Reflections On
The Rise and Fall of .Com Companies

By

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A few nights ago on the BBC news I heard a commentator saying that investors who had lost 60% of their investments on the market in technology stocks were foolish fellows who had onto done enough research into their stocks and deserved to be punished for their personal improvidence. When a market loses over a very broad range more than half its value, is still going down with no visible bottom in sight, something else is going one besides folly and stupidity.

As sellers of merchandise, .com companies distributed made all sorts of human activities possible one could not have done before. They also plummeted costs of enterprises to the point where they made businesses profitable that formerly could not have been maintained. The very power of these inventions helped to create the speculative market that burst its financial bubble.

After a while people were used to computer miracles; the promises of word processors, databases and spreadsheets had been fulfilled. These c ompanies had a great track record of successful change and take over of vast new markets. On the evidence there was no reason why the parade of miracles could not be perpetual.

The kind of optimism and hyperbole of claiming that something like playing roulette is doing business is very old stuff. The factors common to most .com companies that inspired their financial rise as well as their fall are not new; they are older than the famous 18th century South Sea Bubble of John Law. Henry Adams commented in the 19th century that the class of speculators that were the new money in America after the Civil war thought very differently than the mercantile old money class that ran businesses before the triumph of the north.

Adams knew the different between John Jacob Astor, who made million selling furs, and Jim Fisk, who made as much money without producing, selling or being responsible for no product whatsoever. Adams was from the first class and couldn't bear the second one; we can confine ourselves to saying that peddlers and horse players have a different psychology.

It doesn't take more than common sense to assess that at bottom buying something that is intrinsically worthless and hoping to selling it at a profit is not the same action as trying to market real products with utility to customers who are panning to use them. Both activities aim to make a profit; they don't have much more in common. When they are combined and the lines between the two actions and actors are blurred one begins to think the excesses of the speculator are the vices of the businessman. Hidden in the hyperbole is the possibility that speculation and business are perhaps fundamentally antagonistic. If so, we are really crazy, and we don't want to think about that.

Yet when we see the legends of the .com industry in the computer magazines telling us they were millionaires before they were thirty out of a little hobby they started in their kitchen, as we pay our bills we do have to wonder how they did it. The truck seems to be to get that gadget in the kitchen out there in the world market and sell them by the zillions.

They had to raise lots of capital to make that move. They either sold stock or went to venture capitalists to get that liquid money. At that moment our young .com hacker met a class of people we call speculators. He might have been surprised at the different mentality of this group. Hackers are usually dissenters, mavericks and rogues who are usually close to friendly pirates.

A businessman generally is an adaptive analyzer of what people want; he tries to give it to them. He wants peace, order, stability and affluence for most people; he can't operate his company as well otherwise. He probably thinks of himself as a good guy. He may sometimes make loess money to make the best product because he takes pride in his work. Some businesses have lost money deliberately because they wanted the public to have certain products. A businessman can be an aristocrat as well as a moneymaker, somebody whose partial aims are influence and power. Barnes and Noble, one executive told me, holds weekly meetings about how to lose money. Businessmen may be patrons of beauty; they built Venice. They support opera in New York at a loss they embrace with pleasure.

A speculator doesn't have any of these qualities. He makes money betting that a business will fail as well as wagering that it will succeed. If a companies earning plummet, as long as he has that information first, he is just as happy selling short as he was on the ascent. If they product is shoddy, unreliable, clumsy and even terminally unsalable, he doesn't care; it's just one more bit of information he can use to place his bets. It's not beyond them to think that if they persuade a company with a good reputation and high earnings to produce lousy products and act catastrophically , they can make a big wager at the right odds that they will perish and make more money than if the firm succeeds. As the small .com company CEO makes his zillions, he has to put them somewhere; he becomes more like the speculator. A few years down the road with a zillion dollars he may be the very one who decides alone in a room to bring his company and its products down and make one last killing.

As .com businesses become large they are run by people who have the mentality of gamblers, not businessmen. They certainly don't care what the public wants. They want an edge; they need inside information on anything including a worldwide disaster. They are look for pure profits, they tend to be cold, suspicious and emotionally flattened as the sort of people playing the slot machines or hovering around the croupier tables in Las Vegas. They are a long way from that young idealistic and creative computer hacker who invented a new gadget in his kitchen or started a business in his garage.

When we talk about the rise and fall of .com companies we meet the large ones that sold stock, get venture capital went through this life cycle. What is not so obvious is that as the power to act in business went from the hacker to the businessman to the speculator, the impetus to create computer miracles and sell products that improved life in a thousand ways languished and occasionally even vanished.

All of the .com companies either attempted to sell a product nobody knew they had needed before to utterly new markets or were offering a product they claimed was a clear boon to markets that previously had been using as known merchandise they were accustomed to buying for their companies. These companies were not so much competing with older products with better various of them for the same market as pitching products that did the job more cheaply or better but were designed by a different technology to deal with a need probably more ancient than even the older machines.

Most or all of them were able to create wholly new industries and markets not merely by increased efficiency but changing making profitable what was formerly not so by delivering radical declines in the cost of production. The machines, software or services could make businesses where there were none previously because it was economically viable to make money in situations that previously were not income earners or infallibly would have lost money.

These .com companies were formed and expanded in a wildly speculative twenty year boom market that fostered optimism in the economy generally than any reasonable investment would make money. This boom market itself created ancillary markets with its ready supply of liquid capital that generated other incomes and businesses that would have been unthinkable in a stable or bear market. Logically, the very rise of ,com companies and their rapid expansion was tied in sundry ways to the boom market and its worldwide optimism. One might auger conversely that a turn in the boom downward would undermine the general landscape in which .com companies could flourish.

The massive global sale of machines, software services creates large classes all over the world which became in turn armies of customers for these very products and generators of income for the very markets they serviced. The accelerated expansion of sales of certain products that would have had better quality control had they been turned out by small and middle rage companies, armed as they were by venture capital, created a kind of shoddiness and consequent rebellion from large companies to small ones at the margins of the markets that filled the niche need for reliable merchandise that worked, did not crash easily, did not need to be repaired and was supported personally and well by the company itself.

Small companies always mean, all other variables excluded, better internal logistics, more quality, less fat middle, more peroneal bonding and loyalty internally and with customers, more idiosyncratic and ethical behavior, more adaptive rage to change when change is necessary. Large companies mean generally a shoddy product, a big middle of ordinary rogues writing their resumes, no adaptability, lots of hype, bad internal communications, and treating peers and customers like strangers.

A new company hitting new markets and trying to persuade people to use their goods is better small than large. The quick expansion of .com companies by selling stocks in an optimistic speculative market and venture capital promotes the kind of quick expansion which leads to a disaster. Venture capital and selling stock pushes large, not small, companies by inspiring the kind of businesses that undersell competitors for a while to destroy them, and then set their own market price for shoddy goods later.

Microsoft was following Rockefeller a century earlier in its tactics. Over and over again, one can see the pattern of .com companies run out of a garage of an enthusiast suddenly becomes corporate giants. Microsoft is not an exception; it is a paradigm. Even E-Bay was once a tiny personal operation. All the P.O.D. companies had that history. Is there something intrinsic in the loss of quality and responsibility when a small company turns large? It would seem so.

The whole psychology of everyone from the CEO to the latrine cleaners of a large company is different. There is no protective wall or hedge between the employees and the customers in a small company. If the product is no good the company goes down; it cannot hype its way with expensive glitzy ads or put media people on their pad to praise them as they take up a quest to find new suckers. A small company can't hope to dominate a market; it has to produce quality to meet its competition. A large company can control markets like Microsoft, become the only game in town, survive and even thrive selling garbage. As we know from some .com companies, often they do.

A large company can sell worldwide to people they were never meet. It is easy to dismiss people living in faraway places. Some Neanderthal sense in us tells us they are not likely to show up in an irate mood with a stone club; they can't get across the several oceans to find one. Even if they get there in a canoe, they will meet the employees designated to deal with furious customers, not anybody in power, certainly not the CEO.

One sees this pattern in many .com companies. A small operation with a few employees done in a garage gets venture capital, expands tremendously, hires hundreds of employees, has all the problems of large companies, its executives don't know how to manage gigantic firms, only have part of the knowledge to market a specific product if they know how to raise gigantic sums of money, and it founders and perishes. Often its early products as a small company establishing its reliability are not met by its later product, produced by children in a slave labor camp in Indonesia or China.

As sales falters they start talking to their receivers, and find policy of the company is run by their bankers more than themselves, much as a the IMF moves in on the national autonomy of countries to whom it elands credit. If in the later stages of IMF operations, the citizens of the country can't be persuaded to pay the debt and act to undermine the government that has contracted it, the heads of .com companies find it more pleasant to quite through the heavenly halls of Chapter Eleven than to take orders from the venture capitalists who now own them.

Almost without exception these monopolies like Microsoft started very small. Part of the pleasure of owning a business is that one spends the day making decisions that one can make manifest. It is power and freedom that is not really translatable into income. It just isn't as much fun to run a large company. One gets a different kind of CEO running it. He is there for the money. It isn't to influence the world. Many people want to have that power, what to do it through business and with an understanding of how good business practices can do that, would rather make less money and have more power. They are different kinds of CEOs. They are usually awfully interesting people.

In most or all of these ventures the products themselves, sold by their makers as a clear boon, turned out to have dark sides that were not calculated by their makers or their buyers, and created new problems that the old technology had never had. Many of these long term consequences have yet to reach their users or inventors because neither of them are predisposed to thinking of what happens when one applies a narrow, linear clear-edged action to aa large, complex and involute business situation.

The aggressiveness of such a manic market provoked large companies to swallow up small ones like great whales eating plankton, thus creating monopolies that were in the long run destruction to competition and quality for the market as a whole. The solutions that computers had for many situations were either inapplicable, exaggerated or otherwise hyped beyond the capabilities of the product. The elusive and mercurial quality of products that were amenable to being copied identically, then sold in infinite volume had effects that could not be controled by any force in the world if governments could here and there try to put tethers on those companies that had made powerful enemies.

The rather easy laws of personal and cooperate bankruptcy promoted wild speculation and gambling in business, since one had little to lose by failure and much to gain by success in such a market. It fostered the gigantic sales of stocks of companies that had no proven records of profits on the purest speculation by enthusiasts and which in many case had no chance whatever of ever realizing these sales. The whole glib rhetoric of computer revolution sold more stocks than any look at whether or not there were any real markets for the product, or whether the product was competitive or even any good.

The very introduction of computers into the stock market giving easy orders in what was called "day trading" encouraged the kind of whim that inspired money going capriciously into the market on no research or even thinking. Anyway, with stocks being pushed up for no reason at all by various "banks" that manipulated stocks commonly on nothing but that they would be worth more tomorrow or next week, what research did one have to do? If one was betting on what speculator would push what stocks in what direction, one didn't have to know anymore than what one understood when one bet at roulette. The revolutionary nature of technological change itself created a kind of large vertigo in normally stable businesses which produced an atmosphere in which industries felt they were either forced to gamble on new and untried technologies or perish.

If only one of these factors were true, we can see that the ascendence and waning of the .com company world is not a matter of poor investment by gulls but a function of a general pattern that described nearly any company of this sort one designed, worked for or invested in. If anything one would have had to have been a land mine expert to avoid the sort of troubles that the .com companies eventually had. A sixty percent loss in a market is a sign of general and central business failure, not marginal errors by minor speculators. One can understand the motive of people who want more liquid capital into their arenas to speculate with, but perhaps it might be worthwhile for us to explore what really happened to .com companies if we want to avoid repeating the mistakes of the past.

As we look back into history we can see that every invention that claimed to be a clear boon was in fact a tradeoff with factors on the dark side that created as many new problems as it solved old ones. There was also no going back fro any of them. Once somebody invented the bow and arrow or gun, one couldn't shrink back from the consequences of having weapons that could kill people at a distance. One might at most like the Amish create small communities that lived off the imperial force of a big one.

Trains, cars, airplanes and the industrial revulsion generally have killed more people in new ways than previous ages could have even imagined with old instruments that were seriously and focusedly involved in dealing out death. Radios and television have phased out for many of us much of the conversation and ability to handle language which is part of our communication system. Automation in factories undermined the skills that gave most people who did not live on land a sense that they could not be easily replaced. Nothing is done in life without resonances long down the road that one would have to be aa prophet to make out in the mists of the future. Many of these results may be catastrophic.

We don't know yet what half the long term consequences of computers are but the ones we can guess are enough to make a lot of people shiver. The Napster case shows the importance of governments and law against the total dissolution of certain items of human life that were formerly property. The hidden aspect of the Microsoft case is that one company unless it is checked has the potential to dominate effectively the technological logistics of the entire planet with aggressive takeovers and proprietary software a worldwide communications system, word processors, the most seemingly clear boon of all computer products, may have the consequences of destroying whatever sagacity we can garner by writing more slowly than we think.

We are not too smart a species as it is; can we afford to cut out of our options the chance to think over anything with august measure? We don't know but we'll find out soon enough. Given that inventions in the past never lead backwards to ground zero if they are a mistake, we are not taking up this direction
with any guarantee with can recover from it if it is elating us over a cliff.

The power to control booms and busts in our economy by manipulating the Fed interest rate is, to put it politely, very exaggerated. Most companies either succeed or fail because they have a product that is relative, has quality, is easy to sue, meats delivery deadlines, is supported by the company when it is defective, and causes few or no problems for the consumer. As we all know, this does not describe eighty percent or more of all computer products. Most of them are buggy, clumsy, shoddy ,and with support systems of people that are always on a coffee break.

Would a change in a loan rate by the Fed at the caprice of Allen Greenspan change the essentials of whether or not a company is going to make money by selling a product that is overpriced, gives its customers headaches, breaks down easily and has a million other bugs? People won't want it even if the interest rate on loans to the company that made it is zilch.

Manipulating the interest rate simply puts off the day of atonement for companies that would do better to learn what business practices turn stable profits, what brings happy customers back again and again. Generally the agendas of the Fed and other government agencies are not to promote business. They are to try to make sure that an economic catastrophe does not happen while they are earning a living running their agencies. They don't want to be blamed for major disasters. They are happy to keep bad business situations going until they retire or somebody else is in charge. As one an see form the current difficulties of the IMF it is really to the interest of companies and every country to borrow, not what they need, but as much as possible on any pretext. Then they spend it, equally on any or no justification, doing what they always did to go bankrupt in the first place, and the Fed or IMF finds itself in a positing of trying to collect so much uncollectible debt that it does not dare itself to call in its loans because its own stupidity in making those loans in the first place will be evident.

It used to be that a London tailor would be afraid of a lord who would build up such a debt impossible for even him to pay. Now everyone can do what formerly was the province of only gentry. Credit that stifles and terrorizes the one owing income at 21% is a way of life. Going personally bankrupt is a major American business that spams its mechanics on the Internet. What normal people do, industries and nations do too. It is not too much to say that most countries and many companies that are and are not .com are in some stage of receivership.

A new company or country with fragile economics would do better by borrowing little or nothing and moving cautiously, instead they are inspired by the stock market, venture capital, the Fed and IMF to get crazily speculative, and learn not how to do business but how to siphon off skimmed monies by rigging bids, faking the budget, hiring more people than they need, and other standard practices of these subtle arts of financial deception.

Given the easy borrowing and soft falls in the bankruptcy courts if one fails, it is no accident that .com companies acted the way they did if all other factors were stable and conservative. People in power in a .com company can make more money in a few years of siphoning off venture capital than they can in a lifetime of selling honest products in an equitable steady business.

I have heard some interesting theories about who computers would create an eternal bull market that were presented to me as seriously as some physical theories or Newton or Einstein. The most interesting of them was that booms and busts were all the function of under or over production of goods. With instant assessment of goods and markets by spreadsheets and as instant identification of all communications by databases, there would be no disparity between production and what could be sold. No warehouses filled with goods that had to be gotten rid of, no undercutting of prices by companies eager to get rid of what they could not sell and was costing them money to keep in a warehouse.

This is a wonderful theory for some other economic system than the one that dominates this planet. Both companies and governments doesn't run on products and services on one end and charges and taxes on the other. Even normal people don't live on their incomes coming in and their expenses going out anymore. Many governments borrow as much as they can to run their operations; even when a government doesn't need death financing as the United States currently does not, it is loath to pay off that debt or stop dept financing. It becomes an estate of its own with its own army of employees and agendas.

A company borrows at whatever rate it can get too to expand its ability to make products to reach markets that otherwise might be profitable to its competitors. Finally, whether a company, .com or no, is profitable or goes broke is not whether or not it can make a profit on its products alone; it is wheher it can make enough money to be profitable and pay off that huge debt too. As we shall see about P.O.D. companies, their agenda almost instantly became now how to market but how to pay off immense debts any way they could.

It's a harder and more desperate push for the company than doing pure business. Every company in debt is like a horseplayer deep in the hole and betting long shots to try to get even. It's a different mentality, one we can find at an roulette table among the more disport bettors who have just pawned their shirts and one in the .com market we should be familiar with. The pitch to make such a business operate isn't made in the short turn to the customers who buy the product. It is to the speculator who may buy the stock as much because the think it will be worthy more next week or it has a glitzy look as much as weather it is a sound business. If he makes his profit, sells the stock and the business goes broke, he doesn't care.

The .com companies were almost without exception venture capital or public stock affairs in which a pitch to garner capital was made not to anyone connected with the mechanics of the business or knowledgeable about the world it operated in but to people who were buying and selling every day and would be in some other stock or business next week. Their agendas were not to worry whether or not the business was an y good but whether or not they could dump it at a profit. Computers and instant knowledge of all details of a business are not going to stop either booms or busts in such situations of pure speculation.

If somebody seriously is concerned about the vertigo of boom and bust or is upset about the rise and decline of .com companies they shouldn't be thinking of bad research, checks from the Fed, or anything else but whether or not they want to run business, any business, like a gambler playing roulette or with an unable operation that charges reasonable prices for a quality product that a market wants.

There are tens of thousands of .com companies out there, some of which are more responsible than others. There are the idealistic gadflies in the league of Napster, loved by creative people and all hackers, hated by others for breaking the property laws; others like Microsoft created monopolies, and are famous for buggy, clumsy products and tigerish business practice, There are elegantly well made companies like E-Bay which offer a great services, beautifully tailored to the strengths of computers, avoiding beautifully all the problems of trying to do things computers are not good at.

As a writer I had a chance to see the above general principles of .com companies operate in Print On Demand Companies. I had been published commercially in a publishing world that was dissolving almost as I got on the scene. Writing in America has never been other than tough but with middle range companies and paperback operations doing genre books one could usually fins a niche somewhere. Publishing was always half an aristocratic enterprise. Almost all books lost money. People went into the profession on all levels because they were willing to take less of a salary to lead a more interesting life. Making books influenced people they way making candy bars did not.

After 1973 the MBAs began to take over the industry, stopped publishing books they didn't see as stallions that would carry them to instant profits, the middle companies were swallowed up by the giants, populism make an educated person who wrote books seem hardly the leader that a rock musician might be, the public become dramatically more illiterate and more movie and television oriented, the distribution in candy stores and independent book emporiums went belly up, and the both the elitists and social realists that had defined the old markets went kaput.

A few years later, when the PC and word processors began to be a reality, the costs for small printings plummeted and were taken up by as tiny print firms often run in somebody's garage. They worked with digital text that was no longer typeset. Meanwhile to make more profits on the same item, conventional publishing companies were pricing books so only the upper middle class could afford them. The way the steep prices did books after 1980 out of a huge volume market available since 1830 left a huge hole P.O.D. books could have made billions on but like all their other markets, never discovered.

P.O.D. was really in place around 1980 as a clear potential. In 1980 no machine existed that took the very old technology of gluing binding and packaging books that had not changed much since Gutenberg. P.O.D. was only possible when printing machines could turn out a finished book from a PDF file in thirty seconds as they can now. This mechanical device really had little to do with computers. As soon as it was in place any company that owned one could not only produce a book for a few cents but never needed to store even one of them in a warehouse. They could have walked through the streets with their entire merchandise on DVDs.

P.O.D. companies were not the inventors of this technology, nor the champions of the Internet which supposedly make selling books easy and cheap, nor the makers of the linking and bullets which were the obvious potential sales devices for marketing. They were small business employees, not CEOs, a few of them working in conventional publishing, not hackers, who saw a chance to apply the technology to book distribution.

They were middle managers from big publishing houses; it meant they not only were ignorant of computers and Internet selling techniques of search engines, bullets and linking, but established profitable niche markets that were the natural sales land-scape for books costing dramatically very little to make. They weren't armed with the mobility and adaptability any new business has to have as in new situations it makes its inevitable mistakes. In one case, when a marketing team told them about these things, they fired them and got a new marketing team.

Each of the three major P.O.D. Companies dealing with authors, 1st Books, Iuniverse and Xlibris, had identical life cycles such as I have delineated as typical of .com companies. They started tiny, existed for a few years without any appreciable business, got venture capital, expanded tremendously at a speed that astonished all, were apparently not ready for running large business, did not meet deadlines, turned out work that sometimes inspired horror stories.

In the same accelerated time cycle within a year of their expansion were confronted by investors who had lent them many tens of millions of dollars to produce something more profitable with their means. They got caught up in the net of finances I have tried to sketch out a bit here. Some of them were started by idealists with a vision; if one wants to make money there are easier ways to do that than to sell books in the current United States.

Going from tiny to gigantic was lethal in a very short time for P.O.D companies. As a small company, they could have produced quality books competing in niche markets with investment only in their book making machines. They could have parlayed those profits into a modest but expanding sound budget that paid their few employees and widen their niche markets. There are tens of million of dollars to be made in those niche operations; one can see that by observing how many small companies listed in Writers Market have lived off them. Beyond that, since Reagan took away the warehouse tax writeoff in the 1980s, most books in print in 1979 including nearly all the classics are now out of print in the United States. It was found money. Nobody in the P.O.D. companies picked it off the street; instead they ware virtually broke, firing staff, cutting back, and forty million dollars in debt within a year.

Instead the P.O.D. companies formed corporations to create big budgets though they had no customers and no product, went to venture capitalists, got huge loans on speculation, set up huge operations with thirty million dallier yearly budgets that justified their own big salaries then vainly tried to figure out how they could get that kind of income quickly to pay off those enormous debts.

I don't want to write about the business competence of any P.O.D. Company in this essay. Human beings are human beings. Suffice it to say that business live on having products they can deliver, meeting their deadlines, and having a healthy market of happy and sated customers who come back for more. These principles were never learned by P.O.D. people because they weren't businessmen; they had worked previously as specialists for businesses.

They weren't hackers either; they didn't know how to use computer technology. Moreover, none of them were serious about sales of their product to readers when the Internet was there to sell for them. They did know about Vantage Books; all never escaped being tainted with called vanity houses had to bite that bullet pretty openly after they were muscled by irate investors looking with pique at their own oceans of red ink.

All this being said, might one derive from the experience of P.O.D. businesses some general principles about the .com companies, their strengths and failures. There is a point where we can see in P.O.D. companies, Napster, Word Perfect, Cakewalk and the Internet itself variations of the same natural directions toward which all .com companies were pointing. Did P.O.D. companies create sound businesses with known and proven markets, reliable, competitive and generously priced products, met deadlines and debt-free financial structures that did not override their natural agendas? No. Did their CEOs know how to run large businesses or any businesses? No. Was there a real market for these products and services? Yes. Did they find it?
No, they weren't business people and looked the wrong way. They thought authors, not readers, were market for books. At a combined hundred million dollar yearly budget for the big three P.O.D. companies that would have been a strategy only for a different and larger planet.

Given that, could they have been helped by Allen Greenspan, the Fed, the IMF or Santa Claus? No. Were venture capitalists with their vision of speculators, not businessman, the right way for them to promote their business? No. With their enormous budgets and size, did they have the adaptability a new business must have to correct and learn from inevitable mistakes in new situations? No.

We might go the other way and deduce what happened to Microsoft, a giant with in some ways a parallel life cycle. Maybe buggy products like its Windows operating systems and its tigerish competitive practices were inspired by similar factors.

If individual companies never got to the Elysian Fields, P.O.D. and the general .com technology is not going to go away anymore than clubs, bows and arrows and steam power, it is stable and progressive as the booms and busts of finance are not, it will push the world that way in the future with other enterprises. Steam took 1700 years to become a source of power. Rockets, radio and television were around as a technology for decades before they had their large effects on the world.

They all make distribution of the natural diversity of human beings ad their achievements cheap, relatively easy and viable. Given the natural push of human potential against the limits set by any society and its reductive institutions, the .com companies were really distributors of systems that were moving in a deep way against not merely property but re-plaing the pattern of producing a single model infinitely and selling it which was the pitch of the industrial revolution with its apogee in the Ford Model T.

Napster was putting any garage band give them its MP3 files on its database; it was a direct instrument of distribution a recording to five or fifty people and still making a profit. The P.O.D. companies were not just a way of selling books with less or more speculative sales, getting back to the old system of middle range and small publishing companies, but a system that went back to ancient Rome, to Cicero and Sallust. These Roman aristocrats all ran small P.O.D. companies. When they had a friend who wanted a book, they had a slave copy it. Slavery is morally odious, economically suicidal, metaphysically wrong, against human and cosmic laws, a source of scorn and contempt, and tantamount to murder, but if the slave is a lifeless heap of silicon, plastic and metal, we might be able to gain something from slavery as an institution.

Businesses come and go like the crocus; once distributed and used by large populations with utility, technology does not go away anymore than do taxes or death. Machine slave culture, to coin a brutal but accurate phrase, may lead us worldwide to a possible future in which some though not all products will have a diversity we in this age might find unimaginable.

Private human life will stay more or less the same as it was a million years ago, any hardware like a car will probably still be one simple model produced in volume with 19th centra concepts as Henry Ford did; anything like media, transmittable as digital information for a nominal cost, has a different economic destiny of diversity without a historical model. We might live to see future.com companies offer us videos, music, books that are made for five people. With morphing softwear in each home everybody might have a different version of everything they acquire.

If we think of .com companies as distributors of products that had some of their models in Old World slavery thousands of years ago, with computers as our slaves, we can find a handle on some of the potential of .com companies, in the future if not now, to free us from the stifling collective notions that have plagued us for a long, long time.

While we mourn over the hopes and losses of our jejune investments ion .com companies, or feel dizzy with the vertigo of .company companies bouncing up and down on the stock market or watch with awe their incompetence as business, we should think that they are merely surface episodes in the story of a technology that is going to take us to a different place.