

# A Consultant's View

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## Colonialism Attitudes

In 1775, Benjamin Franklin was highly respected in Philadelphia and had an international reputation as a scientist. However, his trip to England radicalized him when he encountered the British attitude towards those from the colonies. He was considered a second class person and was subjected to public humiliation for a mistake he made. He came back from that trip determined to work for independence. Shortly thereafter, in early July 1776, he and a group of men in Philadelphia signed the Declaration of Independence which was as much a rebellion against the British colonial attitude as it was for freedom.

Colonialism and capitalism are quite different and have very different attitudes behind them.

Capitalism invests in other people while colonialism mines wealth out of other people. These different attitudes show up in corporations today with the same results. People rebel against corporate colonialism.

Spain showed the value of colonies by pulling tons of silver and gold out of the Americas and elsewhere. They conquered large areas and enslaved the people to work in the mines and farms. When the local people died off, they imported even more slaves from Africa.

Being a colonial master is a great position. Often, the life style is far better than everyone else's. Power is greater than everyone else. Often, those who come to a colony discard their morals and act as if the people living there are "disposable".

England tried to follow that same pattern and brought slaves into their American colonies. However, the northern colonies didn't have the abundant natural resources to make slavery profitable. What worked was small independent farmers and traders building up a capitalistic and free market system. Quickly, those independent people who made the colonies profitable felt that they were equal to anyone else. The spiritual revival of 1750's & 1760's gave

the religious and philosophical backing to that feeling.

Thus, when a colonist encountered the attitude of British superiority, there was a natural conflict. Out of that conflict came our ringing statements of "all men are created equal" and

"govern only by consent of the governed" and the strong push for the Bill of Rights.

We see the same dynamic happening in corporations. Some people feel as though they should get special treatment. There are those who rank everyone by their compensation and treat those who earned less as second class people. Some treat customers as resources to be mined.

Those who are treated that way start to resent that treatment and start working towards independence.

Capitalism has proven to be more flexible and more profitable in the long run than colonialism. When corporations act as if their customers are colonies to be milked, that works for a while, and then fails as their customers rebel against that treatment. Capitalism is messier; we don't get to have as much control; the short term profit is less; but the long term wealth is higher under a capitalistic system.

## We Rebel Against Colonialism

## Playing to not lose

Many people go to Vegas to win. The casinos play to not lose. While there are the spectacular wins and the high dollar payouts, those are so rare that the casinos win by not losing. The same is true in many different industries. Investors that play to win often lose big.

However, communities do better when we work together not lose. While entrepreneurs take large risks, most of them succeed by working hard to minimize the risks.

Iceland has long honored the big gambler. It was the fishing captain that took the big risks who brought back the most fish. The North Atlantic Ocean is a very rough place and one needs high courage to fish there. That same courage and risk taking was used in the banking system leading up to 2008 and huge sums of money were gambled. The resulting crash dropped the currency by 95% and the average Icelander is suffering the consequences. (Even in the fishing, a number of captains took risks that cost lives.)

When the American frontier was settled, the first people out were the gamblers. It was a high gamble to go into the frontier to hunt or to clear a farm. Many of them died. When wives and families came out, one of the first institutions they insisted on was a church. The churches worked to expel the gambling (along with the saloons) from the community. Churches built the first hospitals, charities, and started the first insurance companies – all part of trying to mitigate the effects of losses.

With any technological advance, mining strike, or major monetary regulation change, a few gamblers strike it rich. Most do not and their families suffer from their losses. It is better to play to not lose.

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## Risky World - Virtual Stink

Much stuff on the Internet has been compared to manure. In an Intel test lab, they have come up with an Internet connected diaper that is supposed to send a message to the mom's smart phone that the diaper needs changing.

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