

On fourth day of his private ownership, Elon Musk fires Twitter board of directors

Kevin Reed
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Elon Musk consolidated his private control over Twitter on Monday by ousting the corporate board of directors of the micro-blogging social media platform and declaring himself the firm's sole director.

On Monday afternoon, the *Wall Street Journal* said that Twitter had submitted a filing with the Securities and Exchange Commission (SEC) and reported that "the nine members of its former board are no longer directors as of the consummation of the \$44 billion merger, which closed last Thursday." The filing said that Musk had always planned to assume the role of sole director since the terms of the acquisition deal were first made public last spring.

The SEC document also addressed important financial matters for the oligarch billionaire Musk and the shareholders of Twitter stock. According to the *Journal*, the terms of Musk's \$44 billion purchase agreement called for each share to be canceled and converted into "the right to receive the merger consideration of \$54.20 per share."

The firing of the board and the option to convert shares into cash were accompanied by other critical details for the financial elite, including a plan to repay the company's \$13 billion in debt. While Musk has claimed his objective in taking private control of Twitter was "because it is important for the future of civilization," and "to try and help humanity, whom I love," news reports have made it clear that the financial performance of the business is his top priority.

The *New York Times* reported on Sunday that Twitter had not turned a profit in eight of the last ten years and that it has been running deficits in the hundreds of millions annually. The *Times* said that company debt "will now balloon to about \$1 billion a year" following the acquisition.

The *Times* article continued, "To make ends meet,

Mr. Musk probably has to slash costs—by a lot. Over the weekend, he was said to be already moving to do so by ordering job cuts across Twitter. One investor who put less than \$1 million in the buyout of the company said he was told by the head of Mr. Musk's family office to expect that around 50 percent of Twitter's 7,500 employees would be laid off."

Among the immediate measures being considered to offset an expedited fall in advertising income on the Musk-owned platform, is to implement a subscription charge of between \$8 and \$20 per month for users of the service.

Attempting to make the monthly service fee look like a bargain, Musk proposed that the current verified account designation—a blue checkmark next to the username that is reserved for accounts deemed significant by Twitter itself—should be made available to everyone for \$8. Tweeting on the subject on Tuesday, Musk wrote, "Twitter's current lords & peasants system for who has or doesn't have a blue checkmark is bullshit. Power to the people! Blue for \$8/month."

Musk's previous references to ensuring that Twitter exists as a "common digital town square, where a wide range of beliefs can be debated in a healthy manner, without resorting to violence" have quickly been reduced to the level of public relations.

Among the first individuals to roll over his shares and keep them with the new privately owned Twitter was Prince Alwaleed bin Talal bin Abdulaziz of Saudi Arabia, whose \$1.89 billion in shares are second only to Musk's.

Other opponents of democracy who signed on for shares in the Musk-owned Twitter included a subsidiary of the sovereign wealth fund of Qatar, which contributed \$375 million in exchange for shares of

Musk's holding company called X Holdings.

During the past four days, Musk's personal wealth has increased by more than \$2 billion as a section of the financial elite have joined in the investment frenzy generated around the world's richest man making the social media platform with nearly 400 million active users into his own private property.

Not everyone in the US political establishment is enthusiastic about Musk's plans for a privately held Twitter. The investment by the Saudi Arabian monarchy into the new Twitter has sparked the concern of US Senator Chris Murphy (Democrat of Connecticut) who tweeted on Monday, "We should be concerned that the Saudis, who have a clear interest in repressing political speech and impacting U.S. politics, are now the second-largest owner of a major social media platform."

However, Murphy's objection has nothing to do with advancing the struggle for democratic rights in the Middle East or anywhere else in the world. Murphy said he was asking the Committee on Foreign Investment in the US (CFIUS) "to conduct an investigation into the national security implications of Saudi Arabia's purchase of Twitter."



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