

Gates at Appomattox: Why the US Surrendered

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It was hardly a surprise. George W. Bush told us during the campaign that he thought *US v. Microsoft* shouldn't have been brought in the first place; Al Gore, who could hardly say that, limited himself to making a campaign appearance at Microsoft's Redmond headquarters. But what *was* surprising about this week's announcement was that the decision had become so easy for the politicians who really made it. The coalition of "campaign contributors" that had stiffened the Clinton Administration's spine against Microsoft in the first place had completely changed sides.

The most important are Microsoft's erstwhile enemies, the hardware manufacturers, from Intel to HP, Compaq, and the rest of the PC makers, who, though still determined to drive down the share of the new PC's price paid to Microsoft, are very temporarily in its corner. They are all, without exception, in very serious trouble. In the United States, PCs are sold to corporations, or to consumers at Christmastime. American business has all the computers it needs, and more. Last Christmas was a disaster for the hardware makers, and with layoffs up, recession looming, and Americans' credit card debt at an all-time high, this one looks just as bad. Desktop PCs are already selling at fire-sale prices, and if this winter's products don't move, some Very Big People will fail. This week's announcement that HP will use "\$25 billion" of grossly overpriced HP stock to buy an almost worthless Compaq will save Carly Fiorina's job for a while (a religious doctrine of American capitalism says you can't fire a CEO—even one who has missed three consecutive quarters of earnings projections—while she's in the middle of this big a deal), but although the merged company will prob-

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ably soon fire twice the 15,000 workers it has already said will go, nothing but Bill Gates can save HP/Compaq and the others.

He can do this by releasing a new operating system even more bloated, slow, and enormous than his current excrescences, thus requiring a general round of expensive and pointless consumer hardware upgrading—pointless for the consumers, that is, but not for the manufacturers, whose interests for the next few months lie in supporting Gates. Bush, who lost California “big time” in 2000, won’t carry it next time, either, but he certainly isn’t going to let Northern California’s biggest bribes go all to the other side.

Or Southern California’s either. Hollywood is now Mr Gates’ staunchest and most loyal ally; unlike the hardware manufacturers, even in better economic times the content moguls have nowhere else to go.

There are now two kinds of computers in the world: Windows computers, which their users cannot technically understand or modify, and free software computers (usually inaccurately called “Linux” computers), running the enormous body of software made by the best programmers on earth and given to everyone to freely use, modify and redistribute. Windows XP has been designed to help the movie and music businesses by degrading the quality of the MP3 music-file format that currently fuels the world’s music sharing systems like Napster. These systems allow users to exchange music with anyone else in the world, who need pay nothing—thus giving the five companies that control the world’s popular music the heebie-jeebies. Windows XP also contains facilities that might soon allow the movie and television companies to control all video distributed through the web, or at least to hobble any serious competition they might meet there.

In the world of “convergence,” where what we have seen as separate media (radio, television, movies, recorded music, books, magazines, newspapers, video games) are all “bitstreams” delivered to digital devices, the oligarchs of culture and the monopolist of software are discovering that this is the beginning of a beautiful friendship.

What’s next in the history of *US v. Microsoft*? Much sterile legal maneuvering leading to a settlement that will leave Mr Gates’ empire unchained and undiminished. But only temporarily. The best software in the world continues to be free. Free as in free speech: free to use, free to copy, free to modify. As users learn what free software can do, manufacturers won’t need Mr Gates any more. If you’re a capitalist and you have the very best goods, and they’re free, you don’t have to proselytize—you just have to wait. Thanks to the venality of politics in America, Microsoft is riding high this week, but it is headed for the boneyard after all.