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281

The Microsoft Corporation in
Collision with Antitrust Law

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Key Words: Anti-Trust law, Microsoft. Netscape, WordPerlect, economic freedom.

1. The Political Message of the Microsoft Case
When a professor at a university began his new job, he was told that Netscape Navigator was being added to his computer. He immediately asked if Microsoft's Internet Explorer was available. When the systems administrator protested that the two programs were identical, the professor clued him in on the reasons why many economists dislike Netscape.
Netscape dominated - some would even say "monopolized" - the

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Vulimie 26 Nirniber I, Spring 2001

288 Williaiii L. Anderson et al. Microsoft in Collisioii with Ailtitrust Law 289

Internet browser market through most of the 1990s. When it became
apparent that Microsoft was going to offer it some serious competition,
Netscape responded by intensifying its lobbying efforts in Washington,
D.C., knowing that, despite its obvious market power, Microsoft had
not yet developed helpful contacts among the political cl:iss, preferring
instead to focus its resources on pleasing customers.
Nc1sc:ipc‘s strategy underscores ;I trend that IMS giown with the increased scope of government in public life, namely, that faced with market competition, firms now have three options: First, they can go out of business. Second, they can fight back by trying even harder to satisfy customer needs and wants better than their rivals. And third, they can now cajole their elected rcprcscntativcs to intcrvcnc in the market process by contributing directly to them or to their pet causcs, making it costly or even impossible for meaningful cornpetition to develop in the market at all.
The technical term that economists use for the third option is rent dissipation. It describes what happens when capital is invested in the political class rather than in productive efforts to satisfy customers. When this happens, tlie wealth-creation process is hampered considerably. The successful firms are those willing and ahlc to “pay up” for the implied assurance that politicians will not throw obstacles in the way of the firms’ attempt to participate in the market.
The costs of rent dissipation are perhaps more evident to economists, and they generally have admired Microsoft for refusing to play this gamc. Up to 1998, Microsoft had a meager lobbyingprcsence in Washington, relative to its compctitors; indeed, tlic company’s enormous success sccnicd to highlight Washington’s irrclcvancc to the market process.
It was only when Microsoft decided to offer serious competition to Netscape that the latter decided to cash in on somc of its political investments in Washington. Soon thereafter, the term “antitrust” began to be bantered around in association with Microsoft. Four years later, on November 5, 1999, Judge Thomas Pcnfield Jackson made it official. Microsoft was going to pay for not ponying up when it had the chancc. Just weeks before this ruling was announced, Microsoft Chairman Bill Gates announced that, through his foundation, he was funneling $1 billion to organizations that provided scholarships to black Americans. Two weeks following the ruling, tlic government announced it would be going into arbitration with Microsoft to determine exactly how its case should proceed, ifat all. It was announced that Judge Richard Posncr,

a libertarian and Chicago School trained legal scholar, was to hear the arbitration, much to the surprise of Microsoft’s enemies.
Could there be n connection between the two events? Is it possible that Gates is trying to communicate, through his actions, to the political class that he has finally lcariied about the need to he compliant, albeit somewhat late in tlie day?
At least since the dcvclopment of incomc tax witliliolding as an emergency measure during World War 11, American business, tc) varying but astounding degrees, has been forced to do the bidding of tlie state. To the degree this has been made possiblc, business has been nationalized. Films learned thato he successful there were two sets of customers that had to be satisfied: the convcntion:11 oties who consumed their products, ;ind tlie regulators.
After all, both had the power to make or break their businesses. Successful firms today still must satisfy the consumer in order to remain in business, but they also must please the political class as well. Failure to do either can spell doom for tlie naive firm.
The reason Microsoft caught the attention of so many free market economists was that its success challenged this regime. This uridoubtcdly scared the political class enough to force Microsoft to pay for ignoring it. At first, it looked as if the state had finally picked a fight with an adversary that had the capability to fight back, and millions of taxpayer dollars were paid out in lawyers’ hours in this c ffo r t .
With its initial victory in Judge Jackson’s November 1999 ruling, the government is implicitly sending a message to the cntrcprcncurial class: if it can force Microsoft to play by its rulcs, then it can make any other firm comply as well.
What Frederic Bastiat wrote 150 years ago applics just ;IS rnuch today:

Sometimes the law defends plunder and participates in it. Thus
the beneficiaries are spared shame, danger, and scruple which their acts would otherwise involve. Sometinics tlic law places the whole apparatus of judges, police, prisons, and gendarmes at the service ol the plunderers, and treats the victim when lie defends himself :is a criminal. In short, there is legal plunder.(12, p. 20)

2. Leave Microsoft to the Market
Governments do not fix or solve monopolies, they cause them (e.g.,

The Jorirrinl of Social, Politico1 nrid Bcoriortiic Sodies Volunie 26 Niitiiber I, Spring 2001

290 William L. Aiitlersoii et al.

the United States Postal Service). In a capitalistic society, markets determine the prices, quantities and qualities of goods traded. Without any government interference, there cannot be a monopoly because prices are based on cornpetition. That is, as long as new firm entry is legal, monopoly is impossible (26). The number of suppliers is irrelevant because if there is just one of them, that supplier has to keep its prices reasonable and its goods or services superior to anyone who might enter the marketo serve the consumer better and reduce its share. There is no reason to fear exploitation by single suppliers, unless the government protects them (1). In a free market, today’s dominant company could be tomorrow’s rubble (2). Anyone is free to enter the market at any time and compete for a share. The consumer benefits all the way, becausc the threat of competition to producers ensures low prices and high quality. Austrian economists have long demonstrated that competition is a process, not a moment frozen in time (2, 22). The government cannot set up competition, because competition does not call for a certain number of competitors or a government-defined market share; it simply requires open entry rules for everyone(1). The government is not capable of intelligcntly micro-managing business innovation, just as it would be a logical impossibility for the free market to effectively restrain trade (3). Successful companies spend enormous amounts ofmoney, time and effort to please the consumer with excellent service and the most value for money. Companies that do not offer as much or that offer inferior goods or services do not grow and eventually self-implode. Microsoft, :I conlpniiy hit Ii;is incrcasccl the efficiency of nearly cvcry pcrson on the planet, is now a government target because it is making a profit in the process of serving its customers - without rendering proper deference to its political masters. Microsoft is one of the biggest and most successful companies in the world today because it keeps its products state-of-the-art and easy to use.
In the wake of Microsoft’s success lie the charred remains ofmany
of its rivals who could not keep up with the fast pace that this firm sets in the computer industry. Lotus and Apple Operating System lost users to their Microsoft equivalent. Alan Ashton, president ofWordPerfcct, which has lost almost its entire market share to Microsoft Word, calls Microsoft “a threat to everybody in the industry” (4). However, that is just the way it works-if the customers like a product, they will buy it. Microsoft’s policy of serving the needs of its customers by leading the software industry and adding zero priced software for better value,

7lic Jotiriial of Social, Political arid Economic Sttidies

Microsoft in Collisioii with Antitrust Law 291

is now an issue pending before the Supreme Court.
Why is Microsoft being lead to the stake by Judge Jackson? Mr. Gates chose to compete by developing better products at a lower price (5). His motto should be “Integrate and Bundle” because stand-alone software products are routinely bundled into upgrades of Windows (1). This practice started with word processors, spreadsheets, calculators, games, and, more recently, an operating system used to navigate the World Wide Web: Microsoft’s Internet Explorer (1). Customers love this practice (1). Netscape makes an Internet browser that is roughly comparable to Microsoft?s Internet Explorer. Now that Internet Explorer is part of the Windows Operating system, and is added to the vast majority of new computers, Netscape is having great difficulty selling what Microsoft includes in its own system at no extra cost. In condemning this behavior, Jackson describes Microsoft’s access kits: they provided a simple and convenient way for users (including any Internet Access Provider) who clicked onto Microsoft’s website to download the access kit free of charge (5). Nine months later, Netscape’s Mission Control was released, with a staggering price tag of $1,995. Most Intcrnct Access providers took the Microsoft deal, and made this product their preferred Internet browser (5). Microsoft is being punished for providing a superior producto the public for nearly $2,000 less than its competitor, and doing it earlier. Conceivably, Netscape might have had a legal case had Microsoft configured Windows to repel Netscape’s Navigator (5). Indeed, by virtue of controlling the hub position, Microsoft could have been guilty of an antitrust violation if it had impeded Netscape’s ability to run on the Microsoft system (5); however, this did not happen. Microsoft did not exclude Netscape from a stronger position; it only Out-played Netscape under conditions of fair competition.
It is our prediction that Gates and Co. would, at least as a matter of law, have run afoul of the Justice Department under these stipulated conditions (e.g., precluding Netscape entry by offering a conipctitive service.) However, since we favor the repeal of antitrust law root and branch (13, 14, 15, 17, 18, 21, 24, 26, 27, 28), this would hardly be a welcome result from our perspective.
Janet Reno, while she was Attorney Gcncral, and other Microsoft critics have claimed to believe that what is bad for Microsoft is good for the rest of the computer industry and vice versa because of this company’s allegedly “exclusionary” practices (4). But this entire concept is intellectually incoherent. In a sense, my sale or purchase is

Volrrnie 26 Ntirriber I, Spririg 2001

292 Williaiii L. Aidel-son et al.

“exclusionary” in that it precludes all othcrs. If A gives to B an “a” in return for the latter’s “b,” then by necessity each of them is excluded from trading these items with other people. A is no longer free to sell this particular “a” to all comers since, after the sale, it is now owned by B. Similarly, if C and D marry each other, neither is then free to marry anyone else. The “forsaking” of all other potential marriage partners is logically indistinguisliahlc from excluding a11 other business partners. The necessary implication of antitrust is that it comprises a ban on all marriages in that thcy arc “restraints of trade.”
These “exclusionary practices” have not been proved; in fact, millions of computers have been sold that would not have been without Microsoft’s so-called monopoly, and their software designers were able to develop products for the Iargcst possible market (6). Users had the confidence to buy computers and software knowing that the iiidustry had a powerful incentive to introduce innovations in a way that would be compatible with the items the iiscrs were already buying (6). It is charged that Microsoft iiscs its operating system monopoly to gain control over the Internet. Ironically, the established incumbent in the browser market was Netscape, not Microsoft. Microsoft had to scramble to offset Netscape’s market dominance, even on computers that ran on the Microsoft system. It is hardly in the interest of consumers for Microsoft to cede this vital niche to an incumbent (5). Microsoft is therefore not restricting the market by setting the standard, but rather enhancing the possibility of building on the Microsoft structure (the way everyone else does) that already works.
TI1:itiks to Microsoft, :iid the presssure it puts on othcrs also to innovate, we are linked as never before in a vast and growing global network of information and commerce (7). Some cornpanics arc not up to the challenge. Businesses that cannot compete typically complain that their competitors 1i:ivc unfair advantages that the law should condemn (3). Netscape cannot stand up to Microsoft in a free market so it has to rely on uninformed government officials to reduce the efficiency of the latter. That this cheats the customer out of zero priced software is of little concern. While the majority of companies usually experience appreciation in their stock price when Microsoft receives good news, the returns of a few, such as Netscape, sometimes enjoy increased stock prices when the opposite occurs. This explains their instigation of the political assault upon their rival (4). Netscape’s CEO, James Barksdale, and its general counsel, Roberta Katz, were tireless in lobbying the media and Congress (6). Netscape

The Jorrninl of Social. Political and Ecorrorrric Strtdies

Microsoft ill Collision with Aiititriist Law 293

is viciously attempting to achieve through politics what it failed to achieve in the competitive marketplace (4).Other successful businesses have been sued and ruined economically by regulators and second-rate competitors; but this system of busines regulation decreases the welfare both of consumers who ultimately pay for the ensuing loss of efficiency and of the owners of the more effective firms (2). Netscape would not be able to get away with this in a free society.
It would not be able to help drag an entrepreneur into aStar Chamber, to be grilled by mcnacing G-men who have never performed a productive act in their lives (7). Here, the government is trying to “fix” the one part of our economy that is unimpeachably working well (6). The schools may be falling apart. The drug war may be a disaster. The military may be overworked, underpaid, and under-supplied. But, by golly, we’re going to teach Bill Gates a lesson (6). In a more just and rational world, the prcsidcnt of Microsoft would be celebrated as an economic champion who broke technological barriers in the cause of human bcttcrmcnt (7). This was not to be, since the government and special interest groups have little or no regard for what the consumers choose. In an earlier antitrust era, the government frittered our precious tax dollars away on silly questions of horizontal pricc fixing, mergers, predation and tie-ins (5). But Austrian scholarship demonstrated that these diversions were always costly and countcrproductivc (5, 13, 14, 15, 17, 18, 21, 24, 26, 27, 28). The Microsott case gave the government a chance to demonstrate how its refined understanding of antitrust theory could iniprovc technology in the computer age (5).
Evcry time a software package is sold, a customer reveals his preference, based on quality, service, pricc and value. To put decisions of software integration, production or tec1inologic:il change in the hands of government is economic lunacy of the highest order (3). If Microsoft is pursuing the wrong strategy, the system of laissez fairc capitalism will punish it (2). Power in the market is a contradiction in terms. Only government, never business (even \\here there is only a single seller of an item), can compel customers and stockholders to do anything (2). Lawyers in the Clinton justice Department could not to pass up the career opportunity of a lifetime. (6) That is part of the reason why the antitrust bureaucracy exists, and the Microsoft case has opened avenues to the creation of “new law” that can be turned into gold (6). Microsoft is a victim of regulatory extortion where the political establishment cxtracts “protection money” trom it in retiirn for its

294 William L. Anderson et al.

promises to allow the company to exist (4). We merely nccd to leave Microsoft to its own competitive devices; the market will reward or punish and the consumcr will be the ultimate winner.
With the advent of a new pFesidentia1 administration defining antitrust policy, tlie question of how Microsoft will be treated arises. President Bush had made it clear that tlie Microsoft case is up to tlie courts, and he would not intervene either for or against the software giant. If Microsoft survives the present appeal process, one would assume that the Microsoft’s ordeal would end.

3. Mediation
Judge Jackson had agreed to have his colleague Judge Richard Posner serve as a mediator in the Microsoft antitrust lawsuit. This provokes several questions and issues.
First, it raises anew the legal legitimacy of antitrust law. For if this
is a licit enactment, from whence comes the necd for mediation? Consider the law against murder in this regard. If a man is convicted of this crime, thcrc is no necd for “mediation” between tlie criminal and the law enforcement agency. This is clearly a legitimate law, in that it is a violation of basic canons of justice to murder someone. There is absolutely no role to be played by a mediator, struggling to bring an understanding or a compromise, between police and criminal. If a violator of antitrust were truly a lawbreaker, the same, it would be thought, would apply in his case. On the other hand, it seems clear that the obverse is also correct: if there is a need for a mediator, as Jxkson 1i;is now dccl;ircd, then, end to that extent, tlicrc is no law in the first place the violation of which is a clear and unambiguous crime. Further underscoring tlic difference between antitrust law ;rnd legitimate Icgislativc enactments is the fact that there is no possible act that the accused could possibly undertake that would render him innocent. The compny foundcd by Mr. Gates was held guilty of overcharging by Judge Jackson. However, what other possibilities were available to Microsoft? Had it charged less than its competitors, it would have opened itself up to the crime of undercharging, or predatory pricing, or cutthroat competition. Here, the accusation would have been that Gates was charging less than he might havc, in an effort to drive his competitors into bankruptcy. There is only one additional alternative to over or undercharging; and that is, charging the same price as everyone else. But this too, under antitrust, is a crime: collusion.

TIE Jorrrrinl of Social. Political arid Ecorion~ic Sirtdies

Microsoft in Collisioii with Antitrust Law 295

Say what you will about the crime of murder: at least the guilty party had a choice. He could have refrained from this foul deed. Had he done so, thc presumption is that he would have suffered no penalty. In sharp contrast, this scenario was nof open to Bill Gates. No matter what he did, no matter how he acted, he was open to the charge of monopolizing. As such, antitrust is not a proper crime, under the rule

Second, Judge Jackson’s nppointment of Judge Posner as mediator opens the question of what results, in retrospect, we might have expected from Posner’s decision. That is, could Posner have been expected to have taken a principled stance against antitrust, as a per se violation of the rule of law, or not? Although it was impossible before hand to predict with any degree of certainty the future actions of a jurist in cases of this sort, Judge Posner comes to the table with a long paper trail (25), on the basis of which we could have made some predictions.
And the prognostication, unfortunately, isnot as good as it could be. Posner has a rcputation as being open to free enterprise and opposed to government regulation, and, on the whole, this is well deserved, at least compared with most present inhabitants of the bench. However, he is not opposed to antitrust legislation as a matter of principle. Rather, he does see a proper role for this legislation (25, pp. 249-297).

of law (20).

4. Econoniic Freedom, Monopoly and the Governnient
What distinguishes thc U.S. postal system from Staples, Toys “R” Us, Rockefcllcr’s Standard Oil, Sara Lcc, Eastman Kodak and Microsoft? The former company is a monopoly; the latter are not, but havc been so accused in accordance with antitrust legislation (29). The U.S. Post Office is a monopoly because its market dominance is derived not from what it offers consumers, but from an exclusive grant of government privilege. As monopolies, the postal service and the local gas and electric companies do not cornpcte or engage in a voluntary exchange with consumers. Rathcr, they control the market by forcibly prohibiting others from entering it.
Extend this premise, and you arrive at the natural conclusion that in
a frce markct where voluntary cxcliangc bctwccn consenting adults is the guiding principle in trade, there can be no monopoly other than that created by government. How is it then that Microsoft is being hounded for being a monopoly? This is made possiblc through legislation that frames as predatory the process whereby an innovator

Volrtrrie 26 Ntorihw I, S’priiig 2001

296 Williain L. Anderson et al. Microsoft in Collision with Antitrust Law 297

captures a large market share. This despite the fact that the only way
to capture a large portion of the market is by dint of government
legislation, as tlie post office does, or through offering good service for
a very low price, as Microsoft does.
Recall that as a compctitive strategy, Microsoft had bundled its
Internet Explorer with its Windows operating system. It did so for free, and with the aim of outdoing the compctition. Microsoft then licensed its operating systcm to PC manufacturers with the proviso tliat they take free of charge its Internet Explorer. Fully within its legal right, Microsoft asserted copyright to prevent any reconfiguration of its operating system. Were users prohibited from loading Netscape’s Navigator or any other Intel-compatible operating system on to their PCs? Of course not. Could Microsoft have prevented PC makers from installing competitive products? Absolutely not. That Netscape lost revenue is evidence of nothing more than Microsoft’s compctitivc edge and Netscape’s failure to offer the consumer a similar deal. Netscape then ran to Uberbureaucrat Joe Klein of the U.S. Justice Department for a remedy.
Clearly, Microsoft has arrived at its considcrable market share by offering the consumer more total product for the least cost. Let’s imagine, however, that there was a way to eliminate compctition in a free market other than by governmcnt decree. Such an evil empire could restrict its sales with the intciit of raising prices and doing some serious profiteering (30).
But h;id Microsoft chargcd a high price for the browscr it tied gratis
to its Windows operating system, its rivals would have bccii tlirillcd, and wcll-positioncd to take such ;i niarkct by storm. Iricidcntally, flcxiblc antitrust law would have nabbcd the company for predation under this contingency as well. It so happened Microsoft did the opposite: It gave away the browscr. It was then that Judgc Jackson, in a decision more voodoo than veracious, proceeded to declare Microsoft a monopoly.
The other mischief Microsoft might have attempted so as to drive and kccp out compctition would have been to drop its total product price even lower. But to bc truly “prcdatory,” Microsoft would have to have kept it there ovcr time, evcntually going bust. For the duration that it managed such a Kamikaze feat, its rock-bottom prices would be benefiting consumers, which goes to show that, governmcnt monopolies excepted, there is no such thing as a predatory price.
Despite a 1998 court decision that magnanimously upheld

Microsoft’s right to tic the two products, coupling the browser to Windows, according to Judge Jackson’s Conclusions of Law, this was not only incontrovertible proof of a monopoly and harmful to consumers, but part of Microsoft’s “larger campaign to quash innovation that threatened its monopoly position” (31).
What of tlie objection then that by bundling its Internet Explorer with its Windows operating systcm, Microsoft failed to offer the consumer a choice? What of the contention that it is attempting to freeze out other suppliers, as well as prohibit consumers from coupling one of these Microsoft products with that of one of this companies’ competitors? One problem with this line of reasoning is that it attempts to disccrn the motivcs of businessmcn. This is always a risky procedure, too uncertain to support a judicial finding of wrongdoing. Another more grave difficulty with this charge is that it is open to a reductio ad ubsurdurn: were this act to be made the basis of unlawful behavior, we would have jails overflowing with white-collar victimless criminals. For example, it is impossible to purchase a McDonald’s burger coupled with a Wendy’s bun; neither fast food establishment will make such a concoction available. The consunicr who wislics this particular combination of goods will just have to visit each store, buy a burger from each, toss out thc McDonnlds bun and the Wendy’s burger, and cat whatever remains. Similarly, it is impossible to purchase a Ford chassis and a BMW motor. Those who wish to drive in such an unusual mixture will be forced to lwy one of each of these automobiles, and fashion this amalgamation for themselves. However, if we arc going to penalize Microsoft legally on this ground, we must also include in tlic indictment all fast-food purveyors, all automobile companies, a11 TV manufacturers (sonic consumers may wish the SONY innards and the RCA tube or vice versa), all publishers (some rcadcrs may want the cover of tlic bible and the inner pages of Lolita or Playboy, or, who knows, vice versa), etc. In short, the indictment would have to catch any entrepreneur who has irked Someone with the way he has configured a product.
Antitrust legislation considers a large market share or a concentration in tlic niarkct to signify Iwth nionopoly ;Itid pi’cd;itory practices on tlic part of a company. As such, thc antitrust cliimcra is based on discrcdited theories about competition. Relying as it does on a model of ideal or perfect rathcr than rivalrous compctition, the legislation ahis at a market neatly carved among conipctitors (32). Judge Jackson’s circular reasoning culminated in his asserting tliat

Tlre Jorrnial of Social, Political arid Ecorioriiic Vrrdies Volirnie 26 Nitinbar I, Spririg 2001

298 William L. Anderson et al.

the fact Explorer is not “the best breed of Web browser” (31) is further evidence of Microsoft’s predatory behavior. If the proliferation of bad products on the market is an indication of a lack of fair competition, we ought to sue rapper Puff Daddy on behalf of Johann Sebastian Bach.

5. MS-Nationalization
When Judge Jackson “ordered, adjudged, and decreed” the breakup of Microsoft into two separate companies, he effectively replaced Bill Gates with government lawyer Joel Klcin as the chief decision-maker of the Microsoft Corporation. The Judge accepted almost verbatim the Clinton administration’s breakup proposal, authored by Klcin and his colleagues in the corrupt Reno “Justice” Department (with the help and advice of Microsoft’s competitors), effectively nationalizing the company.
There is no more competitive industry than the computer industry, where the dynamic market process has produced a company like Microsoft, which produces both a computer operating system and applications. The Soviet central-planning-style breakup scheme ordered by Judge Jackson abolishes what the competitive market process has produced and in its place puts a Byzantine regulatory regime that is to be administered by federal and state government lawyers. There could not possibly be anything more damaging to competition, economic rationality, and consumer welfare.
The judge’s order effectively dcstroys Microsoft’s ability to compete
in the Web browser market, thereby making that market less competitive, and also prohibits the company from employing routine competitive devices that are used by thousands of other businesses, such as exclusive-dealing contracts and tie-in sales.
Judge Jackson even goes so far as to order a kind of forced labor by commanding Microsoft to “use all reasonable efforts to maintain and increase the sales and revenues of both the products produced or sold“ prior to his order and to “support research and development” for such products.
Never mind that some of these products might become obsolete in the meantime, as they frequently do in the high-tech world; the government commands the company to keep on producing them, thereby wasting resources and causing higher costs and prices.
Most businesses that develop close relationships with vendors or suppliers frequently give prefcrential treatment to those business

The Joirrrial of Social, Poli/ical arid Ecor~ori~ic Studies

P

Microsoft in Collision with Antitrust Law 299

partners from time to time in order to maintain a good working relationship. Microsoft is prohibited from doing so with the applications side of its business, for Judge Jackson has forbade offering it “terms more favorable than those available” to any other business.
In a fit of egalitarian extremism, the judge further decreed that all computer manufacturers doing business with Microsoft must be offered “cqusl access to licensing terms; discounts; technical, market, and sales support,” etc., etc. Such discrimination, based on merit and performance, is a necessity for any successful business, but Microsoft is banned from it.
The judge’s order imposes a huge paperwork burden which will cost the company (and ultimatcly, consumers) untold millions of dollars and wasted man-hours each year. Every single agreement made between the operating system and applications businesses will have to be reported in detail to the government every three months.
The company is ordered to divert valuable management talent away from producing better computer products by appointing a “Chief Compliance Officer” who will report/gcnuflect to the government on a regular basis.
A severe system of monitoring is established whereby the government is given “access during office hours to inspect and copy ... all books, ledgers, accounts, correspondence, memoranda, source code, and other records and documents.” Fat chance that this proprietary information will not make it into the hands of Microsoft’s Competitors, who urged on the lawsuit, were government witnesses at the trial, and helped write the breakup order that the judge ultimately accepted, which included this very directive.
A particularly creepy and totalitarian aspect of Judge Jackson’s order
is his encouragement of an internal spying network within the Microsoft Corporation with his admonition to “establish and maintain a means by which employees can report potential violations” of the government’s regulations “on a confidential basis.”
The source code-perhaps the most valuable asset possessed by Microsoft-will be stolen with the help of the government. Microsoft is required to establish a “secure facility” where virtually all of its business associates will be permitted to “study, interrog7tc and interact with relevant and ncccssary portions of the source code.” This would be like forcing Coca-Cola to allow other businesses to “study” the secret formula for Coke, effectively ruining its business.
Microsoft is ordered to produce “written reports” about its practices

Voliinie 26 Nirniber I, Spririg 2001

300 Williaiii L. Anderson et 211.

whenever the Justice Department lawyers or any of the state attorneys general want one, opening up the door to endless political extortion (“Give us campaign contributions and we won’t ask for a report.”) No central planning scheme would be complete without price controls, and the Jackson/Klein scheme is no exception.
The “order” dcmands “equal access” to discounts offercd to computer manufacturers and, attcr each new product rclcxc, Microsoft must “continue for three years after said rclcasc to license on the same terms and conditions the previous Windows Operating System Product to any [computer nianufacturcr] that desires such aliccnse.”
The high-technology revolution, led by Bill Gates and Microsoft, has occurred precisely hecause, up to now, the computer industry has been the least-heavily regulated industry in the world. All that will change dramatically if Judge Jackson’s order stands and the higher courts allow Bill Clinton, Janet Reno, and Joel Klein to effectively nationalize the Microsoft Corporation.
The rest of thc world, envious of Amcrica’s economic succcss (thanks in no little part to conipanics like Microsoft), must be marveling at such ;I stupendous act of stupidity and arrogance.

6. Conclusion
In the latest chapter in this saga, Mr. Bill Gates has takcn to the airwaves in a scrics of spots making the “good business” points that computers are important to modern lifc, that Microsoft has made Sigilificilnt coiitrihutions to this iiidustry, that his conipany will prcss ahead in the future with even more improvements in consumer welfare, etc. This, it would appear, is part of his answer to the Icgal difficulties besetting Microsoft.
He and his
company are being raked over the judicial coals in what c;in reasonably be characterized as a kangaroo court. Under present law, they can be found guilty no matter what they do. Since this legal process is something of a joke, pcrliaps it is best to end this paper on that note. Accordingly, considcr the following:
Three Soviet prisoners were sitting in a Gulag jail cell conip;\ring stories. The first one said: “I came to work late, and they accused me of cheating the State out of my labor services.” The second one said, “I came to work early, and they accused me of brown-nosing.” The third one said, “I came to work exactly on time, evcry day, and they accused me of owning a Western wrist watch.”

This is a weak and rather disappointing response.

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Microsoft in Collision with Antitrust Law 301

But let us not become too blindly enamored of our own system as compared to the of the “Evil Empire.” For the joke continues: Three prisoners were sitting in a US. jail, found guilty of “economic crimes” and were also comparing stories. The first one said, “I charged higher prices than my competitors, and I was found guilty of profiteering, monopolizing and exploiting consumers.” The second one said, “I charged lower prices than my competitors, and I was found guilty of predatory pricing, cutthroat competing and under-charging.” The third prisoner said, “I charged the same prices as my competitors, and I was found guilty of collusion, price leadership and cartclization.”

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Volirriie 26 Nirriiher 1, Si?ririg 2001