

Who Really Owns Big Digital Tech?



by Michael Rectenwald

By now it should be perfectly clear that the most prominent Big Digital companies are not strictly private, for-profit companies. As I argued in "[Google Archipelago](#)," they are also state apparatuses, or governmentalities, undertaking state functions, including [censorship](#), propaganda, and surveillance.

[Katherine Boyle](#), "a general partner at Andreessen Horowitz where she invests in companies that promote American dynamism, including national security, aerospace and defense, public safety, housing, education, and industrials," has [suggested](#) that tech "startups have begun usurping the responsibilities of governments at breathtaking pace." If this wasn't already obvious, The Intercept's

recent [revelations](#) that U.S. government officials have access to a [special portal](#) through which they can directly flag Facebook and Instagram posts and request that the posts be “throttled or suppressed” should put the question to rest.

More revelations about [Big Tech](#)–government collusion, specifically on Twitter, were [promised by Elon Musk](#). Until Musk’s takeover, and perhaps even since, Twitter has operated as an instrument of the uniparty-run state, squelching whatever the regime deems “misinformation” and “disinformation” about any number of issues–international policy and warfare, economics and recession, pandemics and vaccines, politics and elections, the goals of the global elites, climate change catastrophism, and [the Great Reset](#) that is being ushered in as we speak.

The State’s Birthing of Big Tech

According to a [recent article](#) in the American Conservative by Wells King, the research director at the conservative economics think tank American Compass, none of this should come as a surprise. Silicon Valley, the author maintains, was from the start the spawn of [big government](#) funding. As the author sees it, only those who adhere to “market fundamentalism” can maintain that such “innovation, progress, and growth are the product of government’s absence.” In particular, King asserts:

“Silicon Valley was the product of aggressive public policy. The key technologies of our digital age were not the happy accidents of ‘permissionless innovation’ in the ‘self-regulating’ market, but of deliberate and prolonged government action.”

King argues that the Advanced Research Projects Agency (ARPA), which in 1972 became the Defense Advanced Research Projects Agency (DARPA), funded and directed the development of everything from integrated circuits to silicon transistors to

the protocols for networked computing. The primary customer was the [Pentagon](#).

More recently, as I have [argued](#), both Google and Facebook received start-up capital—directly or indirectly—from U.S. intelligence agencies. In the case of Facebook, the startup capital came through [Palantir](#), [Accel Partners](#), and [Greylock Partners](#). These funding sources either received their funding from or were heavily involved in In-Q-Tel, the [CIA](#)'s own private sector venture capital investment firm.

In 1999, the CIA [created In-Q-Tel](#) to fund promising start-ups that might create technologies useful for intelligence agencies. As St. Paul Research analyst Jody Chudley [notes](#), In-Q-Tel funded Palantir, Peter Thiel's startup firm, around 2004. Palantir subsequently funded Facebook. As independent journalist and former VICE reporter Nafeez Ahmed has [detailed at great length](#), Google's connections with the [intelligence community](#) and military run deep. Ahmed shows that relationships with DARPA officials yielded start-up funding and that direct funding from the intelligence community (IC) followed. The IC saw the [internet](#)'s unprecedented potential for data collection, and the upstart search engine venture represented a key to gathering it.

Did the Government Create the Internet?

Writing for the Foundation for Economic Education, Andrew P. Morriss tells a different story about the internet. As Morriss sees it, the internet bears little resemblance to the ARPA-funded ARPANET. The internet, he suggests, is the result of spontaneous order, not top-down bureaucratic administration. Although time-sharing and private packet switching were indeed developed through Department of Defense funding and supervision, Morriss argues that the government impeded research and development by crowding out private activity.

“Regulatory barriers to entry, not a lack of entrepreneurial activity, slowed the efforts to build private networks.” The private network, USENET, he argues, is the real progenitor of the internet.

But Morriss gives too much ground to the state, thus weakening his argument:

“The availability of no-strings-attached federal defense dollars undoubtedly made it easier for the early networking pioneers to concentrate on the technical details of their work.”

Given the evidence of government start-up funding, we may have to concede the argument that the internet might have developed differently, more slowly, or not at all, if the Defense Department had not been involved at the outset. Likely, what we know as the internet would have become a system of private networks, a more or less connected series of private information enclaves granting access only to select users. Had that been the case, Big Digital firms would not serve the state as they do now but rather their private users. Censorship would be a matter of private owners deciding who could speak and where. (Of course, this is very much the case today, except that the state also takes an interest and can determine what is allowed and what is not.) Big Digital Tech would not be beholden to the state, and speech would not be [regulated by the Department of Homeland Security](#).

As it stands, Big Digital is neither all private nor all public. As the recent CHIPS and Science Act shows, it represents both state and private interests. This leaves most users trapped between the profit motive, on the one hand, and the surveillance, censorship, and propaganda desiderata of the state, on the other. It could have been otherwise.

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