

Commentary

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With business role models such as these . . .

There are many, many good people who have gone to prison. . . . Look at Nelson Mandela. — Martha Stewart

"We're all little people. I didn't cheat anybody out of anything." — Stewart

We are living the history that future generations may study. How will we look to people 200 years from now? Is it

possible that Martha Stewart and Nelson Mandela will be paired on future Web sites as examples of great souls who endured persecution and imprisonment



championing the rights of the oppressed?

How is it that multi-millionaires now view themselves as the little people? Are they aware that the Federal Reserve Board reported in 2003 that the median financial assets (the sum total of mutual funds, bank accounts, retirement savings and the cash value of life insurance policies) of the typical middle class American family amounted to \$17,100? When did using illegal insider trading to pass three times that amount (\$51,000) in imminent stock losses along to other unsuspecting investors come to be viewed as playing fairly?

Part of the answer is that, when money is easily made and governments become complacent, virtue and fiduciary responsibility take a holiday and bad behavior in business is no longer recognized as bad. Fortunes were made supplying threadbare blankets, spoiled meat and faulty ammunition to both sides during the Civil War. Might some of the concern about Halliburton profits in Iraq come from vestigial historical memory — or even from

recollections of Milo Minderbinder in Joseph Heller's "Catch-22"?

Historical memory rarely influences behavior beyond one or two generations. The Roaring '20s saw the Dow rise from less than 100 to a peak of 390 in 1929. It would fall to 41 by 1931 and not rise above that 390 peak until Eisenhower became president — so loud were the echoes of the Roaring '20s. But once we reached the 1990s, no one was left to warn of the excess of the 1920s, and excess roared back full throttle.

We can tell something about our prevailing values when business and political leaders speak for themselves about ethical matters. Here, however, it is helpful to take a small dose of ancient rhetorical theory, which laid great emphasis on the character of speakers and their attitude toward their audiences. The character of speakers gives value to their words and offers support and proof of their arguments. Greek law, in fact, required defendants to speak on their own behalf. So Aristotle thought it was prudent to stress character (ethos) within a speech. Character and ethics were linked.

How does this work nowadays? Enron's Ken Lay mouths the words that he is responsible, but he does not expect any consequences from bearing responsibility. Even Webster's tells us that responsibility is synonymous with trustworthiness and implies a burden. The concept of burden is precisely what Lay seeks to avoid.

More remarkable still is how the public has recently rediscovered Donald Trump. Surely his re-emergence as the television archetype of how to do business is a sign that public ethical lapses and their consequences will be ignored if the story comes wrapped in money, power and the glamor of acquisition and display.

At a time when our president wants to amend the Constitution to prop up the institution of marriage, Trump could serve as a poster boy for the opposition. He became famous by hiding his second wife-to-be, Marla, from his first wife, Ivana, while both were living in the same building. Marla, too, has now joined the exes, and the 57-year-old Donald is eyeing a 33-year-old replacement. So much for personal matrimonial ethos.

Of larger ethical importance, however, is the fact that the Securities and Exchange Commission cited Trump Hotels and Casino Resorts Inc. for abuses related to its 1999 third-quarter pro forma earnings release, in fact calling it fraudulent. That same company, DJT, now has negative earnings as well as a negative book value.

Perhaps the people who would value 10 minutes with Trump, as he claims on his television show, are stockholder attorneys seeking depositions. But no matter, his show has been renewed for another season, so fascinated are we with this modern day Barnum landing his helicopter atop his money-losing casino.

This brings us back to Stewart and Mandela. We cannot predict history, nor can we be sure about an after-life. But we would be willing to bet that if St. Peter does the booking for a heavenly Trump Towers beyond the Pearly Gates, Mandela will occupy a VIP suite, while Stewart will spend eternity in an efficiency on the lower floors with the rest of us little people.

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