# Why Amazon is a 'bully' and Facebook and Google are 'the enemies of independent thought'

# The Atlantic's Franklin Foer, author of "World Without Mind: The Existential Threat of Big Tech," critiques the tech giants on the latest Recode Decode.

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"World Without Mind" author Franklin Foer Courtesy Penguin Press

When a generation of young tech entrepreneurs leading disruptive businesses burst onto the scene, journalist Franklin Foer rooted for them — at first.

"I can't say that I was skeptical of these people right from the start," he said on the latest episode of **Recode Decode with Kara Swisher**. "What they did seemed exciting and novel. It takes a while for us to realize exactly what they've done that's so terrible, or what the threats are that's posed by them."

Intrigued by Amazon's bloody-nose tactics when it sparred over e-book prices with book publisher Hachette, Foer began to take an interest in whether companies like Amazon, Google and Facebook should be broken up under U.S. antitrust law. He said the law was "bastardized" in the 1960s, limiting regulators' attention to anti-competitive prices but not much else.

"That was my frustration when I went and talked to the Justice Department about Amazon," Foer said. "It's like, 'Well, they're actually hurting consumers over the long run by hurting producers. And they're behaving in a bullying sort of way. Maybe not to consumers, but to producers. Why in God's name can't you see the harm?' And they just couldn't see it because it was so outside of the current paradigm under which they're operating."

And although Google's and Facebook's core products are free, their concentrated power is still dangerous, he noted.

"Facebook and Google are constantly organizing things in ways in which we're not really cognizant, and we're not even taught to be cognizant, and most people aren't, and done in a way in which they're leveraging our data," Foer said. "Our data is this cartography of the inside of our psyche. They know our weaknesses, and they know the things that give us pleasure and the things that cause us anxiety and anger. They use that information in order to keep us addicted. That makes the companies the enemies of independent thought." You can listen to **Recode Decode** wherever you get your podcasts, including <u>Apple Podcasts</u>, <u>Spotify</u>, <u>Google Podcasts</u>, <u>Pocket Casts</u> and <u>Overcast</u>.

Below, we've shared a lightly edited full transcript of Kara's conversation with Franklin.



Kara Swisher: Hi, I'm Kara Swisher, editor at large of Recode. You may know me as the organizer of a popular board game night for tech CEOs — they always want to play Monopoly but in my spare time I talk tech and you're listening to Recode Decode from the Vox Media Podcast Network. Today in the red chair is Franklin Foer, the national correspondent for the Atlantic and former editor of the New Republic. His most recent book is "<u>World Without Mind: The Existential</u> <u>Threat of Big Tech</u>," which just came out in paperback. Frank, welcome to Recode Decode.

So honored to be here.

We ran into each other at a Washington, D.C., party the other night.

As one is prone to do.

Which was an odd one. It was by David Gregory. Thank you, David, for having us. It was a delicious meal with Beth Wilkinson, his wife. It was really interesting. It was my first big Washington party since living here part-time.

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Since you, yeah, yeah.
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#### It was interesting to hear *their* take.

How have things changed?

#### It's an interesting ... I feel like I'm in the "Hunger Games" and I'm living in the capital, you know what I mean? It's nothing, really. I thought it would be different.

I would love to hear you at some point go on about the contrast between the cultures of the Bay Area and Washington, D.C.

#### Well, they talk only about tech there and they talk only about politics here, right?

Yeah.

#### Pretty much. Tech gossip versus political gossip.

Right.

#### It degenerates into Trump. All of them degenerate into Trump, essentially.

Yeah.

#### And I want to talk about that with you.

That's a condition of modern life.

Let's go through your history. You have a really amazing history journalistically. You worked for the New Republic. You were at the New Republic and have been in Washington, written about policy and all kinds of issues. Then you're now at the Atlantic, which has now all the ... how's the money doing over there, with the Laurene [Powell Jobs] money? It's pretty good. I'll tell you a story between the time ... so they serialized my book last year and the chapter they serialized was the chapter about how Silicon Valley was swallowing journalism, and so it goes into galleys and the print issue, as you know, has an insanely long lead time, and in between the time that it went into galleys and the time it appeared, Laurene Jobs had bought the Atlantic.

### Part of it, right?

Part of it, the Atlantic, and I looked like a punk.

Yeah, you did, but that's okay, she doesn't care. They don't care about anything. We're gonna talk about that too. There's so many things to talk about with you. You're working for the Atlantic, you cover, you had a ... just give me a quick history of where you've been. You've been to ... Where did you start?

Okay, so my first job was actually at Slate, which was then owned by Microsoft.

#### Yes.

So the summer ...

#### You've been working for tech people your whole life.

Yeah, exactly. Can't escape it. Yeah, so Microsoft, as you will remember ...

#### Yes, Michael Kinsley.

... wanting to build with Michael Kinsley, but they wanted to build a media empire and so they started an entire fresh campus called Red West where I went to, and it was kind of the archetypal tech paradise with a gorgeous cafeteria, a waterfall running through it.

### But you had to *pay* for the food there, which is unusual.

You did. You did.

#### Microsoft is cheap that way.

Yeah, they gave us the drinks, but not the food.

#### Yeah. Right. Yeah, Red West was always interesting to me because they were like, it's Red West. I'm like, you're 500 million feet away from Bill Gates and that's the only important thing at Microsoft.

Yeah. Well, do you remember this started ... they had a women's magazine called UpWire.

#### Oh, I remember all of them.

Wonder why that one failed.

#### Mungo? Not Mungo, was it UpWire? UpWire.

UpWire.

#### On the first, on the MSN, MSN2 ...

Yeah, yeah.

#### ... had all those, and it was all dark and the comic appear — Oh yeah. I was around. I wrote about all that.

Yeah, yeah, yeah.

# What was it? Did they have Mungo Park? No, that was Discovery. There's a whole bunch of them. They were all bad.

Right, but they were going to become the *new* media empire.

#### Oh, yeah. Yes, they were.

But alas, that didn't work out.

They thought I was mean when I said this, I snickered at them the entire time. "This is mean." We can do it here, but there was Michael who was so talented up and Jack Shafer was there.

Yeah, exactly.

#### They were all there.

Exactly. They were going to ... Sidewalk was their competitor to the city paper.

# Sidewalk, that's right. They took a lot of Washington Post people at the time.

Yeah, yeah. Well, and then MSNBC, of course, was the other great bastard child of that shotgun marriage.

And MSN.com. They just put a lot of money into a lot of things. Now they're into the cloud, I think that's all they're doing now.

Yeah, so I was there for a couple of years.

#### By the way, Slate was a great product.

Yeah, it was.

#### At the same time, it was a great ... thank you for the money, Bill Gates.

Yeah, it was a revolutionary magazine and for a chunk of time, it was one of the great magazines, I think.

#### Yeah.

And it was actually pretty fun. I mean, do you remember at that time, probably you had more exposure to that than I did, but just the feeling that everything was up for grabs at that moment?

#### Yes, absolutely.

And that there were no rules and it was just really, it was exhilarating. You could experiment. I did that and then I went to work for the New Republic, which was ...

#### The opposite!

Yeah, it was. It was a magazine. I'm a first child. I want to please my father. It was the magazine my dad had read.

# It was a hot place to work for a long time when I was very young in journalism.

Yeah.

#### That was like, if you got that you were made kind of thing.

Yeah, yeah, I loved it. It was a joyful place for me to work, even though I had to deal with some incredible personalities who made life...

#### Yes, oh, I know them all.

... very difficult at times. I was a writer there and then I was an editor from 2006 to 2010, and in 2008 when the financial crisis hit, it made life really difficult for the New Republic. The New Republic was already a difficult place to work because we just struggled with the digital era.

### Did Peretz own it? Did Marty Peretz own it?

No, he was a part owner at that moment, but the advent of blogs *was* an existential challenge to the magazine because ...

#### That's what it was.

The magazine was ... yeah, it trafficked in opinion and then suddenly opinion became ubiquitous, and a lot of it was just as good as the stuff that we were publishing, and in some cases better. It became a real challenge to the magazine and how do you adapt to that sort of world?

Then the financial crisis hit and we constantly had beneficent owners who were doing it as kind of a hobby. It became harder and harder to find hobbyists to take on a magazine like that. Then at a certain point I just kind of got sick of it and I left to go write books and write some essays. Then in 2012, the magazine was about to be sold again and it was looking for an owner. And along came this guy <u>Chris Hughes</u>.

### Chris, I know him well.

Who was kind of this mystical savior. He was so smart.

#### Yeah, earnest.

He was so earnest.

#### Yeah.

So dedicated to what I felt were the core values of the magazine. I really liked him a lot. Got on just famously well with him and in fact, I always did, which was kind of the surprising thing to me.

### He was a lovely guy. I just had him on the podcast about UBI. He's all into the UBI issue.

Yeah, yeah. A lovely guy. It seemed like this incredible opportunity because we'd struggled before.

#### Endless money.

Now we had all this money. We had an owner who was committed, we had an owner who got a lot of attention because of his earnestness and because of kind of the idealism that he espoused.

#### His husband running for office. No, it's a great story. Right.

It felt like we had this kind of once-in-a-lifetime opportunity to remake journalism in a dignified sort of way, to do a demonstration project that we could master all these things that have challenged us in the past.

# You guys. I remember meeting him and I was like, "Oh, no, no," He can't help but meddle. They all can't help but

#### meddle.

Well, in my head ...

Pierre Omidyar was doing this, too, with the Intercept and I'll never forget, I talked to him because we talked to him about funding some stuff and he was like, "We should talk about it." I'm like, "I don't want to fight with you." I don't have an interest in ... but one of the things I was like, these people are going to drive, if you pick a desk, they're going to think you're meddling. This is a group of people, you all have personalities and so thanks for the money, but go away, it's not something that ...

Well, the thing that I thought about Chris — and I think you'll probably agree after having talked to him a bunch — is that he's kind of a conflict-adverse guy. He's not one of the founders.

#### No, he means well.

He means well and I'm a conflict-averse person and we had this kind of perfectly conflict-adverse relationship until things exploded.

#### Yeah, so what happened there, from your perspective?

What happened was, and I'll talk with you in a little bit greater honesty than I've talked about... I mean, I think that his life was kind of in crisis when his husband ran for Congress and there was this front page story about them on the New York Times.

#### Yes, I saw that.

And I think it was just embarrassing to him. And then the New Republic *was* losing ... we were spending a lot of money, not I think ... in his fortune, he could easily absorb the losses, but nobody likes to absorb losses.

#### Millions of dollars in losses.

Even if they've kind of advertised themselves as an idealist.

#### "I'm here to take the losses," right.

He really scrambled to kind of ... well, and also, I think he felt a degree of shame in that he was always considered to be this guy who had lucked into his fortune.

#### Yeah.

That's kind of one of the main theses of his new work.

#### He was there.

Right, he was there. He wanted to prove himself.

# Right, at Facebook. Chris made his money from Facebook, from when he was in the dorm room.

He wanted to prove himself on terms that Zuckerberg and the other early Facebook people would respect. And also he acknowledged that he hated selling ads, which was the thing that he had shouldered a lot of when he appointed himself publisher of the magazine.

We began shopping for a CEO and there were all sorts of different ways that we could go with that. This is one of the

things that was surprising to me was that he was so open with me about the process of selecting a CEO. I'd always reported to an owner before and so there was going to be a new layer. He was very gracious and ...

#### He wanted you to be part of it. That makes sense.

I liked most of the people that we'd interviewed, except for the one that he wanted to pick, and that guy who's actually ... <u>whose</u> <u>name was Guy</u>, ironically.

#### Mr. Digital.

Yeah, and he had come from Yahoo.

### Oh, I know Guy.

Yeah, and I didn't have anything against his resume, but it was clear to me from the start that he ...

#### What a bad fit.

It was a bad fit, but also that he just didn't want to deal with me.

# Right.

In the process, where Chris had opened up this interview process, I was having coffee and talking on the phone with all the candidates, and he was the one who just kind of seemed to be avoiding me. I took that to be a bad sign and I let Chris know that he was the one that I didn't like. Of course he was the one that he picked. Then it was almost inevitable that things would go bad from there. There was this, my first, it took me two weeks to get a meeting with him. When I did I went into his office, and on a whiteboard he just started to diagram the ways in which he wanted to change the editorial process of the magazine and all of these shifts, and it was a being imposed. Then we had this editorial meeting where he unveiled himself to the staff and it was like he'd studied every single cliché of being a tech CEO and wanted to come in and kind of swagger, and there was just no effort to ...

### Shareable nuggets.

Yeah, snackable.

### Snackable nuggets.

Snackable content.

#### Scalable. Scalable.

Yeah. Well, and also just kind of a ... It's a magazine that had just celebrated its 100-year birthday.

And *you* guys are the worst ones to pull that stuff on. Oh, no. I'd have to say if I had to pick a group of people, I wouldn't pull that on it would be that group. By the way, you're not easy yourselves. That's the thing, that you're resistant to change.

Yeah. Totally.

#### Utterly resistant to change.

Totally.

# I talked to a bunch of ... I was like, come on. Some of this stuff you can start doing.

Well, to be fair, I felt over time I was ... because I'm a grown-up. I understand that the world ... things change. That you have to swallow things that you don't want to do. Some of it is easy, but there was this way in which ...

#### Oh, no. He was wrong.

No, but there was also this way ... In their defense, there is this way in which kind of subconsciously, even if you know something is easy and it's helpful, you don't want to do it because it's not what you signed up for.

Right. Exactly. No, but I think in a lot of ways it's ... when these tech/journalist things happen, all that matters is the journalism, for one. That's No. 1. And No. 2, you aren't going to make a lot of money here, everybody. That's the other ... sorry, you can make good money. You'll be famous. I think the way Bezos has done it is perfect. It's not going to make a lot of money, but it's good. He's helping it. It's gotten better. Those are the smaller things and that's what I hope the rest of these people will realize. But the journalism matters above all. And that's it.

Yeah. Yeah. Well, I think it's exactly what you're talking about. It's once you come in with a plan to alter the core, and then you're starting to mess with the mission of the organization, you're essentially destroying the underlying value of the enterprise.

### Yeah, but there's nothing wrong with asking people to tweet and do things like ... get in that ... journalists are *still*

# resistant. I'm like, get out of the way if you don't want to understand that.

Yeah. I don't disagree with that, but there was this way in which ... so, one of the faults of the New Republic, in its modern incarnation, was that it was contrarian to the core. Then you were asking us to kind of do the thing that was trending and the thing that everybody else was doing. That just felt bad because you signed up to be original and then they were like, we'll just take a goddamn clip from "The Daily Show" and write a tested headline for it. That's so easy to do. Right?

#### And probably the right thing.

We probably should have been able to do it, but there was this way in which, when you ask people to do that, they just resent it so much!

#### Journalists are such jerks.

You're also ... it's at the New Republic.

#### You're not paying them enough to ...

Yeah. It's like if you're asking ... that's work that ends up getting passed down to a kid and you're like, we're paying you \$30,000 a year or whatever, \$35,000 a year and you came in with this expectation ...

#### Of writing the great essay.

Yeah, and then you're going to have to just cut and paste links from shows all day long.

#### Now you work for the BuzzFeed farm.

Yeah, yeah.

### That kind of thing.

Yeah.

### You were there and then you left. You left quite famously.

Right. I resigned, but it was also a resignation where I knew I was going to get fired.

### Right. It was very righteous. I liked it.

Thank you.

#### It was over the meddling?

Yeah ... well, what happened was at a certain point, I was just like, I'm done.

#### Life's too short.

I was actually, I was going to quit. I was going to quit and I was going to offer them terms of quitting, where I was just like, look, I'm not your guy to do this. Let's just ...

### Bygones.

You can just move on with your thing. I'll move on with my thing. Best of luck to us all. Then I knew that their ... I've got, because I'm a reporter, I heard that there was some other guy who had been an editor at Gawker who was talking to people about jobs and he was saying that he was going to be the next editor of the New Republic. I mean, at that point it's almost a cost-free resignation. It's not as righteous as you want. The other people who followed me out the door were doing it for righteous reasons and so a bunch of the staff quit because they did not ... Just in terms of signaling ...

### It was fantastic! It was such a good media moment.

Well it was, and it was like an adolescent fantasy where you're like, "I quit!" and then a bunch of other people quit too, but it's also, it's a scary thing, right? In journalism, we're kind of berated by our owners and by the media ...

#### Not for me, I love quitting.

The media is constantly telling you that there are no journalism jobs. Right? That if you ...

#### Yeah, I love quitting. It's my favorite thing.

Yeah. It is pretty ...

#### It's my favorite weapon. "I'm leaving now." It's great. It frees you, when you don't worry about it.

It is true.

#### You know?

That is so true.

You take back the power. It's great. You have to be talented. That's the thing. You have to be so you have other options. It's pretty powerful to start doing that because now it's easier because you can make your own things. If you're entrepreneurial, it's good for you. If you're not, it's bad for you. You went on to do the Atlantic, so you left there. And then who owns the New Republic now?

A guy from Oregon called Win McCormack, who I think also owns the Baffler.

#### Okay. They're more comfortable in that setting.

Yeah.

#### Yeah.

It's been reinvented. And from my own psychic peace, I didn't look at it for a long time, but actually as I was on my way up here there was Ezra Klein's copy sitting in the mailbox, and so I picked it up. I was like, I haven't seen this thing in so long and I just ...

#### Of course Ezra gets a copy!

"Let me just take a look at it." It was actually, I actually liked what I saw. It surprised me. I mean, it's a lot further to the left than we were back then.

It should be. That's where the zeitgeist is going.

#### You moved to the Atlantic and then wrote this book. You've been working or did you write the book first?

I wrote the book first.

# What prompted you? This experience with Chris ...?

It's actually, so, yes it did, but really I was ...

# Yeah, so you got a little glimpse into my world and he's one of the nicer ones, I'll tell you that.

I had actually begun to think about this much before, because I had been radicalized by Amazon's conflict with Hachette over ebook pricing and so I saw this and it's all self-interested, right? I was a writer with ... I had written a book with Hachette and I just saw what Amazon was doing. At first, I didn't really care that much because it's a big publishing oligopoly against an e-book monopoly. I get a lot of stuff from Amazon and I've never been anti ... I wasn't especially anti-Amazon before that, but then I saw the way in which they were abusing their market power, stripping the buy buttons off of Hachette books, redirecting people on searches. It got me thinking and it got me active, and yeah.

We're here with Frank Foer. He wrote a book called "World Without Mind." It's about the threat that big tech brings to us. You had said you started it, because you had had this experience with Chris Hughes. You'd gotten a little taste of the internet people, and then Amazon was attacking Hachette.

Right. I was active, I got active with the Authors Guild, and I went in to meet with the FTC and the Justice Department to try to get them to do something. One of the things is that my dad is an antitrust lawyer who ...

#### Oh, even better.

It's like his passion.

#### This didn't — yeah.

It's his passion. Another weird thing, so right now we're in a building on Connecticut Avenue in Washington, D.C. It was a building my grandfather had a jewelry store for a long time, in the Brooks Brothers space.

#### Okay. All right. Okay.

When he was ... My dad was trained as an antitrust lawyer. When my grandfather was passing away, he asked my dad to take over the jewelry store. My dad was waylaid a little bit from his passion for antitrust, but he was also, he testified against Robert Bork as a small businessman, and it was something that he just always remained really passionate about.

When the recession of the early '90s wiped out a lot of retail, my dad was stuck, trying to figure out what to do. He's like, "Screw it. My passion is antitrust. I'm going to start an advocacy group/thinktank to ..."

#### His passion was anti... Just once.

I know.

### Okay, all right, whatever.

I know, everybody is moved by their own thing.

# I guess.

Can you believe it's like ...

# "Antitrust, yes, that will be my interest."

Yeah, yeah.

### Okay.

I never ... it was like I grew up hearing about the perils of monopoly. It was something that I didn't really take to until I could start to see it with the tech companies. I started to think about it almost from an economic framework first and expanded out. Just that there's this problem of dependence. When you become dependent on a platform, the platform starts to have all this power over you.

Writers are incredible narcissists. We like to think that we're at the center of the narrative. But actually, in a way we were, because Amazon first ...

#### Started with the world's biggest bookstore.

It was a bookstore, right!

#### Mm-hmm.

They amassed this incredible monopoly in e-books, an indisputable monopoly. Seventy percent of all e-books are sold through Kindle, and so they could set the terms. They were setting the terms in a really bullying way, with no concern to the underlying health of the industry. They were disrupting the industry in order to consolidate even greater power. They wanted everything published directly through Amazon.

Now, that didn't work, which is really interesting, that e-book sales have plateaued.

#### Right, and Apple came in and others.

Apple came in, but also the idea of Kindle singles and that they were starting a publishing house where they would use their platform to advantage themselves.

#### **Remember?**

That didn't work. I think publishers — book publishers as opposed to media — have actually made a lot of important decisions that, in retrospect, were virtuous, healthy decisions where they defended the underlying economic value of their product.

They did take a stand against the platform. They didn't meekly accede to [Facebook] Instant Articles...

### They're still under the sway of Amazon though.

Oh, of course. But they also protected their business.

#### Right. For now, for now, for today, because Amazon's selling microwaves and furniture now. They'll march into every sector that they can march into.

Of course, but isn't that ...

#### Yes.

What I'm getting at is, what happened with publishers is going to happen to the rest of the economy. It *is* happening to the rest of the economy.

#### Yes, yes.

If you're a peach producer for Whole Foods in rural Pennsylvania, you're going to start getting squeezed by Amazon at a certain point.

Right, absolutely. When you're saying "world without mind" ... you had these two experiences, one in the New Republic, one with Hachette and Amazon, why "world without mind?" You decided you were going to write a book about this very early on, I think most people were in the, "Tech is fantastic" zone when you were writing this book.

Yes, so it definitely felt like a quixotic adventure at first. I was thinking about a couple things. One is, I also ... I wasn't as articulate and precise as somebody like Tristan Harris in terms of talking about attention.

### That would be addiction. Right, attention.

But I could see that these devices were the enemy of contemplation, and that, obviously, I wasn't the first one to make this point. Lots of people were making this point that they were constructing an attention economy. But that, to me ...

### A slot machine of attention is what I call it.

Yeah, and that to me was one crucial piece of it, which was that they were actually preventing us from thinking.

# Well, they're addictive, and they were underscoring their addiction by creating the way, the way they were doing it.

But when your thought processes are constantly being manipulated ...

#### Interrupted.

... by invisible forces, which is what happens where Facebook and Google are constantly organizing things in ways in which we're not really cognizant, and we're not even taught to be cognizant, and most people aren't, and done in a way in which they're leveraging our data.

Our data is this cartography of the inside of our psyche. They know our weaknesses, and they know the things that give us pleasure and the things that cause us anxiety and anger. They use that information in order to keep us addicted. That makes the companies the enemies of independent thought.

Right, so you have that, the addiction part. You have the market power over advertising, over all kinds of behavior, over retail, over how people look at things.

# When you're saying world without mind, it's that we don't have a mind anymore. That's essentially it, right?

Yeah. I was getting at a couple things. One was the addiction piece of it. One was the ways in which I saw that they were devastating journalism and culture industries. Not universally, because ...

#### Music. Entertainment.

Right. Obviously, we've seen in television something of a renaissance over the course of the last ...

#### In part because of these companies.

In part because of these companies, no doubt. But, we could also see in a lot of the other traditional culture industries that it was ... That their values were perniciously infiltrating the industry.

In journalism, we could see the ways in which ... As journalism has grown increasingly dependent on Facebook and Google for traffic and, therefore, for revenue, the ways in which ... When their algorithms change, when they construct these systems, you have no choice but to adhere to their standards and values as you go about constructing things.

### They are ill-equipped to do that.

Yes.

I just was having a discussion about that. In terms of when someone was asking me about Mark Zuckerberg, and I said, "He's ill-equipped to handle these issues." That's the worst problem. He has the power and not the ability.

Well, it's also, when you interviewed him ...

#### Mm-hmm. Oh.

... and he sunk himself, you could just see the wheels turning in his head.

### Slowly.

... and he just didn't understand the way ... It seemed like he didn't even understand the way his own platform worked.

# I think he's ill-equipped to handle the challenges, which are massive, in front of him, and he has all the power.

There's a broader cultural problem, which is that you have these companies that were started by engineers, and engineers ascend to the highest ranks of those companies.

### That's right.

If you're trained as an engineer, you're trained in a very narrow way of thinking. You're trained to make a system work and work on its own terms.

# You're trained not to look at the problems. You're trained to look at only solutions.

Yes, exactly. But you've also, and you're trained to ... When you construct the system, you think of human beings as a pile of data ...

### Mm-hmm. Right, right.

... not as a human being. You can't think of them in all their full dimensions.

Or you can't reflect on, again, reflect on what happened. It's sort of like the Challenger accident and going, "We're not going to focus on the O-rings. Let's just build a better rocket." That's how they answer. You're like, "What about the O-rings? How did that happen?" That's a really interesting problem, and it resulted in tragedy, so let's ...

But, if you don't diagnose the problem with the O-rings, you're skipping something fundamental in understanding the way that

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Of course. No. Exactly. Which is why in that interview when I kept saying, "How do you feel about this?" He's like, "I'd like to get to the solutions." I'm like, "I'd like to get to the ... I'd like to get to how you got to the problem."

Yeah.

I kept saying, "How do you …" That's why I kept asking four or five times, "How do you feel about your invention being misused this way?"

This is the thing that annoys me in these conversations, because I've tried to engage with the tech companies at various moments. They can understand, "Okay, we have a fake news problem. Okay, we need to ..."

#### The bot problem.

But they never talk about manipulation, which is the core of the problem. The problem is that they've created these platforms that are based on ...

#### Manipulation.

... this idea that they're going to be able to manipulate us to engage us for as long as possible, and that other people are going to come in from the outside and take advantage of that, because that's the system that they created.

# Well, that's, I keep saying that. It's exactly ... They didn't hack. It was built this way.

#### Exactly.

It's acting ... Remember Jessica Rabbit? "You can't blame me, <u>I was drawn this way</u>. This is the way I was drawn."

There was a point you were trying to get through when you were talking about was this, that we are facing a threat from these companies which was ... You were early. I've always been banging at them. But in terms of the public, why has it taken so long for that to happen? Why did it take so long? Then, in our next section, I'd like to talk about where it goes. Because now, everyone's fully aware of these problems.

Look, the United States has not ... When we build a competitive sector that becomes a source of national pride, when you have a new ...

#### Which tech is.

You had a new elite emerging, and it's exciting to have a new elite emerge.

#### And they're very wealthy.

They're very wealthy. They defied a lot of our stereotypes about what captains of industry should look like.

#### Hoodies and sneakers.

The cult of youth is such a powerful, American thing. You have these people appear on the scene.

At first, I can't say that I was skeptical of these people right from the start. What they did seemed exciting and novel. It takes a while for us to realize exactly what they've done that's so terrible, or what the threats are that's posed by them. Media certainly was complicit in concocting a very, very glossy perception of this cohort.

# Mm-hmm. In terms of how exciting they were, how interesting, how quirky, how strange, aren't they refreshing? You're not your father's old logo.

That, and also the products that they were creating ...

#### Were great.

... defied a lot of our templates for thinking about some of these problems. If you're talking about monopoly, well, they give away their products for free. They defy a lot of the problems that we associate with monopoly, which are all about jacking up prices, or ... Media was in no position to decry them, because they'd made a devil's bargain with them many years earlier.

What's interesting to me about the backlash is how much of it seems based on pent-up emotions. There's this psychodrama that journalism has had where it's known a lot of what's wrong. I'm talking the New York Times, where it was like, every day the New York Times was hammering these companies. It was this pent-up rage that they were suddenly expressing that they hadn't been allowed to talk about or feel or express for many years. It came out in this everyday hammering.

#### What tipped it, from your perspective? Because it was going along like, "Look at these cool covers of Fortune, aren't these interesting?"

Yeah.

# Rulers of the world, that kind of stuff, it shifted really quickly.

Well, clearly, the proximate trigger was the election of Donald Trump.

# Right.

On the surface, the reasons for the backlash were obvious, the Cambridge Analytica scandal, Russian interference more generally. But, I think it was also the sense that ... and it's not even expressed that much, because it sounds elitist, and as you know from my book, I'm not afraid to sound elitist.

### No, go right ahead, Frank. Really, I am too.

It's that Facebook produced this garbage ecosystem for news and information. If you give citizens garbage information, they're going to make garbage decisions.

This is the intangible thing I lay blame at Facebook on, that I can't prove explicitly. But when so many people are influenced by what they read on Facebook, they deserve blame for creating the environment that created Donald Trump, because it was not ... It's not an environment of reliable information.

### Twitchy.

It was an environment filled with filter bubbles that weakened our intellectual defenses. It made us really vulnerable to demagoguery.

#### Right, and Twitter?

And Twitter, yeah.

#### Same thing, just the handmaiden to Facebook kind of thing.

Yeah, I'm a little bit less hard on Twitter, just because its market share is smaller.

#### Oh, its influence is massive.

Its influence is clearly massive, yeah. Its influence is on elites as much as ...

# Right, as anyone else. But look, Donald Trump has used the platform beautifully.

Oh, no, it's not a virtuous environment.

#### Right. When you're talking about this, when we don't have these ... What are your solutions going forward? Because I think the backlash is really continuing. It hasn't stopped.

I think that we see two types of solutions coming down the pike.

#### Actually, can I ask you one more thing?

Yeah.

# It's also not all of tech. Can you really blame certain companies for this, others that are not necessarily ...

No. I tried to focus mostly on the GAFA companies — Google, Amazon, Facebook and Apple — because they have the size and I think that they're crowding out a lot of innovation in the rest of tech.

#### Yes, I do too.

It's a hard position to take where I am ... I do have certain Luddite tendencies, but I also think that tech is an incredible thing, that Google is one of the great achievements of human engineering. The iPhone is a pretty spectacular incarnation of human creativity.

# Yes, it changed everything.

Yeah. There are two things that are coming down the pike. One is the possibility of regulation. We've seen it already happening.

### Right.

Sex trafficking is the first place ...

### Yes. Around Section 230.

Yeah, and then we say, "Okay, you need to take responsibility for foreign political influence on your sites." Everybody applauds these things, because who could possibly object?

Then there's governmental pressure to regulate other speech, to curb bullying, to curb bots, and it just doesn't stop, potentially. I think that there's a real danger. You look at China, that if we regulate these platforms in the wrong sort of way...

I'm sympathetic to their arguments that regulation could be a way for them to squash competitors. We saw this with AT&T. AT&T cut a deal with the government where they said, "All right, the function we perform is a utility function. You're going to keep our monopoly, and we're going to do whatever the hell you say." That puts us down the road to China. That's why I ... you know, I'm not anti-regulation. I think that we need to have *some* form of data protection. Maybe there are other, softer steps that we could take that ...

# Think about those. What would those be? <u>An internet bill of</u> <u>rights</u>, a what?

Yeah, so I think that I'm interested in some of the fiduciary models that are being kicked around.

### Explain that for people.

When you're dealing with, when you're trafficking in data, when you're trafficking in news and information, all these public goods, historically, the government says, "Okay, you can traffic in those public goods, but it also comes with responsibilities." With the environment, there are clear rules that we put on that say, "You can't degrade this public thing in certain ways."

# If you're a cigarette manufacturer or a chemical manufacturer.

Yeah, if you're a factory... We did the same thing with the telecom companies as well. With telecom companies, with the news networks, where they had fairness doctrines.

#### Fairness doctrines.

We also limited the ability to own too much, yeah.

#### To own too much. Right.

I think that there are important analogs that we can consider there.

### That we consider, do you think that's going to happen?

I do. I think that, I do. I think that there are changes within the Democratic party right now that make that much more likely to happen.

### Oh, yeah.

I just talked to, I just did an interview with Mark Warner that hasn't been published yet.

#### Yeah, we did have him at Code this year.

He published this white paper that I think is really sweeping in its criticisms of big tech.

#### Oh, yeah. Yeah.

It doesn't have the silver bullet solution. It's kind of an all ...

# No, he's quite into, I think he's focused a lot on cybersecurity and things like that, but yes, 100 percent.

But he's now talking about privacy and he's talking a lot about news.

Mm-hmm. Yeah, because what was really interesting, because someone from Facebook the other day was saying, "Well, they're only mad at us because we stopped pushing politicians in the press on Facebook and are focused on family and community and stuff like that." I go, "I don't think that's ... I think that's ... Yeah, they're really mad about that." I don't think that's what they're really mad about. I think they're mad about a range of other things.

# You're right. The Democratic party, which was the friend to tech, is now going to turn on it.

You interviewed Cory Booker, right? That was the famous interview where he ...

### Yes, and we did Mark.

So, when Booker talked about regulation in your interview, I think ... I had lunch with somebody from Google soon after, and they said, "Well, that's the marker that's been laid down," that he is kind of the most centrist politician ...

#### Yep.

That he's somebody who we thought was an ally.

#### Not anymore.

And he's somebody who now is saying that he's considering taking pretty radical action against us. Well then, everybody else in the Democratic party is gonna be further to the left than him.

Yeah, absolutely. What solutions ... When you think about their influence now, obviously everyone can be stopped on some level. Every big company has been brought down ultimately over time, whether it's U.S. Steel or whatever. These things could have these things, but they do incredible damage along the way. Do you consider tech damaging now? Yeah, I do. I do. I think that the last election is probably as good evidence as we could look at the ways in which it's been ...

## Manipulated.

It's damaging. And I think that the questions ... because tech *is* everything. It's almost silly at a certain level to talk about tech anymore, because tech is everything.

#### It's the oxygen.

Yeah. It is the oxygen. When we talk about Amazon, we're talking about the future of the economy, we're talking about the future of jobs. When we talk about Facebook and Google, we're talking about companies that have just, that are so much more than the front-facing obvious part of their platforms. And with Alexa and Google Home, they're implanting themselves ever deeper into our lives.

And I think anybody who has ... people always ask, "Can you imagine life without Google?" And I'm 44 years old. So, of course I *can* imagine life without Google. And you can see the ways in which the rise of tech has transformed us as individuals.

## Yeah, absolutely. I found my maps the other day. I threw them out. I was like, "Oh, look. I used to use these."

Yeah.

#### Because they're well worn.

But good riddance to your maps. I'm totally happy to be done with maps.

## Right.

But I'm pissed and I'm unhappy with myself and with the platforms that it makes it harder and harder for me to have a conversation with people I love where I'm fully present.

Engaged. Right. Right. Absolutely. And one of the things that's interesting is if you think about a lot, it ranges from everything. Shopping, mapping, everything you do. So, where do you imagine it's going now? You wrote about this first more than a year ago and then ... Where do you imagine, what do you imagine happening next?

I think that there's going ... You have these debates happening within the Democratic party that seem kind of esoteric, like "what's the difference between a socialist and a liberal now?" It's pretty vacuous. I think socialism just means excitement for new ideas. I don't think it necessarily means nationalizing. But I do think that there are these ... I'm saying there's two different approaches. One is that it takes us kind of away from capitalism, that maybe treats these companies more and more like utilities and that there's even some ... I can imagine us even contemplating nationalizing Google, which I don't think would be a good idea.

But then there's this other tradition, which is the anti-monopoly tradition. At our dinner party, we talked about Elizabeth Warren and I said I liked Elizabeth Warren. I think I got death stares from all the establishment figures at the party.

## Yeah, they didn't like it.

They didn't like it.

### I can tell you, tech doesn't like her either.

But she is thinking about the future of capitalism in a way that I think tech should like. Because ... follow ...

# Okay. I'm gonna follow you, because she literally was the most hated speaker we ever had at our conference.

Well, of course, because ...

# And I thought it was ridiculous. I thought she was incredibly articulate and intelligent about these issues.

Because what she's talking about is recreating a competitive economy where, if you define concentration as the biggest problem ... What's so bad about Facebook? Well, Facebook wouldn't be bad if it wasn't so dominant. So, if you had a smaller Facebook, that's something I think we could all live with.

# I think they think of themselves as smaller. You know that, these people.

I do.

The Googles. They think of themselves as scrappy. I'm like, you guys just got in a private plane and flew to Kilimanjaro to hike. You're not scrappy.

Right. You have two billion global users.

Nice chef. You know what I mean? But it's astonishing when you talk to them, because they feel like, "I'm just a regular person." I'm like, "No you're not. What are you talking about?" Yeah. This is also part of the problem, which is that, and this is separate from the solutions, but when you accumulate great power, you also accumulate great responsibilities.

## Right, I say that all the time.

When I was listening to Zuckerberg, when I listened to him on your podcast, it seemed like he was so uncomfortable with his ...

#### He wants to push it away.

... with the idea that he would have *any* sort of responsibility.

Well, he's also uncomfortable with the power, but he's not giving it up. It's really fascinating. He's uncomfortable, he wants to push away the power. "It's the community." I'm like, "But you control it." "But it's the community." I'm like, "Well, why do you have all the stock that controls the entire board? Every decision is yours."

Where we're headed is we're gonna have a conversation about power.

### Right.

This is the conversation we should be having. They have too much power and we need to ... Our politics and our policy should be shaped around curbing ...

## But do we have the right policy in place?

No.

Because we're living in an AT&T-Microsoft world, we can grab them for a monopoly. They're not clearly, like going back to your dad, the whole concept, and this has been written about quite a lot recently, the whole concept of what antitrust is has to change drastically.

Yeah. Or it has to just revert back to what it was before the 1960s, when Robert Bork bastardized it. Instead of just focusing ... The standard right now is consumer welfare, which means that if they don't jack up prices, if they don't do anything to actually ...

### And they deliver beautifully.

Yeah. Then there's nothing we can do about these companies. And that was my frustration when I went and talked to the Justice Department about Amazon. It's like, "Well, they're actually hurting consumers over the long run by hurting producers. And they're behaving in a bullying sort of way." Maybe not to consumers, but to producers. Why in god's name can't you see the harm? And they just couldn't see it because it was so outside of the current paradigm under which they're operating. I don't think it's that hard to change the paradigm here. It just takes some leadership.

### Do you think that's gonna happen?

I do. I think that we're moving in that direction. I think it's interesting when you look at what the Europeans have done.

### Yes.

So, let's set aside that ...

### And by the way, Margrethe Vestager is in town this week.

Yeah. So, you set aside the GDPR and you look at what she's done.

#### With Amazon just recently.

Yeah. And with Google.

#### And Facebook. All of them.

Right. You stare at it really hard. You can start to see the ways in which ...

#### This is the EU commissioner, just for people who don't know.

Start to see the ways in which she's thinking about, "How do I lessen their power? How do I take their advertising business and open it up to third parties?" Which is in a way a form of breaking up the company. It's not smashing it into a million bits and pieces, but it's taking critical parts of the company and finding ways to make it more competitive, more welcoming to an ecosystem that supports ...

#### Startups.

Startups and it's not just dominated by the platform itself. You look at Amazon. I think there's this interesting principle that Amazon operates like this bazaar, it's this marketplace, yet it's also a competitor in the marketplace. And I think we need to find ways to separate those two functions, to say, "If you're gonna own the bazaar, you can't also actively participate in it." It's the Google-Yelp case. Right, right. Exactly. Which has gone on and on and on. What's interesting is the Republicans are attacking tech on all the wrong reasons than they used to, like bias. That's not ... I'm always like, "No, over here."

Yeah.

### "The crime is over here."

But there is this core nugget of insight ...

## That something's wrong.

That something's wrong, that these algorithms are a black box, so that if you're gonna say that you're not biased, why should I believe you?

### Yes, that is true.

And you're manipulating things in all sorts of invisible sorts of ways. So, how do I know you're not manipulating them against me? So, they're just superimposing ...

I get that. I just am sitting there like, "No, no. That's not what they're doing! They're over here doing *really* bad things to you that you don't even see." But I think it's the obsession with Trump on bias and things like that.

Well, that's just like the conventional...

When he's their best friend. I'm like, "Hey, attack them all you want, but send them a giant embossed thank you note for what they did for you," which is really interesting on so many levels. Yeah. Well, he changed tax policy.

## Yes. Well, they like that. They like the repatriated money and everything else.

The bouquet of flowers. This isn't gonna happen quickly. I think it's gonna happen, but it's not gonna happen quickly. With the Zuckerberg hearings, everybody walked away with this great sense of disappointment, like, "Why didn't the world change the next day?" Because that's just not what happens in our political system.

### Right.

Especially when it's dysfunctional and broken. It takes time for things to turn and to change. And the backlash against these companies has come really quickly. I think much more quickly than I had expected it would. And so that needs to simmer for a little bit. And you need political leaders to emerge to kind of take those sentiments and to corral them towards policy ends that actually might do something.

## So, what do you imagine that being?

I don't think that this is gonna be ... I don't think tech is gonna be a big campaign issue in 2020. I think monopoly is going to become a big issue in 2020 because we have concentration in all these industries and it's having an effect on the labor market. It has an effect on healthcare. It's kind of crazy, if you have a kid who has a nut allergy that there's only one maker ... EpiPen's had this unchallenged monopoly and we've just fallen asleep. So, that becomes ...

### All over the place.

Yeah. That just becomes an issue, becomes a new framework. But I think that Democratic elites are starting to kind of universally almost think about the perils of big tech. So, once they come into power on this issue of monopoly, they then redirect it towards these companies. And you look at the people who would populate the FTC or the other regulatory agencies that would deal with big tech, they're thinking about this stuff now.

### Finally. They didn't before, I'll tell you that.

Even the most conventional center-left neoliberal, whatever you want to call them, Democratic policy wonks I think have arrived at the place where they can see that there's something, something big needs to be done against these companies.

## You think Trump will move against them in any way? Besides his crazy tweets?

I wouldn't be ... I got invited to speak at the Justice Department by Makan Delrahim.

### Yeah, <u>I just had him on the podcast.</u> He's hugely intelligent.

He's a fascinating guy. He endorsed my book to his division. And it's this strange thing, walking into the Jeff Sessions Justice Department and I'm kind of delivering my populist indictment of these companies and they're nodding their heads and you think, "Well, this could go really badly in dangerous directions," but so much of our world is about pressure. So, what was with Microsoft, Microsoft wasn't broken into a million pieces, but it felt pressure. And that pressure can strain them.

So when it came to using their power in a bullying sort of way, they thought two and three times about it, to the detriment of the company. But also to the good of the internet. I think Google would have been strangled by Microsoft. I don't know if you agree with that ...

Yes. Yeah, I do. Well, maybe not. Time comes for people, but in this case, they do have these advantages that they don't even realize they have. They do realize they have them. I don't know. Everyone says [today's tech giants are] more reflective. I know it sounds crazy, but what just happened with Instagram and Facebook tells me no, that they have learned ... If that happened there, it's a big sign that they're becoming more inflexible.

That's actually part of the problem, which is that in the end you can apply pressure on them, but you can't count on them to regulate themselves.

#### No.

And there was a moment ... it took me so long to quit Facebook. It's not even that I liked using it that much, but I wrote a book, I knew everything that was wrong with Facebook, but I just kept it. And then there was that ... there was kind of this spurt of things that Zuckerberg did around the hearings, and just listening to him talk after everything, I thought, "You're still being *so* evasive. You're still dissembling about the core things that your business does. Everything I think that you're doing wrong, you're probably doing 100 times worse than I know, and I'm just done with you."

### You broke up with him.

I broke up with him, yeah.

## You're still on Twitter, yeah?

Yeah.

### Why? I like Twitter. It's just a mess.

Yeah. It's fun. I can't actually ... I think that there are bad, obviously bad things that come of Twitter, but there's also a lot of good that comes of Twitter.

### Funny names and stuff like that.

But it's also, as a person who is trying to ... you made fun of me for coming in with my paper edition of the New York Times.

### Yes, I did.

But I also like Twitter. I think that they're both pretty good technologies for delivering information.

# I agree. I just haven't picked up a paper newspaper in 100 years.

In my life, I kind of need them to complement one another, because I get lost on Twitter all the time.

# Well, that's good. So, finishing up, what's your next book, then? What are you gonna focus on?

I'm focusing on work.

Future of work. That's my big thing. I talk about that a lot. Especially, I'm focusing on the tech company's responsibility in it, but it's critical, how we're gonna work. It's all affected by tech, AI, automation, robotics.

Totally. I'm not doing this about tech, per se.

## Right. [whispers] *It's about tech*.

I know it is about tech. But tech is everything.

## Right.

No, I'm trying to do it about kind of asking the question, "Why is it that we work?"

### Yes.

Work is a source of meaning. It's something that's ...

## Dignity.

But it's something that we ... We work all the time and yet we're very unreflective about why we do it. So, as a consequence, both as individuals and collectively, we degrade the possibility of gaining meaning from work. And if we focused on that, I think that we could make work a lot better for us as both the choices that we make individually but also ...

## That's a great topic. By the way, you're only gonna work three days a week going forward, just so you know. Your kids are definitely not working more than three.

I'm kind of psyched about that.

### Really? You'll be dead by that time.

Yeah.

### So, you're gonna work 365 ...

I thought tech was gonna deliver me immortality.

## No, it's not gonna do that for you. Maybe your kids, but not you. Never for you.

I thought the singularity was happening in my lifetime.

## No, it's not. Let's not even get into that. Frank, it was great talking to you. Thanks for coming on the show.