

"The Real Reason Behind the Microsoft Litigation"

By Craig R. Dumont

You've probably heard that according to the U.S. Justice Department (along with Bob Dole, Robert Bork and half of Congress, including Democrats and Republicans) that Bill Gates is the most dangerous individual in America and that Microsoft Corporation the most dangerous company threatening the future of all Americans. The stated charge is that Gates and Microsoft are engaging in monopolistic practices so they can control the universe. Of course, that's a propaganda ploy that in other days would be called what it is: hypocrisy.

If the government were truly concerned about monopolistic practices which hurt consumers and hamper innovation, they would abolish the U.S. Postal Service, deregulate utilities, and disallow the proposed National Education Association's merger with the American Teacher's Federation. The merger of the nation's two largest teachers' unions will extend union control, according to Bob Chase, President of the NEA, to "over 90% of the nation's public school children." That equals or exceeds Microsoft's market share of desktop operating systems; and methods utilized by the NEA to stifle competition make Microsoft (or the Mafia, for that matter) look like choir boys.

The real problem is that Microsoft poses a threat to the established order, or as Angelo Codevilla calls it in his book *The Character of Nations*, the current regime. The threat, or more precisely, threats, are very real; and Microsoft should be commended and backed by all Americans who care about seeing our country return to one of meritocracy rather than staying on the current path of turning into a nation of "wheedlers," those able to work the system for profit rather than produce anything of economic usefulness.

The first threat is found in Gates himself. The man is the wealthiest in the world and has the acquired resources and the willingness to use those resources to take on the federal government even up. For the establishment, anyone who doesn't tremble at the mere sight of a regulatory bureaucrat is unacceptable. A case in point is Carol Ward, a business owner who made the mistake of offending a low-ranking and incompetent IRS auditor. Three weeks after pointing out numerous mistakes by the IRS auditor and refusing to be bullied into paying a bill she didn't owe, "[T]he IRS responded by seeking to impose a financial death penalty on Ms. Ward . . . IRS agents swarmed into Ms. Ward's three stores, proclaimed that she owed \$324,889.00 in taxes, froze her bank accounts, shut down the stores and confiscated their inventory, and informed some of her customers that Ms. Ward was suspected of drug smuggling. The IRS even sought to seize the house owned by Ms. Ward's 74 year-old mother, claiming that it was somehow related to Ms. Ward's purported tax dodging." There never was a prior finding that she or the company owed any taxes and, in fact, after years in court and after financial ruin the courts found she owed about \$3,000. The IRS continued to denounce her as "the biggest problem our society faces" as "dead-beats." Carol Ward has run out of money and cannot pursue additional legal action and that's exactly the way the regime wants it. As the government sees it, Bill Gates and Microsoft have too much money and too many resources to be left unchallenged. His and his company's wealth constitute a real threat to

terror as usual.

Second, Microsoft is seen as a threat because Gates refuses to pay protection money to politicians. As *Fortune* magazine reports in a special report entitled "Microsoft's Capital Offense" (February 2, 1998), a major problem is that the company has resisted being shaken down by both Republicans and Democrats for large contributions to campaigns or causes. As Jeffrey H. Birnbaum correctly notes, "Politicians need attention like humans need water, and Gates has scarcely given them time to snap a photo with the richest man in America," and that Gates is seen by lawmakers as an arrogant businessman "too busy making billions to pay the obeisance that other corporate chieftains routinely offer up." And of course, to top it all off, Microsoft gave only a paltry \$61,000 to political action committees. If Gates and Microsoft can get away with being successful without bowing down to and paying off the proper governmental authorities, it would set a precedent that is unacceptable to the regime. Microsoft and Gates must be stopped for that very reason; and that's why Republicans and Democrats, liberals and "conservatives" are lining up against one of the most successful and productive companies in the world.

Third, Gates and Microsoft are a real threat to established and favored institutions protected by the government. For instance, Gates has been a driving force to expand Internet access and usage, putting billions into new cable and satellite technology which has created thousands, if not tens of thousands, of new information sources. This will allow millions of people to see and hear different points of view and access more information than has ever been available before. This in turn makes it virtually impossible for government agencies to control the flow of news or the "spin" that is placed on it. It also makes it increasingly difficult to provide favors (*i.e.*, monopoly status and FCC protection) to government-regulated television and radio stations who face competitors who don't have to please regulators for their existence.

Government Hypocrites

Just for the record, the sheer hypocrisy of charges brought to bear against Microsoft is stunning. For a U.S. Senator who is himself a multimillionaire and owner of an NBA franchise to suggest that Microsoft's 24% profits were unAmerican would be laughable if it weren't so serious. Microsoft earns its profits by creating value and constantly lowering prices, which allows more people to get in on the action. Indeed, the more they lower prices, the greater their profits because they sell more. How is it that a company can get in trouble by giving away free product and at the same time be attacked for making too much money? Compare this to Microsoft's persecutors: the U.S. government. The government confiscates almost 45% of all income with no accountability at all. Most people realize (and are glad for the fact) that we don't get what we pay for, that the government promises far more than it can deliver and, in fact, is guilty of selling the voters on "vaporware," or promising to develop and deliver policies that will deliver ever-in-the-future benefits (which never materialize or are extremely harmful).

From a Biblical position, Microsoft should be succeeding. Giving away a free browser, lowering product prices, and increasing profits go hand-in-hand as Jesus Himself pointed out the Biblical truth of sowing and reaping: "Give and it shall be given to you: good measure, pressed down, shaken together, and running over will be put into your bosom. For with the same measure that you use, it will be measured back to you" (*Lk. 6:38*). If more businesses would follow Microsoft's lead in this area, there would be more prosperity than dreamed possible. Microsoft is causing terror within competitors' hearts because the NT operating system costs about 10% of what the current favorite server system sells for. Instead of calling

upon civil government, Sun and other competitors ought to go to work and create products that lower costs for their most loyal customers. If that happened, they too would prosper.

In fact, Netscape is doing just that! After losing money because of Microsoft's free browser offer, Netscape started giving its browser away free. Lo and behold, if they didn't make money the first quarter they did so, because customer satisfaction with the browser led to increased sales of more profitable Netscape software. Again, Proverbs 11:24 states, "There is one who scatters, yet increases more; And there is one who withholds more than is right, But it leads to poverty."

Of course, ultimately it is God who "gives you the power to gain wealth," and if He is not pleased by the stewardship, He is perfectly capable and willing to do something about it. That "the wealth of the wicked is stored up for the righteous," means that God has the ultimate and most righteous redistribution plan possible. Let Him administer it and let us, and Microsoft, go on with our lives.

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