

Kiss the Emperor's Ring

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In the February 2 issue of Fortune, columnist Stewart Alsop gives Bill Gates some unsolicited advice on how to deal with the government. In an open letter, Alsop writes, "I think you've decided that you are powerful and important enough to take on the Justice Department and the U.S. government." Mr. Gates has decided that, as did Martin Luther King Jr. and many other American heroes. And the problem with that is what, exactly?

The problem, in Mr. Alsop's view, is that the United States is "arguably the most powerful entity on this planet." Again true. But Mr. Gates is not taking on the United States. He's taking on the U.S. government. To Mr. Alsop there is no distinction. The United States, he writes, "has all the perquisites that come with being a country: the right to exercise eminent domain; the ability to organize armies of well-armed and well-trained soldiers; the ability to levy taxes, print money, and regulate banks." In short, the United States - by which he means the government - can use a lot of force. In case the reader misses the point, Mr. Alsop adds, "In other words, the U.S. can do what it damn well pleases, as long as a reasonable number of its citizens want it to do what it pleases to do, and as long as no other entity is powerful enough to stop it."

Notice something missing? Mr. Alsop never acknowledges that the citizen has the right to take on the government when the citizen thinks it has overstepped its bounds. To a Microsoft spokesman's dismissal of Justice Department officials as "poorly informed" on the connection between Windows 95 and Internet Explorer, Mr. Alsop, a technology expert, does not respond that the officials are well informed. Instead, he decries Mr. Gates's nerve in disagreeing "with the U.S." To dismiss the government's expertise, writes Mr. Alsop, is to "give it the finger in public." We've come a long way in this country when one citizen's saying a government official is poorly informed can be seriously equated with an obscene gesture.

Mr. Gates's defiance of the U.S. government has nothing to do with defending a monopoly. It has to do with preventing the U.S. government from hobbling

Microsoft at the urging of its competitors. Microsoft will do well only as long as it offers competitive products. Even Microsoft foe Gary Reback, the Silicon Valley lawyer, admitted as much in a February interview in *The Red Herring* ("Microsoft Is Bad"). Said Mr. Reback: "Before the advent of the Internet technologies, Microsoft was stagnating. Then along came Netscape and Java and all these other technologies. What happened? Microsoft started making better stuff. That's the way the competitive system works." Exactly.

Pocket change

Mr. Alsop could use a lesson in political philosophy. He seems to have no inkling what the United States is - or should be - about. We started with a very small government because the Founding Fathers recognized that too big a government would threaten the liberty of the people. That's why the framers of the Constitution added the Bill of Rights. The Ninth and Tenth Amendments explicitly tell the Feds to stay out of any area where they have not been given explicit authority. The Tenth Amendment, for example, says, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." That's the one Bob Dole claimed was so important that he carried it around in his pocket during his 1996 campaign for president. Mr. Dole, who is now a top anti-Microsoft lobbyist, must not care what it says anymore. Sadly, he's not the only one who seems not to.

I said that Mr. Alsop needs a lesson in political philosophy, not politics. He probably had one of the best possible educations in politics: his father and uncle, Stewart and Joseph Alsop, were prominent political columnists from the '40s into the '70s. And it's likely that he learned from them about the federal government's awesome power. Unfortunately, Mr. Alsop may be right when he says that the U.S. government can do "what it damn well pleases." But if government officials can get away with anything, then we have bigger worries in this country than whether this or that feature is bundled with this or that piece of software.

Capital magnetism

Nineteen years ago, I wrote that the growing power of the federal government could be measured by the number of major corporations that had set up offices in Washington, D.C., and by the number of trips a year that major corporate

officials were making there. The trend has continued. Microsoft has been refreshingly unsophisticated about this, setting up its one-person Washington office only three years ago. As Fortune columnist Jeffrey H. Birnbaum points out in the same issue as Mr. Alsop's open letter, Beltway politicians see Mr. Gates and others in the industry as "arrogant showboaters who are too busy making billions to pay the obeisance that other corporate chieftains routinely offer up."

Mr. Birnbaum recalls a meeting between top Silicon Valley executives and Republican leaders in the U.S. Senate at which Majority Leader Trent Lott (Mississippi) painstakingly told the execs about the fund-raising duties of Senator Mitch McConnell (Kentucky). Hint, hint. After the meeting, one of the executives who was more aware of Washington's ways commented on Mr. Lott's heavy-handedness. Some of the other Silicon Valley types looked at him quizzically, reports Mr. Birnbaum. They hadn't even realized that they were being hit up for protection money.

Their attitude was terribly and wonderfully naïve. The executives must have thought that they lived in a country where they could focus on selling products rather than buying influence. But when governments can run roughshod over people, these industry execs might be better off paying protection money. If they don't pay, some of these politicians and former politicians, like Mr. Dole, may well go after them.

If I were in Mr. Gates's position, I would be tempted to pay protection money. But I would be clear, at least to myself and my friends, that the only reason I was paying was to keep the Feds from hitting me with a rubber hose. I would do one other thing as well: give money to organizations that challenge naked government power and that defend the principle of "live and let live." I have a list of such organizations. Near the top are the Cato Institute, the Hoover Institution, Amnesty International, and the Libertarian Party. And I have a longer list that is Mr. Gates's for the asking. Meanwhile I'll cheer for anyone with the moral certainty to take on the federal government when it "pleases" government officials to order them around.