



OpenAI Shifting Gears

Sam Altman has been ousted as CEO of OpenAI, causing unrest internally and externally

By Riya Khosla

On November 17, Open AI announced that Sam Altman was no longer the CEO, ousted in a 4-3 vote from their board of directors. This news came without warning, with Satya Nadella, head of Microsoft, finding out only a few minutes before Altman himself. Upon Altman's firing, Nadella poached him to run Microsoft's new in-house AI lab, resulting in an all-time high for Microsoft's stock. Worse, over 550 employees have threatened to follow Altman to Microsoft if he is not reinstated at Open AI, creating cracks in the faulty structure of Open AI.

First and foremost, this decision has questioned the validity of OpenAI's continued success. Marketed as a non-profit organization, OpenAI has done a relatively good job maintaining this label within the constraints of a capital market. OpenAI's structure allows for the Board of Directors to influence the company rather than outside investor pressure. Additionally, with its purpose to evolve artificial general intelligence, the company has done well to prioritize this goal, capping investor returns at 100x their original investment and refinancing the rest to push their innovation. Ultimately, the aim is to benefit humanity. However, this is a controversial definition, especially in light of growing concerns for AI safety. With some, such as Altman, preferring public to private tests for safety, this move questions whether AI is still an



Sam Altman, now former CEO of OpenAI, ousted by the Board of Directors in a 4-3 vote
Source: CNBC

industry that can grow or, conversely, one the public wants to grow.

With Altman's firing, Open AI has created a front of valuing private testing before consumption by the masses. This approach is one that many other artificial intelligence companies have followed. However, I do not believe this will benefit OpenAI in the long run.

Table of Articles

OpenAI Shifting Gears

by Riya Khosla

US Inflation Cools to 3.2% in October 2023

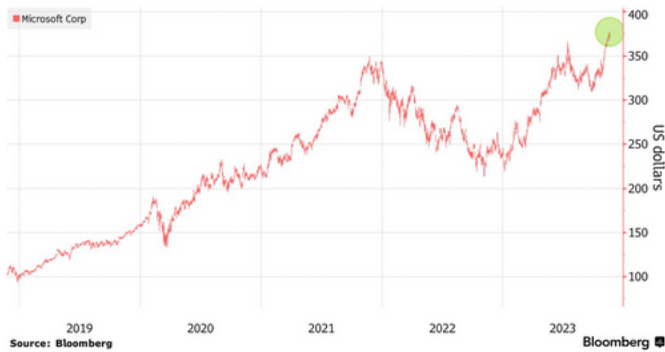
by Colin Chau

A New Beginning for Argentina

by Ria Kakar

Nikki Haley Tip-Toes Around Abortion

by Hannah Rah



Microsoft shares hit an all-time high after announcing the hire of Sam Altman
Source: Bloomberg

This sentiment results in a more negative image and higher distrust in the company's values. This trend can be seen in the recent developments of TikTok and X. If OpenAI continues down this path, it may face similar scrutiny, resulting in less consumer trust in its product and, ultimately, less investment to see the company grow. Overall, unless OpenAI reinstates Altman or a sufficient message is released to explain their decision, OpenAI may not be as successful in light of the recent developments.

For one, the potential for a mass exodus by their employees signals that the majority of OpenAI's employees share the same outlook as Altman, willing to transfer companies to maintain this pursuit of innovation. In doing so, it not only destabilizes OpenAI's future of existence, it also puts Altman with the likes of Mark Zuckerberg or Steve Jobs, visionaries who garnered the company's image, rather than the more common other way around.

This perspective could signal that the bulk of the investment is in Altman rather than OpenAI, exemplified by the now-uncertain \$86 billion share sale with OpenAI and Thrive Capital. For another, ousting Altman allows outside pressure from investors, potentially detrimental to OpenAI's mission to prioritize benefits for humankind over investor profit. This dramatic shift in its mission statement may result in less promise for its success, ultimately depleting its value.

With this development, OpenAI may follow a similar trend that many other tech companies have previously taken. When innovation is driven by the pursuit of profit, many consumers begin to question their privacy and worth to the company.

To the Board of Directors at OpenAI,

OpenAI is the world's leading AI company. We, the employees of OpenAI, have developed the best models and pushed the field to new frontiers. Our work on AI safety and governance shapes global norms. The products we built are used by millions of people around the world. Until now, the company we work for and cherish has never been in a stronger position.

The process through which you terminated Sam Altman and removed Greg Brockman from the board has jeopardized all of this work and undermined our mission and company. Your conduct has made it clear you did not have the competence to oversee OpenAI.

When we all unexpectedly learned of your decision, the leadership team of OpenAI acted swiftly to stabilize the company. They carefully listened to your concerns and tried to cooperate with you on all grounds. Despite many requests for specific facts for your allegations, you have never provided any written evidence. They also increasingly realized you were not capable of carrying out your duties, and were negotiating in bad faith.

The leadership team suggested that the most stabilizing path forward - the one that would best serve our mission, company, stakeholders, employees and the public - would be for you to resign and put in place a qualified board that could lead the company forward in stability. Leadership worked with you around the clock to find a mutually agreeable outcome. Yet within two days of your initial decision, you again replaced interim CEO Mira Murati against the best interests of the company. You also informed the leadership team that allowing the company to be destroyed "would be consistent with the mission."

Your actions have made it obvious that you are incapable of overseeing OpenAI. We are unable to work for or with people that lack competence, judgement and care for our mission and employees. We, the undersigned, may choose to resign from OpenAI and join the newly announced Microsoft subsidiary run by Sam Altman and Greg Brockman. Microsoft has assured us that there are positions for all OpenAI employees at this new subsidiary should we choose to join. We will take this step imminently, unless all current board members resign, and the board appoints two new lead independent directors, such as Bret Taylor and Will Hurd, and reinstates Sam Altman and Greg Brockman.

1. Mira Murati
2. Brad Lightcap
3. Jason Kwon
4. Wojciech Zaremba
5. Alec Radford
6. Anna Makanju
7. Bob McGrew
8. Srinivas Narayanan
9. Che Chang
10. Lillian Weng
11. Mark Chen
12. Ilya Sutskever

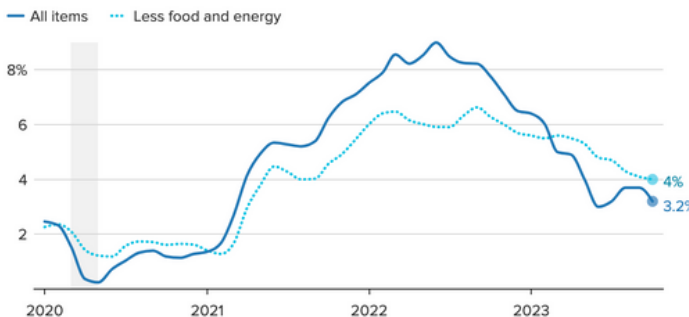
The email petition 550+ employees signed to move to Microsoft if Altman is not reinstated
Source: Kara Swisher on X

US Inflation Cools to 3.2% in October 2023

How will the improving economy affect the 2024 Presidential Election?

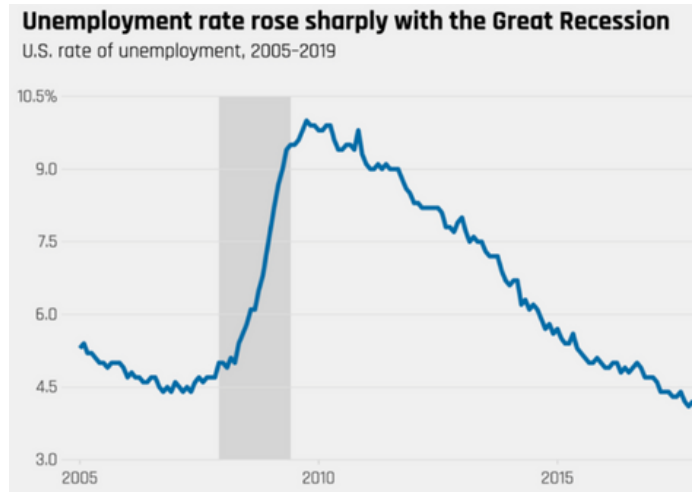
By Colin Chau

According to the monthly report issued by the US Bureau of Labor Statistics, the US's headline inflation rate fell to 3.2% year over year in October 2023, a 0.5% decrease from September. In addition to substantial real GDP growth of 4.9% in Q3 2023, this data point suggests the economy is improving—creating significant implications for the 2024 election.



Year over year change in prices of all goods drops to 3.2%, 4.0% excluding food and energy
Source: CNBC

Arguably, the most significant effect of lower inflation is political. Republicans have hammered President Biden for his handling of the economy, blaming him for soaring prices. This was an important talking point in the 2022 elections, and some analysts argue that Democrats would have been soundly routed due to economic conditions if it were not for the Dobbs decision. Therefore, cooling inflation with simultaneous economic growth is undoubtedly a positive sign for Joe Biden's campaign. According to a November YouGov poll, only 28% of those surveyed rated the economy as "Excellent" or "Good," and nearly 50% disapproved of how Biden handled the economy.



Unemployment rate of the 2008 recession which killed John McCain's campaign
Source: Equitable Groeth

67% characterized the economy as a "very important" issue, demonstrating the substantial effect it is likely to have on the outcome of the 2024 Presidential race. Additionally, the Fed halting rate increases due to falling inflation will decrease the chances of an unintended recession. Generally, recessions serve as campaign killers. For example, John McCain's and Jimmy Carter's losses in 2008 and 1980 respectively were driven by how voters perceived the economy. With this in mind, one could see the potential upside for Biden's campaign by eliminating the worst-case scenario—high inflation followed by a recession.

However, even if the economy fully recovers by mid-2024, Biden will still need to grapple with other issues like his age and handling the Israel-Hamas conflict. There is also the problem of economic illiteracy among voters—despite inflation falling, some see price deflation as the ultimate goal. Since both Biden and the Fed are unwilling to cause a recession to achieve price deflation, a significant part of the populace will be unreceptive to the idea that the economy has recovered, viewing the situation as "too little too late." Part of inflation's political effect can be explained by behavioral economics.

Continued on page 4

Inflation causes a mild amount of hardship for society, whereas unemployment severely harms a small portion of the populace. Hence, the overall political effect of high inflation is greater—more people notice that their purchasing power has changed for the worse, even if the alternative (high unemployment) is worse for the macro economy. While Biden has pushed “Bidenomics” as a success, it is fair to say that his campaign has not fully persuaded American sentiment. Therefore, while the economy will likely become less of a losing issue for the President, its improvement will not necessarily be the catalyst for a victory. He will need to find better ways to convey how much inflation has fallen—after all, a relatively painless fall of headline inflation from 9.1% to 3.2% in just over a year is no small feat.



Joe Biden speaking at a campaign event for his upcoming 2024 Presidential Election
Source: CNBC

Ultimately, the declining headline inflation rate is good news for the Biden campaign as we enter the campaign season. However, the effect of a recovering economy on the 2024 election will be limited, and Biden will need to find other issues to dominate to secure victory. Only time will tell if Biden wins in 2024, and if he does, he should thank his lucky stars that the economy became less of a problem for his campaign.

A New Beginning for Argentina

Will the president-elect be able to fix the country's problems?

By Ria Kakar

On November 19th, Argentina elected Javier Milei as its new president. Milei, a right-wing libertarian, won 56 percent of the vote versus 44 percent for his rival, Peronist Economy Minister Sergio Massa. Many voters elected Milei because he seemed like the better option. Some voters share his extreme ideologies; others believe Milei will help with the country's issues. While Massa is well known, who exactly is Milei?

Javier Milei, an economist, has had a significant media presence but was never taken seriously as a potential presidential candidate until his campaign started to garner attention. The president-elect is anti-abortion, favors loose gun laws, and embraces conspiracy theories. Because of his political style and how he attacks his critics and the news, he has been compared to former United States President Donald Trump. Emphasizing his boldness, Milei proclaimed in his victory speech that the "reconstruction of Argentina begins today."



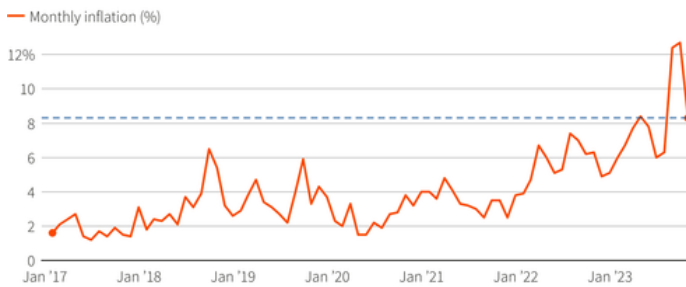
Milei and his sister celebrating his election
Source: ABC

Continued on page 5

The need for reconstruction in the country stems from Argentina's detrimental economic problems. Though Argentina is one of Latin America's largest economies and is a stable democracy, the country has been facing a downward slope. Starting in the 1980s, Argentina was in a debt crisis that prompted the country to turn to the central bank for assistance. Since more money was circulating and interest rates for borrowing decreased, inflation increased. Argentina has struggled to recover, and the Covid-19 pandemic worsened the problem. Currently, the inflation rate is in triple digits at over 140%.

Battling inflation in Argentina

Argentina's monthly inflation rate is at the highest level in decades, while annual inflation is run over 100%.



Source: Refinitiv Eikon, INDEC

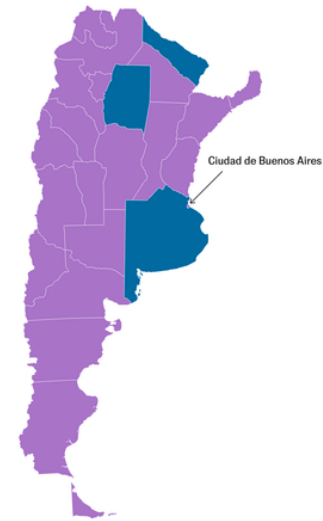
Argentina's monthly inflation rate significantly increased over the past 8 years
Source: ABC

The inclined inflation rate has subsequently led to poverty in Argentina. While the wealthy can manage the inflation rate, the lower-income population has felt the effects more heavily. Two out of five people live in poverty, and the currency has lost 90% of its value in four years. Unlike the rich, the poor do not have automatic wage increases when inflation rises, making it difficult to buy goods and services.

To combat the inflation rate, Milei has extreme plans. He has proposed switching from the peso to the U.S. dollar and eliminating the central bank.

RESULTADOS POR PROVINCIA

Javier Milei Sergio Massa



Fuente: Argentina Presidencia, Dirección Nacional Electoral (DINE), EL PAÍS

The results of the Argentine election, highlighting Milei's overall victory
Source: Andelman. Unleashed

As a libertarian, Milei intends to limit government intervention in citizens' lives, starting with eliminating the central bank. With this and dollarization, America would switch the monetary policy, not Argentina.

Milei's ideas may not be as plausible as he has made them seem. America and Argentina have two very different economies, so the same policies will not work for both countries. Additionally, dollarizing requires billions of dollars that the Argentine central bank does not have. Milei would have to apply for a loan from the International Monetary Fund, but this would not be successful as the country already owes the IMF 44 billion dollars in debt. Furthermore, dollarization is a gamble. A milder form did not work in Argentina in the past as it caused a deep recession and protests. Milei's plan could just as quickly crash the economy.

To many, Javier Milei represents hope for the future. Will he follow through on his radical plan or take a different approach?

Nikki Haley Tip-Toes Around Abortion

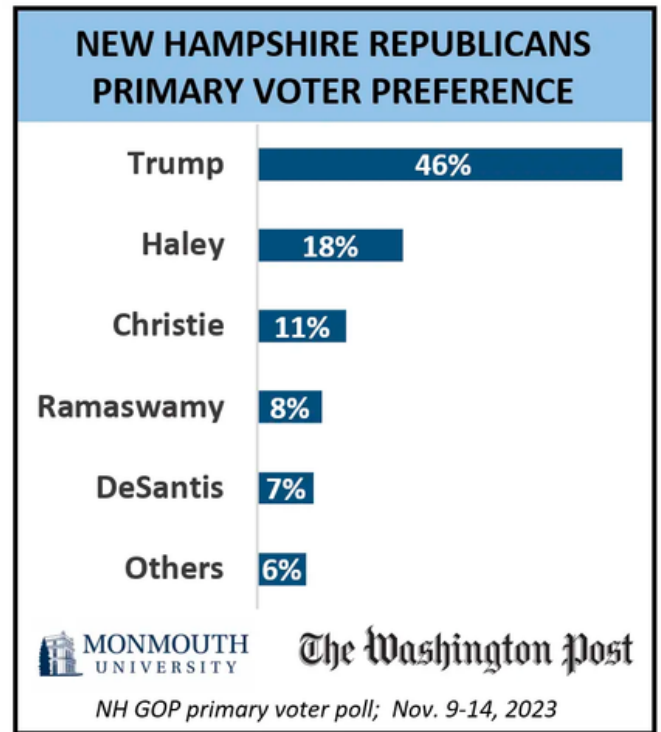
As Haley dances around the topic of abortion, how might it affect her presidential bid?

by Hannah Rah

On Nov. 20, Republican presidential candidate and former Gov. of South Carolina Nikki Haley hosted two town halls in Hooksett, New Hampshire and Raymond, New Hampshire. This is a key state, as it votes second in the Republican primary and first in the nationwide presidential primaries. This means it acts like a litmus test for presidential candidates; failure in New Hampshire is traditionally indicative of failure moving forward in the other states' primaries that follow.

However, these campaign events—in a state where voters tend to support some level of abortion access—followed on the heels of her Nov. 17 statement that she hypothetically would have supported a six-week abortion ban in her home state of South Carolina, had she still been governor today. Speaking at a forum in Des Moines, Iowa, and joined by her fellow Republican candidates Gov. Ron DeSantis and Vivek Ramaswamy, she justified this stance by pawning power off to the people, suggesting she was simply agreeing with “whatever the people decide.”

This week, as she continues to progress on her campaign trail, the language she uses to establish her position on the contentious topic of abortion could have significant ramifications for her presidential bid, as 56% of registered voters identified abortion as a “very important” voting topic and as she polls behind Trump by 28%.



In the key state of New Hampshire, Haley trails Trump by 28%.

Source: Washington Post

Despite her established pro-life position, Haley has been criticized in the past for lacking further nuance in her abortion platform; she frequently falls back on ambiguous terms instead, calling for a “national consensus” on abortion, for instance. She has also previously dismissed the possibility of a federal ban on abortion, deeming it unrealistic and encouraging her fellow party members to stop “demonizing” the issue. These stances, which arguably alienate further-right leaning voters, in conjunction with her past platform ambiguity, likely already contribute an unclear air to her campaign. Mix in her comparatively hard-line Nov. 17 statement, which could turn off more moderate voters, and the vagueness of her stance on such a polarizing issue is multiplied.

This does reflect a larger Republican trend towards abortion ambiguity amongst politicians...

Continued on page 7

...as they attempt to rid the party of the links to extremism that have pushed moderates into the Democrats' arms post-Dobbs, while also appeasing their increasingly visible hard-right voters. However, Haley's identity as a female Republican and the only woman vying for the Republican presidential nomination arguably makes her abortion position all the more significant.



Nikki Haley stated she would have supported a six-week abortion ban as Gov. of South Carolina.
Source: NYT

Haley has utilized her female identity to exercise an authority on abortion that her competitors can't access. Citing past encounters with infertility and rape, Haley has factored her gender into her pro-life stance, but she must carefully toe the line between using this to her advantage and turning off Republican voters. She faces a party dismissive of "identity politics," so despite having faced media coverage with sexist undertones and being dismissed by former president Trump as "too ambitious," a statement some have linked to the sexist tendencies he's exhibited in the past, Haley must find a way to identify a sweet spot for the role gender plays in her campaign platform, in addition to balancing her party's abortion politics. Without this, the ambiguity that her vague abortion stance already contributes to her campaign will likely grow.

Her unclear status on Trump arguably leaves little room for additional uncertainty if she seeks to win the nomination. Having previously expressed support for the former president when she served as a U.N. ambassador during his administration, her current status as one of his competitors places her in undefined territory. The lack of success other Republican candidates, such as Mike Pence, have seen by being more openly critical of Trump—who leads his rivals by a significant margin—has led Haley to utilize vague language when addressing him on the campaign trail. She's said, for instance, that she believes "he means well" but also referenced his unpredictability by stating that "the chaos has to stop."

Considering Trump's continued popularity amongst Republican voters, how Haley approaches her opponent is essential to her campaign success. However, she's kept her stance mild, and the vagueness of her position arguably leaves her little wiggle room for an ambiguous abortion take.



Gov. Ron DeSantis, Vivek Ramaswamy, and Nikki Haley participated in a forum in Iowa on Nov. 17.
Source: ABC News