

Make Me Smart November 15, 2021 transcript

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Kai Ryssdal: Soft delete.

Molly Wood: Soft delete? I have questions. Hi, everyone. I'm Molly Wood. Welcome back to Make Me Smart, where we make today make sense, assuming we can find soft delete.

Kai Ryssdal: Yes, I'm Kai Ryssdal. Thanks for coming back to us. We appreciate it. It's Monday, also known as what did we miss Monday, quick round of stories you might have missed over the weekend. Also one big news story of the day, which I would just hasten to point out for those of you perusing the rundown who might be in our Slack channel, neither of us has put an entry in there, but I have a thought, I have a suggestion, I have an idea.

Molly Wood: Okay, I'll take it.

Kai Ryssdal: Alright, so look, I think, I think we cannot ignore the fact that the President signed the infrastructure bill today. And we cannot ignore the fact that it's a trillion something dollars desperately needed. And for all the democratic infighting and, let's be clear, ridiculousness of the Democratic caucus over the last 90 days, this is to quote one Joseph R. Biden, a BFD.

Molly Wood: Yeah. It super is, and that's an outstanding suggestion. Totally agree. And a huge economic story, a massive economic story. When, if a trillion dollars is about to make its way into our economy like, you can't, I don't think it's an exaggeration to--what are they talking about, it's going to create 2 million jobs a year for all of the 10 years? Maybe that doesn't happen exactly like that. And maybe it's sort of hard to spend a trillion dollars as I heard on your program, which is true, but there is no denying the impact that this is going to have. What was I just talking about, actually?

Kai Ryssdal: But if you were just talking about this, you need to find your thing to talk about because it's been everywhere.

Molly Wood: I remembered. No, I wasn't talking about the infrastructure bill, I was talking about, well, here's just like one simple example. So, you know, a family friend, his son is like super into all things space and planets. And our local Oakland observatory just reopened for, after the, you know, the pandemic shutdown, and this child is losing his mind with excitement about going back into we're talking about the Chabot observatory, and how great it is that we have this cool observatory. And then it was pointed out to me that it used to be this kind of like, junky little thing. And George Herbert Walker Bush signed a bill way back in the day to, you know, give it a

grant or give it some funding. And then now this thing exists. And it got me thinking about the infrastructure bill and how specific that can be sometimes, like, you just need money to pay for a thing. And then you have that thing, and everybody enjoys it, and it's part of your life. And it's, and a lot of those things are about to occur.

Kai Ryssdal: Right, right. Two things. Number one, it's a trillion dollars over 10 years. We need to point that out. As you reminded us on this podcast, like, like two months ago, it's a trillion dollars over 10 years, it's not like it's coming tomorrow. But so that's, you know, technical point number one. Technical point number two is this. For those of you who say, oh, yes, but what about the wasteful spending, and not everybody likes it and Republicans this and conservatives that, Mitch McConnell went on a tour of his home state of Kentucky this weekend in which he was doing nothing but singing the praises of this build to the sky. So lump it, I guess is my response to that.

Molly Wood: Oh, yeah, he's like, this, there's so much, there is a ton of pork in that bill. There is, that is true. Yeah. And they got some senators on board by just buying him a bunch of presents for their states.

Kai Ryssdal: That's right. Which is, by the way, how politics works.

Molly Wood: That's how politics works. And some really good things are gonna happen as a result, for sure.

Kai Ryssdal: Yes. Okay. So I've only got two quickies. But they're, they're long-ish pieces. The first is, and I don't know if all y'all saw this, but in the New York Times on Friday, Saturday, I think it was online on Friday and then in the print edition on Saturday, an amazing story about lying and cover ups and illegality and frankly disgraceful behavior on the parts of many elements of our national security structure, mostly in the military, about this raid that killed dozens of civilians in Syria and how fundamentally we covered it up. And it's terrible. It's embarrassing. It is absolutely a stain. And I'm sure this is only one of many. And so I commend it to your attention. I think Tony or whoever's in charge of the webpage now, and I know he told me and he's gonna yell at me because I forgot who it is, they will put that on the show page because, because it's, it's really good. And here comes, here comes the slack. I'm just waiting. In three, two, Marissa! There we go. Bridget Bodnar, God, love you. So Marissa does the show page now. Okay, the other one, which is kind of long only because it's like, reasonably--well, it's not dense, but it's, you got to think it through--is a piece by Neil Irwin in the New York Times this morning. He writes for The Upshot. He's a senior economics correspondent. And he has a really good breakdown of the last economic crisis we had, which is the Great Recession of course, and the aftermath of that, versus this crisis and how it is being treated by the people in charge, which is to say members of Congress, the Federal Reserve, and the administration. And Neil's point is a little bit that we're fighting the last war which was fine in the early days of this thing, but we haven't really adapted over the past year and a half. And that might turn out to be a little bit of a problem. And so you should read that because inflation's at 6.2%, and we've got a tight labor market, and

companies don't want to raise the pay to get the labor in there and all of that stuff. And it's relevant and it's germane and you should read it. That's what I got.

Molly Wood: Yeah, the last war being that there was not enough money pumped into the economy during the recession. And now there's been so much that it might be like, we over corrected for that, potentially. And now we've got all this money in the economy, not enough stuff to spend it on, states that don't know what to do, people that don't want to work. Yeah, it's really, it is interesting. Well, I mean, it's the moral hazard conversation that we've been having almost the whole time, right? Like, you do what you think is right because you don't know. And you're fighting the last war because that's the only context you have.

Kai Ryssdal: Yes but--and this is kind of Neil's point--we're a year and a half into this freakin thing. And by now, and you could make a case that like, maybe by like late spring, Powell and, and everybody should have said, you know what? Let's revisit. And they didn't, and only recently, like within the last two weeks, has the Federal Reserve said, you know what, it might be more than transitory, this inflation thing, and you can tell that they're backing away from it. And maybe we didn't need all of the money in the first Biden, the American rescue plan. So you know, they didn't adjust, is, I guess, my point.

Molly Wood: Yeah, I know. 100%. I mean, I think we were talking about it. We were like, hey, guys, maybe this is, you know. It is really interesting. And actually, I have a story that is somewhat related, which is this, which is, so now there's this ongoing question of, for example, why don't Americans want to go back to the crappy jobs they had before? Should they? How serious is this realization that those jobs were kind of crappy? You know, should companies be paying more? And there's starting to be, among the elite class, the chattering classes, if you will, a lot of consternation about all these folks who don't want to do these crappy jobs, like on Bloomberg TV, former Secretary of--what was she--Elaine Chao?

Kai Ryssdal: Well, she did labor first, and then she was transportation. Yeah.

Molly Wood: Well, she was on Bloomberg TV saying that she thinks it was Americans' patriotic duty to take these low paying jobs. Not saying that it might be the patriotic duty--yeah, no, that was an amazing one that I couldn't even bring up the day it happened because I was just like, I'm not gonna have anything nice to say about that. Side note, she was referred to the DOJ for criminal prosecution, I'm just throwing that out there. For the next time she's on TV.

Kai Ryssdal: Oh, by the way.

Molly Wood: Because of the funneling all the money to her family's company. Anyway, there has not been a corresponding conversation about how it might be the patriotic duty of companies to pay more or that, that, as the Wall Street Journal pointed out today, two thirds of America's public companies saw their profits increase over the last year as these prices went up. Profits. So that means they raised prices more than their costs would dictate. And now Goldman Sachs is out here freaking out because there's a subreddit, a community on Reddit,

called r/antiwork, where people are talking about how worker is may be stupid and they shouldn't go back to their toxic, crappy jobs. And Goldman Sachs is like, uh-oh, what if we can't find enough low paid humans to fill the low paid human jobs? Long-run risk, they call it, to labor force participation, which is a general distaste for work, is the risk. It's going to be very interesting where the blame ends up lying in this, is all I'm saying. Quickly before we go to make me smile, I'm going to skip some of these links, but I do want to point out, I just wanted to have a little, brief conversation about Elon Musk and his stock sale. And this is the conversation. Yeah. Which is, so, okay, remember he put up the poll, which is should I sell my stock on Saturday, then on Tuesday after the stock price had gone down 13%, he sold a bunch of stock. So Elon Musk, it seems, had already planned to sell that stock because he had to pay taxes, and some of, like he had a big tax bill, and also those shares were expiring so they had to be sold. When he tweeted the poll, that was, I don't know, one could say maybe just for fun. It also had the effect of driving down the stock price to about 13%. That stock price is now down 20%. And he's talking about selling more stock. Now, when Elon Musk sells his stock, that's the only time he has to pay taxes on how rich he really is. Right? There's been this ongoing conversation about these people who are billionaires on paper pay taxes when they sell their stock. So if Elon Musk had sold his stock when it was \$1,200, he would have paid 13% more taxes than he will pay as a result of selling that stock when it's \$1,000. And if he sells--so I'm just--

Kai Ryssdal: Go ahead, go ahead.

Molly Wood: Yeah. And then if he sells now when the stock is down 20%, owing in large part to his tweets, that will also reduce his overall tax bill by 20%. And you could say that for a billionaire, like none of that matters. But this is a guy who seems pretty fervently devoted to not paying taxes or to paying as little as possible. And so I'm just pointing out that he put out a bunch of tweets that had the effect of lowering the stock price at a time when that would benefit him.

Kai Ryssdal: I think that, that, look, he's obviously a bright guy. But I wonder if your thesis ascribes to him too much savoir faire, if I could get all Frenchy on you, to actually be doing that. Maybe you're right, maybe you're right. Look, he's not an idiot. He's not an idiot, that's for sure.

Molly Wood: He's definitely not an idiot. And he is definitely aware of the impact that is what--I mean, look, sure, right? Just like he might have been joking that time he was like, I'm gonna, you know, take the company private. Maybe? I don't know. All I know is that it's Elon Musk's stock market. And--

Kai Ryssdal: Yeah, that's exactly right.

Molly Wood: We have an agency for that.

Kai Ryssdal: Yeah, but where's, I mean, come on, right? What's the SEC doing?

Molly Wood: That's what I'm subtly asking with all of my questions here. Yeah.

Kai Ryssdal: Yeah. Yeah, I don't think there's any, I don't, I honestly don't think there's anything to be subtle about this, right. He's already been found in violation and entered a new agreement with the SEC about his behavior on Twitter, in which the board of directors of his company was going to keep an eye on his social media profile. And oh, my goodness, what a shock. It hasn't worked.

Molly Wood: It hasn't worked at all.

Kai Ryssdal: What a shock.

Molly Wood: I mean, if the guy is making tweets that are driving down the stock price at a time when it benefits him to sell his stock as low as it can possibly go for him, you know, and still be bearable by a public company, the SEC should be paying attention, and it's embarrassing that they're not there. So yes, I'll stop being, I'll stop being coy at all. I just wanted to walk everybody through the thinking here.

Kai Ryssdal: Smart to do. Smart to do.

Molly Wood: Yep. Next, make me smile.

Kai Ryssdal: Oh, I saw this one. This was great.

Molly Wood: I know! We got a make me smile suggestion from Baxter in North Carolina about a little girl who was reunited with her teddy bear that was lost nearly a year earlier in Glacier National Park, which is so freaking cute. She thought it was like, gone forever and social media and quote, the sharp eyes and soft heart of a park ranger, and just like some coincidence too, like apparently there was some grizzly bear activity and so they had to close this trail and it was a whole thing. And it was like a whole, long, unexpected story. It was the first gift that her parents had bought her or sent it to her before they adopted her. I mean, it just couldn't be more of a heartwarming tale, and then they found it and got it back to her and it was so freaking cute.

Kai Ryssdal: If that doesn't melt your ice cold hearts, here's another one.

Megan: Hi, this is Megan calling from Kalamazoo, Michigan. Last weekend, I watched the movie Free Guy. I went into it thinking oh goody, I get to watch, you know, Ryan Reynolds for two and a half hours, that'll be fun to me. And it was surprisingly awesome. And I was really, I just really loved it. So if you haven't seen it, I highly recommend it. And if you have, it just makes me smile thinking about it. I just love it. So that's my make me smile, hopefully you guys get to see it because it's really, really good.

Kai Ryssdal: So number one, I stan Ryan Reynolds for sure. Huge fan. What can I tell you? But also--I know, right? Get a load of me. But also I've heard very good things about that movie. So there you go. A movie recommendation and a make me smile.

Molly Wood: My stepmother, who is like the most earnestly happy person I know, started the most enthusiastic group family chat about that movie. Which makes me, which then left me in a like, I'm not so sure, but now we've had two, really, make me smile recommendations about it, so, it's not my style, but maybe we need it. Ted Lasso of movies.

Kai Ryssdal: On a Monday. All right, we're done. Tomorrow, we're doing a deep dive on onshoring, not offshoring, but onshoring, companies bringing their production chains back from overseas. At the start of the pandemic and with the trade war of the Trump Administration, which has continued, by the way, into the Biden administration, with China. Seemed like it was actually a thing. Is it though? We're going to talk about that.

Molly Wood: Mmhmm. And it's going to be super interesting because globalization is at the root of so many of our issues. In the meantime, keep sending the questions, the comments, the make me smile suggestions, the voicemails, what's interesting about your town, whatever you want, makemesmart@marketplace.org. Or if you're from Kalamazoo, like you don't have to tell us because that's the thing that's interesting, Kalamazoo. You can also just call us and leave us a voice message. Our number is 508-827-6278 or 508-UB-SMART. I know, I love it.

Kai Ryssdal: Make Me Smart is produced and the show page is written by Marissa Cabrera. Today's program was engineered by Charlton Thorpe. Tony Wagner, he doesn't do a show page anymore, he does do our newsletters, though.

Molly Wood: He does do that. Our senior producer is Bridget Bodnar. We went ahead and clarified Donna Tam's interim title with her. She's the CEO of why am I on this email? I'm just reading that directly because that is hilarious. She's like, I do not have time for this because I'm the Interim Executive Director of all of your butts.

Kai Ryssdal: That's right. Good thing I slacked her today. I didn't send her an email, I slacked her, thank God.