

Intro ([00:04](#)):

Welcome to the Bill Walton Show, featuring conversations with leaders, entrepreneurs, artists, and thinkers. Fresh perspectives on money, culture, politics, and human flourishing. Interesting people, interesting things.

Bill Walton ([00:24](#)):

Logical innovation matters critically in determining not only America's future, but the world's. For the last 200 years, innovation and technology have produced dramatic increases in living standards and/or quality of life. Looking ahead, only these things can deliver the necessary growth, productivity, and scale to create a world with higher wages, clean and expensive energy, advanced healthcare, and all the things that matter for human flourishing. Yet, the biggest barrier to delivering this bright future is the growing hostility towards technology. Today there's a widespread and growing belief that technology is the root of all evils. All sorts of people are claiming that it destroys privacy, spreads misinformation, undermines trust and democracy, eliminates jobs, discriminates by race, by gender, increases inequality, rips off the consumer, harms children, and even threatens the entire human race. Wow, this is quite a bill of an indictment, and yet as you read and listen to podcast or watch cable, this is what you hear, almost in a steady drumbeat.

[\(01:44\)](#):

But the question is, is any of this true? And I happen to think it's not true. And are these claims, are they just myths that are being exploited for political and for other purposes? To dig into this truth about technology and explain why these myths are not true, Rob Atkinson and David Moschella, they've just published a fascinating book, *Technology Fears and Scapegoats: 40 Myths about Privacy, Jobs, Artificial Intelligence, and Today's Innovation Economy*. Available on Amazon, and I might say on Kindle, but I really recommend the hard copy. It's an excellently designed book.

[\(02:27\)](#):

Rob's a founder and president of ITIF, the Information and Technology Innovation Foundation, and the author of many books including *Innovation Economics: The Race for Global Advantage*. David is a non-resident senior fellow at ITIF, and previously was head of worldwide research at IDC, the largest market analysis firm in the information technology industry. A very big job. So, Rob, David, welcome. As I said, it's a fascinating book. Disturbing. Lots of things you get into about why technology has been demonized. Rob, you want to tell us about... Want to get us started into what I'm sure will be an interesting conversation?

Rob Atkinson ([03:13](#)):

So, Bill, when I started my career after getting my PhD, I worked at the National Institute of Standards of Technology, up here in Gaithersburg. Then I worked for the Congressional Office of Technology Assessment. This was back in the early 90s. And back then, none of this was going on. Everybody loves technology. There wasn't this massive left-wing "public interest groups" that were demonizing it, that the press was generally very supportive of technology innovation. We've really gone 180 degrees in the opposite direction.

[\(03:47\)](#):

And why this is so important is because at the end of the day, America's always flourished way more than anybody else in the world because we had this underlying faith in innovation, in the future, in taking risks, in going forward into the unknown. And now, that's really at risk. People are saying, "Wait a minute, we shouldn't deploy facial recognition because it's racially biased." Well, that's wrong. Perhaps

the most pernicious myth, and I'll just stop here, is the myth that technology innovation has not improved the average worker's living standards in the US. Because if it hasn't, why bother? Right? Turns out that myth is 100%.

Bill Walton ([04:29](#)):

Amplified.

Rob Atkinson ([04:30](#)):

Well, you'll oftentimes see, including David Leonhardt, The New York Times, a chart that goes like this for productivity, and this for wages. Oh my god, productivity is out, wage is out. Well, when you really look at it, for example the Congressional budget office, when you look at it, when you compare total... I won't go into all the details, total compensation as opposed to just not non-wage and weigh out, you use the same deflator for everything. When you do all of that, it turns out that productivity and wage growth are like this.

Bill Walton ([05:03](#)):

For anybody listening to this, it's just the lines overlap completely. You get more productivity, means more wage growth.

Rob Atkinson ([05:09](#)):

Yeah. For the median wage for the average. And so, there's another study, actually the Europeans did this study [inaudible 00:05:14], and they found that wage growth for the bottom 50% increased more than the top 50%. So, it's a myth to say that these technological innovations only help the 1%. It's wrong. And they say it, the left says that, in order to demonize entrepreneurs, in order to demonize technology, and to move towards a redistribution society.

Bill Walton ([05:37](#)):

David?

David Moschella ([05:38](#)):

Yeah, I'll just add another dimension that I focus a lot of my work on, how technology contributes to our competitiveness, and the vital role that it's played. As someone who grew up in the Boston area in the 60s and 70s, Massachusetts was considered a dead economy with no real future. And then, this thing called the minicomputer was designed out of MIT, and created companies like Digital Equipment, and Prime, and Wang and all this. And all of a sudden you had the so-called Massachusetts Miracle, and it turned around the entire state, and entire region, and led to presidential campaign of Michael Dukakis. And then, again in the 90s when the world was saying that Japan was number one, and that companies like Fujitsu and Hitachi and Toshiba [inaudible 00:06:27] and all these companies were destined to take over the entire electronics world. Well, this time Silicon Valley rose up and defeated them decisively, in companies like Microsoft and Intel and [inaudible 00:06:39] and Dell.

Bill Walton ([06:39](#)):

And we can guarantee that today's technology giants 20 years from now will not be. The seven, whatever they are, they're dominating, there might be a couple of them that are hanging in, but somebody's going to come up and invent something that's different.

David Moschella ([06:53](#)):

Hey, I see that already with NVIDIA and ID and Tesla, and next generation companies springing up all over the place.

Bill Walton ([07:00](#)):

Well, let's do some history. Your book is very interesting on the fact that technology, one of the myths you point out is that the pace of technology change is accelerating, and anybody living between 1900 and 1950 might disagree. You want to amplify that?

David Moschella ([07:17](#)):

I'll take that one since I wrote that chapter. You hear that all the time, the pace and change is faster than ever and the rate is accelerating. They're just like conventional wisdom. And all you have to do is look at the last 100-some-odd years and you see it's not true. The computer industry is roughly 60 years old. It came out in the 1960s when it started. Look at what happened in the previous 60 years to that, where you had electricity and lighting and heating and cooling and air conditioning and cars and planes and movies and television and radio and the atomic bomb and the birth control [inaudible 00:07:54]. All these technologies that are vastly more impactful for people's lives.

Bill Walton ([07:59](#)):

[inaudible 00:08:00] and the jet plane is an interesting one. When did the first Boeing get put into the air? 1957? Jetliner, '57, '58, the jet. Well, that was a technology if you look at that jet then and you look at a jet today, it's not that different. So the pace of change in that has certainly slowed, if anything, looking at the way Boeing planes are falling apart.

Rob Atkinson ([08:22](#)):

One of the reasons why this is such a dangerous myth, and that's why I think it was number one.

David Moschella ([08:27](#)):

Yeah, it is.

Rob Atkinson ([08:28](#)):

It's really the [inaudible 00:08:29] because I've actually heard members of Congress say, "The pace of change is so rapid and we have to slow it down." Now think about that. When has America ever said that? And so as long as you have this, oh, the average person can't handle this. It's too fast. We've got to slow things down, why do people think the pace of change is fast? It's because they went from a no iPhone to an iPhone 5. But then look at that. I mean, I love Apple. My wife's just got a new iPhone because hers bit the dust and all. It's a wonderful iPhone. Way better than her 8 or whatever it was.

Bill Walton ([09:01](#)):

I just went through the same thing.

Rob Atkinson ([09:03](#)):

But the 15 and the 8, the 15...

Bill Walton ([09:09](#)):

It does the same stuff.

Rob Atkinson ([09:14](#)):

So tell me how that's accelerated really.

Bill Walton ([09:14](#)):

Well, it's not. Go ahead.

David Moschella ([09:15](#)):

Yeah, we're in Washington, D.C. and there's a lot of people who live here who would trade the entire computer industry just for their air condition. Those physical shelters and comforts and transports are just more important to most people's lives than information. And it's that difference between things that improve the physical world versus things that improve essentially the cyber world, that is fundamental. The latter, cyber for most people, is just a far lesser factor.

Bill Walton ([09:45](#)):

Well, is the fact that it's digital and it's not in the physical world an issue, because I've heard people say... Peter Thiel wrote his book about the fact that there's actually a lot more technological change in the past than there is now. That's highly beneficial. And in fact, we're inventing less now than we used to. We're mainly doing apps on our phone that they're incrementally small improvements.

Rob Atkinson ([10:12](#)):

So we got to speed things up.

Bill Walton ([10:14](#)):

Yeah.

Rob Atkinson ([10:14](#)):

If you sort of take the attitude, we've got to slow things down, that is a fundamental change in the organization of society and the organization of policy, the attitudes towards entrepreneurs. But if we say the opposite, "Man, things are too slow. We got to put the pedal to the metal." That really then begins to change how we think about this.

Bill Walton ([10:33](#)):

What's behind the Luddite? Luddite was an Englishman that thought we ought to ban the... Is it the steam engine that we-

David Moschella ([10:42](#)):

Textile machine.

Rob Atkinson ([10:43](#)):

Textile machine.

Bill Walton ([10:44](#)):

Mr. Luddite. Anyway, we have a lot of later-day Luddites.

Rob Atkinson ([10:49](#)):

One of the things that's interesting, we didn't cover it in the book, but I hate to say this, Bill. I really do. The number of articles in the last 10 years in journals, legitimate things that say, "Ned Ludd was right." We all grew up Ned Ludd was... You kidding me? [inaudible 00:11:08]. Troglodyte. And now his whole reputation is being rehabilitated. One of the things they say, well, they had the industrial [inaudible 00:11:16]. It took 60 years for incomes to go up. It's just false. It's just false. I've looked at that. That's a myth we could have had in the book. What's going on there? Why are people living?

([11:27](#)):

There's really two reasons. One is the progressive left. Not the middle of the road Democrats, but the progressive left, their entire agenda is redistribution, and for many of them, degrowth. So many of them say, "Growth is just bad. We can't afford it anymore." And so if that's the case, you got to slow things down technologically because that's the source of growth. The second thing is, and this is I'm a little bit more forgiving of them for saying this is, "Look, I lost my job one time because my organization OTA got killed. I understand how hard that is." And so people, we've moved to a world now where nobody is ever allowed to lose their job. It's too cruel. Cruel and unusual punishment. I'm sorry, but that's American history. You lose your job from technological innovation and you move on and get another one. I mean, I feel bad for the elevator operators in 1960, but I'm sure glad we don't have elevator operators today.

David Moschella ([12:26](#)):

Well, we'd be good. That said, I think part of the resistance and dislike of what's happened has to do with some of the failures of globalization. And two, extensive globalization and the impact on jobs and moving so much to Asia, but mostly China, and some of the devastation that has come from that. I think that will be looked back from when China got into the World Trade Organization in 2000, whenever it was, that that's going to be looked at as a mistake. That we moved too fast there and it did undermine parts of regional economies here, and that provided a certain [inaudible 00:13:12] for the attacks.

Rob Atkinson ([13:16](#)):

Yeah, and Bill, as you know, I'm doing all this work on China now and all, and their unfair practices. We've talked about that. But one of the problems with that, the hardcore globalist, what's his name in the Trump administration with the two jackets?

Bill Walton ([13:34](#)):

Is that Peter Navarro?

Rob Atkinson ([13:35](#)):

No, not Peter, but the first guy.

Bill Walton ([13:38](#)):

Pete Mannon?

Rob Atkinson ([13:40](#)):

[inaudible 00:13:40] was sort of, well, these are the globalists. He would use that term. Well, the globalists in D.C. do not want to have any disrespect or disparaging remarks about globalization. So they have fostered this whole view and world position that it's technology that's caused all these problems [inaudible 00:14:02]. If it wasn't for technology, Trump never would've won because those Ohio factory workers still had their jobs.

Bill Walton ([14:10](#)):

Those were political decisions, and those were political decisions driven a lot by Wall Street and some of the larger multinationals that saw China and that trillion plus population as a huge market. And they also saw they could go low-cost if they produced in China. And so it was driven by the so-called elites and left behind a lot of Americans. It would've been interesting to have a conversation at that time when we were doing that. Well, wait a second, what about the jobs? What about the factories? Could we rethink this maybe and have some of that production still here in the United States? We've talked about this before. Industrial policy's been demonized. That's a terrible thing. I'm a recovering libertarian, and that's terrible. It should be the free market. It should be individual entrepreneurs and the market will decide all the good outcomes. Well, that's just not true. And so when we were going to globalization, when we were bringing China into the world at Henry Kissinger's behest, I might add, because he thought it was strategic to keep China apart from Russia.

David Moschella ([15:25](#)):

How'd that work out?

Bill Walton ([15:26](#)):

Exactly. I'm riffing here a little bit, but would pick up on some of those because-

David Moschella ([15:31](#)):

What happened is some of the legitimate critiques of globalization somehow got infused with the critiques. Automation is seen as part of that problem when in fact, it's a way of addressing that problem. You didn't like globalization, but then you've said, "Well, automation is really more the cause than globalization, and of course technology drives automation, so we can blame technology automation for the problems that globalization has created." The title uses the word scapegoats. And I think that's a lot of what's going on here, that the problem created by competition in China are essentially being blamed on automation and tech.

Rob Atkinson ([16:11](#)):

Yeah, and they're not [inaudible 00:16:12]. We have a chapter in the book that debunks that with actually facts and data, which is very strange you're using facts on this.

Bill Walton ([16:18](#)):

Early, let me plug the book. I got a call from your publisher here that says I'm supposed to be talking with you. These new [inaudible 00:16:29].

Rob Atkinson ([16:30](#)):

I hope that's a 15.

Bill Walton ([16:32](#)):

It is a 15. Clearly it is. It is this souped up 15, the Pro Max.

Rob Atkinson ([16:36](#)):

Nice.

Bill Walton ([16:37](#)):

iPhone. Excellent. Of course, I now saw-

Rob Atkinson ([16:40](#)):

[inaudible 00:16:40] weird buttons-

Bill Walton ([16:41](#)):

... talking to China and the CIA.

Rob Atkinson ([16:43](#)):

Yeah. Something like, "Hey, what's going on?"

Bill Walton ([16:45](#)):

We can talk about that as part of the problem. But this is a book I want to encourage everybody to get because you break it down, it's not just one big thing on technology. You've got 40 myths and you break them down, society and culture, jobs in the economy, global competition and strategy. And so you can sort of go through this book and look at which one is the interesting thing. And not do it all at once, but in smaller chunks and actually educate yourself. Let's just throw one. I'll throw a dart at one. Social media is polarizing America. Oh, by the way, you wrote the chapters separately, but then edited each other's writing? Who authored-

David Moschella ([17:31](#)):

I did.

Bill Walton ([17:31](#)):

Okay, let's talk that.

David Moschella ([17:33](#)):

Yeah, that's one that you hear all the time. And the fact America obviously is quite polarized, at least it's probably more so than anytime other than maybe the sixties or before that. But social media's role is just tremendously exaggerated and is being used as a scapegoat. The reality is we're polarized about much more fundamental things. There's nothing more polarizing than Donald Trump, people who love him or they hate him, but there's not a lot in the middle, people.

Bill Walton ([18:06](#)):

I might add, Joe Biden is not exactly a uniter.

David Moschella ([18:09](#)):

Yeah [inaudible 00:18:11] and people are polarized around guns or abortion or immigration or foreign wars or all of these things that are much, much deeper devised. And what does social media do? It amplifies those, but didn't create any of those things. They're all part of what's going on in America today. Social media makes it more transparent, more obvious that they're there, but it-

Bill Walton ([18:38](#)):

So you don't think it allows people to congregate more into tribes and not communicate with the other side? Makes it easier to do that than it would've say in 1750?

David Moschella ([18:46](#)):

Well, I don't know about 1750, but I was alive in the sixties and America's extremely polarized between the youth hippie movements and the older conservative movements and the competition between Nixon and the Kennedy, or Vietnam war, or the riots, the racial things. All that polarization was assassinations, bombings. All those things that happened back then, social media didn't exist. And so to me, it was just as polarized. Arguably more polarized, but at least as much, and so happened we had a civil war without social media.

Rob Atkinson ([19:24](#)):

I think one of the problems here, and we talk about that, this is actually David's main... Not main contribution. You had many contributions, but one that I thought was important was you had essentially all this gasoline being poured out there against tech, against tech. And then Trump gets elected and people's minds explode.

Bill Walton ([19:45](#)):

And they attributed that to social media.

David Moschella ([19:47](#)):

Exactly. They did.

Bill Walton ([19:49](#)):

Social media was to blame.

David Moschella ([19:51](#)):

[inaudible 00:19:51]

Rob Atkinson ([19:52](#)):

Exactly. So rather than say, "Why did Trump get elected? Could it have been something the elite class had failed on?" They don't want to answer that question. There was a recent Oxford Union debate between Representative Nancy Pelosi and someone, and he made this point. And the elites, particularly on the left, they have to blame. It can't be that people actually voted for Trump out of their own interest and knowledge. It had to have been manipulated. That's the only explanation.

Bill Walton ([20:20](#)):

It's not the message, it's the medium. And so they blame the medium of social media, not the fact that people didn't like their policies.

David Moschella ([20:27](#)):

And when they did that, they excessively blamed really quite minor things such as Russian bots and Cambridge Analytica [inaudible 00:20:36].

Bill Walton ([20:38](#)):

Ah, Cambridge. A lot of stories about that. That's a different show.

David Moschella ([20:43](#)):

Those become huge factors, when in fact they were totally specks of that election.

Bill Walton ([20:47](#)):

But just to close your loop on the fact things haven't changed much, I mentioned 1750. Fast forward around 1770 in that whole era when the country was... The revolution was about to happen. There were thousands of small publications and they were all violently opposed to each other. And they were local, but nevertheless, they were just as polarized then as they would be now. Maybe more so. And that's when people started using non-diploma... They couldn't write into their own name because they'd get hung.

Rob Atkinson ([21:21](#)):

I think it's a big pamphlet. That was the problem.

Bill Walton ([21:25](#)):

Big pamphlet. So Tom Paine was big pamphlet. That's good.

David Moschella ([21:35](#)):

I think history sort of shows that people are more violent and more gruesome when they can do it anonymously. And that the transparency of social media puts a break on certain things compared to some of the things that happened when people could operate in the darkness.

Bill Walton ([21:49](#)):

Well, what did you think? I want to circle back to what we talked about, maybe the political roots of this and the left with a capital L, who are hard left and they're not liberals, well-meaning liberal democrats that may care more about some policies. This is a hard left way to shut down the modern economy. They're not only anti-growth. I think they're anti-human. If you look at a lot of the policies, the environmental policies, you've heard of the One Earth Policy or the One World Policy? It's where humans and plants and animals are all the same, all to be traded equally. And it results in some radical environmental things like taking half of the 30% of the productive use of land out of-

Rob Atkinson ([22:40](#)):

My dog is member of that organization.

Bill Walton ([22:42](#)):

Your doggy?

Rob Atkinson ([22:42](#)):

Yeah, my dog's like, "Hey, how come I don't have equal rights?" Because you're a dog.

Bill Walton ([22:48](#)):

Well, I haven't met your dog, but my dog thinks that too. Be careful. They'll form a union. But what about the political roots in the fact that this all seems to be funded by a lot of the same left-leaning foundations?

Rob Atkinson ([23:02](#)):

That was really one of the things that was really eye-opening in this, is when we dug into this, there's a group that lists all the left-leaning foundations and the enormous amount of money. Ford Foundation, just to pick one, have funded over a hundred organizations that are anti-technology. A hundred. Just one foundation. So one of the myths that we talk about in the-

Bill Walton ([23:23](#)):

Henry Ford's.

Rob Atkinson ([23:26](#)):

Oh, commissioner.

Bill Walton ([23:27](#)):

Henry Ford, inventor of the-

Rob Atkinson ([23:28](#)):

Yes.

Bill Walton ([23:29](#)):

... modern production system.

Rob Atkinson ([23:31](#)):

Yeah, which is no longer. We know that one of the Fords pulled out of that because he said, "This is no longer consistent with my grandfather's views." So Ford Foundation is an anti-technology organization right now. There's another interesting thing. One of the myths in the book is that AI is going to exterminate us. People who have been watching Arnold Schwarzenegger movies too much, and it's just nonsense. We've talked to some of the best leading AI scientists in the world who say this is nonsense. Here's an interesting fact, Bill. There's a couple of big giant foundations groups. They're funded by guys who've made billions of dollars in the tech industry, like Omidyar is one. He made all his money off of eBay. Chris Hughes, I think it's Chris Hughes, made all his money at Facebook. There's a couple other.

[\(24:22\)](#):

They've made so much money and I don't know whether they just feel guilty or they want to be seen and nice at cocktail parties, but they're pouring enormous amounts of money into an anti-tech campaign. This issue about existential risk and us dying from AI, \$600 million has been put into think tanks at advocacy groups in the last four years. So our budget at ITF is \$5 million, something like that.

How are we supposed to compete with \$600 million to say and to convince policymakers that AI is going to kill us?

Bill Walton ([24:56](#)):

The other plug I'll put in here is that you ought to send... All you people listening and watching, put all your extra money into Rob's Foundation because he's standing in the gateway and thwarting a lot of bad things that are out there.

Rob Atkinson ([25:12](#)):

It's tax deductible too.

Bill Walton ([25:13](#)):

Tax deductible.

Rob Atkinson ([25:16](#)):

Sorry, [inaudible 00:25:17]. People, again, don't understand the sophistication, the campaign. Here, I'll give you one. An interesting one. I love facial recognition. You have facial recognition on your phone. I have it on my laptop. I use when I go to Amazon. Amazon Whole Foods, I now use my palm to pay. Have you done that yet? [inaudible 00:25:41]. You just put your palm. I didn't even bring my wallet anymore. So these are biometric systems, and the left has literally spun lies to say that these systems are inherently racist and sexist. Who would know this? Who would be able to verify whether that's true or not? The National Institute of Standards and Technology who evaluates these systems every two years.

[\(26:07\)](#):

NIST found a hundred groups. A hundred companies come in and they test this thing. Most of them are, I won't say fly-by-nighters, but not that good. The good companies come in, the top 20 companies, zero statistically significant bias on race or gender with a facial recognition system. So, no bias. Every single article I run backing this up, every single article, the headline was, NIST Finds Facial Recognition Systems Biased. The answer should have been NIST finds that facial recognition can be totally bias-free, and therefore whenever the federal government buys a facial recognition, that they have to buy a NIST certified system. But now you see the Canadian government came out with a proposal to regulate AI. Terrible proposal. One of the justifications was that AI is racially biased. And the study they referred to was about a completely different technology called facial analysis. I could use facial, I could say, "Are you a man or a woman? Are you 40? Are you 15? Are you happy? Are you sad?" Completely different technology and that technology isn't as good with tar-

Bill Walton ([27:11](#)):

So, why? Let's go back to the roots of the reason for people wanting to... Is this critical race theory at work in all this? Is this something, the DEI agenda? What agenda is driving their view and why do they want to shut it?

Rob Atkinson ([27:29](#)):

Yeah. No, there's two reasons, and this is the problem with all of these anti-tech thing. There's usually 2, 3, 4 different things coming together and these groups all come together and they drive this agenda. One of them is just race. And so they just see this as an... Well, first of all, look, there is a legitimate concern. You should not be able to deploy facial recognition systems at a local government or your

library or wherever it might be that are racially biased. You shouldn't be allowed to do that. I get that. But they go beyond that and they just use that as a way to sort of advance a race agenda or a DEI agenda. That's number one.

[\(28:07\)](#):

Number two is the civil liberties component. And they're like, for example, police should not be able to use facial recognition to identify a suspect. You know how they identify suspects now you've been mugged? You go into a mugshot book and you look. We did an event on that with the National Association of Police [inaudible 00:28:27]. There is no police department in the US that will use facial recognition to arrest somebody on. They only use it to narrow down suspects and then use regular police work. So yeah, there's a concern that you could abuse this. I get that. A lot of libertarians and conservatives have that, and that's a fair critique. But again, just put in place rules, which we already have that you can't use facial recognition on the street to track me. I mean, I'm opposed to that more than you're opposed to that.

Bill Walton [\(28:57\)](#):

I think some of this comes from the right as well, where there's legitimate concern about who's in charge and who's going to be making the rules and how's this going to be used to control speech, control movement? And there is a growing censorship regime, and if they can identify people more precisely, then they know who to censor. It's here, the left and the right are really working to say, "Wait a second. This technology, for different reasons, is a bad thing."

Rob Atkinson [\(29:27\)](#):

We have rules already in many, many different things. The police, in theory, are not allowed to tap your phone unless they get a warrant. But we have tapping technology. We've had that since the sixties or even earlier. Nobody's saying we should ban the transistor.

Bill Walton [\(29:44\)](#):

By the way, I wanted to remind everybody that if you want to get facial recognition on your iPhone, they'll include a mask option. So if you want to keep your mask on, this will recognize you with your mask. They say it's not always as reliable, but you can go for it. God, that makes me comfortable.

David Moschella [\(30:05\)](#):

Facial recognition is such a great example because it's a technology that could solve one of the biggest problems in tech today, which is harmful content to children, but some combination of facial analysis software, so you could see the age of someone with a combination of facial recognition, so what actually is appropriate use, is probably one of the strongest ways that you might be able to prevent certain types of contact, all the kids. But you're never going to get there if you look at say, this is a horrible technology, they're just going to use it to get pictures of our kids and do horrible things. [inaudible 00:30:44]. And so it stops things that really could help because there's such a huge bias against it to start.

Rob Atkinson [\(30:51\)](#):

And also to be clear on that, Bill, you can and should design a system like that that doesn't say, "Hey, it's Bill Walton." It's designed to say, "This person is over 18." It doesn't need to know your name and it shouldn't ever collect your name. It just says "Yes. No. Over 18. Under 18." A lot of this is not about the

technology, it's about good governments. Both the left and the right, but particularly the left, just want to demonize and ban the technology.

David Moschella ([31:21](#)):

A lot of it just stems from a shift from making equality the dominant goal, that if some people are doing much better than others naturally or in any other sense, that's a problem and you need to... The great success of tech firms is inherently seen with, you could use words like jealousy and resentment, but fundamentally unfair and-

Bill Walton ([31:47](#)):

We talked about this before we started talking, shouldn't the tech firms be more vocal about the benefits of what they're doing? I haven't heard any pushback on any of this. I mean, you were in that world forever. You were the top guy, you're the top researcher. Why don't you call them up and say, "Guys, it's time to get out and fight for yourself"?

David Moschella ([32:09](#)):

I'm less on the policy side than Rob, because we really are on the industry side.

Rob Atkinson ([32:13](#)):

Yeah.

David Moschella ([32:14](#)):

Whenever you have the big tech hearings on C-SPAN, I like to watch them and see what actually goes on. And what goes on is they get battered with criticisms and the CEOs and the big tech companies go, "Yeah, we can do better and we're working on that. We've got a whole initiative to try to improve in that area." They never push back. They never push back and say, "Well, we think that attack is unfair. I think we do way better in this area than other industries or whatever." They just want to get out of there with as little controversy as they can. You can understand that politically, but over time, they basically see the ground and they don't take on the issues themselves. And that really entrenches those things as conventional wisdom and as many ways, as truth. [inaudible 00:33:05]

Rob Atkinson ([33:05](#)):

Bill, there's a great quote, there's a book [inaudible 00:33:10] some year you might've read, it's The Seven Sisters about the oil companies. There's a great quote in there where Henry Kissinger comes out of a meeting with the seven big oil CEOs and says to his assistant, "Marx was wrong. Capitalists don't understand their own interests." And this is the case here. This problem will not be solved unless the tech leadership of the country steps up. You know who's done the best on this, by the way, is Marc Andreessen. Marc Andreessen has been great, inventor of Netscape.

Bill Walton ([33:43](#)):

People who don't know, he was the first one to put a browser out in 1994, and he's been a tremendous venture capital successful funder for those decades ever since.

Rob Atkinson ([33:54](#)):

He released a kind of a long blog-ish kind of thing five months ago or so on... I forget the name. You remember the name of it? It was something like-

David Moschella ([34:04](#)):

Manifesto.

Rob Atkinson ([34:04](#)):

Manifesto for the tech progress?

David Moschella ([34:07](#)):

Yeah.

Rob Atkinson ([34:07](#)):

It was wonderful. Tech is going to do these things. We should have an optimist [inaudible 00:34:12]. We talk about it in the book. He was pilloried. Pilloried by the elite press. How dare he say that? It's all selfishness. And that's where we've come to. A guy like Andreessen who has done so much for the world, and is continuing to do so much for the world by investing in these startup companies that are helping with all sorts of things including climate, is pilloried for having the audacity to say that we should have more tech innovation.

Bill Walton ([34:38](#)):

Yeah, they've demonized in the techno-optimist.

Rob Atkinson ([34:41](#)):

The techno-optimism. Exactly.

Bill Walton ([34:42](#)):

Techno-optimism is a bad thing.

Rob Atkinson ([34:44](#)):

It's a bad thing.

David Moschella ([34:46](#)):

Andreessen's a drop in the [inaudible 00:34:47] compared to what's happened to Musk.

Bill Walton ([34:49](#)):

Oh yeah.

David Moschella ([34:49](#)):

He's the guy who basically revitalized the card industry, the space industry, the solar industry-

Rob Atkinson ([34:57](#)):

Broadband, satellite.

David Moschella ([34:58](#)):

Saving Ukraine with his Starlinks. He's doing all this [inaudible 00:35:03]-

Rob Atkinson ([35:03](#)):

... hard to explain.

David Moschella ([35:04](#)):

They hate him.

Bill Walton ([35:07](#)):

Yes.

David Moschella ([35:09](#)):

One of the great industrialists in human history. Arguably the greatest. Nobody has done so many things across so many industries in such a short period of time. And they didn't like him even before he bought Twitter. But once he did that and started standing up for principles of free speech, whether you like so many things done or not, but certainly speaking of those principles, he's on the enemy's list. They're trying to destroy him and they might even succeed.

Bill Walton ([35:36](#)):

Well, how do we push back? I mean, we start with a book like this and we start by getting everybody to read about the 40 myths. But Rob, you've done a lot of work on industrial policy or how to engage with China, and you both are good at understanding how the tech piece fits into this. If you could step back and say, "Okay, I'm advising the next president," whoever that might be, what do you do to start reversing the tide?

Rob Atkinson ([36:05](#)):

Sorry. Your corner about China is a good one. Lina Khan who is a, frankly, let's be honest, an anti-capitalist, far-left hater of big companies who, as head of the Federal Trade Commission, was appointed by President Biden. She gave a major speech. Sorry. Khan gave a major speech I believe at the Carnegie Foundation recently. And the speech was to say big tech, it is not the savior vis-a-vis China. It's actually the Achilles heel and the enemy. It was like, if we break up big tech, the rotting detritus of their bodies will form fertilizer that will grow the next big round of innovators, and that's how we're going to compete with China. So first of all, utter nonsense. Why did she say that? Because she knows that's her Achilles heel.

Bill Walton ([36:58](#)):

Let me just make sure I understand. If you break up Google, it's going to spawn hundreds of other companies that are more innovative and will do more than Google?

Rob Atkinson ([37:08](#)):

Correct. Yes.

David Moschella ([37:09](#)):

Yes. You can see it with IBM, Microsoft in their day, it's exact same argument.

Rob Atkinson ([37:13](#)):

Okay. That's what they say. Because all these people will go start new companies and then they won't have the big massive Google standing in their way.

David Moschella ([37:21](#)):

They also couldn't spend 40 billion on R&D.

Bill Walton ([37:24](#)):

No, they don't-

Rob Atkinson ([37:26](#)):

The big five American technology companies spend more on R&D than the entire UK economy. And that gets-

Bill Walton ([37:34](#)):

Than the entire economy? Not just what they spend on R&D, the entire-

Rob Atkinson ([37:38](#)):

Sorry, the entire UK R&D. So every company in the UK and the government of the UK. We got five companies-

Bill Walton ([37:45](#)):

Companies that spend more.

Rob Atkinson ([37:46](#)):

... who out-spend them.

Bill Walton ([37:47](#)):

Okay.

Rob Atkinson ([37:48](#)):

They account for, this was a few years ago, maybe some 40% of Chinese R&D in our five companies. So they know that's their Achilles heel. And so I do think that one of the ways to push back on this is for the next president to talk about how critical technology is to not losing out to China. What China wants to do, they want to turn us into a [inaudible 00:38:11] of wood and a drawer of water. That's what they want to do. They want to take away our technology [inaudible 00:38:17]. And if they do that, we have no power. And so, technological innovation tech companies are for this. That's one thing I would say.

Bill Walton ([38:26](#)):

Well, if we can get us all using wind and solar exclusively of a source of power, they will succeed. It's a great way to have a 12th century economy.

Rob Atkinson ([38:34](#)):

They'll probably be the weather so we don't get wind.

Bill Walton ([38:40](#)):

Probably.

David Moschella ([38:43](#)):

I think the top-down approach of focusing on China and the tech companies being up is a huge part of... But the others, there's a bottom-up part of this, and that's reaching students and young people who are the most happy to use the word indoctrinated into a lot of these critiques. And getting these sort of messages into our leading universities is actually a tougher fight to get it in there, but I think you need to start.

Bill Walton ([39:09](#)):

But you need to. You have a list of titles of the books that we're up against. I love this. The Net Delusion: The Dark Side of Internet Freedom, or The Shallows: What the Internet Is Doing to Our Brains, or I guess the favorite one, we ought to talk about it, Our Final Invention: Artificial Intelligence and the End of the Human Era.

David Moschella ([39:32](#)):

Those are popular books in schools.

Bill Walton ([39:35](#)):

I know. Everybody thinks that. So let's talk about that because the one thing that comes up with artificial intelligence where it is now is, are we going to end up with this problem because of deep fakes on the internet so that we're not knowing exactly? There was always a problem with anonymity in the internet and that you sort of learn to deal with it, but it's a flaw in its design. Now we not only have an anonymous person, but we probably got an anonymous bot or an anonymous creation of some artificial intelligence, and so we could end up doing all this stuff on the internet and wouldn't know whether we're talking to another human being or not. That's the fear. Tell me why that shouldn't be a fear.

Rob Atkinson ([40:22](#)):

Yeah, there's two issues here. There's the issue of what would you... Well, not you Bill, but what would these people propose? That we stop AI? No more AI is allowed. It's a tool. It's like I can take a hammer and nails and I can make a club that I can beat you to death with. So should we ban hammer and nails? Part of it is just what economists would call a general purpose technology. And yes, it can and will be used by rogue actors to do things like that. That's number one. But at the same time, you have Photoshop, you have other things that can do similar things, and this is just taking that up a level. That's number one. Number two is the technology companies are working very hard on solutions to that. There actually is an alliance of companies to be able to identify the province of deep fake.

Bill Walton ([41:11](#)):

Well, that's what I was thinking. Every one of these problems is an entrepreneurial opportunity. That's the way you really need to think about life. Okay, there is this problem of deep fakes, but if I'm an

entrepreneur, if I'm a tech entrepreneur, I'm thinking, well, how do I create an ID to tag this stuff so that it's recognizable?

David Moschella ([41:31](#)):

Consumers aren't stupid. In another year or two, they're going to be very familiar that this thing might be a deep fake. And it might even push people to say, "Well, I get stuff from more trusted sources and try to change my consumption if it gets out of hand." And plus, there are legal [inaudible 00:41:47] if you follow the case right now where Scarlett Johansson's going after one deep thing that's basically using... It's too close to her voice and she's suing. She'll probably win. And so there are direct legal things people can do if someone is essentially copying you, slandering you, so-

Bill Walton ([42:04](#)):

You're right. With all technology, there's problems and there are fears, and yet that's a first-order effect. The second-order effect is we adapt and we invent and we solve those problems and fears. The classic case is Karl Marx writing his book about factories in England. He never went into a factory. You probably know this. He did all his work in the British Library and he did all these things for all these English factories. Well, fact is, all those research pieces were all 40, 50 years old. And you go into an actual factory, even when he was sitting in the British Library writing, the factory owners have figured out, no, this is a problem. We've got to solve it. And they'd already solved the working conditions that he was declaiming. And so our system of innovation and people doing things, that's the thing we've got... I think we've got to get more into pushing that argument, that humans are easily... We're creative, we're adaptable, we're inventive, and there are problems we solve. We don't just live in fear.

Rob Atkinson ([43:12](#)):

Bill, I was [inaudible 00:43:13] for the book recently and it was something the moderator asked me, "Do you think technology is good?" I said, "Of course. All technology is good. And the reason all technology is good, I don't mean every invention is good, but for a technology to get to the market, it means that people want to buy it. Therefore, ipso facto, it has utility. It has value." And that statement I just made is seen as heretical today. People think at me, oh, you're just crazy. How can you say that? What about X? What about Y?

([43:45](#)):

Back in the teens, I wrote about this in my first book. There was the association of horse drawers and hay growers were trying to ban automobiles because they were unsafe to pass and to pedestrians. Yeah, automobiles are unsafe. Unfortunately, we lose 30,000 lives a year, but do you want to live in a world without automobiles? And what are we doing now? The other thing is there a new study on autonomous vehicles or vehicles that have more smarts. The fatality rate is one-tenth. Why isn't the US pushing as fast as possible to enable companies to deploy those?

Bill Walton ([44:31](#)):

I totally agree with what you just said, but it pops up what you opened with earlier about this state of fear that we're in. The avoidance of risk in America today, I don't know, maybe all over the world, I don't know, there's this fear of taking a risk.

David Moschella ([44:49](#)):

Because the punishments are so severe if anything goes wrong.

Bill Walton (44:53):

No, I don't agree with that. If you're building a business, you fail [inaudible 00:44:57]-

David Moschella (44:57):

Look at the example of one Tesla car crash is treated as a major-

Bill Walton (45:03):

Oh, you're talking about the army of lawyers?

David Moschella (45:05):

Yeah.

Bill Walton (45:05):

Okay. Well, there, the punishment is extreme.

David Moschella (45:08):

Yeah,

Bill Walton (45:08):

I had a venture fund, a lending operation in China. Or not China, Germany. And I discovered that the Germans had a different attitude about debt and bankruptcy than America does. And that it's not just you go into bankruptcy and you're free to dust it off and go back and do your next venture. In Germany, that's a life sentence. So the culture then was extremely punishing and we're becoming that same culture.

Rob Atkinson (45:35):

You're becoming that. We talked about in the book, one of the myths about that the European over-regulation system based on what's called the precautionary principle is an [inaudible 00:45:45] driver. And it's a myth. 10 years ago, I would say we're never going to be like the Europeans. That's just who they are. We are different. We are becoming like the Europeans.

Bill Walton (45:56):

Explain the precautionary principle. One of you want take a shot at that? Because everybody should be reminded [inaudible 00:46:02] that that's a really bad idea.

Rob Atkinson (46:04):

You've got this new technology or this new business model coming up and government, as they should, takes a look at it. And the precautionary principle says, "I don't really understand it. We don't know what it's going to do, but we better regulate it now anyway, just to be safe. Just as a precaution, we'll regulate this sucker." The innovation principle, which has been the American orientation is, "No, let's let this thing play out. Let's see what happens. Let's see if market forces or voluntary efforts on business or whatever." Even lawyers, frankly, because as much as trial lawyers over stretch, if you do something really egregious and bad, you'll get sued. And that does sort of keep things in check.

Bill Walton ([46:43](#)):

That is a good part of that system, whereas you do have law-

Rob Atkinson ([46:47](#)):

[inaudible 00:46:48] have, and that keeps things... That's another thing that people, "Oh, we need regulation." Well, actually civil suits can play a role in making sure. Anyway, so the innovation principle is. Let's see how things play out and if we have to regulate later, we can consider it.

David Moschella ([47:04](#)):

The tangible examples of that are, Robbie, in the thirties, America built the Empire State Building in less than a year. Today, you can't fix a one-mile stretch of highway in less than a year. You can't build a semiconductor plant without years and years of permits. You have no chance of building a nuclear power plant. I can't remember the last. We don't build it. And so everything big takes forever. And the speed with which China does things is just so much faster. And if you fall, you play that out going forward, it's scary.

Bill Walton ([47:39](#)):

Well, China, and I want to dig up something you wrote about that, but while I'm doing that, you wrote a terrific book called Big is Beautiful. And there's this mythology, I don't know whether it's in here, it's in your book, that small is good and that all the jobs are going to get small business. Number one under global competition and strategy, myth number 31, small businesses create most new jobs and innovation. That's just flat wrong.

Rob Atkinson ([48:08](#)):

Flat wrong.

Bill Walton ([48:11](#)):

And yet you had every politician talking about small business and jobs. Explain that.

Rob Atkinson ([48:18](#)):

The small businesses actually creates a lot of jobs and they also then kill them quite quickly. So it takes, I can't remember the number that's in the book, it's something like 15 years for the median small business to create, I think it's two jobs. And the reason is, there's lots of people who start a little restaurant or whatever it is, and they might hire three simple. Most of them go out of business within three years. More than 50%. They create a lot of jobs, but then they killed them, so you can't count job creation. You have to count net job creation.

Bill Walton ([48:55](#)):

And as somebody that owns several small businesses, the problem is hiring. And it's harder to get people in small businesses because most small businesses are not that productive, so you can't pay high wages. If you get a big company with a big investment in capital expenditures to make you more productive, they can pay you two, three times more than a typical small business can. So it doesn't attract the talent.

Rob Atkinson ([49:19](#)):

But it's funny when you hear the left who talk about, and rightly so, talk about the importance of making sure that American workers have a good and standard living and they say we need small businesses. Small businesses pay way less in wages, as you just said. So why are we glorifying them and demonizing large companies-

David Moschella ([49:38](#)):

And these issues are particularly important in tech because technology has enormous scale economy, so being big has even more advantages in software and related industries where the marginal costs are so low that you have to be big to be most efficient in many tech, and that's why you have such giant companies.

Rob Atkinson ([49:59](#)):

I'm sorry. Continue.

David Moschella ([49:59](#)):

No, that scale is more important in the software and data industries than in many other industry sectors. One of the things we say in the book is, you really can't have successful tech without big tech because you need [inaudible 00:50:16] scale.

Bill Walton ([50:17](#)):

Well, for my friends on the right, and I fear Google censorship, I do, for the things I've had, and I've had my shows, a couple of my shows, we're not going to talk about vaccines on this show because Facebook won't like it. Or not Facebook, but YouTube, they are censoring certain types of content. So there's a legitimate fear of censorship from companies that don't agree with you politically. Having said that, I'm sort of in favor of let's keep Google big because they can do all the innovation, but let's just watch more closely what it is they are doing. And if there's a bias in their models, let's go at that, but let's not break it up.

David Moschella ([50:57](#)):

It's also the same censorship that you get a lot of mainstream media-

Bill Walton ([51:01](#)):

It's the same censorship, but it's harder to see and it's more effective.

David Moschella ([51:06](#)):

... saying that's become an American issue of a lot of censorship. Personally, I think it was a huge mistake of the tech companies to go down that path because they lost a lot of trust from the right. It used to be-

Bill Walton ([51:18](#)):

They just don't see it. They're all surrounded by people who agree with each other.

David Moschella ([51:21](#)):

Yeah. Well, [inaudible 00:51:22].

Rob Atkinson ([51:24](#)):

One of the concerns that I have for the new right, which in a lot of ways I'm glad there's a new right, because as Bill you said, you're a recovering libertarian. I think that sort of the new right recognizes these realities. It wants to be more pro-competitiveness, pro-industrial policy, pro-worker, but they don't like big tech. And the answer is, we'll break up big tech. So really, you think two YouTubes is going to be better than one in terms of bias? Look, if you think it's an issue, and we talk about that in the book, there are way more other useful things you can do than just sort of [inaudible 00:52:01]. The other thing I worry about is, maybe that's their strategy, but I worry it's sort of like, "Well, we just hate them, so we're going to break them up just to spite."

Bill Walton ([52:08](#)):

I think that's a big could be, but I keep thinking my favorite... Remember the movie Fantasia, when Mickey Mouse was the Sorcerer's Apprentice and Mickey Mouse started doing something and somehow this broom started doing things? And Mickey's solution was to get the axe out and chop this broom into pieces. And what he ended up with was an army of people, the army of brooms that were smaller, but yet even more oppressive than the original problem. I think that's what happens if you break up the tech companies.

Rob Atkinson ([52:40](#)):

Exactly. Why isn't that obvious? I don't know.

Bill Walton ([52:45](#)):

Okay, so the three of us need to be in charge of tech now. [inaudible 00:52:49]. We'll start with getting people to buy this book. The great thing about books like this is you keep it on your shelf and there's each chapter you can dip into as you get interested in a particular topic, and it'll make you very smart about what really technology is about. Last [inaudible 00:53:09]. David?

David Moschella ([53:13](#)):

Just so I can reinforce what you just said, that each chapter is distinct about one topic. They're only three, four, or five pages long, and they can be read in any order and just pick the ones you're interested in. And we think that is a way that the book should be consumed, to focus on the things you care about.

Rob Atkinson ([53:30](#)):

We'd have the same model for each chapter, which is, this is the issue, why it's important. Who's saying this myth? Who's saying it? Why are they saying it? The evidence that it's wrong, and then how we should be thinking about it. And that really applies for the overall body of work. I mean, I do worry about our country, Bill. I really do. And I think this is a core challenge. If we don't get this right, we're going to end up like Europe.

Bill Walton ([53:58](#)):

Exactly. Well, Rob Atkinson and David Moschella, thank you. Going to have you back. This has a chapter 2, 3, 4, 5, and 6 as we get into some of these issues. I hope you enjoyed this conversation. I hope you'll take a look at this book. As you know, we're on all the major podcast platforms, YouTube, Rumble. We're on Substack now and we're also on... I'm sorry, we're on Substack. We're also on CPAC now on Monday nights. And drop us a line of email, text, to let us know what you think about this show.

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