

Both Sides of the Issue

Big Government and Big Business

stosselintheclassroom.org

Contents

Objectives	2
Concepts & Key Terms	2
Discussion Questions	3
Activities	5
Activity 1: Venn Diagram Plus	5
Activity 2: Strongest Argument Challenge	7
Activity 3: Socratic Seminar Prep	7
Activity 4: Devil’s Advocate Round	7
Activity 5: Real-World Connection	7

Objectives

Students will be able to:

- summarize the main arguments each video makes about the relationship between large corporations and government regulation.
- illustrate how specific policies, such as lead-testing requirements or minimum wage mandates, affect small and large businesses differently.
- contrast how each video characterizes market concentration and its effects on consumers, workers, and competitors.
- propose a policy framework that addresses the concerns raised by both Khan and Carney about corporate power and economic freedom.

Concepts & Key Terms

The following terms appear across both videos in this pairing. Understanding them will help students follow the arguments and engage in discussion.

Anti-Monopoly Laws: federal statutes, such as the Sherman Antitrust Act and the Clayton Act, that aim to prevent any single company from controlling so much of a market that competition is eliminated. Lina Khan argues that these laws had gone underenforced for years before her tenure at the FTC.

Consumer Product Safety Improvement Act (CPSIA): a 2008 federal law passed after lead was found in imported toys. The law requires independent third-party testing of children's products. Tim Carney argues that while large toymakers such as Mattel could absorb the testing costs, small and handmade toymakers could not, effectively forcing them out of the market.

Federal Trade Commission (FTC): an independent federal agency tasked with protecting consumers and enforcing antitrust laws. Lina Khan served as FTC chair and used the agency to block mergers and ban certain non-compete clauses.

Free Market: an economic system in which prices, production, and exchange are determined by voluntary competition among buyers and sellers rather than by government direction. Both videos invoke the free market, but they disagree about whether concentrated corporate power reflects a functioning free market or a distortion of one.

Lobbying: the practice of attempting to influence legislation or regulation, typically through paid advocates who contact lawmakers and regulators. Tim Carney argues that large corporations often lobby for regulations that raise costs for smaller competitors.

Market Concentration: the degree to which a small number of companies control a large share of a given industry. Lina Khan cites cereal, soda, and meatpacking as examples of markets where three firms control most sales.

Merger: a deal in which two companies combine into a single firm. Khan highlights the proposed Kroger-Albertsons grocery merger, which the FTC sued to block on the grounds that it would reduce competition for both shoppers and workers.

Minimum Wage: the lowest hourly wage an employer may legally pay a worker. John Stossel argues that some large employers, such as Amazon, have lobbied to raise the federal minimum wage because they can absorb the cost more easily than smaller competitors can.

Non-Compete Clause: a contractual provision that restricts a worker from taking a job with a competitor or starting a competing business for a specified period after leaving an employer. Khan argues that non-compete clauses trap workers in abusive workplaces and suppress wages; the FTC issued a rule to ban most of them, a rule that remains contested in court.

Regulatory Capture: a situation in which a government agency or regulation, rather than serving the public interest, ends up serving the interests of the very industry it is meant to regulate. Tim Carney argues that many well-intentioned regulations benefit large, established firms at the expense of smaller competitors and new entrants.

Discussion Questions

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video. Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. What are the opposing ideas in these two videos?
2. In the Robert Reich video, Lina Khan said: "How free we feel is often tied to how we experience the economy." What did she mean by this? Do you agree? Why/Why not?
3. In the Stossel video, Tim Carney said: "Big business and big government are not enemies like a lot of people think they are." What did he mean by this?
4. Lina Khan said: "For too long, government stopped vigorously enforcing laws that protect our basic economic freedoms by keeping corporate America in check." What are our basic economic freedoms? Does corporate America threaten these freedoms? If so, how?

5. John Stossel said that big businesses can benefit from minimum wage increases, and some even lobby for them. What reason did he and Tim Carney give for this?
6. Lina Khan used the phrase "too big to care." What did she mean by this?
7. Tim Carney said: "Regulation doesn't just kill existing businesses, it keeps new businesses from ever entering." Should we be concerned about regulation discouraging new businesses from forming? Why/Why not?
8. Lina Khan explained that some companies have captured a large percentage of the market in their respective industries. Is this a problem? Why/Why not?
9. John Stossel talked about a law that required toymakers to do independent lead testing. According to Tim Carney, what was the downside to this law? Do you agree that the downside was significant? Why/Why not?
10. Lina Khan said that the Federal Trade Commission sued to block Albertson's and Kroger from merging. Why did the FTC do this? Was it justified? Why/Why not?
11. Tim Carney explained that Henry Heinz lobbied to ban sodium benzoate from food products. According to Carney, what was Heinz's motive for this? Do you agree with Carney, or do you think Heinz's motivation was altruistic? Why/Why not?
12. Lina Khan talked about non-compete clauses. What is a non-compete clause?
13. John Stossel said: "No business likes competition, but competition is what helps us consumers most." How does competition help consumers?
14. Both videos talked about the importance of competition. In what ways are John Stossel and Lina Khan's views on competition similar? In what ways are their views dissimilar?
15. Other than agreeing on the importance of competition, did these two videos share any common ground? Were there any points on which they agreed? If so, what were they?
16. What are the potential benefits of the government placing stricter regulations on businesses? What are the potential downsides?
17. What are the potential benefits of the government reducing regulations on businesses? What are the potential downsides?
18. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
19. Did you have an opinion on this topic before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from these videos that affects your views on this topic?

20. What else would you like to learn about this topic?
21. For more on this topic, see these installments of Both Sides of the Issue:
 - a. [Both Sides: Monopolies](#)
 - b. [Both Sides: Monopolies Revisited](#)

Activities

Activity 1: Venn Diagram Plus

Students will use a Venn diagram to map where Lina Khan and Tim Carney agree, where they disagree, and what important aspects of the big-government / big-business relationship neither speaker addressed. This helps students see that these two perspectives are not simple mirror images of each other; they share some premises while drawing opposite conclusions.

Distribute the Venn Diagram worksheet below. Have students watch both videos and complete the diagram. After students finish individually, pair them up to compare responses. Close with a whole-class discussion: Where did the class most often see overlap? Where were the biggest gaps in what neither video covered?

Name _____

Date _____

Class _____ Period _____

Teacher _____

Venn Diagram Plus: Big Government and Big Business

Directions: Fill in each section of the chart below with specific points drawn from the two videos.

LINA KHAN ONLY (points only she makes):

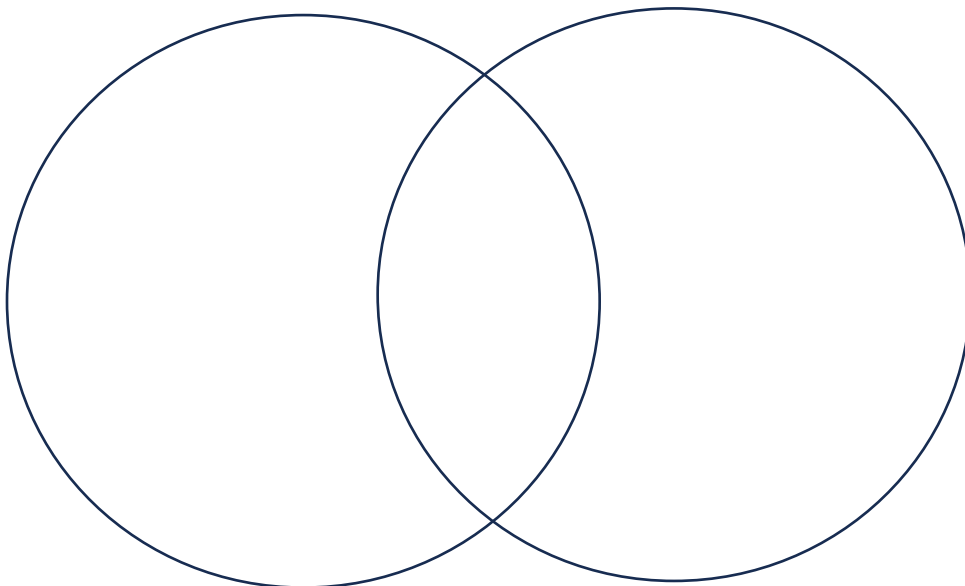
OVERLAP (points BOTH Khan and Carney make or agree on):

TIM CARNEY ONLY (points only he makes):

OUTSIDE THE CIRCLES (issues NEITHER speaker addresses that you think matter):

Lina Khan

Tim Carney



Activity 2: Strongest Argument Challenge

This activity forces students to engage with BOTH videos on their own terms by requiring them to identify the single strongest argument each speaker makes, regardless of their personal opinion on the issue.

Ask each student to identify the single strongest argument Lina Khan makes in her video and the single strongest argument Tim Carney makes in his. Students must write one paragraph defending each choice, citing specific evidence (a statistic, example, or quote) from the video. After writing, pair students with someone who selected a different "strongest argument" for either speaker and have them defend their choices to each other. Close with a class vote on which argument from each side won the most support, and discuss why.

Activity 3: Socratic Seminar Prep

Students will generate probing questions that expose the weaknesses and untested assumptions in BOTH Khan's and Carney's arguments. The goal is not to decide who is right but to practice the habit of questioning all sides of a contentious issue.

Divide the class into two groups. Group A must generate at least four tough questions for Lina Khan (for example: "If market concentration causes higher prices, why do industries with high concentration, such as airlines, show persistently low profit margins?"). Group B must generate at least four tough questions for Tim Carney (for example: "If competition always benefits consumers, why do many consumers still prefer dominant platforms such as Amazon or Google?"). Then swap groups: each group must now answer the other's questions using evidence from the videos and outside knowledge. The sharpness and specificity of the questions should be the focus of assessment.

Activity 4: Devil's Advocate Round

This activity builds intellectual humility by requiring each student to actively challenge whichever side he or she initially found most persuasive.

Ask each student to privately write down which video's argument he or she found more persuasive. Then assign each student to play devil's advocate against his or her own chosen side. Students must prepare and deliver a two-minute spoken challenge to that side's argument, using at least one statistic or example from the opposing video, as well as at least one outside fact or example they researched themselves. After the challenges, hold a reflection: Did playing devil's advocate change anyone's mind? Did it make the original position feel stronger or weaker?

Activity 5: Real-World Connection

Students will find a current news story about a corporate merger, lobbying effort, regulation, or antitrust case and analyze it through the lens of BOTH videos. This grounds the debate in current events and asks students to apply the competing frameworks to real situations.

Students should find a news article from the last twelve months about one of the following: a proposed or completed corporate merger, a new or proposed regulation affecting businesses, a company accused of lobbying for rules that favor it over competitors, or an antitrust enforcement action. Each student should submit a one-page response that includes: (1) a brief summary of the news story, (2) how Lina Khan would likely analyze this story based on her arguments in the video, (3) how Tim Carney would likely analyze the same story based on his arguments, and (4) the student's own assessment of which framework best explains the situation, with reasoning. Share a selection of responses in class and discuss: Did the two frameworks produce similar or opposing recommendations?