

## It's so fashionable to love to hate Big Tech

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America has more diffuse anger than there are suitable objects at which to direct it, so some members of Congress are demonizing large tech companies. This, while pandemic-confined Americans are ordering even more stuff from Amazon and Googling even more than usual.

When in July a House committee interrogated the Amazon, Apple, Facebook and Google CEOs, the important question was whether any or all of these companies, with their combined market value of almost \$5 trillion, are monopolies meriting antitrust enforcement. Some history and data are pertinent.

Alec Stapp, director of technology policy at the Progressive Policy Institute (PPI), notes that Justice Department guidelines say a company monopolizes a market when it has maintained "for a significant period" and is unlikely to lose "in the near future" a market share "in excess of two-thirds." Amazon's share of the U.S. e-commerce market (broadly defined to include third-party sales on Amazon Marketplace) is 38%. Apple has 58% of the U.S. smartphone operating system market.

Another Justice guideline says antitrust enforcement must be against monopoly power that, *inter alia*, harms consumers by making prices higher than they would be in a competitive market. Stapp says that in the past decade the price of digital advertising has declined more than 40% (while the price of print advertising has increased 5%), and the price of books has fallen more than 40% since Amazon, which began in 1994 as an online bookseller, went public in 1997. (The company's founder and chief executive, Jeff Bezos, owns The Post.)

Warning against "monopoly fatalism," the Cato Institute's Ryan Bourne says: Time was, the A&P grocery chain was the entrenched "Amazon of its day," with almost 15,000 stores by 1935. Seen one recently? Between 1976 and 1978, the government worried that IBM might have a monopoly on the "office typewriter industry." A November 2007 *Forbes* cover story asked, "One Billion Customers - Can Anyone Catch the Cell Phone King?" Apple? No, Nokia. But Apple's iPhone had arrived in June 2007. Bourne says Kodak's domestic position in photography once "was even more dominant than Apple's position in the mobile vendor market today." "Who Will Break iTunes' Monopoly?" asked a 2010 British headline. Fifty years ago, Xerox's almost 100% of the photocopier market aroused antitrust complaints. Twenty-five years ago, the browser for about 90% of internet users was the Netscape Navigator. In 1997, the year Google was founded, Yahoo dominated the search engine market. Twenty years ago, AOL had an estimated 90% of the instant messaging market. "Will Myspace ever lose its monopoly?" asked a *Guardian* technology writer in 2007, when it was the most-visited website. In 2008, it had an estimated 73% of all traffic on social networking sites. Remember when WordPerfect was considered an unchallengeable word-processing program?

Economist Vernon Smith, a Nobel laureate, told Cafe Hayek: "Everything they say about Amazon was being said about IBM in the 1970s-80s. No one could dislodge them from the monopoly power of their operating system; all their clients were locked in. Then came Microsoft . . . "

In 1978, when General Motors had 46% of the domestic auto market, John Kenneth Galbraith, Harvard economist and progressive savant, said that other manufacturers would not challenge GM: "Everyone knows that the survivor of such a contest would not be the aggressor but General Motors." In 2019, post-bankruptcy GM's market share was under 17%. Amazon has about 1% of global retail business; its 4% domestically is less than Walmart's 6.5%.

Concerning Facebook, why worry about a company that, however large, provides services that, however popular, are - unlike, say, food, transportation or energy - entirely optional. Facebook entered the human story in 2004. How much can it matter? Advertisers on Facebook, which has 23% of the U.S. digital advertising market, have alternative ways to reach customers - e.g., Google, which has 29%, an example of competition between supposed monopolies.

Progressives might formulate an antitrust theory to justify regulating or dismembering big technology companies. Although Stapp of PPI is admirably empirical, other progressives want to sever antitrust from a focus on consumer welfare in order to advance progressivism's perennial goal of subjecting an ever-larger portion of society to government's direction.

Congress, however, should look for villains elsewhere than among the tech giants. Recent surveys showed that 91% and 90% of Americans have favorable opinions of Amazon and Google, respectively, and those companies ranked second and third in public admiration (behind the military) on a list of 20 institutions. The least admired? Congress.