

Presidents' Day, 2003 Stan Stahl, Ph.D.

*"The secret of success is honesty and fair dealing.
If you can fake that, you've got it made."*

Groucho Marx

The walls of Mr. Welch's 4th grade classroom were filled with mythic images of America. Gilbert Stuart's famous painting of Washington. Paintings of Lincoln and of Jefferson. A map of the thirteen original colonies. Another of the Louisiana Purchase.

My favorite was a picture of all the Presidents broken into 5 groups: great presidents, the near great, the average, those presidents who were below average, and the failures. Ulysses Grant, whose presidency was destroyed by corruption. Andrew Johnson, who was, back in 1952, the only President to have been impeached. And one who's failure lay in having done nothing; his name I no longer remember.

George Washington and Abraham Lincoln, the Presidents whose birthdays flank Presidents' Day, were among the greats. According to Mr. Welch, Washington and Lincoln weren't just great; they set the curve for greatness.

Washington and Lincoln were giants in the Pantheon of American greatness. Part of the mythos of these men was their honesty and integrity. "Washington never told a lie." "Honest Abe." These two Presidents also set the curve for the twin verities of honesty and integrity.

Except during those times when we reflect upon them, honesty and integrity are usually found lying in our subconscious. Yet even as we usually don't think consciously about them, they form the backdrop against which we act.

In his wonderfully profound book "*Trust: The Social Virtues and the Creation of Prosperity*," Francis Fukuyama writes:

"it is possible to argue that in the future the optimal form of industrial organization will be neither small companies nor large ones but network structures that share the advantages of both. ... If this will in fact be the case then societies with a high degree of social trust will have a natural advantage. Networks can save on transaction costs substantially if their members follow an informal set of rules that require little or no overhead to negotiate, adjudicate, and enforce. The moment that trust breaks down among members of a business network, relations have to be spelled out in detail, unwritten rules codified, and third parties brought in to resolve differences. At this point the network ceases to look like a network ..."

Permit me to illustrate. I recently received a phone call at 5:40 in the morning. The call was from an attorney. We did not know each other; he had been given my name by a partner. The attorney's client had a situation that required three of our people to get to San Diego as quickly as possible. We had 3 of our senior people in San Diego by 10 am, who spent the rest of the day accomplishing their objective.

Consider how much implicit trust there was in this situation. The attorney's partner trusted us and so told the attorney of us. The attorney trusted his partner, and so he called me. I trusted the attorney, as to the legal situation, his standing in the matter, even our getting paid. And, finally, the people who had to get up early that morning, rearrange their day, and drive to San Diego trusted me.

The "transaction costs" for this engagement were, essentially, nil. Not a single formal piece of paper had to be exchanged to make this transaction happen. No proposal. No statement of work. No 12-page contract. No performance bond. Just a need and the ability to fill that need. Trust took care of everything else.

Trust acts like a lubricant, allowing social transactions to occur with minimal friction. Indeed, so important is social trust that, without it, there would be no civilization.

That's why it's so important to emulate Washington's and Lincoln's mythic reputation for honesty and integrity.

If we are to ask others to trust us, we have a duty to accept a reciprocal obligation not to abuse that trust. The abuse of trust not only destroys the relationship between the parties, it weakens the very fabric of civilization.

"Thou shalt not steal" and "Thou shalt not murder" and "Thou shalt not bear false witness against thy neighbor" aren't necessary behaviors because they're in the Ten Commandments. They are in the Ten Commandments because they define what one might call "minimal acceptable standards" of honesty and integrity. They are in the Ten Commandments because in their absence, in the absence of the trust they engender, there can be no civilization. In their absence, might makes right and there is no freedom.

Leaders of large organizations have a special duty not to abuse the trust we place in them. One need only look at the damage to the social fabric caused by those who abused the public trust, whether at Enron, Tyco, Adelphia, Worldcom, or even the Catholic Church, to see how important it is that those upon whom we confer leadership are men and women of the highest honesty and integrity.

Leaders of government have an even stronger duty to respect and honor the trust we place in them.

We stand today on the brink of war, a war that is all about trust. The Bush Administration, with considerable support from other nations, asserts that we can't trust that Saddam Hussein has disarmed and is not in league with Al-Qaeda, while at the same time millions of people at home and abroad are asserting that it is the Bush Administration that is not to be trusted.

Having no crystal ball, I am unable to foresee how events will play out. Perhaps Mr. Hussein will accept exile. Perhaps Mr. Bush will show us the smoking gun he claims to have, and, by so doing, gain the support of the United Nations. Or perhaps America will go to war without the support of the UN, and in so doing widen the gulf of distrust that seems to exist between us and some of our strongest allies.

Far more clear to me are two things.

First is an observation. Millions of free people in free countries all over the world are peacefully protesting against what it perceives as the Administration's rush to war. My nephew, Jason, strongly opposed to this war, emailed me the text of a passionate, if partisan, speech by Senator Byrd, taking the Administration to task over its actions. At the same time, CNN has yet to show me any protesters in Baghdad asking Hussein to fully cooperate with the inspectors and account for his stores of chemical and biological weapons. And I don't hear anyone in Hussein's government making speeches demanding that Iraq disarm.

So the first thing that's clear to me is that freedom is strong, here in America and in democracies throughout the world, even as it does not yet exist in Iraq. And, while I hope it is America which leads the way towards greater freedom in the world, I'm confident that even if America should stumble over Iraq, the international legacy of freedom that Washington and Lincoln left us is strong and will survive.

The second thing that's clear to me is that freedom will one day come to Iraq. I don't know if it will come soon, perhaps through a war, or later, after Hussein dies in his sleep at some ripe old age. But freedom is coming and not just in Iraq. Freedom is spreading throughout the world. There is a rush of history against which the likes of Saddam Hussein are powerless. Clarence Darrow said it best: "We are on the side of the future."

And in that future, when all are free, can come trust.

Let Freedom Ring.