

# Make Me Smart September 10, 2021 transcript

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**Kai Ryssdal:** Let's get started and see what happens. Good grief. Man. Ten bucks in my pocket. Literally 10 bucks in my pocket.

**Molly Wood:** Amazing. Aren't you just a walking sing-song.

**Kai Ryssdal:** That's right. Hey everybody, I'm Kai Ryssdal. Welcome back to Make Me Smart, making the day make sense as best we can.

**Molly Wood:** Oh, hello friends, I do not know why the four-day week is the longest week that ever existed in the entire world. But it is. So I think we can agree that thank goodness for economics on tap, happy hour Friday, the live stream is up and running. I got to pull up the discord on my other computer, which I'm just going to type and talk for just a second. Thank you to everybody who's joining us wherever you're finding us, whether you're listening later and thinking dang it, I missed the live stream again. Or you're on the live stream right now and you're posting about your fancy drinks, a French 75 has appeared in the chat. We are delighted to hang out with you. And, by the way, if you just, you know, like if you're a tourist to the podcast, make it official. Subscribe, subscribe, leave us a review. We love. We love to, you know, mess with the algorithm as much as we can.

**Kai Ryssdal:** We're all about messing with the algorithm and then we can do all this data. So let's please mess with the data. Speaking of which, I've got a news item about that. But yeah, you know, also half full half empty today, today, today, rather, which is always fun, although Drew Jostad apparently has a day off and nobody checked with me. Which is good because I'm not, I'm not in charge of anything, nor should I be. What are you drinking?

**Molly Wood:** Tequila.

**Kai Ryssdal:** Okay, all right.

**Molly Wood:** Sometimes I get these tweets and people are like, I could not do a straight bourbon or tequila at 3:30 in the afternoon and I'm like, really? But I get it, I don't have to pick up the child today. So just having my little Friday tequila.

**Kai Ryssdal:** If I'd known that, I'd had a heftier beer. I'm having my wolf pup session IPA, just because it's only 3:30 in the afternoon.

**Molly Wood:** I thought it was going to be sober Friday. Yeah, I will, I'll just I'll keep you apprised on the pickup schedule. Next week, I don't have to. So next week can be the high percentage. I'll be here, I was actually going to make a Botanica because I feel like Botanica goes with banana pants. It's like a whole theme, but I didn't have ingredients.

**Kai Ryssdal:** Yeah, so stone's got a new 12.5% ABV beer that I want to try, that, that could be interesting. Okay, but let's talk about that next week. Not this week. The way it works on Fridays, we do the news. We do a little game show and then we get out of your hair. Oh, this is so funny. You are so, look at you, you are so funny. So I went in with three news items. And I was gonna put a little note in there that said they're not really all three. They're just very quick hits. I'll be out of the way in a hurry. Molly had one in and then I come back 20 minutes later, and it's 1, 2, 3, 4, 5, 5.

**Molly Wood:** But it's only two stories. It's only two stories. Five links for two stories. We should probably get to it.

**Kai Ryssdal:** I'm gonna hit mine real quick. So my first very quick one is, is a news item out of Europe today related to monetary policy in the European Central Bank. We all know that the Federal Reserve and Jay Powell have been talking about tapering, which is to say slowing down its bond buying program and that's removing some of the support it's providing to the economy. Christine Lagarde, the head of the European Central Bank, announced today that it is going to start slowing down its buying of Euro denominated bonds. But Ms. Lagarde said, and this is a quote, "the lady isn't tapering." Now, Ms. Lagarde, I love, I've talked to her a couple of times. What she said was the lady isn't buying. Right. That's what she said. She's French. She's lovely. I love her. I just thought that was a great line. The lady isn't tapered. This is the woman who when I, so I did an interview with her when she was running the IMF, and, and I asked her about Janet Yellen. And I was like for you and Janet Yellen a long time, for a long time, it was just the two of you at the top of the world's, you know, most powerful female economists list. And Yellen had just stepped down from, not stepped out, been not reappointed to the Fed, and she said to me, and we have this on tape, she said, oh, Janet, I love Janet. So anyway.

**Molly Wood:** Oh, fantastic.

**Kai Ryssdal:** That's, that's my little fanboy on, on Christine Lagarde.

**Molly Wood:** That's absolutely awesome, by the way, that inflation is temporary. I'm just saying that.

**Kai Ryssdal:** Oh, yeah. Yeah, look, she, she and Powell, I think, are on the same page, as are, as are many people. Not, however, most of them in Congress are a little skittish. Anyway, I just want to point out today a news item in the New York Times speaking about misinformation and disinformation, and how everybody's been after Facebook to supply data so that researchers can figure out what kind of damage has been done. The headline on the article today from the New York Times, Facebook sent flawed data to misinformation researchers, which might thus

skew any report and studies and academic research that can be done on the influence of Facebook on misinformation. And all I can say to that really is classic. That's it.

**Molly Wood:** I mean, seriously, well said, you cannot add anything.

**Kai Ryssdal:** Just come on. Yeah. And item three. I just, these are all just really quick little items that struck me today. So the Biden administration, President Biden, and, and Chinese President Xi Jinping had a phone call last night, 90 minutes, which I think probably allowing for translation was like 30 minutes of content time, but whatever. Had what was by all accounts a really good and productive meeting. And then today in the Wall Street Journal and several other outlets, comes news that the Biden administration, in addition to not having removed the trade war tariffs that the Trump administration put on, is thinking about more section 301 tariffs, which is to say, and, yeah, so the whole China relationship is a little squirrely and given the crackdowns over their own technology and, and some of the other industries, it's really good to be watching warily. That's, those are my news items.

**Molly Wood:** That's so interesting because, so the tariffs cost US consumers money. We agree.

**Kai Ryssdal:** Yes, they do. Yes, they do.

**Molly Wood:** And then these tariffs are going to stay in place and maybe even be expanded at a time when US consumers are paying more for goods because of supply chain issues? And also increasing wages.

**Kai Ryssdal:** Yep. And \$30 billion a month is coming out of the economy because much of the emergency pandemic relief has gone away. So yes, you are correct on all of those things.

**Molly Wood:** That is interesting decision making. It must suggest in part that people have no idea. They haven't no idea. That's right. They're just like, we don't know why we're paying more. It could be anything. So might as well just like throw, keep the tariffs in there, too. What are they doing to China? Like, what is the impact of the tariffs on China? Are they in fact effective enough that there is like a reason?

**Kai Ryssdal:** Well, near as we can tell, it really hasn't hurt the Chinese too much, right? Because it's the American consumer that is paying those tariffs. Right. So the Chinese are grinding out those goods. I mean, there has been some supply chain relocation, right. And we saw this early on, we talked to a leather goods manufacturer who had to outsource resource rather, some of his stock to Vietnam and other South Asian countries and China is losing a little bit there. But on the margins, really, it's not hurting them all that much at all.

**Molly Wood:** So interesting. Yeah. Yeah. Well, all right, then. You know, politics is a complicated game.

**Kai Ryssdal:** Cray cray. Cray cray.

**Molly Wood:** Big news today, for nerds. There was finally a ruling. This is a big news, actually, today for people who are interested in antitrust. Yeah, this is a big, big deal. So we've been waiting to see what the ruling was going to be in Epic versus Apple, Epic versus Apple, which is, of course, the makers of Fortnite suing Apple and saying you are, you know, you're behaving in an anti-competitive manner by not letting us take payment any other way than through you. And by taking a 30% cut of those payments, and by like forcing users to go through your app store to get Fortnite and other apps. And so today, there was a very interesting ruling, Judge Yvonne Gonzalez Rogers issued basically a permanent injunction, injunction in that case, and said that Apple does have to allow developers from including, like buttons, and links and anything else that lets people buy stuff. So for example, the best, the best known case of this is when you're in the Kindle app, right? And you look for a book, and you want to buy it, and you can't. And the reason you can't is because you're only allowed under Apple's rules to use Apple's purchasing system. And Apple takes a 30% cut of that. And so Amazon was like, no, thanks, you have to go to the website to buy this. What's interesting about this ruling is that, and previously, Amazon wouldn't have been able to include a link to Amazon, where you could go and buy it directly from them. So this ruling said, okay, you do have to let people click out or pay some other way. However, and I just thought this was so nuanced and clever, Epic lost, according to the Verge on every other count, Apple does not have to let users load apps in ways other than the App Store. Apple doesn't have to like, put the Google Play Store on iOS and it doesn't have to lower its fee below 30%. And so Epic is gonna appeal and says, you know, this is not a win. But I actually have to say that as a, as like a nuanced decision here, which is like no, dude, you got to give people other ways to pay in every other way. You are totally allowed to operate your business as you deem fit. I think it threaded the needle somewhat impressively.

**Kai Ryssdal:** And also, there was one of these counts were one of the sidebars, that is rolling or whatever, was that Apple is not a monopoly. Right. And so Apple's communications team today is jumping up and down on the whole, we're not a monopoly, none of that, right. You know, they're taking some glee in that.

**Molly Wood:** Totally true. They're not. Yeah, like, at all. Yeah, yep. So that was a, that was an interesting ruling and a big day, and Epic is still definitely not happy. And then my second story is, is like, I was made smart today. So you know, most of my career, I have been some version of a tech reporter, a tech and business reporter. And so there are things, also, I'm a human. So sometimes there are things that I find out for the first time, because I'm not, in fact, like a quantum computer. And a thing that I found out today, I was reading because I'm very interested in this topic, the story about how some lawmakers see a chance for climate action in this three and a half trillion dollar bill, the infrastructure bill that's being negotiated, and it's a really, could be a big moment for the United States to like, make good on the idea that we're going to lead on this question of climate change. And then as I'm reading the story in the New York Times, it's like, and as usual, it all comes down to Joe Manchin and whether he wants to do it or not, democratic West Virginia. So I know that democratic West Virginian Joe Manchin is from a coal rich state, I know that he was like at an oil, you know, oil and gas fundraiser, I know that he has opposed things that move people off of fossil fuel in the past, and I know that economics is a big

part of politics. What I didn't know is that you can have, own stock valued at between \$1 million and \$5 million in a coal brokerage, and that you can make \$491,949 in dividends from that stock in coal, and that you can still be the chairman of the Senate Energy Committee. Yeah, I didn't know that there were like, we're not allowed to expense a beer at the end of like a reporting trip, right, let alone all the things that like journalists, teachers, various people under various ethics policies are allowed to do. But you can literally own a bunch of stock in coal, and then set energy policy at the highest level, because we know that bills are crafted in committees, most people on the most like rank and file senators and members of the House don't have anything to do with crafting legislation. Like it goes into a committee, it gets written and it comes out. And you could be the chair of that and have as much as \$5 million in coal stock. And I will tell you listener, I was in fact, pretty shocked. I was surprised to discover that, I did not know.

**Kai Ryssdal:** That is so interesting that you were shocked. I was not shocked. Maybe I'm more cynical. Here's the, the central bank corollary to that, you know. Well, you should, we should all be appalled, we should all be. I don't, I don't think is a partisan political statement to say that, that our elected representatives ought not be able to trade stocks actively while they're in office, full stop. Here's the central bank quarter that I know. I know, hold on the banana pants, please. We'll get there in a minute. Here's the central bank corollary, Robert Kaplan, who we've had on Marketplace a number of times filed his, his disclosure documents this week. And it was either the journal or pro publica went through them. Robert Kaplan, who, although, although not a voting member does help set monetary policy for the United States and more particularly, is consulted on some of the economic bailout issues that have happened in the last 18 months in this economy, made 22 transactions in stocks and corporate securities, 22 transactions worth more than a million dollars apiece. Yeah, and both he and Eric Rosengren, the head of the Boston fed, came out today and said, we've done these transactions. They were completely aligned with Federal Reserve ethics policy, which is true, but we're not going to do them anymore. Yeah. Yeah.

**Molly Wood:** Wow. And there were also a bunch of like ethics exemptions and the Biden administration, including for Janet Yellen. So it was like you can still like sit on boards of banks and things like that. Yeah. I mean, there's like, really, really, really a lot of it. And I sort of, like again, I sort of vaguely knew that. It's just that one to one connection that you can literally like be enriching yourself on this industry and also crafting all the policy around it so directly that I did find somewhat surprising. And then a bunch of people tweeted me about the Stock Act, the stock trading on congressional knowledge act that was apparently signed into law by, to much fanfare, by President Barack Obama in 2012, a president who I think we can all agree didn't come down too hard on the financial industry, because then it sounds like it was pretty promptly, like watered down. Significant by Republican Congress. Yeah. Yeah. To be clear, but again, like, not a lot of like, not a lot of tough stuff happening there with no financing.

**Kai Ryssdal:** But look, I mean, so, so look, though, I mean, Obama didn't refi his house, because he was afraid it would appear to have been undue influence. Right. Jimmy Carter had to give up his farm and put it in a blind trust, you know, so some do what they're supposed to do.

Others don't, up to and including the last occupant of the White House, it has to be pointed out, so, you know, absolutely.

**Molly Wood:** Yeah. I mean, it's, it's a, let's just say it's a wide-ranging issue. And yeah, and we should really, probably deal with it as a country because the idea that like, for example, whether or not the United States moves on climate change is so directly and inextricably tied to one person and his personal financial investment. It should be pretty troubling, actually, that shouldn't actually be like paragraph 17 in a story, that's kind of like, that seems like a pretty big deal. I know I'm like a child over here, but like, whoa, no, no, anyway. Okay.

**Kai Ryssdal:** So let us now return you to our regularly scheduled banana pants programming, which is this. The swag, schwag or swag?

**Molly Wood:** I say schwag. Swag is like your style, but schwag is your stuff.

**Kai Ryssdal:** Oh, that's true. That's true. Okay, the swag for our fundraiser this next five days or whatever, is literally a pair of banana pants. And perhaps those of you who follow Molly on Twitter have seen her in her banana pants. Those of you who follow Marketplace on Twitter will see me in mine. I will not, however, tweet them out. But, but if you go to if you go to marketplace—there you go, there you go, you should be wearing them all day. In fact, there was a picture of her late last night in those things and maybe she actually slept in them. I don't even know.

**Molly Wood:** They're getting pretty dirty. Can't take them off! Love them!

**Kai Ryssdal:** Anyway, so [marketplace.org/givesmart](http://marketplace.org/givesmart). It is the time of year I think there are two of them. Although it feels for those of us on the pointy end of the microphone like more. \$10 a month gets you the banana pants. It is our most popular gift this drive by far, other gifts at dollar amounts. You can check them out at [marketplace.org/givesmart](http://marketplace.org/givesmart). Fundamentally, we need your help. That's the only way this program gets done. Full stop.

**Molly Wood:** We really do. And we're really, really lucky to work in publicly funded media. It is a true blessing and it's a direct connection to our audience and hopefully it makes you trust us more because you know what our incentives are. They're you, and we are super, super grateful for your support. [Marketplace.org/givesmart](http://Marketplace.org/givesmart). Already with banana pants on the way are Nancy from Magnolia, Texas. Evan from Ann Arbor Michigan. Lisa in Auburn Maine Davis in Tulsa, Oklahoma. Rob from Portland, Oregon. We're at \$44,000 of our pretty big goal \$250,000 by like what, next Friday? So get out there, folks. Get after it, cause this is all we got. This is all about me in the pants. I need you on here.

**Kai Ryssdal:** That's exactly right. Right, no pressure, no pressure. The future of Marketplace depends on these pants.

**Molly Wood:** I will be out of here.

**Kai Ryssdal:** Help us up. Help us out. That's not true.

**Molly Wood:** All right, we have, we've, we're already over 15 minutes and we haven't even started our game. Let's do it. It's time for half full, half empty where we give you our predictions on various topics. I'm laughing because Michael in the discord just said, I send the money but I do not wear the pants, which made me laugh. Lianna Squillace is our host for today. What do you got for us, Lianna?

**Lianna:** What do you think about the staff photo we could take if everybody was wearing the banana pants. I just wanted to put that out there.

**Molly Wood:** For our first in person gathering.

**Lianna:** Are you half full or half empty on Americans retiring earlier?

**Molly Wood:** Oh, you know what is a bonafide thing is that the FIRE movement, the financial independence retire early movement, you should be doing a story about this. This is pretty, this is a big deal. It's people who are trying to save as much as 70% of their income so that they can retire early. It's like a pretty extreme. It's like the intermittent fasting of making money.

**Kai Ryssdal:** I was just gonna say, it's like the hyper low-calorie diet. What do you, how do you, do you live in a tent for five years?

**Molly Wood:** I don't really know, but the idea is like, boom, you retire at, you know, 50 and you go and do your thing. I think there's a lot more interest in it. I don't know that Americans make enough to retire early, like across the board. I'm half empty on that. But it is a movement.

**Kai Ryssdal:** Yeah, I, you know, I think if you can retire, you ought to, so I'm half full ish, I suppose.

**Molly Wood:** Yeah. I mean, I'm half full on wanting to, for sure. Yeah. Right. Sometimes I just look at Twitter all day. Anyway, what do we got?

**Lianna:** Are you half full or half empty on Facebook's Ray Ban glasses?

**Kai Ryssdal:** I just, here's the thing about this. So they came out with these, these, you know, you remember Google Glasses from a number of years, number of years ago? The Snapchat glasses from a number of years ago? Here now Facebook, but the catch for this thing is you have to get a Facebook account. And I'm like, no, no. Also, I don't I don't want people walking around with cameras on their classes. So yeah, empty.

**Molly Wood:** Like, we were skeptical when Snapchat wanted to put spectacles on everybody's face that could take your picture, but at least they were bright yellow and a light came on when they were taking your photo. It was not subtle. I'm certainly half empty on Facebook, like

demanding that I sign up so that it can let me invade other people's privacy all around the world. No thank you. Yep.

**Lianna:** Okay, half full or half empty on the Toyota battery investment.

**Kai Ryssdal:** I don't know what that is.

**Molly Wood:** That's why I made that noise.

**Lianna:** I can give you some info. So apparently, Toyota will invest around \$13.6 billion into battery tech over the next decade, including a \$9 billion investment in production as it attempts to electrify its vehicle lineup.

**Kai Ryssdal:** Well, you have to be half full on that right? I mean, batteries, and you're doing a thing on this and your special project? Right, your secret thing? Right, batteries are the name of the game. We got to figure out batteries for the, for the billions in there. Half full. All the way.

**Molly Wood:** That's a total market mover. Yeah. And I think it's really interesting too, that a big chunk of this money is in battery technology, such as solid state batteries and other types of battery technology that can be smaller and last longer, and maybe use fewer rare earth minerals. And it's a whole, yeah, I mean, this is exactly the kind of investment that it's going to take not just for cars, not just for cars, for like everything. Yeah. All the way. Okay.

**Lianna:** Super full. This one, who knows, it's gonna be, it's gonna be interesting. SpaceX inspiration for all civilian spaceflight.

**Molly Wood:** Um, all civilian?

**Lianna:** It says all civilian. Maybe the pilot is also a civilian.

**Kai Ryssdal:** Neil Armstrong was a civilian. Neil Armstrong was a civilian, you know? Yes. Half full.

**Molly Wood:** Okay. Let me see. Who are they? I gotta look them up. Apparently they've introduced the all civilian crew. Yeah, totally. I'm half full on this.

**Kai Ryssdal:** Nothing on let's light this candle? No history buffs among you?

**Molly Wood:** I got it. I was ducking, I was busy duck ducking. Oh. It was a slow burn. Get it, like candle?

**Kai Ryssdal:** Ah, got it.

**Molly Wood:** We're half full and filled with regret. What's next?

**Lianna:** Speaking of things that burn, Taco Bell sauce packet recycling, half full or half empty?

**Kai Ryssdal:** Oh, I'm half full. So I did this yesterday on the show. There are 8 billion of those little sauce packets, right? Whether it's ketchup or hot sauce, or whatever, floating around in this economy from fast food drive throughs. And Taco Bell is, yes, 8 billion of them, which totally makes sense, right? I mean, you go out for like Chinese or whatever, you go to Taco Bell drive thru, you get a bunch of soy sauce packets, or hot sauce packets, whatever, 8 billion. Taco Bell's launching a program where you collect all your empties, and you save them up for a while right to make it worthwhile, and then you mail them back and they'll recycle them. I'm half full.

**Molly Wood:** I can't believe I'm gonna say this. But considering what we recently discussed vis-a-vis recycling, I think I'm a little half empty on this because one, it's not going to, nobody's gonna do it. Just stop giving sauce. Like people have sauce at home. Buy some bulk Costco sauce. Like if Apple can take all those little wall words, which I actually do sometimes need out of the box, you know, the part that plugs into the wall, they only include a cable because they were like, oh, we got enough of these and it's not, it's not environmentally friendly to continue to do that. Like maybe just ixnay on the sauce. We just don't need it.

**Kai Ryssdal:** Wow, that's fair. I'll buy that.

**Molly Wood:** I know you didn't see that one coming. Because I should be recycling but I'm half empty.

**Kai Ryssdal:** It's okay. I get it.

**Molly Wood:** That's greenwashing, Taco Bell.

**Kai Ryssdal:** Kinda is. All right. What else we got? Is that, was that it?

**Lianna:** That's it.

**Kai Ryssdal:** All right. Thanks, Lianna, hit that button. There we go. Awesome. She does, doesn't she? She's got a nice voice. She totally does.

**Molly Wood:** She sings.

**Kai Ryssdal:** Except for that, that was a little creepy.

**Molly Wood:** Except for the dork laugh, which is a no, go.

**Lianna:** Alright, I'm turning off my cell phone.

**Kai Ryssdal:** Alright. We're done. So next Tuesday we're doing Occupy Wall Street, which if you can believe it, was 10 years ago, which I just, it's kind of crazy. So anyway, we're going that.

**Molly Wood:** I did not see that coming. Don't forget about that link, [marketplace.org/givesmart](https://marketplace.org/givesmart) if you're just hanging out over the weekend thinking where can I stash some cash? If you also are thinking about us on the weekend and you want to send us a question or a comment or an answer to the make me smart question, tax deductible cash, by the way, just saying, like the good kind, send us a voice memo or an email to [make me smart@marketplace.org](mailto:smart@marketplace.org) or you can call us, our number's 508-827-6278, 508-UB-SMART. Like I might have just extended the product in the book or marketplace, which is not what I meant.

**Kai Ryssdal:** They'll figure it out. Make Me Smart is produced by Marissa Cabrera. Marque Greene shadows just to learn the ropes. Today's episode was engineered by Charlton Thorpe. The senior producer is Bridget Bodnar who decided to shake up the credits today, by the way.

**Molly Wood:** I'm loving it. The team behind the YouTube live stream and our game half full half empty is Steven Byeon, Catherine Divine, Emily McCune and Mel Rosenberg. That's right people, takes a village. The theme music for half full half empty was written by Drew Jostad and the executive director of on demand is Sitara Nieves.

**Kai Ryssdal:** There we go. On the YouTube chat says Taco Bell was my first job, I'm still traumatized.