

April 6, 2017**Ray Padgett** | raypadgett@shorefire.com**Mark Satlof** | msatlof@shorefire.com

T: 718.522.7171

Intelligence Squared U.S.**Long Live Walmart**

For the Motion: John Tierney, Richard Vedder

Against the Motion: Nelson Lichtenstein, Amy Traub

Moderator: John Donovan

AUDIENCE RESULTS

Before the debate:	After the debate:
30% FOR	48% FOR
25% AGAINST	38% AGAINST
45% UNDECIDED	14% UNDECIDED

Start Time: (00:00:00)

[Applause]

John Donovan:

Why do a debate on Walmart? Why out a store in the same league as other topics we've debated like Obamacare and immigration and Russia and Syria and Trump and religion, because Walmart is much more than a store. It is America's biggest company in terms of revenue. It is the nation's biggest employer outside of the federal government. Walmart has recon figured communities, epitomized globalism, changed the way Americans spend and also the way they earn money, and been recognized as a force either that creates work or destroys work. Why debate Walmart? Because there is so much to argue about. So, let's do it. Yes or no to this statement: Long live Walmart, a debate from Intelligence Squared U.S. I'm John Donovan. We are at the Kaufman Music Center in New York City. Our debate will go in three rounds, and then our audience here in New York will vote to choose the winner, and only one side wins.

00:01:04

Right away, we would like to poll you on your opinion on this motion as you come in off the street. So please go to the keypads at your seat. And the way this will work, take a look at the motion, Long Live Walmart. If you agree with this motion right now, push number one; and if you disagree, push number two; and if you are undecided, push number three. At the end of

the debate, after you have heard all of the debaters' arguments, we'll have you vote a second time. And we give victory to the team whose numbers have moved up the most in percentage point terms. So, it's not the absolute vote, but it's the difference between the first and the second vote, the team that has moved up the most in percentage point terms. So, our motion is this: Long Live Walmart. We have two debaters arguing for it and two debaters arguing against it.

Let's meet first the team arguing for the motion. Ladies and gentlemen, welcome John Tierney.

00:02:00

[Applause]

Hi, John. You are a contributing editor to City Journal, you're a contributing columnist at the New York Times, a known contrarian, writing articles that have titles such as "Recycling Is Garbage."

[Laughter]

And somewhat closer to tonight's topic, you wrote a piece called "Shopping for a Nobel," meaning what?

John Tierney:

Well, I argued that the Nobel Peace Prize should be awarded to Walmart. So far, the Nobel committee has not accepted my advice, but I am hoping that tonight's debate will change their mind.

John Donovan:

All right. We will see. Can you tell us who your partner is, John?

John Tierney:

It's another person who deserves a Nobel prize, the great economist Rich Vedder.

John Donovan:

Ladies and gentlemen, Richard Vedder.

[Applause]

Hi, Richard. You are a professor of economics emeritus at Ohio University, now director of the Center for College Affordability and Productivity.

00:03:02

You wrote a book about Walmart, "The Walmart Revolution: How Big Box Stores Benefit Consumers." You think it's -- the basic message is that Walmart's been good for American

business and Americans and the American economy. But Walmart did not authorize this book or bless this book. But you did run into a Walmart executive at one point and sort of suggested the idea that maybe they should carry your book in their stores?

Richard Vedder:

Yes.

John Donovan:

How'd that go?

Richard Vedder:

Yeah. I thought it might be cool if they would sell a book about them to themselves. But they looked at me and very politely said, "No, I don't think it'll sell well. Sam Walton won't do as good as Harry Potter."

[Laughter]

John Donovan:

All right. Ladies and gentlemen, the team arguing for the motion.

[Applause]

And now time to meet the team arguing against the motion, "Long live Walmart," please welcome first, Nelson Lichtenstein.

00:04:01

[Applause]

Nelson, you are a professor of history at the University of California Santa Barbara where you run the Center for the Study of Work, Labor, and Democracy.

Nelson Lichtenstein:

That's right.

John Donovan:

Also, wrote a book about Walmart, "The Retail Revolution: How Walmart Created a Brave New World of Business." Not entirely a flattering book, but we'll ask the same question. Do they carry your book?

Nelson Lichtenstein:

They do indeed. And I just looked it up --

[Laughter]

-- on the Walmart web page. You can buy it for 3.99. That's heavily discounted. And, you know, strange things happen in world capitalism, and you've just seen it right here.

John Donovan:

All right. And it sounds like a bargain. Can you tell us who your partner is?

Nelson Lichtenstein:

Amy Traub.

John Donovan:

Ladies and gentlemen, Amy Traub.

[Applause]

Hi, Amy. You are associate director of policy and research at Demos where a lot of your research focuses on job quality and employment issues and building up the middle class.

00:05:05

You have said that Walmart has a unique opportunity to turn things around on all three of those fronts. But are there any other big retailers out there that you think are getting things right?

Amy Traub:

Well, John, there's nobody who's perfect out there, but you don't have to be perfect to be doing better than Walmart when it comes to job quality. So, Costco, for example, is a big retailer that does it better than Walmart. They're better on wages, and they're better in terms of working conditions.

John Donovan:

I bet they're loving hearing that at Costco tonight.

Amy Traub:

Ah, they may well be.

John Donovan:

All right. Thanks, Amy, and thank you to the team arguing against the motion, which is: Long live Walmart.

[Applause]

So, let's get started, on to round one. Round one will be opening statements from each debater in turn. And here speaking first for the motion, John Tierney, a contributing editor to City Journal and contributing science columnist to the New York Times. Ladies and gentlemen, John Tierney.

[Applause]

00:06:04

John Tierney:

Thank you. Thanks, John. Thank you to Intelligence Squared for hosting this debate, and thanks to all of you for coming out on this rainy night. Rich and I come here to praise Walmart, but we're going to not spend much time on its obvious virtues like its corporate philanthropy, like its program for sustainability and reducing carbon emissions. Those are great things it does, but they're not why I nominated Walmart for the Nobel Peace Prize. And I was half serious about this too. In my column in the New York Times, I challenged readers to name any other organization that has done as much as Walmart to help the world's poor. I still haven't heard a plausible candidate. I mean, no one comes close to Walmart in combating poverty because it does two things. First, it saves customers a ton of money. It's estimated that it saves a typical American family about \$2,500 a year.

00:07:03

Now, to put that figure in perspective, that's about what a family on food stamps gets from the federal government. I mean, so this is a major antipoverty program here at home. Now, second, Walmart is the chief pipeline for redistributing wealth from rich countries to poor countries. If you're a subsistence farmer living on a dollar a day in Africa or Asia or Latin America, the surest way out of poverty is to take a job in a factory selling products to Western customers. You can multiply, quickly, your income by four, five, six times. For the first time in your life, you can afford electricity and running water. Now, since 1990 when Walmart became the largest retailer in America, the global rate of poverty has been cut by two-thirds. That's the sharpest decline ever. More than a billion people have been lifted out of poverty.

00:08:00

Now, that's one of the greatest miracles in human history. And Walmart played a leading role. So, the obvious question is, why isn't it more popular? You know, why do you hear so many terrible things about Walmart? Well, one reason is snobbery. A lot of people find Walmart tacky. Another reason is it's got deep pockets so it's a big target for trial lawyers. But the main reason is that Walmart has challenged some very vocal special interests. Newspapers don't like Walmart because it spends very little money on newspaper advertising. Local merchants don't like it because they don't want to match its prices. And most important,

unions don't like Walmart because they're challenged by its competition. Now, as Rich is going to tell you shortly, the pay at Walmart is comparable to that at unionized stores. But there's one big difference. Walmart workers don't give part of their paychecks to a union. Union leaders want to keep those dues coming, and so do the politicians who get a share of those dues in the form of campaign contributions from unions.

00:09:05

So, unions have funded a large campaign against Walmart. They funded Astroturf groups with paid activists who have led protests against Walmart, who stopped it from hoping here in New York City and in other places. They had a long PR campaign against Walmart, including a documentary that featured a story about a family business in Middlefield, Ohio, that was ruined by a new Walmart. It was a very -- it was a heartbreaking story. You saw this family sadly closing its beloved hardware store. But the problem was, when I went to this town, I found that it was false. This hardware store actually closed before Walmart opened, and it was closed by mismanagement, not by Walmart. Another local businessman bought the building, opened a better hardware store, and he was doing just fine. And today, in that town, there is still a local hardware store competing with Walmart.

00:10:00

So, don't believe all the propaganda you've heard against Walmart and don't assume that all its critics have pure motives. Some critics complain that Walmart sells too many foreign products. Now, as we saw during the presidential campaign, it's really easy to work up popular anger against foreign workers. But from a moral standpoint, if you're concerned about global income inequality, you shouldn't feel guilty shopping at Walmart. There's nothing wrong with sending your money to those workers. And if you're concerned about social justice here in America, consider what Walmart's been doing. Progressives used to worry about workers in small company towns whose paychecks disappeared every week because they were getting gauged at the company store. They used to worry about inner city families that had no access to stores selling healthy food at low prices. So, Walmart comes along to solve those problems and what's the reaction? Stop them before they discount again.

00:11:02

Imagine if Republicans in Washington proposed slashing food stamp benefits to poor New Yorkers. There'd be outrage at their cruelty. But that's what Mayor de Blasio and the city council have done by refusing to let Walmart operate here. They're effectively taking money out of the pockets of the poorest families in New York. If you care about those families, if you care about all the people across America who have been helped by Walmart, all the people around the world, I hope you'll join us in supporting the resolution --

[laughter]

-- long -- and it is a revolution.

[laughter]

Long live Walmart.

[Applause.]

John Donovan:

Thank you, John Tierney. That's the motion, "Long Live Walmart." And our next debater will be speaking against the motion. Please welcome Amy Traub, associate director of policy and research at Demos. Ladies and gentlemen, Amy Traub.

[Applause]

00:12:01

I'm sorry. Amy, I'm mispronouncing your name and I want to get it right.

Amy Traub:

Traub.

John Donovan:

Yeah, I'm going to do it so that the editor can fix the recording and then, forever, I will never have said Traub. So, let me --

Amy Traub:

Great, thank you.

John Donovan:

-- just do that. And if you can applaud when I do that one more time. Ladies and gentlemen, Amy Traub.

[Applause]

Amy Traub:

I'm a researcher and I've worked on a lot of studies over the years on Walmart and its business model. But I was talking recently with someone who knows Walmart really well. Her name is Emma Raid [spelled phonetically], and she's been working at a Walmart in rural Pennsylvania for about six years. Emma has a lot of frustrations on the job, but she likes working with customers, and she's good at it. She works as a cashier, mans the customer service desk, works

in auto sporting goods, self-checkout, and hardware. She covers a lot of departments because her store is severely understaffed.

00:13:04

And after six years, Emma Raid is paid \$10.20 an hour, pretty much the same as workers who have been at Walmart for six months. Recently, she got a 40 cent raise and, at the same time, management started cutting back her hours so she was earning even less, making it difficult to keep up with her car payments. A million Walmart workers are in Emma Raid's position. Walmart's business model is pretty simple. The company pays its workers poverty wages. It offers few benefits and it manipulates workers' hours and understaffs its stores. That low wage business model serves one purpose. It's so the company can maximize profits that go to some of the wealthiest people on the planet. There's a growing gap in our country between the wealthiest few and everyone else. Our economy is really deeply out of balance and Walmart is at the center of that story.

00:14:04

Consider wages. Let's take Walmart at their word, that they now pay their fulltime workers an average of \$13.69 an hour. A fulltime worker at Walmart only gets 34 hours a week, so that's just over \$24,000 a year. That's still below the poverty line for a family of four. And half of Walmart workers only work part time. Like Emma Raid, many of those part timers would like fulltime employment, but Walmart refuses that. Clearly, it's these 1.5 million U.S. workers at Walmart who feel the immediate effects of the low-wage business model. But it also takes a toll on all of us as taxpayers. Many Walmart workers sign up for Medicaid so they can go to the doctor. At the end of working a long shift, many Walmart workers still have to use food stamps so their kids don't go to bed hungry.

00:15:00

They need it to get by, because however hard they work, Walmart wages aren't enough. A congressional report from 2013 found that a single 300-employee Walmart Supercenter may cost taxpayers nearly \$1.75 million every year. We're all -- all of us in this room -- underwriting Walmart's profits. And those profits widen the gap between the wealthiest few in our country and everyone else, pulling our economy further out of balance. I want to take a step back now and look at the other half of the inequality equation. Where do Walmart's profits go? Walmart netted \$15 billion last year. Sam Walton's heirs still own about half of Walmart. These six billionaires are some of the wealthiest people in the world. So, on the one hand, the Walton heirs have inherited wealth that expands each year as the company pays dividends. On the other hand, the workers, like Emma Raid, who help generate that wealth, worry about holding onto the car that gets them to work every day.

00:16:06

It doesn't have to be this way. Our economy thrives when people have money in their pockets to cover the basics, to keep the lights on, to make rent, and to spend their paychecks on groceries and new shoes for the kids. That money goes into our local economies to lift up and strengthen the entire community. You might hear tonight that Walmart's business model is just how it goes in the retail sector. But other retail companies have shown you can pay workers a living wage, offer good benefits, and fair schedules, and still turn a profit. I mentioned Costco earlier. They pay employees higher wages, offer good benefits and stable schedules, and Costco can still compete with Walmart's Sam's Club on price. We also will be hearing a lot tonight about Walmart's recent investments in its workforce. But the incentives for front-line managers to keep payroll costs down to a minimum haven't changed.

00:17:04

The business model is still centered on paying workers as little as possible and offering as few benefits as possible. And so, if Walmart had made changes that gave workers a real chance at sharing in the prosperity they helped generate, you might find me on the other side of the stage tonight. But they haven't. The question we're grappling with tonight is Long Live Walmart. But Walmart's business model isn't worthy of a long life. It's a prime example of the inequality that keeps working people living on the edge of poverty -- a business model that has funneled profits to the ultra-wealthy, and a model that undercuts the fundamental promise of our country that hard work should pay off. My partner, Nelson Lichtenstein, will be talking about the negative impact Walmart has on its suppliers in the U.S. and overseas. And over the course of this debate, we'll demonstrate that Walmart's business model is driving poverty and inequality, and it doesn't deserve to live long.

00:18:05

If you agree that there's a better, more equitable way to operate a business in this country, you should vote no, against the proposition.

[Applause]

John Donovan:

Thank you, Amy Traub.

[Applause]

And a reminder of what's going on. We are halfway through the opening round of this Intelligence Squared U.S. debate. I'm your host, John Donovan. We have four debaters -- two teams of two - fighting it out over this motion: Long Live Walmart. You have heard the first two opening statements. And now on to the third. Here to debate for the motion, Richard Vedder. He is distinguished professor of economics emeritus at Ohio University, and author of "The Walmart Revolution." Ladies and gentlemen, Richard Vedder.

[Applause]

Richard Vedder:

Well, we've been told that Walmart's one-and-a-half million workers are treated rather shabbily, that Walmart could be -- easily pay their workers much more.

00:19:03

So, at one point Amy has said \$5 an hour more -- that it could -- we've been argue -- we can talk about that, and we will in just a minute. But first I want to talk about something that my partner John talked about. There are a million-and-a-half workers at Walmart. There are more than 100 million people who buy the products of Walmart within the United States, much less those in the rest of the world, much less the ones that are producing goods for Walmart overseas. What can we say about them? Well, let's take Jason Furman. He's chair -- he was chair of the Council of Economic advisors under President Obama. He summarized the literature on the impact of Walmart on consumer prices very nicely.

00:20:01

And I quote, "A range of studies has found that Walmart prices -- Walmart's prices are 8 to 39 percent below the prices of its competitors." The single most careful economic study coauthored by the well-respected MIT economist, Jerry Hausman, found that grocery sales by Walmart made consumers better off to the tune of 25 percent of food consumption. That's a couple thousand dollars to a poor family. Huge difference. And then he went on -- and I quote again, "The collateral damages from efforts to get Walmart to raise wages and benefits is way too enormous and damaging to working people and the economy for me to sit by idly and sing Kumbaya in the interest of progressive harmony."

00:21:04

Now, not only has Walmart lifted many Americans out of poverty by providing goods at lower prices, it has done so by paying billions of dollars, at least \$6 billion every year in federal income taxes, and more billions in sales and property taxes. Au contraire to Amy, I would say Walmart is -- runs a private antipoverty program that actually benefits taxpayers. Now, there are arguments that Walmart puts -- John mentioned this -- puts established business out of -- puts established firms out of business. That happens sometimes. But why? Does Walmart force people by gun point into their stores to buy? No. As Sam Walton himself once said, about a competitor that closed its door, that -- actually, I got this quote from Nelson.

00:22:05

"You can't say we ran that guy out of business. His customer is the one who shut him down. They voted with their feet." So, that's the story of Walmart. Now, why can't Walmart pay the 800,000 or so of the lowest paid worker, say, another \$5 an hour? Which at one point

Amy calculated, and I think correctly, would cost only \$6 billion. This is a \$450 billion company, after all. But we're living a little bit in the past today, I must say. Walmart's profits are no longer 15 or 16 billion. Their newest statement came out show them around 13 1/2 billion. They have fallen 20 percent in the last four years. In fiscal year 2017, the company made less than 3 cents of profit on every dollar of sales.

00:23:06

In the last four years, the Standard & Poor's industrial index has gone up enormously, almost 50 percent. Amazon stock has risen 250 percent. Walmart's stock is lower than it was four years ago. Amazon's total stock worth is double that of Walmart. Just as Walton revolutionized retail trade a couple generations ago, so Amazon is doing that today. Walmart is in a fight for survival, investing heavily in Internet sales expansion. To forego that investment to finance above-market wages, would eventually put the company out of business, hurting not only thousands of stockholders, thousands of workers, rather, and, by the way, stockholders, but millions of low and middle income customers who benefit from Walmart's low prices.

00:24:09

Many of these people don't have computer access. They can't afford to start shopping on Amazon or with some of the critics of Walmart's, their favorite stores like Whole Foods.

[Laughter]

So, that's where we stand, folks. Walmart's a good company. Costco is in a different world. We can't even talk about Costco. They're the biggest seller of champagne in America. The people at Walmart don't buy champagne.

[Applause]

John Donvan:
Thank you, Richard Vedder.

[Applause]

The motion, "Long live Walmart," and here's our final debater in the opening round. He will be speaking against the motion, Nelson Lichtenstein. He is a professor and director of the Center for the Study of Work at UC Santa Barbara, and author of the "The Retail Revolution." Ladies and gentlemen, Nelson Lichtenstein.

00:25:04

[Applause]

Nelson Lichtenstein:

Well, as Amy said, the -- we have to be against the proposition which says, long live Walmart in its current state. Certainly, we aren't asking for the physical destruction of the company, but we want it to change its business model, change the way it does its business because Walmart today offloads so many social costs, costs that should be part of the company itself onto its workers, its suppliers, and U.S. taxpayers. This is true and this is particularly important because, in fact, as Richard just mentioned, Walmart is not unique. 40 years ago, it was a revolutionary force in retail, and I wrote about that in a book. But today it's a mature company. It's not -- it's growing but not particularly fast. But -- but it actually is setting the standards for the rest -- all of retail, of which, by the way, in the current political moment, you know, bring back factories, there are more retail workers in the United States today than there are factory workers.

00:26:07

In West Virginia, there are more Walmart workers than there are coal miners. So, this is a very important question, not just for Walmart, but for the rest of the country. And Walmart admits that. Walmart says that. In an advertisement of just a little while ago -- a few years, they had a quote, an advertisement, says, "Walmart saves the average family about \$3,100 a year no matter where they shop. Save money, live better. Walmart." No matter where they shop? What they were saying there is that all of our innovations in logistics in suppliers, in the wage structure such as it is, have been adopted by our competitors. So, no matter where you shop, you go to Target, you're still going to save money over and against what it would have been 25 years ago before all these innovations took place.

00:27:00

They aren't saying that Walmart is cheaper than, you know, Kroeger or Target, but that compared to what it would have been, if nothing had changed in American technology or law or labor relations or anything, then you save money. Well, that's the case with automobiles, with everything we buy, that things do get cheaper over time in part because of innovations that are there. I want to make just two points here. I think I have just time for -- yeah. One is this, there's social costs, and they are -- and John discussed this question of poverty. These social costs fall upon people that are supplying the goods that Walmart sells. And the most horrific example of this took place in Bangladesh four years ago when 1,138 people were killed in a factory that collapsed that was producing for Walmart as well as other Western suppliers.

00:28:00

Now, why did that building collapse? Well, the approximate reason was it was poorly engineered. But the ultimate reason -- and this has been agreed to by all those who've studied it -- was that the firms that were in this building supplying Western retailers, and European as well, were under a tremendous squeeze. They were being squeezed week after week, year after year, to reduce prices, get stuff out on time, you know, and meet the standards of these

companies. Now, yes, of course, people were being employed there, and I'll get to that in a second. But the squeeze meant that it's a kind of a pathology of the supply chain. And Walmart -- Sam Walton, pride themselves, yes, we reduce those prices, reduce the costs every year, and we insist that our suppliers do that. One of the problems is, Walmart doesn't even know what some of those suppliers are because it doesn't care. Out of sight, out of mind. "Just get the goods to us on time and under budget." Now, the -- of course, these workers had flooded into Dhaka, they flooded into coastal China.

00:29:05

Yes, there has been tremendous poverty reduction -- and here I agree with you -- by the industrialization of the -- of East Asia. But we never measure, in the United States or anywhere else, our progress in terms of how far we are above abject poverty. If that were the case, let's go home. You know, yes, of course, we're much better than we used to be. What we measure is by how much those people who are doing the work, where they're doing the work, whether they feel themselves aggrieved, whether they think there is possibility for a more equitable sharing of the wealth, whether it's in Asia or in the U.S., and along -- and in terms of that, the answer's unquestionably, "They do," because they've demonstrated it. There are 100,000 demonstrations and strikes in China every year. There was a general strike in Bangladesh after the collapse of this building.

00:30:03

These workers, yes, they had jobs, but is it for us to say, "You should be happy"? They were unhappy. They made it clear. And I think that is something that Walmart and other western suppliers have not been sufficiently taken accountability for. Now, as a result of that collapse in Dhaka, a -- the ILO and others set up a system of legal accountability and about 200 firms signed on to that, mainly European. Walmart, most notably, did not. And I think it didn't because it did not want to take responsibility for what it was doing in East Asia. One more point I'll make just before my time is up, this question, yes, Walmart does reduce prices. No doubt about it. But the -- and that's been going on since 1970, so, say about 20 percent of your budget of a working-class family you can buy at Walmart, food, you know, clothing, et cetera.

00:31:01

If you agree with us that if Walmart changed its wage structure higher, other people would have higher wages as well. Then, those workers who are -- would get more money and, yes, they save money at Walmart, good thing, but they can also spend those higher wages on health care, education, transportation, mortgages, and all those other things that eat up the rest of the budget. And you can't buy them at Walmart, but higher wages will. Thank you.

John Donovan:

Thank you, Nelson Lichtenstein. Thank you. Your time is up.

[Applause]

And that concludes Round 1 of this Intelligence Squared U.S. Debate where our motion is, "Long Live Walmart." Now, we move on to Round 2 and, in Round 2, the debaters address one another directly as they take questions from me and from you, our live audience, here in New York City. The motion is, "Long Live Walmart." We have heard John Tierney and Richard Vedder argue that Walmart actually represents a series of economic and social goods, that it functions effectively as a major antipoverty program primarily by driving down prices for ordinary people, lifting, they say, millions of Americans out of poverty.

00:32:07

It has solved problems like access to healthy food at low prices. They talked about the animosity towards Walmart, coming basically from snobbery combined with special interests such as union groups. They also point out that the benefit is a strong counterbalance to any tendency to suppress wages and that, frankly, Walmart, they say, could not raise wages without possibly going out of business. The team arguing against the motion, Amy Traub and Nelson Lichtenstein, they argue very much the opposite. They take the point that Walmart is maybe a star retailer, but it's sort of the Death Star, that it's a company that is paying poverty wages, manipulates ours, that in an out-of-balance economy, Walmart is the center of a story driving force -- forth inequality in this nation.

00:33:02

Walmart, they say, could pay better and, as evidence, they say that other retailers do and they also talk about other issues like abusive conditions for workers in foreign factories supplying Walmart. So, we're going to take questions from -- they're going to take questions from me and then can question each other, and then we'll get to questions from you, our live audience. But we want to do something a little bit different at this point. We're in New York City for this debate and the nearest Walmart is about seven miles away over in New Jersey. There is not a Walmart in New York City in any of the boroughs, so we are just curious about -- to take a poll of you, with those keypads again. And the question for you -- we're going to put it up -- have you shopped at Walmart in the past year? Press one if it's a yes and push two -- Walmart store, not online, by the way. We want to know the physical presence. Have you gone to a Walmart store and shopped in the past year? One for yes and two for no.

00:34:00

I'd actually like to take a little poll of the panel here. Same question, who's been to a Walmart - - shopped in a Walmart store in the last year?

[laughter]

Amy Traub:

I went to a Sam's Club.

John Donovan:

Yeah?

Nelson Lichtenstein:

I'm not for boycott -- I'm not for boycotting it. It's --

John Donovan:

Okay. Walmart's going to love that picture of --

[laughter]

Richard Vedder:

John, my underwear is from Walmart, that I'm wearing.

[laughter]

John Donovan:

But where do you get your champagne?

[laughter]

Richard Vedder:

Costco.

John Donovan:

Yeah.

[laughter]

All right, let's move on to some questions from me now to the panelists. I want to put to the team arguing against the motion -- your opponent's making the argument -- a very, very bold statement -- that Walmart actually is running an anti-poverty program two ways. They pay a massive amount of taxes -- even though they lobby as much as any business does to keep taxes down. They pay a massive amount of taxes. And, more interestingly, they allow millions of American workers to buy things much more cheaply than they would have otherwise -- a case you actually made, Nelson -- but that otherwise is important.

00:35:03

What's your response to that? Let's go start with you, Amy.

Amy Traub:

Yeah. Working people today in America are under pressure under two sides. One the one side, we have stagnant wages the last 30 years in this country, largely. And Walmart really has a lot to do with that, with tremendous influence throughout the service sector, and really the core of our economy -- in pushing wages down. On the other hand, we have, as Nelson mentioned, skyrocketing costs for things you can't buy at Walmart. The cost of childcare is just out of control. Can't buy that at Walmart. Healthcare -- the cost of trying to send a kid to college. These are things you can't buy at Walmart, and I would argue that those stagnant wages and those other costs out there -- that cost of housing as well -- that makes a bigger difference for working families in this country. And Walmart is pushing people into poverty.

John Donovan:

All right. John Tierney, response?

John Tierney:

You're right that other sectors of the economy have gotten more expensive. And the problem is that we don't have people like Sam Walton there.

00:36:02

I mean, the -- I mean, Nelson's argued before, for instance, that the major parts now are housing and education. And the problem there is that those are the most heavily regulated and unionized parts of the economy. There hasn't been efficiency there. They just kept going up and up. And thank God, that Walmart has actually been pushing its prices down so people can afford these other things. And the idea that we need more regulation, more unionization in Walmart -- so it gets as expensive as colleges do, and as expensive as our public education costs. And I mean, I think Walmart has been saving people against those problems.

John Donovan:

Nelson, would you like to respond?

Nelson Lichtenstein:

Well, I mean, you would like the Walmartization of the entire universe. I think that that is another debate. We can have that debate about regulation or whatnot. Actually, in fact, of course, Walmart was a -- in its earlier years, and subsequently, has benefited enormously from various kinds of governmental services. For example, the interstate highway system.

00:37:02

Walmart could not exist -- its supply. Its 156 distribution centers could not exist without rapid and efficient, you know, movement on the -- on government-paid highways. So, that argument you're making, that we should Walmartize everything, it's kind of both utopian -- even from your point of view -- and it doesn't reflect the next 30, 40 years.

John Tierney:

But Walmart customers pay for those highways with taxes. I mean, it's not as if it's a gift from, you know, the --

Nelson Lichtenstein:

Not when they were built.

John Tierney:

-- their customers paying for it.

Nelson Lichtenstein:

They didn't -- Walmart didn't exist when they were built.

John Donovan:

Richard Vedder, do you envision -- would you like the Walmartization of the entire economy?

Richard Vedder:

I think Walmart has been a positive effect on the economy. Walmart -- there are some things that Walmart can't do. I don't know that Walmart is terribly good at teaching neuroscience in their stores, doing brain surgery. There are some things that Walmart can't do.

00:38:00

But Walmart, you know, has been terribly maligned, I think, unfairly -- as my -- as John pointed out -- by a concerted campaign led by the unions, particularly the United -- the UFCW -- that's directly attempting to make this into a mean ogre. They pay cashiers -- go onto payscale.com. They pay their cashiers -- and Amy mentioned these numbers, roughly -- \$10.17 is the sort of mid-range estimate, from bottom to top. That's what Home Depot pays. It's more than Kroger -- which, by the way, is a unionized store --

John Donovan:

When Amy says those are poverty wages, what is your response?

Richard Vedder:

Some people -- not everybody is going to be in the middle class. Not everyone has the skill sets to do this. And incidentally, many of these people, who earn \$10 an hour, have spouses who are working.

00:39:06

They're not -- this is not the sole source of income for all of these people. So, sure. Are there some people in poverty because of low wages? Yes. Will there always be? Yes. In every society, there's going to be people -- some people making more than others.

John Donovan:

Okay.

Richard Vedder:

And it's naive to say, "Let's pay the low-income people more."

John Donovan:

Okay. So, Amy, your opponent is in a way saying, "Welcome to the real world on this." What about that?

Amy Traub:

Well, listen, I think we've seen that there are a lot of different ways to run a business and a lot of different ways to run a retail business profitably in this country. Costco, I want to say, does not directly compete with the Walmart -- Walmart stores. They compete with Walmart's Sam's Club stores, which are wholesale clubs like Costco, and charge pretty much the same prices and pay much better wages.

00:40:02

But it's not just Costco. We see companies like Trader Joe's in the grocery sector, and Quick Trip out West in the convenience store sector, and these are companies that pay higher wages, offer better benefits, keep their employees a lot longer so they have lower cost of turnover than Walmart has. Their employees are more productive, and they -- they are profitable companies, and very low cost as well. And so, there's more than one way to run a successful business in this country. You don't have to pay poverty wages to be successful.

John Donovan:

John Tierney, when -- I live in Washington, D.C. now, and when the first Walmarts opened there in 2013 and they opened the doors to new job applicants, they were offering 600 slots, and 23,000 people applied for those jobs, and they were lined up down the sidewalk. What is -- did that -- does that fact work towards your argument or against it? I want to ask the other side the same question.

John Tierney:

I mean, we always hear oppressed the workers at Walmart are, but you have scenes like that, 23,000 people.

00:41:07

There's five or 10 applicants for every position. Nobody is forcing people to work at Walmart. It's providing jobs that people want. And it's nice to think that we could pay them all \$20 an hour, but, I mean, Costco, for instance, Costco doesn't operate in poor neighborhoods. Its customers are much more affluent than Walmart. And it's just a different business model. I mean, Brooks Brothers pays its salesmen more too, but that doesn't mean that Walmart can.

John Donovan:

Nelson, same question about what does it mean that there's such a demand for this work when it becomes available?

Nelson Lichtenstein:

It means there's a tremendous hidden unemployment in this society. It's true for every major employer, the post office and -- that's where they all -- whenever there's a big opening, you get thousands and thousands of employees. The argument that they can work somewhere else, this -- this is the kind of argument that we heard century -- centuries ago, as if people have a choice. They -- you know, that there is -- Walmart sets the wage scale for the bottom of the working class, and people have to adhere to it.

00:42:02

I want to make now a full-throated defense of trade unionism right here. The United Food and Commercial Workers has organized the grocery sector. It -- when Walmart comes to a town, the UFCW opposes that because Walmart will undercut the standards established by the unionized -- that they took decades to establish. What is the main difference between working at a union store and Walmart? I'll tell you what it is. It's not the beginning wage, which is the same. It is that you can have a career working at a unionized grocery store, 10, 20, 30 years. You can get a pension, you can actually buy a house, whereas at Walmart, the policy of the company is in fact to churn the work force, to churn it, because that then -- you then get lots of people coming in at the bottom. And I know this because I interviewed people, and I read their memoirs. And so, Walmart -- the beginning wage is often the same as a unionized store, but you can't have a career at Walmart, insecurity is built into the job.

00:43:02

John Donovan:

All right, I want to take that point to Richard Vedder. What I don't want to do is have a debate about the value of unions. I want to take the point that he's basically making that without union protection Walmart is abusive to its workers rather routinely.

Richard Vedder:

Well, yeah. And I -- I don't want to talk specifically about the unions, but I think it's interesting that here is a company with a million and a half workers, with thousands of stores in the United States that is not unionized. It's -- if you even believe Walmart is a nefarious company that sort

of plays loose with the labor laws, they still have to deal with the National Labor Relations Board. They still have to follow the Wagner Act, the Taft-Hartley Act and a whole variety of labor -- so why are the Walmart employees -- are they somehow docile people that somehow have been hoodwinked by this company and that they are doing things against their own self-interest?

00:44:02

I don't think so. I think the people at Walmart -- and I shop regularly at Walmart. I think they're pretty intelligent people who are trying to make a go at life. And I think they're doing the -- they're doing what they think is the best thing for themselves.

John Donvan:
Amy Traub.

Amy Traub:
Yeah. Look, people are desperate for work. They need to work. That doesn't make them unintelligent. It also doesn't mean it's okay to mistreat them. You know, I think we've seen, in this last election, surprising -- I would imagine quite a few of us in this room, we've -- it's taught us a lot about just how unhappy working class Americans are and how dissatisfied they are. We've lost high-paying jobs to mechanization and to globalization and to the destruction of unions in this country, and now a growing share of our economy is made up of low-paying service jobs like working at Walmart. And if that's what the jobs are that you can get, then, of course, that's the jobs people are going to take.

00:45:03

These are increasingly the core jobs of our economy. And it's clear people aren't happy about it.

John Donvan:
Amy, why -- I'm sorry to interrupt.

Amy Traub:
Yeah.

John Donvan:
Why is that Walmart's fault? That large picture, why is that Walmart's fault?

Amy Traub:
Oh, well, we are -- we are living in a world that Walmart has shaped to a large extent. They have pushed down wages -- in pushing down their own wages, and Nelson can speak to this

very well, and has -- they have pushed down wages throughout the retail industry, throughout the service sector, and to a lot of their suppliers as well.

John Donovan:

So, because of their size, because of their size -- your opponent, John is saying because of their size they're picked on. You're saying because of their size they're actually different. They're --

Amy Traub:

Yeah.

John Donovan:

-- they're qualitatively different because of their quantitative scope. Let me take to that John Tierney.

John Tierney:

This is not a debate about unions, but the overriding message -- I mean, we keep hearing from labor union leaders that workers want these unions. But the message from workers over and over again to union leaders is, we're just not that into you. They vote against them all the time. You know, they've lost so many elections.

00:46:01

Workers -- I mean, I've been in unionized, you know, newspapers and nonunion newspapers, and I think the -- the nonunion ones have a better chance of survival, treat their workers as well. And I think workers realize that, that the other workers have a union organizer at Walmart and did it all make their lives better? No. It'll probably end up costing them jobs and putting them out of business.

John Donovan:

John, let me walk you away from the union point to the point that Amy was making in her last exchange, which is that Walmart, due to its size, has had an undue influence -- with the motive to drive down wages, has been an undue influence in that and has hurt the larger economy, that it is in a sense the Death Star.

John Tierney:

I don't think any company -- I mean, right now Walmart is really struggling against Amazon. I mean, it's big. You know, but you're always susceptible to a new competitor. Walmart can't force people to work for it. It can't force customers to buy its product. It is big, and it has that influence. But, I mean, you know, Trader Joe's and these companies you're talking about, why doesn't Costco go into poor neighborhoods and start undercutting Walmart with its workers? Because it doesn't know how to do that. Walmart --

00:47:00

John Donovan:
Nelson.

Nelson Lichtenstein:

That specific question. Walmart has made a big deal that it solved the problem of food deserts, right? You've heard of that phrase, "food deserts"? Which means, let's get some stores in inner cities. I made a study of this. Walmart has been in Houston, Dallas, Atlanta, big cities, Memphis for 40 years. 30 -- at 30 and 40 years. Are they in the poorest neighborhoods in those cities? No, they are not. People -- there are food deserts in this country because people don't have enough money. That's why we don't have big stores there. So, Walmart, in the recent years said, oh, we'll put stores in inner city Chicago, or inner city Washington, D.C. That - they do that as loss leaders. That's their way of getting into the metropolitan area. But they don't do it either.

John Donovan:
Richard. Richard Vedder.

Richard Vedder:

Well, I want to comment on that somehow Walmart is this huge corporation that has this enormous power over the American economy. Let's agree that there's 1.4, 1.5 million workers at U.S. Walmarts.

00:48:06

Those figures -- Amy used 1.5. I've seen 1.4. What is the size of the American labor force? How many people are working in America? 150 million roughly. Walmart is, at best, 1 percent of the labor force. Even in retail trade, if you add all of retail trade and maybe retail and wholesale trade, it's way under 10 percent. Walmart is an important company in America. No doubt about it. That's why we're having this debate where 300 people are sitting in this audience, braving the rain to come. But, that doesn't mean that they are omnipotent or that they control everything. I just think we've got everything way out of proportion here.

John Donovan:
Amy Traub.

Amy Traub:

Yeah. So, the retail industry is 10 percent. 10 percent of our economy. And Walmart's reach goes beyond the retail industry.

00:49:02

They go throughout the retail industry. They go beyond the retail industry. Maybe, Nelson, you'd like to speak to this as well, because I learned it all from your book.

Nelson Lichtenstein:

Yes. Walmart -- Sam Walton was famous for his -- one of his innovations early on was, we're going to squeeze the suppliers. We're really going to squeeze them. Now -- and there was a lot of -- that was a good thing in some ways because some of these suppliers, they went to New York and had parties and then bought stuff and came back to the South. So, it's good to do that in some ways. But they made that a kind of a -- part of their DNA, and they relentlessly squeeze them. And so, for example, that would mean that the companies in the American South that were producing for Walmart, every year they had to reduce prices. If the company wanted to raise wages, no, we'll go somewhere else. And Walmart would often tell companies, "Well, you can get -- you can make it cheaper in China, so we urge you to go off shore." Once in China, it didn't -- that wasn't the end of the problem because there, the continual squeeze on suppliers - the ILO and other international organizations have tried to rectify that, tried to condemn that.

00:50:07

That -- you -- we can, in fact, raise the general wage level, not just for Americans, but throughout the world that can be done. It is not true, "The poor you will always have with you." I really think that is something we should reject. At various moments in the United States, in American history in the '50s and '60s, we had a wage compression. We can do that again.

John Donvan:

John Tierney, the part of what your opponent just said that I'd like you to address is this -- he's describing a ripple effect of the Walmart business, that it's not -- we're not just talking about the million and a half Walmart employees, but we're talking about the employees of the people who make stuff that supply Walmart, and then concentric circles around them. So that's their argument for saying, "Walmart's size matters."

John Tierney:

The squeezing down cost is good for -- I mean, there are more people who use those products than make them.

00:51:01

So, it helps everyone. It helps every company do that. And the idea that Walmart can somehow magically raise everyone's raises I just find -- it just doesn't make sense to me. And the Walmart -- and talking about the poor that you will always have with you, you know, my answer to that is it's amazing that we have reduced two thirds of world poverty thanks to this system that is -- a system as you say has been this Walmart cost-cutting that has found new ways to employ people around the world. It's found ways to cut prices. I mean, this has been the greatest reduction, and it's -- and it happened not during the period of people look back on. I know the '50s and '60s when people all belonged to unions, it happened in this era of this retail revolution we had the biggest reduction in poverty in world history.

John Donovan:

Amy, we've just come last year through a presidential campaign in which one of the people who ran for president ran very much against outsourcing and he became president and he's in the White House now. He wants to bring -- he wants to bring jobs back to America and, in fact, Walmart, as you've said, is -- largely buys I think 80 percent of its goods coming from China.

00:52:03

But your opponent's arguing that that is a good thing because it's actually -- it's raising living standards in China that, while there may be a price for American workers, that the -- the net benefit outweighs that in what has happened in developing nations that are supplying Walmart. What about that argument?

Amy Traub:

Well, Nelson spoke to this Rana Plaza disaster and this situation that --

John Donovan:

But that's -- all right, I understand --

Amy Traub:

Yeah.

John Donovan:

-- the issues, but you got your shot at saying the conditions are abusive, which I think is relevant, but what about their point that the degree of poverty in the rest of the world has been lessened because of the dynamism of Walmart?

Amy Traub:

Well, it's interesting how, first, we're hearing how small Walmart is in the U.S. economy and not doing anything to wages here, and then we've just learned that it has abolished poverty around the whole rest of the world.

[laughter]

So, I don't know, is it a big company or a small company?

[Applause]

00:53:00

John Donovan:

Who would like to take that on the opposing side?

Richard Vedder:

Well --

John Donovan:

Richard Vedder.

[laughter]

Richard Vedder:

-- let's talk about that.

John Donovan:

It was very cleverly done, actually.

[laughter]

Richard Vedder:

Yes. No, that's -- it was a good comeback, Amy. I'll grant you that. But let's talk facts. The reality is that the workers in Bangladesh who went to work for a factory that collapsed were probably making, let's say, 50 cents an hour. I don't know what they were making, a dollar an hour, 50 cents an hour. Nelson's nodding his head. We agree on something. I want to stipulate that.

[laughter]

So, they're making 50 cents an hour, no, a dollar an hour. The question is, what would they have made if they didn't work at Walmart, if they didn't have a job, if they didn't have the opportunities? How did the textile workers in New England -- now, I'm an economic historian, Nelson, so I can keep up with you on history?

00:54:00

What -- they made 25 cents an hour in 1820. In 1860, they were making a dollar an hour. By 1900, they were making two, three, four dollars an hour. What I'm saying is, people who are poor have to be given an initial step towards becoming wealthy and rich. And the way they do it is they take jobs at the bottom and they move up. And Walmart has enabled that in Bangladesh and in many, many other countries in the world.

John Donovan:

Nelson.

Nelson Lichtenstein:

The question is not, "What would they be making back on the farm?" Of course, it would be less. The question is -- back on the farm. Of course, you'll be less. The question is, what do

they want when they're in the factories? That's the question. And I'm glad you raised it. I have your book here. I just read the section about the Lowell Mills in 1812, where farm women from New England were brought to the mills -- not unlike Bangladesh today -- absolutely. From Professor Vedder's history, however, you would think that the increase in wages and welfare of the American people throughout the 19th century into the 20th took place in some automatic, inevitable fashion, without struggle, without politics, without strikes, without demands.

00:55:12

Of course, all those were essential. This was not something that just sort of happened. And the same thing will be true in Bangladesh and South China. These -- the standard of living there will increase, but only when the people there are -- demand it, and we don't -- and I don't want Walmart to be an obstacle -- or other retailers to be an obstacle to that improvement in their working conditions.

John Donovan:

John Tierney, would you like to respond? Or --

John Tierney:

The main reason that the life expectancy has gone up around the world and people's lives have gotten so much better -- I mean, union leaders like to take credit for laws that were passed. But the basic thing is that people got rich. We had the Industrial Revolution, and it's capitalism that has done it. I mean, Amy, when you talked about the -- I'm giving Walmart too much credit for poverty in the third world -- well, it isn't just Walmart, but it's capitalism that did it.

00:56:02

And we're talking about Walmart in two ways here. We're talking about it as a company, but then you also kind of wave your hands and say, "Well, we can just change Walmart and that will change the rest of the whole system." And I am saying that it is a system. It's a capitalist system. It's a market. Walmart cannot change by itself. And unless you're talking about, basically, world socialism or some great, you know, world regulation -- Walmart can't single-handedly change that system. But it is that system that makes people richer. I mean, it isn't -- laws help, but rich countries can afford to have great labor laws. You have to get rich first.

John Donovan:

Amy, would you like to respond? And the point I heard was that Walmart cannot change the world by itself.

Amy Traub:

Walmart has changed the world by itself. It has certainly changed the United States. It's changed a lot of the world. Walmart -- we're living in a world that Walmart shaped here. And so, absolutely, they can raise wages. They-- that's something they could do.

John Donovan:

But their argument is if they raise the wages in this situation -- they've got Amazon breathing down their neck --

00:57:01

Amy Traub:

[affirmative]

John Donovan:

-- in a very serious way, that if they fool around with their business model, they may go broke.

Amy Traub:

Well, they've already had a lot of challenges to their business model, right? That's why they've had to have a much smaller wage increase than I would advocate for, but they have just raised wages. And the reason they've done that is because their business model is in trouble of low wages. You're in trouble when even Walmart workers can't afford to shop at Walmart. That's a problem. And so, Walmart, they need to change. They should change. And they can.

John Donovan:

Okay. I'd like to move on to questions from our audience. And the way that it will work is if you raise your hand, I'll call on you, and then a microphone will be brought to you. And I'd like you to stand up just so that we can see with the camera, and state your name, and then ask your question. But just before we do that, I want to get the results of our poll, to find out where you folks shop or don't. So --

John Donovan:

Thank you. Have you shopped at a Walmart store in the past year, he asked the audience in New York City?

00:58:04

[laughter]

The answer is 46 percent of you have, and 54 percent have not. Surprising us at all, I think. So, a lot of people crossing over to New Jersey and driving out to Long Island.

[laughter]

Let's go to audience questions, then. And I'll take one right down in the front here. Sir. And the mic is coming down on your left-hand side.

Male Speaker:

Thank you. This is great. My name is Gerry, and my question is for the side opposing the resolution. Earlier, you mentioned that your objective would not be to physically dismantle Walmart. And as you just mentioned, that Walmart should change. Could you clarify exactly how it would change? Do you expect it to voluntarily change itself? Would there be some form of regulatory effort? If so, how would that be formulated, enforced? And what might be unintended, as well as intended consequences of such regulation be?

John Donovan:

Yeah, Nelson --

Nelson Lichtenstein:

Well, I mean, it's already happening, of course. There had been this movement around the country for \$15 an hour, and where that does take place -- actually, it's good -- Walmart and other retailers, and actually, Walmart has not objected -- they objected when someone would say, "We want you to raise your wages."

00:59:17

But when it says, "We want all retail to raise wages," well, they're on -- you know, in the -- they're -- competitively, they're in -- on an even playing field. So, that's just one example of that. Regulation, public policy, health insurance. Walmart's had a big problem with health insurance because they didn't -- it was very expensive. Walmart actually supported the Affordable Care Act. Most people don't know that. And because it would be very beneficial to many of their employees who were making so little, so this was a public policy that came in and would in fact -- I think did in fact -- has improved the life of some of these workers. And that's a good thing. That will have an impact over time.

01:00:01

So, these are both incremental things. You can't, you know, revolutionize the company on a dime, but I think that public policy moving in that direction can make the company both similar to other retailers, and I think it's already moving in that direction, and then raise the general floor for retail in general.

John Donovan:

The other side has a chance to speak to this as well even though the question --

John Tierney:

It's nice to talk about --

John Donovan:

John Tierney.

John Tierney:

-- living wage laws. I mean, I can understand why Walmart wants a level playing field. You know, my reaction when I see these living wage laws of 15 to \$20 an hour, I think they should be renamed "the robot full employment act." I mean, that's what -- I mean, if Walmart starts paying its cashiers \$20 an hour, people are going to start shopping at place that's don't have cashiers. I mean, it's already happening in fast food restaurants. So, it's nice to raise people's wages, but you're going to put them out of work.

Nelson Lichtenstein:

I'm in favor of the robots. I want you to know that. I am, seriously.

John Donovan:

Richard Vedder?

Richard Vedder:

Well, along those same lines, you know, there are other examples in the world where we do have \$15 wages.

01:01:04

At McDonald's in Paris, workers make \$15 an hour. Well, that's nice. But 23.2 percent of the young people in France are unemployed. The overall unemployment rate in France is 10 percent. The rate of economic growth since 2000 has been 1 percent a year. Ours is inadequate, but it's at least 2 percent a year. So, we're doing at least better, where our per cap diem comes 37 percent higher than in France. And the same story can be told of us countries, and I picked on the French because they're so pickable on.

[Laughter]

So, I -- anyway.

John Donovan:

Amy, I saw you taking notes. Did you have a response to that because I can move on to another question.

Amy Traub:

Oh, you know, of course there are countries that have higher wages and where Walmart is paying higher wages that also have low unemployment. And so --

01:02:05

Male Speaker:

Hi. My name is Fred. Is it all right if I ask a question to both sides?

John Donovan:
I'd prefer that you just pick one.

Male Speaker:
Okay.

John Donovan:
Of course, is it two different questions for two different sides? Because I prefer that you just pick one so that --

Male Speaker:
Yeah, they're different questions, but I can --

John Donovan:
So, pick one, yeah.

Male Speaker:
Okay, I'll do one. I suppose this is for John and Richard. I guess the crux of my question is the feasibility of actually raising wages or at least benefits for Walmart. I mean, I know that generally the argument is is that if you raise their -- you know, if they make a blanket raise of wages or benefits, they could potentially go out of business, especially, you know, since they have such a huge employee base. But how realistic is that assessment because -- I mean, do you -- is it completely impossible for them to make at least some moderate, you know, raise in benefits or wages and not have it -- I don't -- you know, not have them go out of business and potentially cut into profits.

01:03:07

And I know, you know, from the perspective of both the executives and shareholders, you know, if profits decrease, it's the end of the world.

John Donovan:
Okay. I think we get it. So, I'll let Richard take it.

Richard Vedder:
Well, in fiscal 2017, which ended January 31st, Walmart made \$13.643 billion after taxes. That's 2.8 percent of sales. 2.8 percent. Retail operates on a thin margin. That doesn't mean they couldn't make some modest increases and survive for a few years. But retail is dead. It's not dead. It's in trouble. Yesterday's USA Today, "Ralph Lauren to cut jobs, shutter stores."

01:04:00

Same newspaper, same day -- not the best newspaper, but that's the one they gave me at the motel.

[Laughter]

"Payless seeks chapter 11 protection. Will close 400 stores." You know, this is a tough world we're in. I really think Walmart is constrained. They spent 3.3 billion, by the way, this year to buy an internet sales company so they can start to compete vigorously with Amazon.

John Donovan:

So, you mean the other side might get their wish; Walmart's not going to live long.

Richard Vedder:

Yes. They may win anyway, yeah, in spite of our efforts, as much as John and I love Walmart. And I still want to buy my underwear at Walmart, but I may not be able to.

Amy Traub:

You know, I've got to say my wish -- my wish has to do with the Walmart business model. And Walmart's not the only one that has this business model.

01:05:00

We see it at a company like Amazon, too, that's squeezing workers and sending profits to the top. And so, I would not consider that a victory, I'm sorry, if they are pushed out.

John Donovan:

We've actually debated Amazon, and I refer you to our podcast.

[Laughter]

The motion was "Amazon is Good for Readers," and it's worth listening to. I'm sorry, "Amazon is the Reader's Friend." And it's worth listening to. Okay, let's take another question. In the back there, against the wall. Thanks.

Female Speaker:

Hi. My name is Eleanor. I'd love for you to address the impact on Walmart in terms of quality of life in America. Obviously for any individual family to get goods for 2 cents cheaper per can is really important. But we're acting as if that's the only factor in how good someone's life is, is how many goods can they get for how cheap? That wasn't good grammar. But --

John Donovan:

Oh, I get it.

Female Speaker:

-- in terms of, you know, the impact on small businesses, people's ability to start a life for themselves, people's ability to know their employer, America's downtowns, I think we're not just seeing economic problems in the United States, we're seeing happiness problems and health problems.

01:06:07

So, can you address Walmart's role in that?

John Donovan:

John, I think you could take that.

John Tierney:

Well, I can't answer that question because everyone is so different on that. And I think what the nice thing about Walmart as an example of capitalism is people make their own choices. I mean, you can still find jobs in small stores. You can still shop at small stores. You know, some people find Walmart repulsive. They don't want to live in the mall. Some people like to live in New York. But I don't think that we can sit up here and prescribe a policy that we should regulate Walmart so that people live this way. I mean, people make their own choices, and I think they -- Walmart gives them a choice to buy small stuff in a pretty ugly big store that they have to drive to a parking lot. But people don't have to go there. And the idea that we should suddenly pass laws that force, you know, Walmart into a certain model, force prices to a certain level, that's decreasing people's freedom, I think.

John Donovan:

Nelson?

Nelson Lichtenstein:

My father owned a five-and-dime in a small town, so I -- on the question of small stores, on the one hand, there were some great things about them, and otherwise there weren't.

01:07:09

So, I come -- but I would say this: In general, I'm in favor of efficiency in retail. And Walmart, as I wrote in a book, did make a quantum leap forward, of the same magnitude as Henry Ford and the assembly line. But, towns -- we live in a democracy, and towns, cities have the right to establish the criteria upon which they want business to do -- to work within their -- you know, their limits. And if a small town makes the decision that they would rather have a -- you know, a small business district with small shops, and they don't want a big box store there, they have the right to make that decision. It's democracy. And so, on that level, you know, I am sympathetic to those who want to keep Walmart out. On the other hand, on a larger question of regulation, when Walmart innovates and puts a -- one store with a giant parking lot around it, that's very bad for the environment because the water runs off.

01:08:07

In England, they had the same issue. And there, the government of -- I think it was Tony Blair at the time, said, no, we have these green belts. We want to -- we want to compact commercial districts. And they sort of had a big fight about Walmart, and then Walmart lost, and then it accommodated to what the -- you know, what the laws of the country were. But the same thing can happen in the United States.

John Donovan:

Okay. Right there. Thanks.

Female Speaker:

When you talk about -- Shayna Darski. When you talk about Walmart's competitors, you mentioned Costco. But I believe it was Richard said Costco isn't actually comparable to Walmart. So, Amy, can you give an example of a competitor that does give benefits that Walmart doesn't? And Nelson, can you give an example of Walmart's competitor that does allow for a career.

Amy Traub:

Ah. Yeah, well, sure. So, I think I made the point that what Costco competes with -- Costco is a wholesale club. They aim at households buying in bulk, and also, it's small businesses.

01:09:02

And they really compete pretty directly with a division of Walmart, the Sam's Club division. And so that's where Costco comes in. There is no other retailer that is on the scale of Walmart. So, nobody is like their direct competitor that's up there with Walmart because Walmart is the beast of Bentonville. They're the big kahuna. There are a number of other retailers and low cost retailers that offer low prices, offer higher wages and better benefits and careers and stable schedules which is another tremendous problem at Walmart. Give workers a chance to be full time if they want to work full time. I mentioned Quick Trip convenience stores. That's -- they -- we don't have them here not because anyone's trying to keep them out, but they tend to be clustered in the west. I also mentioned Trader Joes, and there is one just a few blocks uptown in the grocery sector.

John Donovan:

Before you answer the question also, Nelson, I want to let the other side have a shot at responding to what you just heard.

01:10:04

And you can pass if you want to and wait for Nelson's response.

John Tierney:

I mean, I would say that --

John Donovan:

John Tierney.

John Tierney:

-- I mean, stores -- I mean, employers compete all the time for -- I mean, they're competing for employees. And so, they'll offer better benefits, they'll offer better hours. And so, if these stores are attracting certain employees who value that, that's great. And I'd say -- and if that really is a better model, it'll spread. But the idea that, you know, one store you can point to has found the model that will work for all of Walmart -- I mean, Walmart really does understand -- I mean, it knows that it -- that paying more to workers and offering them more benefits gets you a more stable, a happier workforce. It means less turnover. Walmart doesn't want to lose workers. But it has spent a lot of time, and it knows the numbers, figuring out how it can keep prices low and keep workers happy. It's a balance.

John Donovan:

Okay, Nelson, you can now go to answer the question.

Nelson Lichtenstein:

Yeah, actually, yes, their PR rhetoric -- they want to keep the workforce, but in fact, I've interviewed managers, I've read their -- I've read what they said.

01:11:01

They do want turnover because it lowers the general price -- the general wage level because when you have new people coming in all the time -- they do want that. Here's the alternative. The alternative is grocery stores -- and including, by the way, Costco, which is 15 percent union -- only 15 percent, but the union sets the standard for the rest of them. And growth -- unionized grocery stores, people have a sense there that they have a predictable work life. They -- you know, if you go with a certain amount of seniority, you will get a schedule that you can live with. You know that you will keep that unless you really screw up. You'll keep that job forever. And don't give me the argument that then we're going to get a bunch of dead wood because, in fact, working in a grocery store, you know, at a certain point becomes kind of routinized work. So, it is interchangeable. But one's life is very dependent upon the predictability of your job and I would say that part of the reason for the political turmoil we're in right now is that for many, many people in the white working class, the sense of predictability has fled from their lives and Walmart and its competitors who follow the Walmart model are responsible for that.

01:12:13

John Donovan:

So, I want to remind you that we are in the question and answer section of this Intelligence Squared U.S. Debate. I'm John Donovan, your host. We have four debaters, two teams of two arguing it out over this motion: Long Live Walmart. Right down in front.

Male Speaker:

Hi, everyone. Thank you for doing this. This is incredible. Team pro.

John Donovan:

What's your name, sir?

Male Speaker:

Michael. Sorry, I'm Michael.

John Donovan:

Thanks.

Male Speaker:

With regard to the cultural societal consumerism side of Walmart, oftentimes it is the cultural centerpiece of a municipality. What effect do you think that has on society as a whole because, as you go into a store that has such influence that Walmart has, consumers oftentimes don't seek out other places for different types of goods, different types of pricing, different types of -- all kinds of things that they would see in other major cities.

01:13:07

John Donovan:

Richard Vedder.

Richard Vedder:

Well, I would --

John Donovan:

Sorry, Richard Vedder, go ahead.

Richard Vedder:

I was going to say this in my closing remarks. I'll say a little bit of it now. I live in a town of less than 25,000 people. It's quite the opposite of New York City. It is a town with a poverty rate of 33.1 percent. It's higher than that in New York City. And when Walmart came to my community, it was like a renaissance happened. And it led, three or four years later, to Lowes coming to my community, a home improvement store of large size. We never had a big store. We never had the -- we went to little hardware stores and a very unclean, dirty, small discount houses of minimal size. So, Walmart had sort of a cultural impact of that nature.

01:14:02

And it also meant that people started driving into our community from 10 and 15 and 20 miles away who previously would go to their little town 15 or 20 miles away. And this really had a -- sort of a revitalization impact on the community on which -- in which I live. And before all this happened, I was sort of indifferent to mildly negative towards Walmart. But when I saw this with my own eyes, I said, "Hey, this is pretty cool. And this is pretty good," because this rural area is better off. People are less poor. They're happier. They have more choices. So, long live Walmart.

[laughter]

John Donovan:

Let's let the opponents -- want to have a counter version to that?

Nelson Lichtenstein:

Yes. Yes. Walmart was -- did -- I mean, and this is a good example -- it revolutionized small-town America.

01:15:03

Yeah. And in many ways, frankly, the -- there was a kind of, you know, small town merchants just, you know, jacked up prices, and they weren't -- so, that's one of the things that Sam Walton did. He realized there was a tremendous demand for, you know, cheap products in small-town America. And that was really -- that was the -- that made him equivalent to, really, Henry Ford -- when this -- everyone wanted to have a Model T. The question is, then, who shares the benefits of this transformation in American business capitalism? Who -- is -- do the benefits of this go simply to the top? And today, the Walton family is buying back its own shares? It owns more than 50 percent of the company today. Or is it shared more broadly? That's really the question. And we on the negative side, the -- want Walmart to transform itself so that those benefits are shared more with everyone else.

01:16:00

Female Speaker:

Thank you. Hi, I'm Erin. So, I feel like this conversation, for obvious reasons, has been pretty focused on people. But we're also in a political context where one of the most critical problems facing the world now is climate change. And Walmart is doing a tremendous amount -- even compared with the U.S. government right now -- on that issue, including 100 percent renewable energy targets, science-based targets, that sort of thing. And where does that all fit in this?

John Donovan:

Let's take John Tierney first to respond to that.

John Tierney:

Walmart has a big advantage here. I mean, I've written an article called "Recycling is Garbage," faulting recycling as one of the most wasteful activities in America -- but Walmart is actually a good example of an exception to that, because when I talked to people -- about recycling, what they say is these curbside programs -- they really don't make much sense, because you spend so much energy collecting the stuff, sorting it. But Walmart gets, you know, gets a thousand boxes a day. It puts them all together. It's very efficient. It sends them all -- it's much cheaper for Walmart to send it to a recycling plant. And they can afford to do things on large scales. Like, you know, say that -- "Less packaging from our suppliers, because we're big enough.

01:17:03

We can tell all our suppliers we want less packaging." It can figure out more energy-efficient ways to do that. So, in that sense, going to big-scale helps you with, you know, dealing with climate change, because you can actually -- I mean, you can hire somebody to figure out, "How do we design our lights to do it differently? How do we do this?" And they do it partly for PR reasons, but, you know, even better is that they do it to save money. So, that's good.

John Donovan:

Amy?

Amy Traub:

Yeah. We've seen a lot of this Walmart PR. They won an award one year -- I can't remember the name of the organization -- for the worst -- it wasn't just one year, it was year after year, I think -- the worst corporate greenwasher. In other words, selling products, for example, that touted their sustainability, and environmental benefits -- but it was marketing. It was -- they were brought up before the FTC for making some false claims on that. And at the same time, Walmart also is putting millions of dollars -- and has put millions of dollars -- into groups that are denying climate change, fighting against environmental regulation, fighting against clean air regulation.

01:18:07

And at the same time, Walmart is -- it's selling cheap and disposable products that are designed to break down after a year, after a few months, so you go out and throw them in the landfill and buy another one. And so, I -- you know, it'd be great to see solar panels on top of every Walmart. I have not seen that. And so, I think it's more flash than substance, like a lot of Walmart's claims.

John Donovan:

I wonder if I can go back to the questioner. What's your response to the responses you got?

Female Speaker:

Yes. I think, first of all, one thing I forgot to mention is they're also engaging hundreds of their suppliers. So, they're not just squeezing their suppliers on, you know, wage and price, but they're also squeezing them on reporting climate change information, setting targets. So, I think they do more than greenwashing, in real terms. And I think -- as a metric, in terms of "Long Live Walmart," it's a really interesting part of the equation that goes beyond --

John Donovan:
Okay.

Female Speaker:
-- the people aspect.

01:19:00

John Donovan:
Thank you. I just was bringing that in for elucidation. Thanks very much. Let's take -- in the -- yeah. I don't know how to describe everybody, so I just keep pointing, and it works.

Male Speaker:
Hi. My name is Jim. And to the -- back to the point about how -- was it 27,000 people lining up in Washington, D.C., to work at Walmart, how many people -- and this is to the people on the right. How many people does --

John Donovan:
The team arguing against the motion.

Male Speaker:
Yes. How many people would be lining up for jobs at Costco at \$35 an hour? And the point being, you know, has it occurred to you that maybe because Walmart pays low wages that it allows people who, you know, don't have an uncle that already works there, don't have some special in, you know, don't have a college degree, it actually is open for them to get a foothold into the work force.

John Donovan:
Nelson.

Nelson Lichtenstein:
Yes. There have actually been studies of that. So, like in Chicago, when Walmart opened up a store, you know, huge numbers showed up.

01:20:03

And Walmart -- here's what Walmart does -- here's its business model. It puts a new store almost anywhere especially a big city. They will hire quite a number of people, maybe 800 or

so. And, you know, they will have them there. Then over the course of the next year, they will eliminate a large number of them. And I'm not trying to be demagogic here or cheap, but, I mean, the fact is, in places like Chicago, the people who get eliminated -- not all of them -- tend to be people of color. That's not because they're racist, but because -- I don't want to get into that. But just -- that's happened. That's been documented. So --

Male Speaker:
[unintelligible].

Nelson Lichtenstein:

So -- well, but okay. The answer is -- the answer is, no, both Walmart takes people that -- you know, and they have tests. They have a very elaborate test to see who can do the work. But this is -- but it's not as if other firms, you only get the job because you know the uncle or know a relative. This is a case for the retail industry in general.

01:21:00

Walmart has a 40 to 60 percent turnover rate every year. That's true for many of the other firms. So, they're constantly hiring people. And to make one more point, Walmart never lays anyone off. You know why? They never lay anyone off, ever. The reason they don't is because when -- they just wait for someone to leave or they give them a shorter shift or a bad shift, and then they quit. That means Walmart never pays unemployment insurance, never, because they -- no one ever -- they never actually have a layoff. People just quit. And so, they save a lot of money. And that's true for the retail industry in general, which is one reason that such a small portion of all Americans that have a job now receive unemployment insurance.

John Donovan:

I'd like to let the other side pick up if you would like to engage on that point. Richard? You don't have to if you want to move on.

Richard Vedder:

I don't know the evidence with regards to unemployment payments, workers' comp payments, those kind of payments.

John Donovan:

So, you're taking an intellectually honest position that you're not going to be [unintelligible].

Richard Vedder:

I'm being honest, yeah.

01:22:01

John Donovan:

All right.

Richard Vedder:
I could say, you know --

John Donovan:
No, no, no.

Richard Vedder:
-- the study of the journal of so-and-so and so-so.

John Donovan:
No, no. We appreciate the --

Richard Vedder:
But I am an honest guy.

[Laughter]

John Donovan:
All right. We appreciate that. Let's give a round of applause to not the essay.

[Applause]

Male Speaker:
Hi. My name is Gab, and I have a question for Richard. I love the story about the poor village with the 33 percent unemployment and Walmart coming in and kind of a renaissance. But could one make the case that 10 years earlier, unemployment was half of that, and it's now 33 percent because all the jobs got chop -- you know, got shifted to China because they moved the supply chain. So, it seems to me they're burning down the village, and then they come around and say, "Oh, my God, you know, you poor guys. I'm going to help you."

Richard Vedder:
Well, first of all, unemployment isn't 33 percent. I was talking about poverty rates. And there's a difference between unemployment and poverty rates.

01:22:01

When Walmart came to my community, we added -- Walmart itself hired 300 people. Now, there's some evidence in the literature that, well, but those aren't a net increase because the little hardware store down the street will close and other businesses will go out of business or lose business and some will lay off people. The preponderance of evidence shows that the net effect is still positive, and it's quite significantly positive. And at least in my community, it was. Are there some sort of unintended consequences of anything happening, including

Walmart opening? Yes. There are some losers. On anything you do economically, there are winners and losers. And -- but --

Male Speaker:

But that wasn't my question. I'm saying --

Richard Vedder:

Yeah. But what the hell, I --

[Laughter]

01:24:01

Male Speaker:

I'm talking about the job losses from them moving the supply chain to China which caused some of their unemployment.

Richard Vedder:

Walmart --

John Donovan:

What he's saying is, does Walmart really deserve so much credit for coming into a --

Richard Vedder:

Yeah.

John Donovan:

-- community when, in his view, Walmart is the reason that the community's in trouble.

Richard Vedder:

Walmart --

John Donovan:

Do I have that right?

Male Speaker:

Yes.

Richard Vedder:

Yeah, Walmart has --

John Donovan:

That was a professional questioner.

[Laughter]

Richard Vedder:

There's a 4.7 unemployment rate in the United States right now with a Walmart with \$500 billion in sales. That is extremely low by long-term American standards, by European standards, by the standards almost anywhere in the world. Now, I'm not going to claim that Walmart is the main reason why the unemployment rate is 4.7. But I'm saying that the world markets adjust. Markets adjust. And markets adjust very adroitly to the Walmart phenomena, and they've adjusted in a positive way.

01:25:05

John Donovan:

Amy, to respond.

Amy Traub:

Yeah. I'm interested in Richard's point that there are winners and losers, because I think in the Walmart case, that is really telling. We can look at who the losers are and, you know, communities see some benefits. They see a lot of downside as well. Certainly, anybody who has to go out there and work for a living -- and especially if you happen to be working at Walmart -- is a loser, and the winners are -- in this situation, it's the Walton family that owns more than half of the company and has more wealth than the bottom 41 percent of Americans all combined together.

John Donovan:

And that concludes round two of this Intelligence Squared U.S. debate where our motion is: Long live Walmart.

[Applause]

And now we move on to round three. And in round three, each debater will make a closing statement, a brief closing statement.

01:26:00

It will be two minutes each. Here to make his closing statement in support of the motion, once again, Richard Vedder, professor emeritus at Ohio University and director of the Center for College Affordability and Productivity.

Richard Vedder:

I mentioned earlier I'm from a poor community I think has -- have had -- where Walmart's had a transformative effect. But I think Walmart's effects are even broader than that. And I think Walmart has been greatly maligned because its workers like Walmart mostly. Not every worker. Any company with a million and a half workers are going to have some unhappy

people. But by and large, they have chosen not to unionize. In that, they're similar to 9 out of 10 Americans in the private economy who have also decided not to unionize. They haven't fit into the model of -- the old model of industrialization that many people still proclaim.

01:27:02

They just haven't fit into that. Walmart's a good company. Someone asked about environmental things. We haven't talked much about it. But Walmart spends more -- the Walmart family -- we've talked about the evil Walmart family. The Walmart family foundation spends more than \$1 million a day on charitable activities. 375 million next -- last year, a billion-dollar commitment on education in the next few years. These are good people. When Katrina hit, FEMA kept talking about, oh, let's have strategy sessions. Let's decide what we're going to do. Walmart was there with water and milk and bread to help poor people and stranded people live. So, Walmart has done a lot of good for America. It is a good company.

01:28:01

It is a company that's doing what Americans have been doing for years, proving our nation and making it exceptional. Long live Walmart.

John Donovan:

Thank you, Richard Vedder.

[Applause]

And that is the motion: Long live Walmart. And here to make her closing statement against the motion, Amy Traub, associate director of policy and research at Demos.

Amy Traub:

Yeah, today we are living in a profoundly unbalanced economy where some working Americans are scrambling to keep the lights on and yet the wealth of the top 1 percent expands every year. I've argued that Walmart is at the heart of that unbalance. And I want to tell you about another Walmart worker tonight, Jennifer Green. She used to work full time at the jewelry counter at a Walmart store in Virginia. Jennifer lost a pregnancy while she was working at Walmart. She was devastated about that but her manager was pressed to minimize costs and paid time off and was unsympathetic.

01:29:01

When Jennifer missed work to mourn the pregnancy, she was cut down to part time hours. A year later, she did manage to conceive again but in six months, Jennifer then had a severe flu and it endangered her pregnancy. She ultimately missed a day and a half of work. She called in sick as Walmart policy requires you to do and she had a doctor's note, but Walmart gives frontline management really broad discretion to do whatever they can to cut payroll costs. And so, Jennifer's baby was due in three months and she was fired for missing work. Jennifer said to

me, "When you work here at Walmart, you feel like, 'I need this job.' You're too scared to say anything because that's how you feed your kids. And I understand it's a business," she said, "But without their associates, they wouldn't have their money." Now, we all know that Walmart is far from the only company that underpays and disrespects its employees, but we also know they're the largest private employer in America and the profits from squeezing people like Jennifer and her children flow directly up to the six Walton heirs who already have more wealth than the bottom 42 percent of Americans.

01:30:14

And they give -- we just heard they give some of their money to charitable causes. Their education charity is pushing a really controversial political agenda. We didn't get to talk about that. And so, Walmart is a leader and they're an exemplar of what makes our economy and our country so deeply unbalanced today. So, I hope that you'll see that there's something really wrong with that and will vote, "No."

John Donovan:
Thank you, Amy Traub.

Amy Traub:
Walmart doesn't deserve a long life.

John Donovan:
Thank you, Amy.

[Applause]

Thank you, Amy Traub. And that is the motion: Long Live Walmart. And here to make his closing statement in support of the motion, John Tierney, contributing editor to city journal, contributing science columnist to the New York Times.

John Tierney:
Thank you and thanks very much for listening to us tonight. When you cast your vote, I hope that you won't be biased by the affection that we New Yorkers have towards small stores.

01:31:03

I mean, you know, those little shops are wonderful, but the fact is, the average American family cannot afford to live and shop in our neighborhoods. And if you think the workers in small fashioned stores have it better than the terrible modern Walmart, I want to tell you about the family drug store that I worked in in Pittsburg during high school. I was a clerk. I was paid minimum wage with no benefits. The two owners of the store were two brothers who had to work. The pharmacist -- they worked from Monday through Saturday every week, and one of

them had to work on Sunday. It's a killer schedule. The only reason they could do it was that they had stay-at-home wives. Their kids, you know, wanted no part of this business. They didn't take it over. The store went out of business. And so, the people there now go to Walmart or they go to other chain drug stores. And these stores don't have the personal touch that we like to think about with these small shops, but the clerks in those drug stores today, they make more than the minimum wage, they get benefits.

01:32:00

The pharmacists work 40-hour weeks. They can balance their family lives with work. That's why there are so many more female pharmacists today. And the customers, meanwhile, have a bigger selection, they have lower prices, and the money they save there, they spend at businesses that didn't used to be in that business district. There are more restaurants now. There are more coffee shops. There are gyms. There are lots of things. And people can afford to go to those places in part because they have more disposable income thanks to Walmart. So, basically, everyone's better off. You know, the workers are better off, the customers are better off, and especially the poorer customers are better off. And my final question to you is, like, "What's not to like here?" You know, please join us in supporting the resolution: Long Live Walmart.

John Donovan:

Thank you, John Tierney.

[Applause]

Once again, that is the resolution, "Long Live Walmart." And here making his closing statement against the motion, Nelson Lichtenstein, director of the Center for the Study of Work Labor and Democracy at U.C. Santa Barbara.

01:33:06

Nelson Lichtenstein:

Thank you very much. I hope that you'll vote with us against the motion because we want Walmart to change. In fact, I have a very good person to support me on that idea. Sam Walton wrote in his autobiography just before he died in 1992, I think it was. He said, "Constant change is a vital part of the Walmart culture. In fact, one of the greatest strengths of Walmart's engrained culture is its ability to drop everything and turn on a dime." And, in fact, Walmart has made some changes. We mentioned that two years ago, they decided to raise wages -- very dramatically, they advertised it all over the place. The first -- \$1 a year -- I think, was in 2015, and then another dollar a year in 2016. They did that.

01:34:01

And they've been very clear in their advertisements -- this was not -- they were not just responding to the labor market. They didn't make that argument. They said, "We're doing it. We're doing it because we want better service -- to give our customers better service, and it's a good thing for the -- for our employees." Now, our opponents, their real argument is, "What is, is good." What exists right now they justify, you know, as the best of all possible worlds -- [laughs] you know, or almost -- for what exactly is. But I think, in that respect, Mr. Walton should be sitting on our side of the table here, because he was in favor of change. And our argument is -- why we're against Long Live Walmart is we want -- we think the Walmart model; the way Walmart functions can change. So, we wouldn't say, "Long Live Walmart." We want a different Walmart, and a different retail sector in general. And I -- so, I think in that sense, that capitalism changes, but it doesn't change automatically.

01:35:04

People make it change. That's been true for 200 years in the United States, and I think it will be true in the future as well. Vote no.

John Donvan:

Thank you, Nelson Lichtenstein.

[Applause]

And that concludes Round 3 of this Intelligence Squared U.S. debate, where the motion is: Long Live Walmart. And now it's time to learn which side you feel has argued the best. I want to ask you again to go to the keypads at your seats and vote a second time. The motion: Long Live Walmart. Press 1 if you agree with the motion. Press 2 if you disagree. Press 3 if you remain or became undecided in the course of the evening. All right. Thank you. While we're waiting for the results to come, I just want to say a few things. One is that we -- as I said at the beginning -- we really aspire to raise the level of public discourse by allowing for contentious conversation that is nevertheless civil and filled with facts, and intelligence, and logic, and argument in the good sense of the word.

01:36:03

And I just want to say, I really appreciate how all four of our debaters brought that to the stage, and the respect with which you treated each other.

[Applause]

Thank you very much. I also want to say, regulars know that on a lot of nights, I throw out a lot of questions. I didn't throw a single one out tonight. In fact, some of the questions were fantastic and made me learn more. So, everybody who got up and asked a question, I want to congratulate you for that as well.

[Applause]

Our mission at Intelligence Squared is a philanthropic one -- this goal of raising the level of public discourse is one that we take seriously. It's why we put on these programs. It's why we create this podcast, which we released free to the wild and we have an increasingly large fanbase across the nation that really appreciates what we do. We're also now in schools.

01:37:01

There are many, many schools who are using us in their -- as part of their curriculum, and we're very proud of that. We, however, as a philanthropy, depend significantly on contributions from the public. So, I want to ask you, if you appreciate what we've done here today, if you want to see it grow, if you want to help this progress that's taking place in the schools, we would appreciate your making a contribution, which you can do by going to our website, to the IQ2US app, or by text. The text -- the text support to us. Use your text -- use -- let me start this again. To text your support to us, text the word "Debate" to this number, 797979. And that will give you a link. And from that link, you can then make a donation. If you would consider doing that, we would be enormously grateful. We're going to be back here at the Kauffman Center on Wednesday, May 10th. We're going to be debating the motion, "Video Games Will Make Us Smarter." And that panel will include some cognitive psychologists and also an award-winning game creator.

01:38:04

On June 6th, we're going to be in San Francisco, in partnership with the National Constitution Center. We're going to be -- those debates are a special series of debates in which we examine policy issues from a constitutional point of view. And we're going to be looking at tech companies and demands that are coming from the government for their customer data, and whether those demands and meeting them are constitutional or not. And tickets for all of those events are available through our website. Also, next week, we're going to be trying something new, and we're going to be making a full announcement next week. I'm sorry -- on the 24th of April, we're going to be trying something new, but the announcement will come in full next week. And we're going to be experimenting a little bit with our debate format. We're going to do something that we've never tried before. We're calling it "debate unlocked." But I'm not going to tell you now, what that is because I want that to be very intriguing to you.

[Laughter]

But we hope that you can join us for this special edition of IQ2.

01:39:01

And we'll be sending out information on the time and place to our subscribers and to our members. So, if you haven't signed up for that, we would love it if you did. And you can, again, look for the announcement on that next week. And for those of you who can't join our live audience, the other ways you can catch this debate, those of you who are watching the livestream now know the answer to that. You can watch the livestream on our website or on

fora.tv. And you can also listen to our podcasts, and many, many more ways. Our website is up and alive and growing. What we have there is a sort of -- an opportunity for people to sort of show off their own debating skills. If you sign up for our website and become a member, you get an IQ2 score. And your score goes up and up and up the better your debating skills prove to be as well as civility gets extra points on our website. So, we'd like to have you take a look at that site and consider joining up and joining the conversation. And finally, you can watch all of our debates on demand on our new Roku and Apple TV apps just by searching for IQ2US.

01:40:01

All right. And I will be, by the way, interacting with you on the website as the host. So, isn't that special?

[Laughter]

So, you want to get there for that. So, I have the final results now. You have voted twice on the motion, "Long live Walmart." Remember, it's the difference between the first and the second votes that determines our winner. On the first vote, 30 percent of you agreed with the motion, "Long live Walmart," 25 percent were against, and 45 percent were undecided. Let's look at the second vote. In the second vote, the team arguing for the motion, their first vote was 30 percent. They went up to 48 percent. That means they picked up 18 percentage points, which is now the number to beat. Let's look at the team arguing against the motion. Their first vote, 25 percent, their second vote 38 percent. They only went up 13 percentage points, which means the team arguing for the motion, our winners this evening. Our congratulations to them.

[Applause]

Thank you from me, John Donovan and Intelligence Squared U.S. We hope you learned something to help maybe -- just to help you think twice.

01:41:03

Thanks very much. We'll see you next time.

[Applause]