

Make Me Smart October 25, 2021 transcript

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Molly Wood: Rock it, Juan Carlos. Hello, everyone. I'm Molly Wood. Welcome back to Make Me Smart Where we help today make sense. Now we're just helping. We've lowered expectations.

Kai Ryssdal: Oh, my goodness. Oh, my goodness. Oh, so I'm Kai Ryssdal. Thanks for joining us. It's Monday. We're a little slap happy, I don't know what's going on. We do a little what we miss Monday, a lightning round of stories you might have missed over the weekend, along with one big news story. Oh, the day, depending on whether or not, you know, we can come up with a mutually agreeable one. And we have found one today, I would say Ms. Wood.

Molly Wood: Oh, yeah. Pretty much an easy one. Turns out there's Facebook papers now. Turns out the Facebook files--no one called us to be part of their little Facebook consortium, which Ouch. But evidently, evidently, there has been formed an entire consortium of news outlets that has been pouring through the various papers that Frances Haugen has smuggled out of Facebook in her role as a whistleblower, and are now reporting on them. And it's a lot.

Kai Ryssdal: It's a lot.

Molly Wood: Like it's literally a lot. It's so many stories. Are you the one who has the tweet with the link to all the stories? That alone--yeah, Katie Harbach and then David Pierce, I think, who's at, maybe at Protocol, also put together sort of all of the stories that have published over the past few days detailing, you know, a lot of, interestingly, a lot of the things I think you already felt like you knew about Facebook. Or certainly you knew them if you have been following any social media researchers on Twitter or on Marketplace Tech for the last like, you know, five years.

Kai Ryssdal: You don't even have to follow people. You can not be remotely aware of news and not have heard of all of this stuff, right? I mean, yeah.

Molly Wood: The Financial Times I thought had a good--before we get into some of the tertiary reporting around it--the Financial Times, I thought, had a good roundup of like, you know, four big takeaways. There are lots. And they are what you would expect, right, which is that Facebook has had a slapdash and obvious, and often politically motivated approach to dealing with hate speech and speech by VIPs. And how to sort of like kowtow to the right wing without, without offending them by taking down like, things that aren't really news and so on and so forth. But the, the big takeaways around content moderation are Facebook has a huge language

problem when misinformation and hate speech occur in countries that aren't the US or in different languages, forget it. Facebook is often--

Kai Ryssdal: Sorry, sorry, sorry, that first point is really important, because the fact that means that, and this is not my original thought I saw it go by today and my Twitter feed, that, the fact that Facebook has such a language problem in other countries means that we in this country are seeing Facebook at its very best, right? Poisonous, right?

Molly Wood: Wow, that is a really good point. Yes. And that most of Facebook's growth is occurring in other countries, which is like kind of a bummer for Facebook. But most of its growth now is in other parts of the world. So the fact that it's not doing high level moderation, or even medium level moderation in other languages is a huge problem. Facebook is frequently stumped by its own algorithms, which is an absolute delight since those algorithms are the things that are just pushing people. Like they were like, huh, this is so weird. It seems like political content is being served up to men way more than women. The issue is particularly large in African and Asian countries, but we don't know why. Okay, you should stick with those then. There was already the reporting about Facebook's AI hardly catching any hate speech. But then, of course, Facebook still took human resources away and relied on AI and then during the January 6 insurrection at the Capitol, this is like a portrait of a company that had no idea how to respond to this, which is frankly astonishing, since it was planned, organized, and, you know, detailed out in the open on the platform. And, by the way, researchers, I mean, it's like, a company that exists in a weird little bubble where no one ever talks to it about itself.

Kai Ryssdal: Mm hmm. Yeah. I think that's right.

Molly Wood: That's just four of like, a million things

Kai Ryssdal: Totally. Totally. And then, and then I don't think we can let the day go just on the Facebook, you know, big story of the day motif here without pointing out that they had their quarterly earnings call this afternoon, made a gazillion dollars as we knew they would. But then, and this is, this is and you're listening to this call, too. But this is Mike Isaac from the New York Times quoting Mark Zuckerberg on this call about all these stories. My view on what we're seeing, Zuckerberg said, is a coordinated effort to selectively use leaked documents to create a false picture about our company, or nothing's gonna change. Right? That last part was me. That last part was me. You know, I mean, nothing's gonna change.

Molly Wood: I mean, it is also, yeah, a picture of a complete and astonishing lack of accountability. Like, certainly the country has no idea how to deal with the company this big, but like, there's no board here. I mean, this is, there's no scenario in which this level of constant, you know, scrutiny and reporting, whistleblowers going to the SEC saying, among other things, just, you know, there's the misinformation part of this. But then there's the business part of it. These whistleblowers are going to the SEC saying, hey, this is a company that has systematically underreported advertising metrics, while becoming one of the biggest advertising

markets in the entire world. There's no scenario in which this would all--go ahead. I'm sorry. Well, I was just gonna say, there's no board in the world that would fire this guy.

Kai Ryssdal: Right. Exactly. Exactly. Well, which goes to my point, which is that Haugen--we're having some big contracts today, for those of you out in the general public. Frances Haugen told the parliament over in London today, Mark Zuckerberg has total dominion over 3 billion people. What? Right? I mean, it's true, but holy cow.

Molly Wood: Yeah, no one seems inclined to put a stop to that. And then Facebook is just doubling down. For now. We don't know what's happening behind the scenes. We don't know. But for now, this is a company that's doubling down.

Kai Ryssdal: Molly, Molly, Molly, Molly. Do you believe that?

Molly Wood: There's gotta be like, a possibility of something.

Kai Ryssdal: Look, it's, it's yes. You want to assume positive intent. But how many times with this company, right?

Molly Wood: I'm not assuming positive intent. I'm just wondering if someone out there is starting to be like, this could be a problem for you. But so far, at least monetarily, it's not. It's not.

Kai Ryssdal: All right. So that's the lead story of the day. Let me just, I'll throw in a couple of others that caught my eye as the weekend went by. This one was, it's related. It's Ben Smith in New York Times came out last night. I think it's an article about how the Facebook story in the Facebook papers have become now a media story with this consortium and this and that, but there is a, there is a line in this thing that I simply love. It's about Frances Haugen. And early in the piece, Ben Smith says I spoke to her from her home in Puerto Rico, and I was like Puerto Rico? Okay, that's fine. And then you scroll down and it says Miss Haugen got to talking about her finances. And, and Ben Smith quotes her as saying, for the foreseeable future, I'm fine because I did buy crypto at the right time. She told me that. And then he says, she noted that she had moved to Puerto Rico to cope with a health condition but also to join her crypto friends on the island whose capital gains tax exemptions have made it a hub for that novel financial system. Go into our conversation on defi the other day. I just kind of love that one. I just kind of love that one.

Molly Wood: Oh, yeah, it's a, every character here is just remarkable.

Kai Ryssdal: Yep. Yep. Yep. And just super quick in the weedy financial tax stuff. So the Dems are, as we all know, scrambling to try to figure out how to pay for their what looks like a \$1.9 trillion soft infrastructure program. Now, one of the things they want to do, and I'm raising it because it's going to be super controversial and people should know about it is they want to, and this, was this was Yellen on the Sunday shows yesterday, they want to tax unrealized capital gains from the wealthiest Americans, which is to say, you buy a stock at \$100. It

appreciates over 20 years to \$1000. And then it's an unrealized gain if you don't sell it, you just have it on your books. The government is thinking about trying to tax that, which is not uncontroversial and is very interesting. And we'll see how this goes. And I just, I want to make sure people are aware of it. Good piece in the journal today from Richard Rubin about that.

Molly Wood: Fascinating. However, I should note that in some ways, the legislative process much derided and often rightly so, is arguably working when it comes to this infrastructure plan. Just saying, conversations are happening, things are coming up, they're like, yeah, as, as someone who is horrified about climate things going away, I still want to acknowledge that like, it's very easy to sort of be like, everything's a failure. This is real negotiation.

Kai Ryssdal: Don't mock me like that. Come on.

Molly Wood: It was myself. I was mocking myself, that was my oh, the media impression. All right. Yeah, um, two things of note before we get to make me smile. I did think, I wonder if Elon Musk is like, a little annoyed that he hit a trillion dollars today and like no one noticed because Facebook, but I'm sure he's not because Tesla hit a trillion dollars today. But the really interesting thing about that is that part of the reason that Tesla's stock soared yet again today is because Hertz, the rental car maker, just taking baby steps out of bankruptcy, placed an order for 100,000 Teslas, it did not buy them at a discount, bought them for \$42,000 a car. And there was an interesting Twitter thread analyzing that cost and how like, you know, VW would have sold Hertz all these cars at a huge discount. But that Hertz, which has always been very financially conservative, seems to be making a long term bet on electrification and total cost of ownership. Which I just thought was so interesting. Yep.

Kai Ryssdal: Fun, fun random car company CEO factoid. The guy who's running Hertz now as the interim CEO is a guy by the name of Mark Fields who used to be the CEO of Ford, yes. And, and now, you know, he's, he's buying cars from a company that's worth as much as like, the next nine car makers in the world combined, which is just kind of wild.

Molly Wood: That is dishy. Yeah, that's really interesting. Yeah, definitely. Anyway, this is a huge boost for Tesla. There's a good business story in here about the idea too that by doing this, Hertz might have locked out, like boxed out any other rental car company that wants to do the same thing because, you know, Tesla doesn't turn out cars super fast. So like, that's a bottleneck in a way. It's just, it's a fascinating business story.

Kai Ryssdal: I wonder how much Hertz--so it's a \$4.2 billion deal, right? If my, if my math is right. \$42,000 a car, times 100,000. I wonder how much they have to pay up front. Like how much of a loan basically, are they giving Elon Musk to front the building of all these cars? And what could he do with that, you know?

Molly Wood: Yeah, absolutely. Yeah. I mean, it's just like, it's so fascinating. And it just got buried in all the other things. I think there's like a million things I find so amazing about it. And then finally, I'm just going to point out that Congress is now considering four weeks of paid

family and medical leave as part of this negotiation that I was just saying good things about. Initially 12 weeks were proposed. I would like to remind everybody that the United States is one of six countries in the entire world and the only rich country with no form of national paid leave. And if we manage to squeak through four weeks, then we would be doing, let's see, better than only one other country, Swaziland. That's the only one that currently offers fewer than four weeks. So great job, Congress. I can see you really care about working mothers and families.

Kai Ryssdal: And you'd think in this moment with what this pandemic has meant for, honestly for moms, right, for mothers and women in this economy, you think that there would be a clue.

Molly Wood: I just cannot. Okay, so make me smile time? You all are the best, I love it. Today's make me smile comes from a listener, Natalie in Arizona, who shares this timely and seasonal song about batteries from her preschooler.

Kai Ryssdal: Oh my god, that kid. Oh my god.

Molly Wood: I like that he's like, I know, it's a super spooky song. Oh my god, I love it. Please send us more singing about batteries on spooky days.

Kai Ryssdal: Thank you so much, that was, that was great. We're gonna go out on that one. Tomorrow we're getting into carbon pricing, carbon taxes, how that whole mechanism should, could, might, kind of has to work at some point, I don't know. Subscribe to Make Me Smart would you, in your favorite podcast app to get that show and oh so much more.

Molly Wood: And you still have a few hours to send us questions and comments, questions in advance of that show, I mean, because I'm certain that there will be many. Send us your comments on any topic we have discussed here. The correlation between spookiness and batteries obviously is on the table. Plus more kids singing for make me smile. Please. Makemesmart@marketplace.org. You could also call us and leave us a voice message, our number is 508-827-6278 or 508-UB-SMART. Spooky. Amazing.

Kai Ryssdal: Make Me Smart today was produced by Tony Wagner. He writes our newsletters too. Today's program was engineered by Juan Carlos Toronto.

Molly Wood: Bridget Bodnar is the senior producer and the interim director of on demand is Donna Tam.

Kai Ryssdal: It's a pretty thin team. We have a lot of people on vacation. Marque's out doing stuff. Marissa's out doing stuff.

Molly Wood: I think we're, I think we're trying to spread it out. Spread the love a little too, so that not everybody is out. Four weeks. Four weeks!