

President Trump gives preliminary approval to takeover of TikTok by Oracle and Walmart

By Kevin Reed
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President Donald Trump gave preliminary approval on Saturday to a proposal by Oracle and Walmart, along with a group of private equity and venture capital investors, to take over the Chinese-owned social media app TikTok and create a new US corporation.

Speaking to reporters at the White House, Trump said, “I have given the deal my blessing. If they get it done that’s great, if they don’t that’s fine too.”

An official statement from the Department of Treasury later said “the transaction is subject to a closing with Oracle and Walmart and necessary documentation and conditions” to be approved by the Committee of Foreign Investment in the US (CFIUS).

The three-sentence Treasury Department statement by spokesperson Monica Crowley also confirmed that the deal involved the creation of a new entity called TikTok Global. The statement also said that “Oracle will be responsible for key technology and security responsibilities to protect all US user data.”

As has been clear since Trump first issued two executive orders on August 6 outlining plans to ban the social media apps TikTok and WeChat, the White House campaign of imperialist bullying, anti-Chinese propaganda and online censorship has nothing to do with protecting “US user data.”

CFIUS has been involved in negotiations with US companies for the takeover of TikTok for months including an earlier offer by Microsoft which was eventually rejected. The new announcement by the Trump administration has not included any reference to how much money is being offered for the ownership of TikTok or if anything is being paid for it at all.

As further details of the US government-brokered deal emerge, it is becoming clearer that the White

House is engineering the theft of the massively popular video-sharing app from ByteDance Ltd., the Beijing-based owner of TikTok, by US corporate interests.

A report in the *New York Times*, based on two anonymous sources familiar with the details of the negotiations, said, “ByteDance and its investors, which include the U.S.-based General Atlantic, Coatue Management and Sequoia Capital, would transfer some of their equity control into TikTok Global.”

The *Times* report also said that the new firm TikTok Global would have “53 percent American investors” including 20 percent held by Oracle and Walmart and “existing American investments in ByteDance.” Another group of ByteDance investors from Europe will control 11 percent of the company. The remaining 36 percent will be held by Chinese investors, “primarily ByteDance founder Zhang Yiming and its employees.”

The *Wall Street Journal* reported that Oracle would have 12.5 percent and Walmart 7.5 percent ownership in the new TikTok Global.

Reviewing this divvying up between the new owners of TikTok—which has been valued at \$50 billion or more—one is reminded of the multi-billion dollar contracts signed with ExxonMobil, British Petroleum and Royal Dutch Shell following the 2003 US invasion of Iraq and seizure of the country’s oil resources.

The participation of Walmart in the deal—the retail monopoly that has struggled to develop an e-commerce presence that can compete with Amazon—is a noteworthy example of the blatant criminality behind the White House-sponsored TikTok deal.

While Walmart remains that largest US corporation

by sales revenue—more than \$500 billion annually—it is number 11 on Wall Street with a market value of \$383 billion, far behind rival Amazon, with a market value four times that of Walmart at \$1.48 trillion.

According to a statement from the Bentonville, Arkansas-based retailer, “This partnership will provide Walmart with an important way for us to expand our reach and serve omnichannel customers as well as grow our third-party marketplace, fulfillment and advertising businesses.”

The Walmart statement also revealed that the board of directors of TikTok Global would have five members, four of them being from the US and the fifth presumably being Yiming of ByteDance. The Walmart statement also said, “In addition, we would work toward an initial public offering of the company in the United States within the next year to bring even more ownership to American citizens.”

The emergence of Oracle as the lead US corporate hustler of TikTok is entirely based upon the political connections and personal relationship of the company’s billionaire Executive Chairman Larry Ellison with President Trump. The *New York Times* reported that Oracle’s top executives worked on the Trump transition team in 2016–17 and “supported his policy initiatives and have donated more than \$150,000 to his re-election campaign.”

Both Ellison and Walmart CEO Doug McMillon were on the phone with Trump twice on Friday to work out specifics of the deal. Oracle’s chief executive, Safra Catz, said the company was “100 percent confident” that the new TikTok Global would “deliver a highly secure environment” and ensure data privacy to “TikTok’s American users and users throughout the world.”

Given Ellison’s public endorsement of illegal US government spying on the public as “essential,” no confidence can be placed in the empty promises from Oracle about how the new US-based TikTok entity is going to protect user privacy. Not one shred of evidence was ever presented to prove the claims by US officials that the Chinese government was monitoring or being given access to TikTok user data.

In another significant aspect of the imperialist raiding of TikTok, President Trump announced on Saturday evening that the deal involves “about a \$5 billion contribution toward education.” Without going into

specifics of where the money would come from or how it would be spent, Trump said, “We’re going to be setting up a very large fund for the education of American youths, and that will be great, that’s their contribution that I’ve been asking for.”

The preliminary approval of the TikTok deal prevented a ban on US downloads of the app on Apple and Android app stores as of 11:59 p.m. on Sunday night. That deadline has been pushed back to September 27 in the event that the Oracle-Walmart plan falls apart.

The Chinese-owned social media platform WeChat was also scheduled to be banned on Sunday evening according to the Commerce Department’s announcement on Friday morning. WeChat has 20 million active US users, many of whom are Chinese and Southeast Asian immigrants using the app as their primary means of communicating with family members, friends and business associates.

US Magistrate Judge Laurel Beeler entered an order on Sunday halting the banning of WeChat and upholding a motion by a group of users opposing the Trump administration’s policy. Judge Beeler blocked the WeChat ban on First Amendment and free speech grounds. She wrote that “there are no viable substitute platforms or apps for the Chinese-speaking and Chinese-American community.”

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