

Democratic Party House antitrust report calls for breakup of big tech monopolies

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The Democratic Party-controlled House of Representatives antitrust subcommittee released its report on big tech last Tuesday concluding a 16-month investigation into the business practices of Apple, Amazon, Facebook and Google.

The 449-page majority report, entitled, “Investigation of Competition in Digital Markets,” states in the foreword that the four corporations worth a combined \$5 trillion—more than a third of the S&P 100—wield their market dominance “in ways that erode entrepreneurship, degrade Americans’ privacy online, and undermine the vibrancy of the free and diverse press.”

The House Judiciary subcommittee chair, Democrat David Cicilline from Rhode Island, wrote in the forward, “To put it simply, companies that once were scrappy, underdog startups that challenged the status quo have become the kinds of monopolies we last saw in the era of oil barons and railroad tycoons.”

Representative Cicilline additionally stated that the monopolistic control of the digital markets by giant tech firms has resulted in “a weakened democracy.” Cicilline quoted words attributed to Supreme Court Justice Louis Brandeis, who served on the high court a century ago. “We must make our choice. We may have democracy, or we may have wealth concentrated in the hands of a few, but we cannot have both.”

That Subcommittee Chair Cicilline and the other members can sign their names to these words without making one single reference to the capitalist system is itself a measure of the political charade they are engaged in, references to “oil barons and railroad tycoons” notwithstanding.

In reality, the House antitrust report that threatens US government regulatory intervention—up to and including a forced breakup of the tech firms into smaller business entities—has nothing to do with ending monopolization or strengthening democracy. Instead, the Democrats have mounted their antitrust initiative as a means of persuading the tech firms to work more closely with their faction of the political and intelligence establishment, especially prior to the November 3 elections.

In any case, the House report painted a picture of significant consolidation of digital and information technology and, in the case of Apple and Amazon, the ecommerce, retail and consumer products sectors of the economy over the past two or more decades.

The report established without a doubt that these firms have ruthlessly engaged in monopolistic practices and business tactics, such as suppressing competition through so-called “killer acquisitions,” contractual restrictions on third-party partnerships, vertical and horizontal integration that create high barriers to entry by alternative companies and corporate espionage through control of online market places and app stores.

On June 3, 2019, the House Judiciary Committee began its antitrust investigation of the big four tech firms, and over the course of seven hearings and thousands of hours of research, a mountain of documentary evidence about the business practices of these firms was amassed. The report stated the record includes “1,287,997 documents and communications; testimony from 38 witnesses; a hearing record that spans more than 1,800 pages; 38 submissions from 60 antitrust experts from across the political spectrum; and interviews with more than 240 market participants, former employees of the investigated platforms, and other individuals.”

What becomes clear from all of the information assembled about Apple, Amazon, Facebook and Google is that the tendencies of capitalist economics toward concentration, monopolization and control that were manifest at the beginning of the 20th century have accelerated, operate more swiftly and with greater force during the present era of the internet and digital technologies than they did during the earlier period.

Additionally, in submitting their recommendation for a breakup of the big tech monopolies, the politicians on the subcommittee made several damning admissions about their own role and complicity in the entire process.

In his foreword, Chairman Cicilline wrote that in their testimony before the subcommittee, the CEOs of the four firms—Tim Cook, Jeff Bezos, Mark Zuckerberg and Sundar

Pichai—gave “evasive and non-responsive” answers to questions about the ways that their companies have “exploited, entrenched, and expanded their power over digital markets in anticompetitive and abusive ways.” In other words, the CEOs refused to answer the questions put to them by the subcommittee.

In truth, there can be no understanding of big tech’s monopolistic character without connecting the immense power and control over the digital technologies of the global economy by these firms to the development of capitalism over the past half century.

In fact, the House report is notably bereft of any socioeconomic or historical analysis of the rise of the Silicon Valley tech industry or how it is that the global digital markets came to be dominated by four corporations based in the US.

The report said nothing about the financialization of the US economy and destruction of its industrial base since the 1970s or the malignant expansion of social inequality of which the rise of the information and tech industries is an integral part.

Recently, Carter C. Price and Kathryn Edwards of the Rand Corporation wrote about a decades-long “experiment in radical inequality” from 1975 to 2018—a span of time that roughly coincides with the rise and global domination of American big tech—when nearly \$50 trillion has been transferred from the bottom 90 percent of the US population to the top 1 percent.

Meanwhile, the monopolization and consolidation of the digital resources of society held by these corporations cannot be separated from the United States as the dominant imperialist power in the world, along with the concentration of enormous private wealth in the hands of a small number of individual financial oligarchs, such as Amazon CEO Jeff Bezos.

While the House antitrust report made one passing reference to Bezos as the wealthiest man in the world, estimated by Forbes at \$193.1 billion as of Friday, it said nothing of the vast fortunes accumulated by the billionaire capitalist elite as a whole.

Quoting a 2019 report by Catherine Fong of McKinsey & Company, the House document says of the growing power and influence of big tech, “Just a decade into the future, 30 percent of the world’s gross economic output may lie with these firms, and just a handful of others.” However, the antitrust report does not even mention the relationship between the wealth and power of big tech and the enormous rise in share values on Wall Street.

During the 43 years since the founding of Apple Computer, share values on the S&P 500 index, which includes all four companies under investigation, have

increased by a massive 800 percent while the market value of each of these companies is either approaching or has exceeded \$1 trillion.

Additionally, there is no mention in the antitrust report of the role played by the US military and intelligence agencies in partnership with private corporations in the development of computer technology, networking and information systems in the postwar era. The report also neither refers to the expansion of this partnership over the past two decades—including participation of big tech in the illegal electronic surveillance of the public—nor the growing opposition among tech workers to this collaboration.

In the case of Google, for example, it is not accidental that the company that became the world’s most dominant search engine was founded by two Stanford University Ph.D. students. Through the Stanford Research Institute, this university was a location of the precursor to the internet and the first transmission of email, all under the direction of the Defense Advanced Research Projects Agency (DARPA) of the US. Defense Department in the 1960s and 1970s.

In the end, the House antitrust report is a listing of the egregious anticompetitive measures taken by the four corporate entities over recent decades presented as “warts” on an otherwise smoothly functioning capitalist “free enterprise” system. The idea that the “scrappy, underdog startups” emerged into massive digital monopolies that exercise their power through merciless corporate domination is some kind of aberration or that “fair competition” can be restored or is even desired by the ruling oligarchy is part of the Democrats’ political sleight of hand.

Ultimately, the goal of the House subcommittee investigation is to ensure that the tech firms will more fully cooperate with the Democratic Party and its faction of the US military-intelligence establishment—while Donald Trump and his far-right and fascist supporters are attempting a coup d’état during the 2020 elections—in an effort to censor and control the flow of information and block a revolutionary movement by the working class and youth from below against the entire capitalist system.



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