating large language models directly into our technology stack. We will get a lot more signal, but the signal probably won't be as high a quality as the signal we got from Ben and Rusty, thinking really hard about a problem and in fact, when we built our new net, put it into the pond, we caught a lot of fish, a lot more fish, like 10x more fish. The crazy thing though, Dave, was that we didn't get more false positives. We got a lot less. It wasn't just that the amount of signal increased dramatically, like by a factor by 10x, but the quality of the signal improved as well.

David Greely (09m 45s):
And that's really fascinating, right because sometimes the pejorative approach to LLMs is, it's like advanced auto correct. So you kind of get in this false picture in your mind of, oh, it's thinking a word or two ahead of what's the most likely word to come next. But when you are talking about these semantic structures, it's much deeper, right? Is it recognizing these story arcs or example of the hero's journey? Does it somehow extract that this is the arc that's playing out in this text?

Ben Hunt (10m 14s):
A hundred percent. That's what's going on, Dave. You read the white papers from the model builders and the like, they talk a lot about semantics, the semantic layer. So it's in the white papers, right? But in our own everyday world of investing or making movies or writing about sports teams or playing a fantasy sports game, right? We don't think in terms of semantics, we tend to think on kind of what's on the surface of our language and on the surface are specific topics. I am going to search for X, Y, Z. Tell me what's being said about, in other words, what's the new thing to use that Wall Street example, I was using earlier, let me do a search on the AI or whatever you think is the new thing. But that's not what this non-human intelligence of a large languish model, that's not how it thinks.

Ben Hunt (11m 14s):
It thinks in semantics, it thinks in story. You are right, it's predicting the next word. What predicts the next word? Well, it's the underlying structure of human communication and the underlying structure of human communication is not sentiment. It's not using mean words or nice words. It's not topic. It's semantics. It human beings, we speak of the world in terms of story and story arc. We perceive the world in terms of story and story art. It's just the water in which we swim. So we don't notice it, right? We don't read it and think, oh well, you know, here's the semantic structure. It's like the substrate or the fundamental dimension of language, and it's the native language of large language models. Which is why when we incorporated it into our work, it was like, oh my god. Give you another metaphor. What I am convinced, and this is not original to me, but that the, when technology is invented, once you get the initial invention, every technology follows a path of increased resolution.

Ben Hunt (12m 35s):
Another way to describe, oh, we are catching more fish in there. Better fish, is we are increasing the resolution of the information system that we are looking at. There are tons of fun examples of increased resolution. The camera on the back of your smartphone, the number of pixels goes up and up and up. Moore's law is another example of increased resolution video games and the number of polygons that get rendered increased resolution. I think that this is such a helpful way to think about any new technology to think of it in terms of increased resolution and that that this is a very inevitable feature of all technologies, the increase in resolution. So the kicker is when we're thinking about where is this all going? What does it mean for what we all do for our day jobs? What would an increase in resolution mean for the technologies that matter to you and start planning for that increase in resolution. For us, it's thinking about an increase in resolution for understanding linguistic structures. For someone else it might be increased resolution in communication networks. I don't know, I am making stuff up. I think that is such an important point to think about what would an increase in resolution mean for the technologies that are important for you and plan for that.

David Greely (14m 02s):
And thinking about these semantic structures, these linguistic structures that seem to be kind of the native thinking of this non-human intelligence, are you finding that not only is it kind of extracting these structures out of the data, is it finding ones that you might not have noticed yourself when you were thinking hard about it? Is there a way to deploy it to say, oh, you know, here is the hero's journey that Joseph Campbell extracted by looking at lots of different myths and thinking hard about it. Is the AI starting to say, you guys are telling all these stories, you're telling thousands of stories. Do you realize you are telling the same story?

Ben Hunt (14m 46s):
It's harder to back that out with our current front end and back ends for large language models. But this is a really good example of what I mean by think about where increased resolution would manifest itself and plan for that quick example of what you are talking about. I have always been fascinated by these old stories and the narrative archetypes that we tell ourselves over and over and over again and you know, one of the sources of those stories are, I will call them fairytales, myths, fairytales, folktales. So I bought a big thick book recently that collected Indo-European folk tales. These go back thousands of years. The story of Rumpelstiltskin, that story is way older than Christianity, right? That story goes back to like 3,500 before the Common Era and the stories have been organized by date for sure, but also thematically and I started reading this because I was, I say, oh yeah, let me poke around some of these old folk tales.

Ben Hunt (16m 00s):
And I pretty well read on folk tales and the like and I was reading these, I had never heard that story before. Or I had heard a different variation of this theme and there were a couple of themes that got repeated there. They often came out of some of the central European and Slavic regions, right, stories around, often around brides and bridegrooms and death and princes and princesses and underworld and all like that and stories that I was not familiar with, but once I started reading like three or four following in one of these thematic areas, it kind of clicked to me that, oh, you know what that there is a motif in a lot of sci-fi horror movies I have seen that have this in it. I don't think it was intentional on the part of the authors. I think it's just we are hardwired to tell these stories and we get a receptive audience.

Ben Hunt (17m 03s):
Or when an author stumbles on one of these old stories and starts to craft it and mold it for a modern age, I think they get a good response to it. Even if they weren't aware of, oh, well, you know, in 1000 BC the Indo-European tribes proto Russia we are talking about this stuff or having these stories. I think these structures are there. I think we don't even realize it. I think they come out in the stories that we invent because when they are successful we are tapping into one of these old stories. So longwinded answers your question. I think that the way to use the current front end and backend we have got for large language models right now is prompted with these different thematic structures. Let it read a couple of the old stories and find new examples of it today. There are thousands of these different thematic structures, most of which are stories that I have never heard of or read the stories, which a large language model can recognize immediately. The payoff here is that our ability, a human's ability to write new stories that tap into the old stories through a large language model that's aware of the different thematic structures and can kind of help and prod to follow along one of the old stories archetypes. It's just wild, right? I really think you could just not revolutionize screenwriting and writing of plays and novels and the like, but I think you can augment it enormously by giving any author the ability now to tap into the old stories in a way that we just couldn't before.

David Greely (18m 55s):
When you think about the success George Lucas had tapping in with Star Wars into that old hero's journey, arc and motif, a lot of other things in there, but that was a really essential connection?

Ben Hunt (19m 07s):
A lot of other things in there, right and this is what I mean by increased resolution. There are hundreds of different story archetypes that you would find in the Iliad and the Odyssey, or the Aeneid. Increased resolution means being able to tease out those individual sub archetypes and sub stories that you find in these great old stories, the epics, and then being able to take that as like the seed stock to write a new story today, the ability to create compelling fiction by using the seed stock of the old stories with our modern settings and modern insights. It gets me so excited about what's possible and next, you need to talk. We need to talk about what makes me really depressed, but the ability for large language models to help us tease out the old stories that we are hardwired to respond to and create new stories, to entertain and educate and amaze us. It's all there. It's just waiting. It's just waiting for us to tap into it.

David Greely (20m 18s):
I want to ask you about tapping into it. I don't know if this will take you to where you're excited or where you are depressed, but obviously the stories we tell ourselves really shape our thinking about the world, our decision making. Politicians, marketers want to tap into those stories. As you said, the capability to tap into those types of archetypes and stories are being augmented as these artificial intelligence, non-human intelligence can recognize them and respond with them and you have also spent a lot of time tracking kind of the stories that we are telling ourselves and that we're being told about what's the new thing or how that's influencing us. So I am kind of curious, when you go out fishing, so to speak, what stories do you find that we are telling ourselves now?

Ben Hunt (21m 08s):
Let me start by telling the stories that we don't tell ourselves a lot of very often today and I think that these are the stories that there is an opportunity to tell them again, and that there's a hunger for the stories that we don't tell. We don't tell stories of love and empathy. We don't tell those stories much anymore. We tell an enormous number of stories around bargaining and instrumentality and contracts. We tell an enormous number of stories around that. We tell an enormous number of stories around the pot of gold and wish fulfillment, enormous number of stories around that. They are all good stories. These are all good stories. But it is really noticeable to me that our stories of empathy, our stories of love, you don't see them outside of the narrow genre that says, oh, this is going to be a story of romantic love.

Ben Hunt (22m 19s):
And that's a very narrow genre. Sorry, it wasn't always this way. So the institution of the church, and this doesn't have to be the Christian Church, this can be any of the old religions, the institutions, the social religions that built up around them. They all had their contracts and money and the like, but there was a stitching of community, a stitching together of community that religious institutions played, other community institutions played that just been wiped out. They have just been wiped out in favor of the stories we have around sports, politics, and money. It's resulted in, I like to call it a speculation protocol or a speculation layer. I call it, I like to call it a protocol because it's, you know, I think a lot of this audience is familiar with network systems computers, and you talk about, you know, what's the protocol layer talking about the different layers of a stack of a network.

Ben Hunt (23m 26s):
Well, we have inserted this in linguistically speaking, I am going to call it the speculation layer speculation protocol that now is just on everything, everything it started in markets, as you can imagine. That's where something, sports, politics, markets being three of our four primary social interactions, right. The fourth being religion and what you have seen there is just a diminution of religion in general so that politics markets and sports become a religion. But the stories that were associated with religion and religion I think is oddly not impervious to the speculation layer, but it's, it's highly resistant to the speculation layer, the speculation stories, it, its impact on sports, politics and markets is just running rampant around our world.

David Greely (24m 30s):
And what do you think the implications of that are because you know, when I think about the spheres you have discussed of politics, sports, and markets, right? It's very much centered kind of around either an individual or a team in us versus them a me against the world and you think about what does that lead you to do? It leads you to be good at bargaining or good at confronting, but there's kind of a missing gear, right? Like I feel like when you look at a lot of religions, what they always emphasized was, no, you are actually connected to each other in a way that you don't understand. You are not by yourself. I heard once the original meeting of sin was to separate. I don't know if that's true or not, but it always kind of had an appeal.

Ben Hunt (25m 13s):
Another, Dave, you hit the nail on the head. What the speculation layer allows the speculation linguistic layer, and its pervasiveness and its perversion of markets, sports, politics, these ways that we humans interact is exactly as you described, alienates us and the original sense of the word means it separates us and it, it allows our society to become clinically sociopathic. Clinically sociopathic, meaning I am really not making a value judgment on sociopathy here. I am describing what sociopathy is. It is the absence of empathy. It is the absence of connection of a social connection. It's a series of masks that one puts on to play at being sociable or empathetic. If that's the behavior that is instrumental advantageous, what it creates is just that it's, it creates a clinically sociopathic society, one that is dominated by high functioning sociopaths. That's who runs our world today, are high functioning sociopaths and again, I use that in the clinical sense of the word. I think we all see that and feel that that loss of community, that loss of submerging, of our identity, our human identity within an identity that is put upon us a team, right? Whether that's sports, politics or markets and what we lose is both our empathy, our community. I think Dave, I think we lose ourselves. I think we lose ourselves as well.

David Greely (27m 07s):
And how do we get that empathy layer back in? Because I think if we have learned anything from the social media algorithms, it kind of pushes things to extremes and so if you know now you have AI added to the mix that will kind of recognize and promulgate, you know, kind of what it's seeing. So if we are going, if we are not telling the empathetic stories, if we are leaving that layer out, then that's not gonna feed into the algorithms of the LLMs and the stories they tell. We will have less and less of that and more and more of the sports politics markets piece that doesn't focus on it. How do we restore some of that balance, especially in a world where the algorithms are, correct me if I am wrong, but it would seem they are going to be designed to push you to a corner.

Ben Hunt (27m 57s):
I don't think we get out of this easily at all, and I absolutely don't think we get out of it from any sort of top down action. The reason I say that is that our corporate and state institutions, I will call it organs of social media, are probably the biggest part of the problem. Not because of what is communicated on them necessarily. Not because, oh, we don't have stories of empathy, we only have the stories of sociopathy that are on these social networks. But because the nature of a social network is no longer one-to-one communication, the nature of a social network is one to many communication. We speak differently the way we speak and I would argue the way we think is changing, not only in the type of stories we tell, but in the, I will call it the meta of telling stories. We speak differently when it's a conversation like you and I are having.

Ben Hunt (29m 05s):
We know other people are listening when we're speaking to each other. We understand that we are actually speaking to many and we all do this now, whenever we tweet something, we know that we are speaking to a larger crowd. It absolutely changes for the worse the way we speak. It changes it for the worse, right because you said, oh the line of nietzche, if you stare too long into the abyss, the abyss back into you, we are not just speaking to a crowd. We are allowing the voice of the many to come inside here and be confused with our own internal voice. We are, this is my, again, my partner Rusty wind's phrase. It's a good one we are outsourcing our consciousness to the many, to the crowd through the venue of social media. So when you ask, how do we get out of this, it's really hard because we have to move away from the social media venue, the speaking to a crowd venue before we can even start to change the type of stories we tell to be ones of empathy, love, community rather than of instrumentality and sociopathy.

Ben Hunt (30m 29s):
So we have got to solve two problems here. That's why it makes it really tough. It's not just a matter of, oh, I'm gonna tell, you know, good wholesome stories and that's going to work. It ain't going to work, it ain't going work A, because those stories get crowded out by the success in the world as it is of the sociopathic stories. and B, it doesn't work because the stories I am talking about, they need to be one-on-one or part of the small group. They are not meant to be spoken to a crowd, because when you speak to a crowd, you speak through symbols, you speak through memes, there is a structure to speaking to a crowd that is very different than the semantic structure of speaking in a small group where you trust the other people. So how do we change the world and this is why I was so excited you invited me to come back on your show, Dave. I think we changed the world by building, I will call it the ability to have trusted conversations at scale. That's how we change the world, Dave. It has to happen from the bottom up. Can't come from the top down. It's not just what we're talking about. It's not just the type of stories we're telling. It's about telling it to a group that we trust as opposed to speaking out to a crowd through social media.

David Greely (31m 55s):
I love the way you put that, the trusted conversations that scale. You know, that's what we're trying to do with our own coffeehouse platform and you are making me think about so many things, right? Like if I talk to you, I know that other people are listening, but I can also see how you react to what I am saying, right and being a person who has some empathy, I will adjust how I am talking based on how I see you reacting and it will give me clues as to, oh, is he understanding what I am saying am I understanding what he is saying. Should I repeat that back so I make sure we are both on the same page? And you obviously can't do that when you're broadcasting and I think anybody who's done public speaking, you know, one of the, the tips you are given in the beginning is like, try to find a, a friendly face in the crowd and talk to them, because then it's a human conversation and it feels like you're talking to the room. But I think often what we find is human psychology being what it is. We end up feeling like we're talking to the most hostile face in the crowd as opposed to the friendliest sometimes when we're doing the simultaneous broadcasting.

Ben Hunt (33m 01s):
Isn't that the truth? I feel that way. I mean, people often tell me, oh, but you are so nice when we, you know, you have, when you are on a podcast or stuff, why, why are you so angrier when you're on Twitter and it's because I am bristling when I go on there. because I am expecting that anything I say is going to get bam, bam, bam, bam, bam. You know, cry harder, cry harder, Ben, you know, it's, you know, it's really happened to me a couple of times. I leave my DMs open for anybody and I will get a DM and somebody say, you know, I really didn't mean to be, came at me kind of hard there and I really didn't mean it. Sometimes it's disingenuous that, oh, I didn't mean that, but sometimes it's not and I feel terrible because I'm prepared. I'm having a different sort of conversation.

Ben Hunt (33m 49s):
I have girded my loins and I have got my armor on when I go on to social media and I know there is something that I lose when I do that, when I have my armor on. So it's having the ability to have conversations where we can take the armor off and we can trust the other person, not to use our words against us. I don't just mean, you know, instrumentally like in business, although that too, I mean that's part of the trust as well that we are talking about. But even more so, it's to, they won't use your words against you in, hey, get a load of what this guy said.

David Greely (34m 29s):
Especially in a world where everything we say is recorded and stored forever, right? So your worst moment can be replayed over and over.

Ben Hunt (34m 38s):
Oh my God, isn't that crazy, Dave?

David Greely (34m 41s):
I am glad I went to high school and college before that happened.

Ben Hunt (34m 44s):
Good lord. Me too, right? I mean, I mean the high school college, I feel like I would have lost so much to feel like everything you do is being watched and recorded forever.

David Greely (34m 57s):
I love, there is someone who had a disclaimer before they gave a talk and it was something like I don't necessarily believe everything I say and I think you need that level of trust, right? Where it's like sometimes you are thinking through something, it's new to you, you are trying to articulate your present frame of mind, but you're not a hundred percent committed to it and can you have that honest conversation and work through it with another mind?

Ben Hunt (35m 18s):
Well, it's really hard today, Dave. So it's working through and having that conversation with other mind. But it's also, you know, the conversations we have with ourselves because we do have everything recorded and there's this necessity placed on consistency so that you are not shown up. I find that it, it impacts the conversations I have with myself that I am much less open to changing my mind about things or I have to make more of an effort to say, no, maybe you were wrong. Imagine that it was much easier to be wrong when anything you say can and will be used against you, right? Where we didn't live in a world where we are basically being read our Miranda rights when we wake up in the morning. You know, anything you say can and will be used against you in the court of social media. I hated reading him in grad school Fuko, because you know, he writes in a language that's intentionally obtuse and difficult to understand.

Ben Hunt (36m 13s):
But the concept, again, not original to him, but to Jeremy Ham, the notion of the panopticon, the most effective prison in the world is not the one with the most guards. It's the one where you think someone's always watching you. If you think that what you are doing is always being recorded and could be used against you, man, that constrains your behavior so much more than anything else that can happen. I really feel like we build our own mental panopticons in our prisons. No, I can't change my mind on this political candidate or this sports person or this, you know, this celebrity. No, I'm on team this or team that because we've outsourced our consciousness, right? And so it's so difficult to reclaim that for ourselves, that autonomy for ourselves. I think the only way we can do it is to find those small groups of friends, of friends and have conversations where we work things out and talk about stuff without worrying that it's gonna be stuck in your ribs.

David Greely (37m 20s):
Such a novel invention the friend and I wanted to ask you, like for doing this, we've been building our own coffeehouse and thinking about how the format of our digital communication alters the content, alters how people engage with it. I think the original character limit on tweets was a great example. Like remember when that first came out, it seemed like, what are you gonna say? And so few characters, but it completely changes the way people communicated with each other. I'm curious, you know, like how do you think about, do we need to change some of these formats? Because I don't know what the analogy to form follows. Function is in language, but is kind of the content of our communication, the content of our thinking, being shaped and constrained by the formats we are able to communicate in.

Ben Hunt (38m 07s):
Do you read books anymore, Dave?

David Greely (38m 10s):
Seldom, unfortunately.

Ben Hunt (38m 12s):
Me too.

David Greely (38m 13s):
It's gotten much shorter form.

Ben Hunt (38m 15s):
Me too. I want to be a book reader. I used to be a book reader and we can be honest here. I don't read books anymore. I buy a lot of books because I want to be a book reader. The book has become really a totem to me. It's less of a source of information entertainment, honestly. Books have become just like a, a totem, you know, an object that make me feel better to have around me, but that I don't use instrumentally the way I used to. I can force myself, I guess, maybe to become a book reader again. I don't think that's a winning formula. I think that we have to recognize how we have been changed by the pervasive sociopathy of the system, by the technology that is both this enormous and incredible energy source as we started off this conversation and not, but, but, and is an energy source that can be used against us.

Ben Hunt (39m 24s):
I think what we have to do, Dave, is, is not try to force ourselves into the old ways. By God, we are all going to become book readers again. We're gonna like it. I think I could just got to admit to myself that I like having books because they make me feel good to have around, but I ain't going to read them. That's the way I used to. I think that by using what we have got, which is this enormous form of energy and invention in the form of large language models and that non-human intelligence really to create extensions of ourselves, not to outsource our consciousness, but to leverage our consciousness. Man, that gets me kind of excited. And I know that that's a big part and I think that's a big part of what you guys are working here. That it's a place to have trusted circles of conversation and it's, I will say native to digital agents and using large language models to extend our consciousness, not to outsource it. I think I got that right.

David Greely (40m 32s):
It's a great way to put it. Absolutely and you know, I just wanted to close off and I could talk with you for hours. To me, it's very interesting as I think back through this conversation, right, there is, on the one hand, we are moving into an age where computers are finally speaking our language at the same time. I think it's making us really confront our own limitations as humans. Making me think of things like Dunbar numbers, right? Like most human groups are of like five and the most people you can have a meaningful relationship is maybe 150 and we are just wired for a certain scale of interaction, kind of based on family units and villages and millions of years of evolution and so, you know, at a time when we're able to operate at such scale, but our minds really aren't able to comprehend it, how do we need to shape and take control of our digital communications and interactions to make them fit our human capacities and human scale and do we really need to take a hard look at that and say, look, we are human beings. This is kind of the scale we can operate on effectively.

Ben Hunt (41m 43s):
Quick answers for me are decentralized, decentralized, decentralized. That what doesn't work is caught down imposition of a structure. This says, thou shalt communicate in this scaled way that changes the way we think, changes the way we communicate, and not for the better. It outsources our consciousness if we stay focused on this notion of, nope, I want to have my own autonomy of mind. That's job number one. My own autonomy of mind. Yes, I have limitations here in terms of how many friends I can have and close conversations I can have, alright? Stipulated and I want to have an ability to expand my consciousness through digital agents, however you want to describe it. They stay under my control or if they're not under my control, I don't have to trust them as much. So I have got a decentralized way of trusting the agents that I use to expand my consciousness and my communications with other intelligences.

Ben Hunt (42m 48s):
You've got a way to trust yours. We have got a way to trust each other in a decentralized way. That's the way we go. I think, Dave, it really is. It doesn't come from above, it comes from below. It comes not from some big bang of, oh, I am talking to a million people now, that ain't it and it doesn't come from, oh, now I have got 10,000 friends because you don't. I have got different circles of trust and friendship and they are meaningful to me. The semantics work, decentralized that which we can, which we absolutely can. Using generative AI as our friend and I was a tool, but as our friend, as our ally, I honestly think we can do it. Decentralized, focus on our autonomy of mind. Circles of trust, never from the top down. Preserving the semantics, the meaning of trust so that we can choose who we have conversations with and who we don't.

David Greely (44m 10 s):
Thanks again to Ben Hunt, author of Epsilon Theory and Co-founder and CIO of Second Foundation Partners. We hope you enjoyed the episode. We will be back next week with another episode of Inside the Coffeehouse. We hope you will join us.

Announcer (44m 30s):
This episode was brought to you in part by Abaxx Exchange, where trading in centrally cleared, physically deliverable LNG and Carbon futures contracts is now underway. Ready for smarter markets. Contact us at onboarding@abaxx.exchange.
That concludes this week's episode of SmarterMarkets by Abaxx. For episode transcripts and additional episode information, including research, editorial and video content, please visit smartermarkets.media. Please help more people discover the podcast by leaving a review on Apple Podcast, Spotify, YouTube, or your favorite podcast platform. SmarterMarkets is presented for informational and entertainment purposes only. The information presented on SmarterMarkets should not be construed as investment advice. Always consult a licensed investment professional before making investment decisions. The views and opinions expressed on SmarterMarkets are those of the participants and do not necessarily reflect those of the show's hosts or producer. SmarterMarkets, its hosts, guests, employees, and producer, Abaxx Technologies, shall not be held liable for losses resulting from investment decisions based on informational viewpoints presented on SmarterMarkets. Thank you for listening and please join us again next week.