

Make Me Smart October 18, 2021 transcript

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Kai Ryssdal: And here's Molly Wood with today's Tesla update. Well, Molly, what do you have? Oh my god, that would be pretty good. Oh, my lord. Hey everybody, I'm Kai Ryssdal. Welcome back to Make Me Smart, making today makes sense. Also Molly's car troubles, but that's a whole different thing.

Molly Wood: Yeah, yeah, you just, just, just hold tight for that, we have a whole plan for a rolling review series about Molly's new car. I'm Molly Wood. Thanks for joining us. It is Monday, also known as what did we miss Monday where we do a lightning round of stories you might have missed over the weekend. And I'm just gonna tell you now that apparently Kai and I were stockpiling these suckers starting on Friday night because by one o'clock it was like, paste, paste, paste, paste, paste.

Kai Ryssdal: Well, my email was full of things I had sent to myself with the subject line that said MMS, MMS, MMS, MMS.

Molly Wood: Oh, I slack them to myself now, we know the system.

Kai Ryssdal: Yeah, there we go. Yeah, yeah.

Molly Wood: Yeah, it's cross platform.

Kai Ryssdal: Okay, so let's go. I will, I will take the larger environmental one and then you take the, the granular political one, how about that? Okay. So story in the LA Times this weekend, it was, let's see, 15, 16, 17 yesterday. So if you are anywhere in or near the American West, you know of Lake Tahoe, and even if you are not out here, you have heard of it and its pristine waters and its incredible setting and how it's fed by snowmelt from the Sierra and how that replenishes it and it's amazing. Well, maybe not so much anymore. The climate is warming. The snowpack in the Sierra is dwindling. There is, has been for months now, none of it left up there, which means there's no water going into Lake Tahoe, which means Lake Tahoe no longer feeds into the Truckee River, which runs down through California to Pyramid Lake, and there it just stops. So the planet is getting so hot that there's no snow on the mountains. And one of the most iconic lakes in the United States, if not the world, doesn't have enough water in it to feed the rivers that run from it. That's my apocalyptic story for the day. It's crazy.

Molly Wood: It's real bad and it is nicely paired, like stinky cheese and a French wine, with the story that came out Friday. Just looking ahead to snacks, to hors d'oeuvre hour. It is like nicely

paired with a sort of unfortunate story on Friday about how the New York Times reported that Senator Joe Manchin, and I'm sure you already heard a bunch of takes on this but not mine so I'm gonna bring it up because it's what did you miss Monday? The New York Times reported Friday that Senator Manchin, who is of course, the, the conservative West Virginia Democrat, has basically told the White House that he opposes a clutch climate measure in the multi-trillion, the three and a half trillion dollar soft infrastructure bill that everybody is fighting over. The program issue is \$150 billion for something called the clean electricity performance program, which would financially, would which give utilities money to transition to renewable energy and impose penalties on the ones that don't. The reason, evidently, in a meeting with, I think, a previously undisclosed meeting with the White House, Manchin said, well look if these utilities are already installing clean electricity because it's cheaper in some, in many cases now than fossil fuels, why would we give them money to do it? That may or may not be a reasonable question. I think that what most people are finding, and people who work in the renewable energy industry will tell you, is that utilities do need to be incentivized because otherwise they want to pass cost on to the customer, or they want to charge them for using solar. So it's like, you can get solar with this cool tax incentive from your state or the federal government. But we're going to charge you \$90 a month to operate that solar. That's what utilities are doing because they are worried about this death spiral where people decentralize, and, you know, stop using so much energy and stop paying for so much energy. So they really, almost everybody agrees that utilities are not going to wholesale transition to renewable energy without an incentive, and maybe without a stick. That particular provision means that we will fall way, way short of the global climate pledge that the US wants to make next month at COP 26. The big international climate talk in Glasgow, Scotland. It means that the entire climate agenda is in limbo and it puts into serious doubt the ability of the administration to reach the 50% reduction, emissions reductions that are promised to achieve by 2030. Just this one, just that one chunk, because electricity is that big a deal.

Kai Ryssdal: I think putting it into serious doubt is, is soft pedaling, right. I mean, honestly, it almost tanks it, don't you think? Yeah, yeah. Okay, yeah.

Molly Wood: And listen, like I know everybody has a lot. This is the take that I have been saving since Friday. I know everybody has a lot to say about Joe Manchin, about Senator Manchin, he comes from a coal state, he personally is enriched by this industry, he like owns a company that he hasn't 100% divestment from or still gets money from it. You know, there's a lot of financial conflicts of interest when it comes to this particular vote, especially since he's on the Energy Commission. However, I would like to note that this provision is opposed by Senator Joe Manchin and every Republican, every single one, so like, there's no middle ground on climate. Vox has this nice piece actually, about how you can't be a climate centrist when it's an existential threat, when rivers and lakes are drying up, when hydro power is not going to work in California because of a mega drought, when all of this so on and so on, and so on. Right? It is convenient to blame this one guy right now at this exact moment in time. But the fact that we have come here when every democratic president since Clinton has tried to pass a meaningful climate legislation and been blocked by a party who will know, who has made it now essentially religion, to say that climate change is not human caused, and we're not going to do anything

about it, is to dramatically oversimplify the issue. It'd be real nice if Joe Manchin wanted to get on board but money talks, and clearly money talk is talking to a whole other party. And they should probably be held to account for that also, like Manchin shouldn't be every headline. Manchin and every Republican, every single one. Come on, news. You're killing me here.

Kai Ryssdal: Speaking of news, go, go, go. Yeah, all right. We're gonna bang through a couple because as Molly said, we both have just large stockpiles of, of things to say. So super quick. The Holy Father, Pope Francis, sent out a message this weekend to the Fourth World Meeting of popular movements, brothers, sisters, and dear social poets, the pontiff said, wrote a multi page letter of which I will quote just one thing, just because it's always interesting when the pope speaks on current events, right? Because there are Catholics out there who take for, you know, whatever the Pope says as, as gospel almost literally. In the name of God, the Pope says, I ask the technology giants to stop exploiting human weakness, people's vulnerability for the sake of profits without caring about the spread of hate speech, grooming, fake news, conspiracy theories and political manipulation. So that's the pope on social media. He also, by the way, takes, he takes the media to task and also arms dealers and telecommunications industries and powerful countries. But I just thought that was a note. And yeah, yeah. And it was, it's in the, in the vein of what you miss, you might have missed that. Zillow, and this is the thing that I think we've definitely talked about on this podcast.

Molly Wood: We did. Yeah, we did. We talked about the viral video.

Kai Ryssdal: Yes. So Zillow is going to stop its i-buying home flipping program. Because it says the supply chain glut or chaos means it can't get people to work on the homes that it buys and then flips. I-buying is, it makes you an offer, you take it basically sight unseen, and then Zillow fixes up your home and sells it, flips it. Molly has spoken about that viral video and how they're using data to figure out best prices for the homes and what they can get. Allegedly, it's just there's some peril, allegedly. Yes, thank you very much. Fine, good, fine. It's just, you know, there's peril in convenience. And for a lot of people who are trying to sell their homes, this Zillow program was, was convenient. But it comes at a cost. And I just wanted to note that. Let's see. Sorry, flipping on my list. Oh, yeah. Oh my god. So this, so, um, we've talked before about Bitcoin and how much power it sucks and how it was all, you know, places in inner Mongolia that was doing it in China and all this stuff. Well, look, as we talked about on this podcast, like a month ago, China has basically banned Bitcoin mining, right? And from six months ago or six weeks ago to now, its share of output of bitcoins being mined or hashed, as the saying goes, has fallen to essentially zero. You know who picked up the slack? The United States picked up the slack. Our share of Bitcoin mining and thus energy use and all of that jazz has gone through the proverbial roof which is just kind of remarkable. We are now responsible for sorry, 35.2% of all Bitcoin money, which is just kind of cray cray, kind of cray cray.

Molly Wood: And somebody's gonna send us something about how like, yeah, somebody's gonna be like, they use a lot of renewable energy and look like the estimates vary, and maybe they use more than the grid. But the fact is they consume a lot of energy, full stop. And if the

whole goal is we're gonna have to change a lot about our lives to fix the climate situation, then just using that much energy on an asset class is still questionable.

Kai Ryssdal: Still stupid. Alright, I'm going to skip the Janet Yellen debt limit thing so that I can get to Jay Powell and a report in the American Prospect because I want to contextualize it. So remember, a couple of weeks ago, there was news about the president of the Dallas Fed, Robert Kaplan, and the Boston Federal Reserve Bank, Eric Rosengren, having traded specifically individual stocks while the Federal Reserve was getting deeply into the market during the pandemic in a way it hadn't, right. And it came out on their disclosure forms. Those two men resigned. Jay Powell was asked about this at, at a Fed meeting and said, we're all deeply disappointed. This is not where we want to be. And he said we're going to, we're going to do, we're going to look into it and change our ethics guidelines. Well, the American Prospect, which is a progressive magazine, got ahold of Jay Powell's financial disclosure forms for the past calendar year, and they show that Mr. Powell also sold, there was no buy, there's no trading, it was selling securities, it was specifically a Vanguard full market index fund, and some others, but it was index funds, not individual stocks. At a point when the Fed was getting into the market, which looks really, really bad and is really bad because the Fed ought not be doing it. But I have to contextualize this. Jay Powell is not a moron. And for this to be nefarious, you have to believe that Jay Powell knowingly sold into a market that was tanking, the market was cratering, and he lost a huge amount of money. So was it bad? Yes. Was it nefarious? I don't think so. And I just want to get that out there.

Molly Wood: I don't even know what nefarious means in this context though. Like it's definitely--

Kai Ryssdal: Evil minded, evil minded.

Molly Wood: It's just greedy minded. Look, it's, but it's insider trading, like come on. I'm actually just astonished to discover that the Fed chair is allowed to hold securities along with members of Congress, like along with, you know, members of the Federal Reserve, like seriously? That, that's astonishing. And to sell on October 1, 2020, there is literally no human being I would imagine other, more in a position of its knowledge than the chair of the Federal Reserve. Oh look, that's what the story says, there's no American with more insider knowledge. Yeah, you know what, that's unacceptable, like I'm sorry, context or not, come on. Come on, that actually leads brilliantly into my top two items for what did you miss Monday, which is that, number one, the Bloomberg report that the top 1% of earners in the United States for the first time now hold more combined wealth than the entire middle class, meaning the middle 60% of US households by income, just the 1% hold more than all of that, which is astonishing and leads me to, it's gonna seem like a stretch a little bit, but leads me to my second item, which is that Netflix estimates that Squid Game on Netflix will be worth almost \$900 million and more than 130 million people have watched the Korean show which is essentially a very messed up brutal send up of capitalism. And I sort of feel like if you're really worried about like the wealth tax, what you should actually be worried about is 130 million people relating hard to Squid Game. That's it. That's all I'm just saying. That's a revolution a brewin', lookout. 130 million people are like, yep, seems legit. I know. Alright, let's skip ahead to make me smile.

Kai Ryssdal: Okay. Damn in Mountain View, California sent, I'm assuming it's California because I don't know any other mountain views, but if you have one out there that's not in California, email us. Anyway, Deb says I just want to send you all this comic. Hopefully it makes someone smile. And we have to read this comic to you. It's amazing. And with apologies to William Carlos Williams, I'll take the first and then you take the rest of them. This is just to say, I have uninstalled the Facebook that was on my phone.

Molly Wood: And which you were probably saving for human connection. Forgive me. They were a dumpster fire. So bankrupt and so cold.

Kai Ryssdal: That's the best part. They were a dumpster fire.

Molly Wood: Of course, the poem has been viral, been like its own little meme for months in case you had missed it, you should look it up. It's actually about plums. But yeah, I skipped past the latest in the Facebook files about Facebook's use of AI, which only catches like 2%, evidently, of all the stuff that Mark Zuckerberg was like, the robots will get it. So this poem is very timely, very timely. Amazing. Alright, that's it for today. Not too bad, actual 15 minutes. Tomorrow, nerd stuff, we're gonna do a deep dive on decentralized finance, or defi, which is all about kind of this new idea of a financial system, not just crypto, but that's a big part of it. But a financial system that does not rely on centralized intermediaries or institutions like the stock selling Fed. Just kidding. We'll talk about what it really is, what the risks are, lots, what regulators and Congress should do about it. Also, probably lots. Subscribe to Make Me Smart in your favorite podcast app to get that show and more.

Kai Ryssdal: Send us your questions or comments on this or any other topic we've discussed here at any time in the past five years. Also your make me smile suggestions, please. You can reach us at makemesmart@marketplace.org, or you could just call us leave a voice message. Our number's 508-827-6278, 508-UB-SMART.

Molly Wood: So bankrupt and so cold. Make Me Smart is produced and directed by Marissa Cabrera with help from Marque Greene. Today's program was engineered by Charlton Thorpe. Tony Wagner writes our newsletters.

Kai Ryssdal: Bridget Bodnar is in charge. Donna Tam is actually in charge. That's all I'm gonna say.

Molly Wood: Dude, 130 million people. Also, did you see that Netflix was basically like hey, Netflix, or Bloomberg if you publish this will sue you. Cause Netflix is so hardcore about leaks. Who knew? I feel like subplot of the last week is like Netflix are kinda jerks.

Kai Ryssdal: Yes. They're kind of jerks and super uptight and not, not very smart. Right? Not very smart.

Molly Wood: Not, not in the EQ way. Yeah, no.

Kai Ryssdal: Yeah, exactly.