

**What Happens Next – 8.15.2021**  
**Fighting Dogmatism in Politics, Future of Antitrust**

My name is Larry Bernstein.

What Happens Next is a podcast where experts are given just SIX minutes to present. This is followed by a Q&A period for deeper engagement.

This week's topics include fighting dogmatism and the future of antitrust policy. Our first panel includes Gary Saul Morson and Morty Schapiro who will discuss their book: *Minds Wide Shut: How the New Fundamentalisms Divide Us*.

Our first speaker is Morty Schapiro who is the President of Northwestern University and a Professor in Economics.

Both Morty and Saul are opposed to the polarizing dogmatism that is common in our polarized political debates.

I hope to learn from Morty about what he has learned from his vantage point as a university president about the role of the university in encouraging free speech and political discourse. Morty also has the perspective of someone who has come under personal attack from the cancel culture movement. I want to learn about successful ways to challenge these attacks in the public debate.

Morty is also an economist and I hope to learn how economic tools can make our political discussions about governmental policy more productive.

This week the US Senate is discussing a 3.5 trillion-dollar bill. This proposed legislation would enact the largest expansion in the Federal Government's history. I want to hear from Morty about how the field of economics can aid us to evaluate this major shift in governmental policy.

And if such a substantial change in economic policy should be implemented without any support of the minority party?

Our second speaker is Gary Saul Morson. Saul is the Lawrence B. Dumas Professor of the Arts and Humanities; He is also a Professor Slavic Languages and Literatures at Northwestern University. Saul has spoken twice before on What Happens Next. In April 2020 Saul discussed a Chekhov short story entitled *The Bishop* and in June 2020, Saul considered potential lessons from Pre-Revolutionary Russia.

Today, I hope to learn from Saul about the power of literature and how the realist novel can help us better understand the mindset of others.

Our final speaker today is Josh Soven who is one of my best friends. I met Josh in my first college class, an English seminar about malcontent characters in the novel, in September 1984. Neither of us have changed much in the 37 years that we know each other.

Josh is an antitrust partner at Wilson Sonsini law firm. Previously, Josh worked at the FTC and in the Department of Justice's antitrust division and in particular in the health care division. Josh spoke on What Happens Next twice previously. His latest presentation was on an antitrust panel with Doug Melamed and Fiona Scott Morton. Much has changed in the antitrust arena in the past few weeks because President Biden has placed progressives Lina Khan as the Chair of the FTC and Tim Wu as responsible for technology and competition policy.

Josh will speak about how the progressive wing of the Democratic Party will try to change merger policy. In addition, will Khan and Wu try to break up Big Tech like Google, Apple, Facebook, and Amazon. And will the Biden Administration use prescriptive regulations and executive orders in lieu of stopping corporate mergers to achieve their view of the public interest.

Our first speaker today is Northwestern University President Morty Schapiro, Morty please go ahead.

Morty Schapiro:

Thank you, Larry. You had some great questions. I'm going to save those for the Q&A after and use my six minutes just to set the stage for Saul a little bit about our latest book, Minds Wide Shut. I think everyone listening understands this increase in incivility in this country and in other countries. Saul and I have a new essay. We've written several of them since the book came out a couple of months ago, and this one we just cited in the beginning some polling data for Americans, where 62%, almost two out of three of Americans, said they have political views they're afraid to share. And you mentioned, Larry, about what it is like on campuses. If 62% of Americans are afraid to speak their mind, I can imagine what it is like on college campus campuses. In this age of Cancel Culture, people screaming at each other, vilifying your opponent; your opponents aren't just misguided, but the embodiment of absolute evil. That was the thing that worried us, Larry, and that's why we wrote this book, Minds Wide Shut.

You mentioned fundamentalism, the subtitle is How the New Fundamentalisms Divide Us. We go into great pains, Saul did actually, in an early chapter in the book, about defining fundamentalism, which is used very conveniently for everything you don't like. We have a very specific definition. I'll just do very quickly mine, which is that if you have any beliefs that are fundamentalist, it's because you think they can't be wrong. If you're absolutely certain, there's clearly no role for dialogue, and I think we all should recognize the fundamentalisms in each of us and in society. We can talk about that after.

We argue in the book that fundamentalism hits us across a wide spectrum of areas, not just religion, and that's where the term comes from, but in my field, economics and politics, culture, the academy, and the like. And we worry in conclusion here now that we fear for democracy. If you look at some survey data, other survey in addition to the 62% afraid to speak their mind about politics, more than half of Americans in a recent poll said that the number one threat to this country is other Americans. Now, I said this in other podcasts and webinars where people

say, "Well, maybe what about the '50s? Maybe that was the always case." I don't know, but I don't have a time series, but it is scary that more than half of Americans say the number one threat to America is not climate change, growing wealth inequality, the former Soviet Union and China, but other Americans.

Almost exactly half of Americans said that they would label their political rivals not as opposing rivals, but as enemies, and that speaks to this rise in people screaming at each other. A third, and this really worries me, and it gets to your point before about violence and intimidation, one third of American said violence and intimidation could be justified if you achieve political objectives. And then maybe the scariest is that a quarter of Americans say they support breaking up the United States of America, and that is unbelievable, 25%. What can we do about it? What gave rise to it? What do we think the future is going to be like? I'll leave that for Saul. Thank you, Larry.

Larry Bernstein:

Great. Saul, go ahead.

Gary Saul Morson:

I'm a Russian specialist and studied the Soviet Union, so one of the things that strikes me about the kind of fundamentalist sort of thinking, which is not necessarily religion. Marxism and Leninism is a good example of it, it professes absolute certainty. It cannot be wrong, and therefore anybody who doesn't share it is either stupid or most likely evil. Now, if you have this view, there is no room for a difference of opinion, and democracy depends on the notion of a legitimate difference of opinion.

So, you think to yourself, "Well, yes, this is what I believe, but of course like everybody, my experience is partial. I think I'm right, but God did not speak to me. I might turn out to be wrong. Occasionally the other side is right, or maybe some combination of the two." That's exactly what a fundamentalist doesn't think. Lenin had complete contempt for notions like that. You know, and you absolutely know, and when you do that, if there's no legitimate reason for opposition, there is no reason not to have a one-party state. There's no reason if the other side is simply evil not to do what Lenin did. Maximal force, you don't sort of gently cuddle the opponent, you just eliminate them. When you see that kind of thinking, that's where it's headed.

The lack of tolerance with diverse points of view seems to flow directly from this. You can't be wrong. It's also why you don't know what the other points of view are. People isolate themselves. I know lots of times when people I know have said, made some point, and then I say, "Well, what's the other side of that?" And they simply haven't a clue, because they only listen to one side, and it never dawns on them that you don't know the other side if you only know your side's characterization of the other side. And of course, that's sort of like allowing a trial to be done only with the prosecution, and then the prosecution presents what the defense should be saying, right? You won't really know what they say. You only know what the other side says if you can paraphrase their position in such a way that they would accept it, but that's what's not done.

Where does this claim for certainty come from? How do you justify it? Well, one way, in religious cultures, it came directly from God. You know what God thinks. A second characteristic of fundamentalism we call the perspicuity of truth. That is the truth is perfectly obvious to any right-thinking person who looks at it just the way, the Bible's meaning is perfectly clear if you think that way.

What plays that role in a secular culture? And the answer is the appeal to science. And so people make claims that science speaks for them, when it's perfectly clear that they do not understand what science is. There are lots of, we talk about this, there are lots of ways that without knowing the science on any given topic, you can tell when the appeal is misguided. For example, if someone speaks of science as a single block of truth, all of which is equally sure, they don't understand science. If that were true, science couldn't advance. That's how religious dogma is, a single block that's equally sure.

But there's always more recent things, less sure in a science, more likely to be overturned than more established things. Even more established things could be, but someone who thinks of some recent thing based on recent data or computer model as science and you can't challenge it, does not understand what science is, and it's appealing to it as a form of superstition or as a religion, if you will. Another way, if they take the policy recommendation or the social consequence, as they see it of a scientific doctrine, as part of the science, let's say the way Social Darwinists do, science doesn't have anything to say about morality or society, and there is no social science in the hard sense of that. When they do that, you know immediately that they are misusing it.

Our science reporters don't seem to understand, and very often, our scientists don't seem to understand it. They think that if they phrase their insights to do the most political good, that's what they should be doing as scientists. But when they do that, people pick that up and they ceased to trust the scientists as representing science. When Dr. Fauci says, "If you criticize me, you're criticizing science," he misunderstands. A scientist isn't science. The science is science, and scientists are people. They make mistakes, they lie, as he did, they misrepresent things. That is exactly what you don't want, what someone who understand scientists wouldn't think.

I've been surprised that in recent years we've seen more and more affection for a command economy, that form of socialism. A poll I just saw yesterday said that the majority of Democrats, not of the population, but of Democrats, prefer socialism to capitalism, and as someone who studied the Soviet economy, one would think that that showed why it cannot work. But the key notion the Soviets had also pertains to certainty. That is, they thought they had a science of society. That entitled them to be certain, which meant they don't have to rely on the anarchy of the market, which would control people against their will. Society has perfect knowledge and therefore can completely scientifically organize society.

The notion of certainty immediately involved the centralization of power to the maximal extent possible. And when the Soviets said, "speculation is a crime," they didn't mean gross overcharging. Any economic activity outside the plan was speculation and criminal. So that one factory couldn't trade with another what it needed if they both had it. That was criminal. It was sometimes done, but it was criminal.

Larry raised the point about where realist literature comes in, and there, I think that the great realist novels, literature generally, but novels in particular, teach us empathy, intellectual as well as emotional, because you inhabit the skin and the thought process of a person unlike yourself. You follow it for hundreds of pages, and you get practice in seeing the world from a point of view other than your own. And then hopefully, you can carry that practice over elsewhere. Other disciplines can tell you to empathize. They don't give you practice in it, but great literature does. And I think with more of that, more of that spirit that you'll find in Tolstoy or George Elliot or Jane Austin, our polity would probably work a little better.

Larry Bernstein:

Let me follow up on Fauci, your example of trusting the scientists, because I think one of the great concerns as a nation relates to vaccine acceptance. And there's a sense that among a very substantial portion of the population is that Fauci is being dishonest with the public. In particular, originally, he may have misled the public about masking policy in order to allow the medical establishment to have more access to masks that was in short supply. How do you feel about trust and the scientific community and the CDC in particular? And if that trust has been broken, what would be a better way of persuading those Americans who have not been vaccinated to learn about the science, to make a decision to hopefully get vaccinated?

Gary Saul Morson:

Dr. Fauci didn't possibly misrepresent. He said that he lied when confronted with the fact that he was now recommending masks when he didn't before. He said, "I said that because we had a shortage of masks, and I wanted to prevent a run on them." It didn't occur to him that when you do that, you discredit any future statement that he or scientists might make. Similarly, when he had the teacher's union, they're writing the policy, the very words for their recommendations regarding schools, it didn't occur to him that if you politicize your process, people are going to take it as politicized?

I mean, judging from what has happened, there isn't any good reason that a sensitive person would not question anything they said, assuming it's always wrong, but his own policy compromises it. How do you regain confidence in that? Well, the scientific community didn't call him on these things. They, therefore, bear responsibility that people don't trust science. Like when the theory of the Wuhan lab was leaked, it was regarded as absolutely ridiculous, and you're racist if you say it. I think it was perfectly clear that there was some reason to think it might be true. The fact that the scientific community itself didn't speak out is what causes reasonable people not to trust scientists. It's not a matter of not trusting science. It's a matter of not trusting scientists. And that's where the scientists have fallen down.

How do you know if you're not a scientist what the science is? If you can't trust the scientists to represent it objectively, who do you trust? How do you get people to take the vaccine now? I don't know. That's what you've squandered. You've squandered the trust. If I ask myself why I, given all this, not believing the CDC anymore, got the vaccine, it's because I trust the pharmaceutical companies because they go through really rigorous testing, and they haven't led us wrong. There hasn't been any fakery of that, and the drugs have worked as they're

supposed to. But they don't make political pronouncements. That's what we can still trust. If they start doing it that way, then we're really up the creek.

Larry Bernstein:

I want to bring in Morty on this one. Morty, we have an FOMC, and Allen Meltzer many decades ago created something called the Shadow FOMC, and the shadow FOMC would meet on the same day as the FOMC, they would take a vote, and they would make a public announcement with regard to how they would implement policy. And when they had disagreements, they would articulate why they disagreed, and if the vote was close, like it was a five-four decision, you could sense that maybe that this wasn't really doctrinaire, that there was room for error.

How would you feel if we had something like a Shadow CDC, where we have leading scientists vote and prescribe, whether it be on masks or vaccines or whatever policy, so that the public would be aware that on some issues, it wasn't clear cut and that the announcements in the scientific community were nebulous? How do you feel about creating non-governmental institutions to create shadow agencies to articulate views to the public?

Morty Schapiro:

This is a Sunday. Of course, I watched Face the Nation, Meet the Press. Many of you probably do the same thing, so we have a shadow group of pundits out there looking at everything we do, whether from science or from economics, social policy, debt policy, whatever. So I'm not so sure it would really have the credibility, Larry, that people would really believe. I do believe, though, if you do have any committee, whether it's a shadow one or the actual one, it's important to have all the disciplines represented and have another group of scientists and medical personnel critique, and a group composed with that same group without ethicists or other groups.

Saul and I were talking before with you, Larry, and with you, Josh, about a course that we've done, now it'll be the 12th time in a row, an undergraduate course we teach together at Northwestern, and it's on how different disciplines can get together to not just say, "Okay, this is what an economist thinks about it, this is what a humanist thinks, this is a philosopher, historian, political scientist, psychology," but actually put together the disciplines to come to a better understanding of truth.

The last thing I'd say about that, Larry, related to your opening questions you made, that class used to be really more on, "Okay, this is what an economist thinks truth is and how you approach it. This is what a sociologist thinks and all that." And we've actually morphed the course over a dozen years to reflect what the topic is, which is growing amounts of incivility and the demise of dialogue. So the course is now on how you foster meaningful dialogue among disciplines and among people with very different ideological points of view.

Larry Bernstein:

I want to bring up religion. In the book, you talk about how the Old Testament can provide insights as an example of a realist novel and what we can learn from it, and that certain things like the constitution and certain commandments are doctrinaire and aren't really debatable.

And on the other hand, and I think, Saul, you probably wrote this part, was about that some aspects of religion are no longer consistent with your own views and how you deal with that.

In my son's bar mitzvah, the text he was given was from Leviticus and it was the Kosher Laws. And he opened up his personal speech by asking the synagogue's congregation, "What is your bacon policy?" He said he eats it and loves it. But what other commandments do we not have to follow if we don't follow the bacon policy? How should we think about religion and the use of stories and storytelling in religion to help us guide our lives, and which ones should we follow, and how do we decide which ones not to?

Gary Saul Morson:

Morty, do you want to start with that one?

Morty Schapiro:

Yeah, we actually wrote it together. I'm an observant Jew, and I studied a Hebrew Bible in particular weekly, but the general question, Larry, I think it's a broader one. It's really when do you have the ... We wrote an op-ed called When Do You Have to Quit, Split, or Rewrite the Torah? But it's not just in religion, it's in the constitution, it's many different ways of reinterpreting Shakespeare. There's always the temptation to say that we're the best and the brightest at this generation. Marcel Proust said famously that, "The reason every generation they are alive at the most important turning point time in history is because they never studied history. Well, it's the same thing here. The temptation is always to rewrite it by current mores, take the relativist view, if you will. And we argue in that chapter in religion, and that has proven to be the most controversial, Larry, of the book, in fact, to the point when we gave some book talks, Saul, don't forget, in front of faith-based communities, we almost kicked out that chapter because we don't have expertise. I'm an observant Jew, but I am not a theologian nor is Saul.

But yet we went in there, and we said, "Okay, these are the 10 Commandments you should keep. These are the ones you shouldn't. This is how you set up on when you occasionally interfere. If you never interfere, then probably it's not timeless. It's useless." So that's a very difficult thing, but it's like free speech. You better have a very good reason to violate that basic principle. And it's the same thing, especially when you rewrite books that some people think God is the author of.

Larry Bernstein:

Saul?

Gary Saul Morson:

I would say when you're dealing with a text like that, if you decide that, well, it has to accord with our beliefs, we will see only what fits our beliefs and reject everything else, then you don't need a text at all. I mean, let's say the purpose of a constitution is so that to restrain you from not doing things you want to do because of principles that come later. That's why you need a First Amendment, because to protect against a majority that wants to do things.

On the other hand, if you don't allow any sort of changes, you lock yourself into things that don't make any sense anymore. When we're going back to the Bible, we're going back a much longer distance. You have to have some approach that gives the text real authority beyond the current situation, not just whatever we like, but isn't absolutely inflexible.

And I think that was the spirit in which the Constitution was written; otherwise, it wouldn't have a provision for amendments, for example, which are possible. They're just very difficult. So I think, I don't know if whoever wrote the Bible understood it, but whoever wrote the Constitution clearly understood that you have to strike a ground that made it a strong burden of proof that people overwhelmingly agreed with not to follow to change the Constitution, but you can change it. And that's the sort of thing we were suggesting, but though on different grounds with different particular arguments for the Bible too.

Larry Bernstein:

I think one of your points there, Saul, was this aspect of supermajority rule, that majority was insufficient. In amending the Constitution, it requires three-quarters of the states to accept an amendment. And that we, as Americans and at the federal government, have used a filibuster requiring three-fifths of the Senate to pass, or to end a debate to pass legislation.

Here in Congress this very week, they're proposing a \$3 1/2 trillion bill which will greatly expand the role of the federal government. And there's proposing to do it using budget reconciliation, where it would require just 50 senators to pass the relevant legislation. And I guess the question for both of you is, do you think one party with 50 votes should pass to radically change the government if it has the power to do so, or should they refrain from doing so to try to get some support from the opposition and to do it in a supermajority sort of way? Or should it be just pure power politics? Morty, let's start with you on that one.

Morty Schapiro:

Well, first of all, as you saw, Chapter Four is on what we know about economics. One thing I like about my field, Saul laments that being a humanist, ideology interferes with your translation, or if you will, interpretation of great books of Russian literature and the like. We don't have that in economics. We argue in Chapter Four, there's some right wingers, people left who really have never read Adam Smith, and they believe that, therefore, it's always laissez-faire. Adam Smith didn't believe it. Nobody should believe it. The bigger worry as we alluded to already in the last 20 minutes is on the other side, this growing distrust of private ownership and the means of production and using markets to allocate scarce resources.

But Larry, there is a whole literature in everything from what the minimum wage should be, how you deal with a carbon offset, how you deal with healthcare. And we have a lot of studies, some of which I've done with my coauthors, many of which other people have done, and we've said a lot of these things. If you get the politics out of it, we know what works and what doesn't work.

My worry is, I'm not a democracy expert, and I don't, the filibuster and all that stuff so maybe I'll leave that to Saul, but I do worry as an economist that whenever the government does one of these enormous spending bills, a lot of it is absolutely wasted. Some people are actually

worse off, you figure out the cost for future generations of increased debt, but it's just not used efficiently. And I've been advising politicians for decades for all different levels. And they always say, "Okay, that's what'd an economist say and says, and this is what we know about price elasticity of demand and how we should restructure Pell grants," my specific field, "but we can't do that because we can't get the votes."

My answer to you, Larry, is if we stick to actually the data, and we do things, as Saul argues, it's a sin to be inefficient, to waste resources. If I had more confidence that the government would spend the money in a way that's really consistent with this overriding set of economics data on what works and what doesn't. The SNAP program does. I mean, I could go on as, this is a whole chapter that we wrote about this, then I'd say, okay, go with the simple majority. But my worry is no matter how they do it, a lot of the money is going to be wasted.

Larry Bernstein:

Saul?

Gary Saul Morson:

For a Russian perspective, the purpose of three-quarter vote for a constitutional amendment is not just to make it an overwhelming majority, but because *it takes time* and that the founding fathers were aware that you can have a wave of enthusiasm or hatred, which will pass, and so they tried to slow things down. That's one of the reasons for divisions of power, for a longer-term Senate than House. What I see going on is the attempt to unravel all of this.

Eliminating the filibuster goes hand in hand with the same idea of packing the Supreme Court. If you pack the Supreme Court, there is no Bill of Rights anymore, because if the other two branches want to violate the Bill of Rights, they just have to add justices to the court. I mean, the entire point of a bill of rights disappears, if you can, pack the court. This attempt to concentrate power and of the whole patterns of this has been trying to grant, ram a major change down with the slimmest of majority is part of that too.

A democracy works by achieving a consensus by the more, the larger bill is the more extensive it is, the more it depends on the general consensus. Whereas in a dictatorship, you don't need a consensus. You just need the central power to do it. And that mentality is very harmful to the democratic process in the long-term, even if the particular... I don't know which proposals here are good or not, but I do know that the idea of concentrating power in that way, even if it's right now, is bound to be highly destructive in the not very long run.

Larry Bernstein:

I want to go back to the novel for a second. We had, on *What Happens Next*, a variety of English professors besides you and each of them sort of articulated a different message, and I wanted to get your view as to where you think on some of these issues.

The first one we had was E. D. Hirsch. And what he said was that he didn't care so much about which books kids read as part of the curriculum, but he cared very much that they read the same books so that we could have a common language and a common communal experience.

He doesn't mind that France has a different curriculum than the United States, but he wants it to be that we all read certain books.

And to contrast it, we had Weinstein from Brown, who felt very strongly that not only do we read the same books, but the books that we read were important, that he wanted to read Huckleberry Finn versus other books, for example. How do you come out with what our curriculum should be at the high school level and contrast it with, should it be the same books or not? Where do you come out on that one?

Gary Saul Morson:

Well, the question is, what do you think the purpose of literary education is? You can't decide which books until you decide what you're trying to accomplish. Hirsch thinks that the purpose of it is so that a kind of cultural literacy, so that everybody shares certain views, in which case, it doesn't matter what you read. If however, you think that the purpose of it is so that students can read great literature on their own afterwards, have a taste of what it is, then clearly it does matter which books you read.

It might be nice if, as in for many years, Huckleberry Finn, basic Shakespeare plays were read all across the country, but many things would not be. And from my perspective, what's important is that you have people who appreciate great literature teaching it, which is very often not the case, and that they can pick, as long as it's a truly great work, what they can best convey to their students. Because to me, the appreciation of great literature is so that students can say, "I love this. I want to read more," is the key thing. And I would shape the curriculum around that, which means getting the right people and following what each one finds is their passion.

Larry Bernstein:

A couple of weeks ago we had Angus Fletcher from Ohio State, and his topic was neuroscience and literature, specifically. But one of the things that he said was interesting. He said, in his classes, he doesn't assign a text. He lets each student decide what texts they're going to read. And then instead of focusing on literary criticism, he has the student do a creative work, their own short story that follows the same story pattern or narrative method as the book that they've chosen. How do you feel about giving that choice ultimately to the student, and how do you feel about kind of moving away from literary criticism towards their own creative fiction as a learning process?

Gary Saul Morson:

I don't like either alternative there. The students can't choose what literature they're going to read intelligently. If they could, they'd already understand literature. They don't. They have almost no experience, and what the experience they have is not read in a sensitive way. Literary criticism suggests, though, something really professional, like technical, like let's find as many symbols as we can, which kills people's interest.

What you want to do is get students to see why there's something really rich and interesting and profound that they want to know if you read this work sensitively, and then they'll want to read more. Let's leave the literary criticism in a technical sense, nor certainly not relying on

them because they don't know. The people you've cited, all of them are very intelligent people, but none of them seem to think that the purpose of teaching literature is to get students to love and read literature, which I find strange from very intelligent English professors.

Larry Bernstein:

All right, one final angle on this. There seems to be a lot of change in the curriculum, and in particular, an opposition to the dead white males. We had Robert Pondiscio speak. He works at AEI and he spoke about education policy a few weeks ago. And he mentioned that there's some opposition out there to Homer, for example, and trying to ban the teaching of The Odyssey and other Greek works. How should we think about this curriculum change and the implementation of critical race theory as a lens to evaluate literature and in the choices of what books to read?

Gary Saul Morson:

Look, if you come to literature with any ideology, critical race theory, Marxism, Leninism, hardcore psychoanalysis, behaviorism, neurobiology, you do not read literature. You take it, and you impose an ideology on it and find what you're looking for. Go read laundry lists if you're going to do that. That has nothing to do with understanding literature. It doesn't matter if it's critical race theory. It could be just another ideology.

As, by the way, for banning Homer as a dead white male, Homer didn't exist, so it's really odd to consider him as white or anything else. What we call Homer is the product of a long tradition. There's was no Homer.

Larry Bernstein:

Okay. Morty, trying to bring you back into the show.

Morty Schapiro:

I'm enjoying this, Larry. Saul and I have done three books together, and the past two, we have a whole chapter from Saul on what he thinks about way most people teach literature these days. And you talk about getting canceled, but can imagine when I'm at a faculty meeting and they say, "Hey, President Schapiro, your name is on this book with this incredible diatribe about most of what we teach and how we teach in the humanities." You know what I say, Larry? Saul, wrote it.

Gary Saul Morson:

And I'm willing to take responsibility for it.

Larry Bernstein:

Let's talk about cancel culture. Morty, you were attacked publicly and on your front doorsteps, and here you are a moderate in favor of free speech, generally. Why were you attacked, and what did you learn from it? And how do we stop this from going on, and how do we preserve and encourage dialogue and differences of opinion on campus?

Morty Schapiro:

Well, Larry, if I had never been attacked and never been canceled by some group as a public figure, I would think there's something either wrong with me or with that group since everybody has, it's just a matter of degree. I'm still here and still teaching and publishing and doing all that. So compared to many other instances it was pretty tame. But one of the lines that has really proven to be true, I always loved the line, but now I feel like I live it, is that the revolution devours its own children. And you see that with the rise in fundamentalism on the right and on the left, nobody's pure enough. You said I'm a moderate. I'm actually not a moderate. I mean, in most of my advising, it's almost entirely been for Democrats and with a lot of very liberal stances economically and socially, and the like.

I'm much further to the left, but not far enough to the left for some and much too far as the left from others. And the Fox News crowd has been canceling me for years, calling me the king of the snowflakes when I wrote this stuff about safe spaces and the like. The more recent ones is more from the left, but I never stopped being canceled from the right. And again, it is really instructive.

I think, Larry, that you think about that dark day on January 6th when the mob breached the doors and the walls and the windows of the Capitol, what did the far-right people want to do? You'd think they would be saying, "Let's find Chuck Schumer and Nancy Pelosi and AOC and kill them." I'm sure they would have gladly done that, but they were really looking for Pence, arguably the most conservative member of the executive branch in a hundred years. I mean, pray away the day is just the beginning.

So nobody's pure enough. You can be on the left, but they'll end up canceling you. One of the many things I've learned from Saul and our books and classes together is that's exactly what happened in the Russian Revolution. You know what I mean? The most left-wing people weren't left wing enough, and it happens in the right as well.

So what can you do about it? I think to try to model certain kinds of behavior. I mean, our class, again, as I said, it's more from sort of epistemology to respectful dialogue, I think recognizing the fundamentalism in each of us. I alluded the fact that I'm an observant Jew. I do not have conversations about, is there a God, and is that God benevolent? If there is in my mind, I'm not interested. So I mean, if everything you believe, Larry, is up for debate as one of the reviewers of Minds Wide Shut, but you want your mind wide open, but not so wide open that your brain falls out. So certain things make you who you are. But if most of what you believe is really not open for debate, you have a problem, and this country has a problem.

Gary Saul Morson:

Yeah, what Morty said was right. I know when he was in trouble, and I was gathering support for him I found out that conservative right-wing groups that complained about the lack of free speech and cancel culture told me they would not support Morty. When I asked why, says, "Well, he doesn't agree with us on many things." To which I said, "Well, the point of free speech is for people you don't agree with, isn't it? Anybody grants free speech to people you do agree with." And this didn't get very far. Some of the people who are making a noise about free speech correctly, sometimes you wonder whether they get it.

Larry Bernstein:

We got a question just came in. This is from Jay Greene. Jay was my high school debate partner, and he's now at the Heritage Foundation. He asks a question about diversity, equity, and inclusion bureaucracies. He says that the average university now has a staff of 45 DEI, and Northwestern is now at 52. You have more people in your DEI than you have as faculty in your History Department. Why is it growing, and does it make sense? Morty.

Morty Schapiro:

I think that that comparison in how you count versus History is absolutely borderline ludicrous if not completely incorrect. I hate to say that to a loyal listener of yours. But we had not sufficiently engaged with diversity, inclusion, and equity questions in the academy.

We've done a much better job in diversifying our student body at all levels than we ever had in making them feel welcomed. And there's ample evidence, all you have to do is look at, say your alma mater there, Larry and Josh, at Penn, and look at who at senior, just stick to the undergrads who say that they had a great experience at Penn or at Northwestern or at Yale where Saul went or anywhere else that we happened to have taught or have gone that, would you do it again? Would you recommend it to somebody else? And it varies greatly. Affluent Caucasians see these institutions very, very differently than the rest of the group, and we really have to address it.

And I don't know if counting numbers how you decide what... Do you have either the word D, diversity, equity, or inclusion in your title? I don't know how you count that. But I don't lament that we put some resources into this. It was long overdue.

Larry Bernstein:

Going to a completely different topic, and that is opening up the university during a time of COVID. It's never going to be safe. We're going to have new variants, but online is different than being in person. How are you going to think about this problem as the variants become more problematic? And at the same time, maintaining an open classroom with students and teachers together?

Morty Schapiro:

Well, Larry, a lot of it is pure ethics, and I've actually done some empirical studies along with others on pure ethics. You learn from each other. And Larry, I was struck that when you and Josh met in a pretty weird English seminar, your first class ever at Penn, the only thing you told me about the professor was what an idiot she was. But you made your best friend who's still your best friend 37 years later.

A lot of what happens, depends on the spontaneity of being there, being in the dorms together. We, like our peer institutions, are doing whatever we can. We're learning from, in fact, Saul and I wrote an op-ed about that recently, what are the lessons from COVID for more effective undergraduate, graduate, and professional school engagement? But being there in person is the key to it.

Morty Schapiro:

I've been a college president; 22 years at Williams and at Northwestern and presiding over reunions, when people come back to celebrate their 25th, 50, whatever it is. And I said, "Why are you back? What did you love about your alma mater?" And they'd talk about an intermural team, they'd talk about some type of fraternity, sorority, musical group, faith-based organization, staying up all night and watching the sun rise, this and that and that.

And I said, "Did you ever take a course?" Here I am president of the damn university, and I'm saying, "Why do you love your alma mater? How were you transformed?" And they usually don't even think to mention a class. And when I was a straight faculty member, before I became an administrator going over to the so-called dark side, I thought it was all about me. I thought that you'd asked somebody who graduated from Penn, or USC, or Williams or Northwestern, the place I've been privileged enough to teach. And they would talk about, "Oh, I had Shapiro. I had econometrics, that's changed my life." No. So, being there in person, the learning that takes place in the dining halls and in the dorms is on us to make sure it's safe, but that's such an important part of the value proposition at any school, college or university.

Gary Saul Morson:

People sometimes say to me, "Listen, okay, seminars need a back and forth, but why can't lectures," like the ones I give, "Be just recorded, who needs to be there? You can watch them when you like." To which my answer is, "Do you still go to live concerts? Do you still go to the theater? Do you Zoom into religious services," You go to live concerts because presence matters, and the experience, and being around other people really matters? And that's for reason more to give, that's especially true in education, in the classroom and outside the classroom.

Larry Bernstein:

You mentioned you're going to be teaching a class in the fall on Brothers Karamazov and Anna Karenina, and you've been teaching it for over 30 years. Why is that course important to you? Why should it be important for kids? What are you doing that's special?

Gary Saul Morson:

Well, I can tell you what I'm trying to do. And I think these are two of the greatest books in the history of the world, and what I want the students to do is to appreciate why great literature, using these books, can tell them something about life, or themselves, or the things that really concern them, that you can't get anywhere else. And I find these books are, they speak to issues that the students are already thinking about. Anna Karenina is about the nature of love, who doesn't think about that? And the smart way to love, what it's all about, how it affects your life. And it's maybe the most profound statement on it ever done, certainly one of them. And if they can see what is being said there, what, the questions that are being asked, even if they're not answered, they will realize that they can get things out of literature they can't get anywhere else. They're dealing with the greatest minds in the world, and they have something to say to them.

That's what I try to get across, and I find these books are good at doing it. They're not the only ones of course, but their very greatness makes it a little easier to get them across. Also, the Russians discuss great, important questions explicitly, where if let's say you go to Jane Austen, the questions are there but you have to tease them out, they're more implicit. I find the directness of Russian literature, where the characters ask these questions directly, helps the students who don't have a lot of experience in reading literature.

Larry Bernstein:

Are you going to teach in-person? How are you physically going to do it?

Gary Saul Morson:

Well, I hope to do it the way I did before the pandemic. I go in, and there's a room, and there's the lecture part of the class and there's the discussion section. And the lecture part, I don't just stand up there and talk. If possible, I pace the aisles, I go back and forth, I read people's faces. I make it as interactive as you can. You have to watch the students, and see how they're responding, if they're dozing off, if something is difficult. It's really an interaction. And I find it absolutely exhausting, as I wouldn't if I was just reading old notes. I've been doing it for 30 years, but I reread things, and I have to get myself inspired again. Because I'm trying to make the love of it infectious, and unless I'm inspired, it won't be infectious. So, that's part of the preparation of it, that's why it still takes a long time to prepare these things, until something snaps.

Larry Bernstein:

Do you find that, you also teach in the alumni education area, my mom has been very active in that at Northwestern? Do you notice a difference in the audience participation, or in the behavior, or thought process of your older students versus your younger students?

Gary Saul Morson:

Well, let me just say that when I did it this summer, it was the worst teaching experience I have ever had. Because it wasn't even Zoom, it was a webinar, I couldn't see anybody's faces, not even on the screens. This is not the way to do it, and I would never do that again. And I didn't realize when I signed up, I thought it was going to be a Zoom class where I could really see the pictures of the people. But to answer your question, yes, of course older people, they bring an enormous amount of life experience. So, ideas that might be, questions that might be new to 18- or 19-year-olds, they've long been living them. Even if they haven't thought of them explicitly, they've been living them. They bring a wealth of experience to it. And I learn from my undergraduates too, but you learn especially much from your contemporaries.

Larry Bernstein:

Morty, you opened your talk by citing some polling data, that 62% of people said that they are scared to admit their political views. Why is it so high, and what can we do about it? How do we follow some of the ideas in your book, to get that number down?

Morty Schapiro:

I'm not really the best person to answer that question. But I'm not surprised 62% of Americans say that they're afraid to express their political views publicly, because everybody is ready to cancel you, so you have to be really careful. And I talk to students, when they come in as first year students, I caution them about that. Sometimes the parents are, "You're the president, you're supposed to say you can say whatever you want and be respected." And I said, "I live on campus. What are you talking about?" Of course, that's not the world, never been the world, it's really not the world. It's one thing for me to get canceled from the left and the right, I'm 68 years old. And I had tenure for many, many years.

If I were 20 and I lived in a dorm, and people canceled me, and I have students for whom that's happened, that is really scary. And of course, the cancel is usually not... A small percentage is limited, is just the people on your campus or in your dorm. For me, the vast number of people who every day send me threats and everything, it's people from the far left increasingly, but also there's still a fair number from the far right. So, you have to be really careful what you say. What do you do about it? We think that education, that's what we're writing about right now, Saul and I, about the different ways we can restructure our classes. As Saul said, I think he referred to the John Stuart Mill line that, "He who knows only his own case, knows precious little of that."

And that's the mantra for the course we teach together. You get graded by how well you can present the other view. Now, you want to present your view pretty well, you better present the other view extremely well. And we never thought about grading that way 12, 13 years ago, because that was more the norm. But now everybody vilifies each other, and your opponents aren't, again, misguided, but they're the embodiment of absolute evil. That's important. So, I think academe has a role to play there. We all have a role to play in our own personal lives. And that's why I think recognizing, looking in the mirror and saying, "What are you fundamentalist about?" And then trying to realize it, and then try to get out of your comfort zone.

I watch a lot of Fox News now, I never used to until we started writing this book year and a half ago. It's very different. In some cases, it's infuriating, in some cases it's much better than the CNN I'm used to. I've really learned from that. So, I think trying to get out of your intellectual comfort zone. We live in echo chambers, right Larry? When I grew up, if you watched ABC news, CBS, NBC, and whether it was Brokaw or Jennings or Rather, it's pretty much the same sort of news. And now, we compartmentalize and we live in silos, and we hear our words and thoughts echoed off, and that makes us feel really good. It's really bad for democracy.

Larry Bernstein:

I was a high school debater. I was a Cherub; I went to Northwestern debate camp when I was a junior in high school. And one of the exciting things about debate, is the judge would flip a coin at the start of every round to decide if you are going to take the pro or the con side of a specific topic. Northwestern historically has been a leader in debate, NU has won multiple national championships, and I got to know a number of the Northwestern debaters over the years. How do you think of debate as a way of learning how to make arguments on both sides? Should that

be encouraged more at the high school level? How do you think of debate as a way of learning a cross section of ideas?

Morty Schapiro:

Well, I think that's a great idea. Let me just make one point, but the only thing is, we have a new op-ed that's coming out next week, where we say that real dialogue isn't just scoring debating points, it's actually listening and learning from your opponent. So that's the one thing, that yeah, you're a great debater, they give you the for or against, and you try to win the debate. But I think for democracy's sake, that we should really try to have enough intellectual humility to learn from each other.

Gary Saul Morson:

Debates, you're trying to win, in a democracy you shouldn't be trying to win. But still, you do have to know both sides. I remember when we first started teaching the class, I had in one of the discussion groups I did, a student who continually aced all her papers. And I asked her how she did it, because she always managed to present a good argument from the other side, and then engage with it. And she said, "Oh, it's very simple." She said, "I used to be a debater, so I had some talent in that." And then she said, "What I did was, I always defended the side I don't agree with, and therefore I could know there were strong arguments on the other side, and present them." Which I thought was very clever.

Larry Bernstein:

In each of our sessions, I always try to end on a note of optimism. So, what are you optimistic about?

Gary Saul Morson:

If you want to optimism, you better go to Morty. I'm a Russian specialist, I don't deal with optimism.

Larry Bernstein:

All right, Morty. Up to you.

Morty Schapiro:

I would just say, Larry, that the fact that people are taking time away from a busy Sunday to engage with different people, and listen to them, is really important. People ask me all the time as a college, now university president, what are the outcomes you want? And of course it's the aesthetic sensibility, respect of different views, including ideological diversity which is hard to do on campus, but something we need to work even harder on. Obviously as an applied econometrician, you want to be adept quantitatively. But the most important thing is realizing how little you know. To have the intellectual humility to learn from one another, and not think you know all the answers.

Undergrads are famous for thinking they know all the answers, and that's particularly the case... The advantage of being old, is that Saul and I taught boomers, and this generation. There's a lot we like about Gen Z, they really do care about issues, not just to pad their resumes to get into Yale Law School, which is many of the students I've taught over my career. They really care, but they don't know how to listen as well as they need to, and they don't have the intellectual humility. It's a strange mixture. And you know as a parent, and many of you I think are probably parents, I have three kids, Saul has his kids. It's an insecurity about not being accepted which makes them very vulnerable to cancel culture, with this intellectual certainty that they know all the answers, like capitalism is bad, and on and on and on. It's a scary combination, but I'm more optimistic about the future, because I think Gen Z is going to do a very good job as they get more experienced, and they take over responsibility and authority.

Gary Saul Morson:

I'll just say, I deal with a lot of students in the residential college where I'm the faculty advisor. And what strikes me is that if you look at the student's beliefs, they're certain and intolerant. But if you look at their behavior and how they treat each other, they're warm, and empathetic, and open-minded, if not more so than before. There's a disconnect there, and that's a good thing.

Larry Bernstein:

Okay. Thank you, Saul and Morty. We're going to go to our final speaker now, Josh Soven. As I mentioned before, Josh was my college roommate, and he worked at the Department of Justice and FTC in the field of antitrust. Josh, why don't you take us through your six minutes?

Josh Soven:

Larry, thanks very much for inviting me back. And before I start, that was a fantastic presentation we just heard. Really, really interesting, I enjoyed it.

So let me say at the outset that not surprisingly, I and my firm represent a lot of companies with interest in these antitrust issues these days. And these are of course, my views.

A lot have happened since I last spoke on the program. As Larry mentioned, President Biden chose Lina Khan to be the chair of the Federal Trade Commission, Ms. Khan favors a much more aggressive antitrust enforcement approach. She became quite famous in law school when she wrote kind of a cutting-edge article that was criticizing the application of the antitrust laws to Amazon. What's also happened, is a federal judge appointed by President Obama dismissed the FTC's complaint against Facebook. They have until Thursday of this week to let them know what they're going to do.

The House Judiciary Committee, with some support from Republicans, voted out laws that would place restrictions on large digital platforms. And just a few weeks ago, the Justice Department blocked the Aon Willis Towers Watson transaction, even though the European commission had approved the deal with some conditions.

So, my topic today is to talk about what's really going on here, what's driving this and what it means for business. And throughout my remarks, I will emphasize that this is a practical

discipline. It is spoken about these days in somewhat theological, and at times philosophical concerns, but it's really not. It's a day job, where women and men are doing it in the field, and how they implement it is very important.

The bottom line of the present condition, is that antitrust has once again become part of national economic policy, with a mix of progressivism and populism. And I'm not criticizing that, I agree with some progressive things and some populous things, but this incorporation of it into broader national economic thinking really hasn't happened for decades.

For the past 40 years, the Justice Department and the Federal Trade Commission have handled antitrust enforcement largely below the radar on a case-by-case basis, with a laser focus on harm to consumers. If the agencies thought they could prove higher prices or reduced innovation that harmed consumers, they would bring a case. If they didn't, they closed the file and moved on to the next matter.

Members of the Biden administration, and some on the political right as well, believe that antitrust should be viewed from a much more macro perspective. They believe that many US industries are far too concentrated, and that this concentration is causing big problems, not just for consumers, but also workers, small businesses, and indeed the larger fabric of American society. They blame what they view as lax antitrust enforcement by prior administrations, Republicans and Democrats, and an overall misunderstanding of the purpose of the antitrust laws.

FCC Chair Khan and Professor Tim Wu, who advises the president on competition issues, are really big proponents of this view. What's also going on, is due to the rapid growth of just four companies, Google, Apple, Facebook and Amazon, that has turbocharged popularized interest in antitrust across the political spectrum. Again, in a way that hasn't happened for decades. Many of the concerns expressed about these companies don't actually really have much to do with traditional antitrust, issues related to privacy, data security and political speech, while obviously extremely important, have always been dealt with through other laws. But now politicians are looking to use antitrust enforcement methods to address these issues.

So, what does this all mean for businesses, particularly ones who don't really view themselves as Google, Apple, Amazon or Facebook? First, what I tell clients probably on a daily basis: don't panic. So far, there really have been no substantial changes in outcomes, at least not yet. The actual results coming out of the antitrust agencies today, remain within the traditional mainstream.

That said, companies definitely should not take a business-as-usual approach over the next three and a half years, and perhaps longer. Just focusing on prices, and levels of service to consumers in their arguments, isn't going to get the job done at all. Targets of antitrust investigations will need to broaden their advocacy to cover a wide range of issues, including impact on smaller businesses, market structure, the labor markets in particular, and data security.

In order to reduce risk, it is really important that parties to strategic mergers decide to move a lot faster in responding to government requests for information. These merger investigations take a few months short of forever, it's not uncommon for them to take more than a year. And while the length of these investigations has always been strategically dangerous for merging

parties, in this environment, regardless of whether your big tech or not, it's going to become increasingly fatal. And long merger investigations are neither legally required, nor practically necessary. Technology allows the parties to produce the information rapidly that the government wants. And at the end of the day, the analysis, this is a little bit perhaps against my own interests, the analysis that the government is doing with antitrust work really is not all that complicated. As Larry knows, my dad was a physics professor for 40 years, this is not physics, and it's not even close to it. It's a pretty rough discipline, where men and women largely of goodwill, are making decisions with highly imperfect information.

Finally, and this doesn't get talked about enough as well, but it will, for most high-profile strategic deals, companies are going to need to have a litigation strategy in place from the beginning. A unique attribute of the US antitrust system, is that the Federal Trade Commission and the Justice Department generally need to go to court in order to block a transaction. This is a really, we were just talking about checks in the constitution, this is a really powerful check on the antitrust agencies. But it only works if the parties are prepared to litigate from the get go. If companies aren't willing to fight, then the government lawyers are going to sense it immediately, and they will lean on them to apply leverage.

What's also interesting about what's going on, is an incredibly US-centric focus of the discussion, but it's really Europe that probably is going to present the biggest risk for many US companies over the next five years, in the antitrust world. Economic populism is just as strong in Europe as it is in the United States, and unlike the Justice Department and the Federal Trade Commission, European competition agencies usually do not need to go to court to stop conduct. Not surprisingly, that gives them a lot more latitude to bring enforcement actions that might be untenable in the United States.

Just a few words about what, until recently, was considered the kryptonite of antitrust, and that's regulation. A lot of the justification for antitrust is to avoid regulation in the first place. I worked for a lot of people of a lot of parties, and one of my Democratic bosses explained to me a long time ago, he said, "Look, what we're doing here is we are applying this legal framework to stop bad stuff, which if allowed to continue is going to produce regulation, which would be worse." Indeed, the whole idea of having an antitrust legal framework that allows for government to stop anti-competitive conduct on a case-by-case basis, is to avoid broad-based prescriptive rules.

Today, government antitrust lawyers around the world, not just in the United States, are actively getting into the regulation business. Federal Trade Commission Chair Khan has written that reliance on case-by-case adjudication produces lots of problems. The head of European Competition Agency has made similar statements, and Europe is actively working on regulation to the technology markets, which will roll out next year. It's not clear at all, not surprisingly, what regulations will ultimately come out of this, but when the world's antitrust agencies announce that they are working on rules for various industries, it is certain they are going to get a lot of mail with many suggestions for many companies with strategic interests. To protect themselves, businesses will need to implement political strategies to respond offensively and defensively depending on their interests.

Antitrust, like everything else, it's not self-executing. A perfect law, fantastic regulations and the best of intentions, just like any other field, they can all go north or south really fast, depending on the actions of real people in the arena. And I think this is why lawyers like me get to keep our jobs.

Larry Bernstein:

There used to be this Chicago school of antitrust theory where all we needed to focus on was the consumer experience. And big tech can rely on that what they're offering is a superior product from the consumer standpoint and their attacks are coming from other firms who feel like they're losing the battle. Why has the Chicago school of consumer welfare losing the metric debate?

Josh Soven:

It's a really important question. So let me tweak your premise just a little bit. Some members of the Chicago school liked that approach, others didn't. But I think the key point actually is all schools today, Chicago, Harvard, et cetera, neo-Chicago, everybody agreed on what you're describing as sort of the consumer welfare standard, where the focus of antitrust was on whether prices were going up to consumers, innovation was going down, services would go down and lots of other concerns like labor and market structure and diversity, none of that was really in the mix. It was just huge consensus on this consumer welfare standard for a variety of reasons. What's going on, and I think it's largely driven by the focus on big tech, is in order to bring a successful antitrust enforcement action under the consumer welfare standard. You usually have to prove that prices are going up to a customer.

I always knew I had a winner, usually, when I worked at the Justice Department, when the documents said, look, we think we're going to raise prices, or this company we want to buy is constraining us from raising price. The government wins those cases. The challenge, if you think it's the right move to go after a lot of these technology companies, is that they're lowering prices through the floor and in some cases charging nothing.

I don't represent Amazon. I'll focus on Amazon a bit. Amazon, no question for many of the products they've sold have dropped price, a lot, and, not just in terms of nominal price, but access to products and the like. What the new guard wants to do is they need a way to go after Amazon and they can't show that prices are going up. What they've advocated is for a much broader approach, which sort of looks not just at effects on consumers, but effects on other businesses. With the intuition being that even though consumers are benefiting in the short term, they'll lose out in the long term if Amazon drives a lot of businesses out.

Let's drill down on Amazon. And on this program, What Happens Next? We've covered Amazon in all sorts of ways. And we had Brad Stone speak about his new book, Amazon Unbound. We've talked about different areas where Amazon has provided innovation, particularly in logistics. But I guess what's... The chairwoman, Lina Khan of the FTC, has spoken in her academic writings, for her opposition to Amazon. And it seems that Amazon is going to face the wrath of Khan, if you will. A little Star Trek reference there.

You can go on Amazon marketplace and they offer products by rivals of Amazon. I've always found Amazon's decision to include products from third parties from other retailers in competition to their sales program is both revolutionary and shows strength, not weakness. You don't go to Walmart and there's a Target section in the store. What is it about Amazon that really gets in Lina Khan's craw? Why does she want to stop Amazon from growing? Why does she want to limit the ability of Amazon to manufacture clothes and sell their products or diapers on their websites? What is it about that sort of institution that bothers the progressive movement?

Josh Soven:

It's a couple of things. In the article where she became quite prominent, she writes very clearly that Amazon has produced very substantial benefits for consumers today. She doesn't dispute that. She acknowledges it. Her concern is that the company has become so important. And in her view effectively a utility for e-commerce that if Amazon is allowed to continue to expand and continue to grow and branch out into new lines of business and use its cash from its web-based services to drive the drop price on other products, that sooner or later, or medium-term what's going to happen are two things. One, you're going to drive out competitors to the point where Amazon has sufficiently little competition that they'll be able to raise price. But two, and this is also a point that Tim Wu picks up on, you're going to have a lack of economic diversity in the market. And that's a harmful thing for the economy and it's a harmful thing for democracy. And her point is that if you look at the origins of antitrust, and like all legislative statutes, it's a bit opaque, there was a much broader set of objectives at play there than whether we get a fantastic price on a book and we get it to our delivered to our house in three hours. And that allowing Amazon to massively expand is going to damage those other interests. To your point about how one puts that into an enforcement framework, that's one of the practical issues I was talking about where it remains to be seen, whether they can pull that off. And it's also why I think there're some doubts they can pull it off, which is why people are interested in regulation.

Larry Bernstein:

Years ago, people questioned why Microsoft didn't have a Washington office so that they could be heard in the aisles of Washington. And what surprised me, this time, was that some of these large tech firms decided to play from one side of the political aisle. I'm thinking particularly of Facebook and Amazon with Bezos's decision to buy the Washington Post and use it as a platform to attack the Republicans. And in that aspect, they've angered and pissed off senior members of the Republican leadership, who would be their natural allies against enforcement actions and changes in regulations of big tech. Why do you think big tech decided to take on the Republican party, and now they find themselves being challenged from both sides? And why didn't their endorsement of Democratic party ideals ingratiate themselves with the progressive wing of the party? And why, despite that, have the progressive decided to attack big tech?

Josh Soven:

We're a little out of my field of expertise. I'll sort of qualify that I'm giving you my own take on this. Microsoft had the benefit of operating in a political environment that was much less highly charged than it is today. Many people in Redmond, in 1998, when a Democratic administration was going after them, we're on the political left. But no one really knew about it, and it was just a different time today. Every email that someone may have written inside one of these companies is potentially available. And the model is such that politicians are much more tuned to what these companies are doing than they were to Microsoft, in part, just because their communication devices in a way that Microsoft was not.

Any form of sort of mens rea, or cognizable political strategy, to benefit one party or the other. Each of the executives were grilled in front of the House Judiciary Committee on this topic, and they honestly said, we've got nothing to do with this. Bezos bought the Post, but I don't think that's part of a political strategy for his company.

But the reality is that they are now caught up in this discussion where certainly the Republican party clearly is concerned about their views and how they might run their companies with respect to politics. And, I suspect, just as Microsoft over time developed a more comprehensive strategy to think about messaging on these topics that's what these other companies are going to do. In the work I've done, I have not seen an effort to swing the companies one way or another. I think, part of what's going on is they've largely, the people doing the work, are keeping their heads down and just kind of working on their stuff. And they got caught up in a political dynamic that they did not anticipate.

Larry Bernstein:

We had David Weil on the show a few weeks ago. David currently runs a department at Brandeis, and he has been nominated, I believe, to go back to the same job he had in the Obama administration, which was in the Department of Labor. Wage and Hour Wage division. Weil is opposed to the gig economy and doesn't like the fact that technology companies like Uber and others don't directly hire employees. This is true of Amazon logistics as well. That they use third parties who use Amazon trucks to deliver goods. Or an Uber example, they're independent contractors. And this limits the ability of the government to force Amazon or Uber to enforce labor rules. I recognize this is a little bit out of the antitrust area, but in some ways it reflects sort of an antagonism towards technology and big tech and the gig economy?

Josh Soven:

It's one of the reasons why, whatever your intentions and your views about regulation, it's going to be challenging to do. For example, Ms. Khan, Mr. Wu, lots of other people, have really criticized the use of the antitrust laws because they don't think they've protected labor enough that big companies are now exercising upstream market power, and that's reducing wages and the like. My view is that it's really challenging to try and use regulation to affect what are macroeconomic issues in the labor markets. And that a lot of what's stressing people out about new relationships with labor, I mean, take Uber, which we don't represent, is not the product of too little competition, but too much, or more. And that as the markets have become more and more competitive, businesses aren't doing this in order to exercise market power, they're doing this in order to stay financially viable.

And that makes regulation just a challenging thing to do. The gig economy is here to stay. I mean, it is massive. The reason it exists and is growing is it is massively popular with consumers and consumer spend constitutes a huge percentage of GDP. So that's not to say there really aren't important things you can do in the labor markets. And those are getting debated in part, in the three and a half trillion-dollar bill you mentioned, but whether you can use antitrust regulation to, on a systematic basis, affect labor regulations I have my doubts. Where antitrust has worked in the labor markets, even a very discreet set of circumstances where you have local markets, the proverbial two mill town, there you can figure out something to do. But holding back the tide of the gig economy, for good or bad, it's here and we're going to need to figure out how to deal with it.

Larry Bernstein:

I want to go back to the first principles and how America got caught up in antitrust. Josh and I took a class at Penn together on American economic history. And we read a book together by Gabriel Kolko, about the origins of antitrust policy in Theodore Roosevelt's administration. And one of the cases we looked at was Standard Oil. And in Standard Oil, it had tremendous market power. And the reason that they were so successful is they kept cutting prices and taking other people out of business. In the Chicago School of consumer welfare, they were constantly lowering prices, which is generally considered a good. I think what upset the political establishment at that time was market power. Standard Oil was becoming a very, very powerful company and had to be broken up. It wasn't so much about price. And when I contrast that with the European experience, it seems like in Europe, they're constantly trying to get larger companies more power, and then use these large firms as a means of affecting employment patterns and gaining more job security. Europe and the US have two different frameworks. How do you think about the European versus the American experience in the theory of antitrust, and how that will affect how these economies develop over time?

Josh Soven:

One of my jobs, when I worked for the Chair of the Federal Trade Commission, was to spend about a third of my time in Europe working and coordinating with their competition agencies. And the upshot is the psychological culture is different. A lot of the rules sound the same, and obviously the microeconomic models are the same, but they think about it differently. And which it doesn't make it better or worse, it's just different. And one of the realities, one of the differences, is there is a much more symbiotic relationship, coordinated relationship between large companies and the governments in Europe. And they work together and they talk a lot, and they're at times even extensions of the government in terms of various issues that are timely here today, including labor conditions, and market structure, and small businesses, and the like.

The US culture, left, right and center, doesn't work that way at all. Those lines of communication aren't there and those working relationships aren't there. And it's one of the reasons that now that we have these various sorts of powerful economic, political forces hitting us, that everyone said, oh, we don't have a system to deal with this sort of in coordinated

fashion. We really got to put the foot on the gas of antitrust and fix these things. And we feel better trying to do that then in sort of a collaborative joint venture way. The cultures are just different.

Larry Bernstein:

Josh, as I before, we try to end each show on a note of optimism. What are you optimistic about as it relates to antitrust?

Josh Soven:

Yeah. I mean, to go back to my bias, sort of as a practitioner, and a little bit less of a theologian. I've been stunned that, and to their credit, that the Federal Trade Commission and the Justice Department have been able to work as effectively as they have when they are not there. I may disagree with some of the things they're doing, and I agree with some of the things they're doing, but a really under reported story in DC is these government offices are empty. We're not sticking 800,000 people on the Metro and filling them up. And by and large, they've been able to operate pretty seamlessly without much disruption. It's getting the occasional chatter about various delays and the like. But things are working as they are. I'm not sure what that means for the future, but I do think the government gets a lot of credit for keeping the lights on and the trains running in ways that don't get a lot of attention.

Larry Bernstein:

That ends today's session. I want to make a plug for next week's episode.

Our first speaker will be Retired Lt. General Andrew Leslie of the Canadian Army who served as the Commander and Chief of Staff of the Canadian Army. Andrew served in Afghanistan and his talk will focus on what the US troop pullout will mean for Afghanistan and in particular women. Our second speaker is Robi Ludwig who is a nationally known psychotherapist and a regular on CNN and Fox News. She will be discussing her book Till Death Do Us Part: Love, Marriage and the Mind of the Killer Spouse.

Our final speaker will be one of my best friends Darren Schwartz who will discuss his own adoption and his 30-year search for his biological father.

If you are interested in listening to a replay of today's What Happens Next program or any of our previous episodes or wish to read a transcript, you can find them on our website [Whathappensnextin6minutes.com](http://Whathappensnextin6minutes.com). Replays are also available on Apple Podcasts, Podbean and Spotify.

I would like to thank today's speakers for their insights. I would also like to thank our listeners for their time and for engaging with these complex issues. Please stay tuned next Sunday to find out What Happens Next.