

Opinion

Who needs ethics when you have an MBA?

A company spends millions of dollars developing a wonder drug. Though company officials intend to warn users on the pill bottles about possible allergic reactions, researchers have determined that there exists a probability that one in 100,000 users will experience an allergic reaction to the drug. Of those, one in 10 might die from complications. Should the company go ahead with production of the drug?



John MacDougall

A large Japanese firm manufactures three-wheel motorcycles that are extremely popular among young people. Sales have increased steadily during the last five years. A consumer research group has found that accident statistics for these vehicles are staggering. Despite warnings posted clearly on the gas tanks of these vehicles, accidents continue to grow proportionally to the number of users. As company presi-

dent, should you continue to produce these vehicles as long as there is sufficient demand?

You own a multi-national firm that builds waste treatment plants for foreign governments. The market competition for these plants is fierce. You know that your competitors have been paying off high-ranking government officials to secure lucrative contracts to build plants. Should you also bribe these officials to ensure a competitive chance?

These oversimplified questions deal with matters of "business ethics." Increasingly, this issue is garnering interest in academia and the press. The downfall of Wall Street raider Ivan Boesky and his cohort Dennis Levine portends a decline in ethical business conduct. In colleges, students of business today are being trained in the fundamentals of business administration — accounting, finance, analysis and management. But are they being taught or encouraged to do the "right thing" when a moral decision means certain financial loss to the company?

Here at Texas A&M the verdict is not in. Consider the master's program in

business administration. Under the direction of Dan Robertson, the program has grown immensely in reputation and size during the last decade. The average score on the GMAT entrance exam now is above the 85th percentile. The curriculum stresses accounting, business analysis, marketing, finance and management. Students are groomed for management positions in large corporations, which recruit heavily every spring.

Unfortunately, the program ignores discussions of business ethics in almost all the core classes. This has occurred for several reasons. First, there is an emphasis on a practical "case study" approach that steers students away from philosophical abstractions. Second, there is a prevailing belief in laissez faire capitalism among most members of the A&M faculty. In the College of Business Administration and the Department of Economics, most professors adhere to the "free market" school of thought. They believe that the role of government in business should be limited so the economy can operate smoothly, unfettered by excessive government regulation. Free market economics also

stresses the importance of the pricing mechanism as the best means for distributing scarce resources.

Taken to an extreme, the free market approach holds that ethical decisions really shouldn't exist as such in the marketplace. Governments may enforce ethical behavior through regulation, but a single firm cannot afford to make an uneconomical ethical decision as long as it competes with other firms that will not. Rather, business decisions should be guided by the principle of maximizing the shareholder's equity.

Nationwide, MBAs are being taught the nuts and bolts of business administration. But are they ready to tackle tough ethical dilemmas?

The answer is "no," according to John Shad, former Securities and Exchange commissioner who currently serves as ambassador to the Netherlands. He recently donated \$30 million to Harvard Business School to promote business ethics. Shad is distressed about the number of Harvard grads who have done post graduate work in federal penitentiaries.

Most schools take ethics for granted

in their curriculum. There are exceptions. At Stanford University, students are required to take a course in ethics. Other prestigious institutions such as the Wharton School of Business incorporate ethics into other business courses.

Though it is unlikely that a class in corporate ethics could drain the Gordon Geckos of the world, raking in millions of dollars through insider trading, a business curriculum that emphasizes ethical standards as a professional responsibility would be beneficial. If it were adopted by most colleges and universities, such a curriculum might serve as a cornerstone of ethical responsibility.

In a society that values the accumulation of wealth above all else, managers and business leaders sometimes caught playing tightrope over an abyss. Fear of getting caught should be the only guiding principle of behavior. Because today's business leaders are tomorrow's managers, American colleges need to stress the importance of moral responsibility among business students.

John MacDougall is a graduate student and a columnist for The Battalion.

If facts were gunpowder, Ron couldn't blow his nose

I don't know why people keep picking on President Reagan. He is one of the wonders of the world, a masterpiece of intellectual efficiency.



Donald Kaul

In an age when knowledge is power, Ronald Reagan has gone further, knowing less than any world leader of his time. If facts were gunpowder, President Reagan couldn't blow his nose, yet there he is, seven years the leader of the Free World and riding high yet. That is not an accident; that is talent.

We were given yet another example of the President's invincible ignorance just last week. The White House revealed that the State Department made a deal with the Soviet Union in 1985 to end military aid to the Afghan rebels as soon as the Soviets began to pull out of Afghanistan. The thing is, the State Department didn't tell President Reagan about the deal. He has been going around saying that we'll keep supplying the rebels until the Soviet pullout is nearly complete. This has added more than a little confusion to our negotiations with the Russians.

In most administrations — Oh, why be coy? In any other administration known to man or woman — that would be more than passing strange, the State Department going into business for itself. Not in the Reagan administration. This is a president, after all, who didn't know we were siphoning funds from the deal to supply the contras and who didn't much care, either. Given the opportunity to ask the principals what they were doing during the Iran-contra mess, Mr. Reagan was barely able to suppress a yawn.

And yet he retains his popularity with the American public and seems sure to continue to do so until the end of his days. His genius has been to lower our expectations of presidential competence to the vanishing point. After seven years of Reagan, we expect so little from presidents that even a gold-plated phony like Pat Robertson can be taken seriously as a candidate. And why not? Robertson is smarter than President Reagan and pays more attention to what's going on. The legacy of the Reagan years is that now, truly, anybody can be president.

It is a time that cries out for H.L. Mencken, the acid-penned social commentator of the '20s and '30s. In a not

dissimilar time, with a not dissimilar president — Warren G. Harding — Mencken, in an essay called "On Being an American," had this to say:

"All of which may be boiled down to this: the United States is essentially a commonwealth of third-rate men — that distinction is easy here because the general level of culture, of information, of taste and judgement, of ordinary competence is so low. No sane man, employing an American plumber to repair a leaky drain, would expect him to do it at the first trial, and in precisely the same way no sane man observing an American Secretary of State in negotiation with Englishmen and Japs, would expect him to come off better than second-best. Third rate men, of course, exist in all countries, but it is only here that they are in full control of the state, and with it of all the national standards."

Even allowing for the fact that Mencken was no great fan of democracy and was a bigot to boot, that passage rings ominously true today. For all of President Reagan's hype about it being "Morning in America" there has been a kind of leakage of national pride in recent years.

When I was in college the Russians sent up the first space vehicle, "Sputnik," and the nation was aghast. How could we have let a backward nation like the Soviet Union get ahead of us in space? We responded with an all-out effort and beat the Russians to the moon.

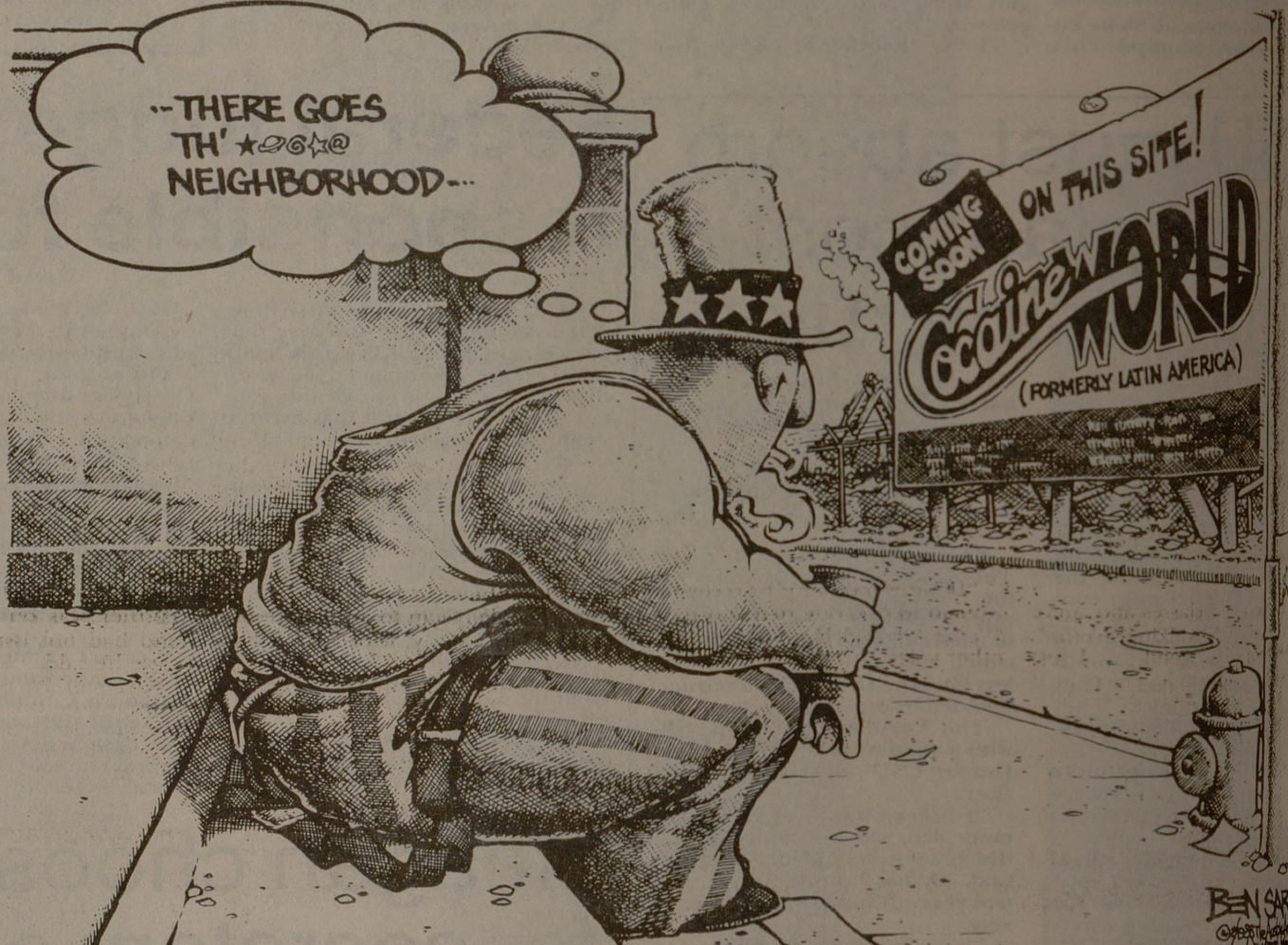
The Reagan years have seen the virtual collapse of our space program. We haven't sent a human being into space in nearly two years and our unmanned program is almost non-existent. Meanwhile, the Russians charge ahead and no one seems to care. President Reagan talks about the "privatization of space", and no one snickers.

We grovel in gratitude at the feet of Mr. and Mrs. Reagan for their efforts in fighting drugs in this country, yet when we hear that the CIA has supported drug-runners like Panama's Manuel Noriega and army officers in Honduras in return for their aid in support of the Nicaraguan contras, no one expressed outrage. I suppose we feel that Ronald Reagan didn't know what was going on. And I suppose we're right.

I think eventually President Reagan should have a day of his own, like Washington and Lincoln and Martin Luther King Jr. It would be on a Monday, of course, and we could celebrate the occasion by forgetting things that we don't want to think about.

It would be a fitting memorial to a great man.

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Mail Call

I want my School House Rock

EDITOR:

This letter is to address one of the most pressing problems in American society today. This far outweighs the problems with a president who isn't sure what he knows, a reporter and vice president fighting it out on TV, a promiscuous TV evangelist or even the loss of our beloved Rudder Dining Room. The problem to which I'm referring is, of course, "What has become of our Saturday morning television."

In a better day one could get up on Saturday and have many quality shows to choose from. Shows like "Fat Albert," "The Superfriends" and of course "The Bugs Bunny and Road Runner Show" were just a few of the possibilities. These shows aren't on regularly anymore, and this represents a great loss to the tykes of today. But perhaps the greatest loss is the "School House Rock" series. Without this aid, how is a child, in his years of nurturing, supposed to learn how a bill becomes a law or how Rufus Xavier Sasparilla is supposed to use a pronoun.

So Ags, I beg of you two things. First, let me know why I can't have Bugs Bunny with my Cap'n Crunch and "Loly, Loly, Loly. Get your adverbs here." Second, and more important, write your congressman, write your president, write your mom, and tell them to assert their influence to save America's youth before it's too late.

Please bring back our Tweety Bird our Road Runner, our Wonder Twins, our weird Harold. Take away the

pseudo-entertaining Gobots, Transformers, and those blue Smurfs.

Give me "School House Rock" or give me death.

John Monroe '90

It's your dime

EDITOR:

After reading about where my and my fellow student service fees go, I had to write and put in my "cents worth." I don't belong to any clubs, although I used to, so I do not "directly" receive any of the student service fee benefits. However, I do use the weight facilities at Ware Field House.

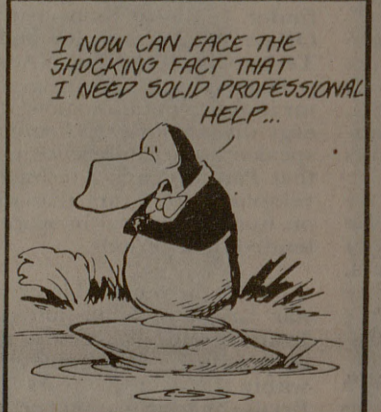
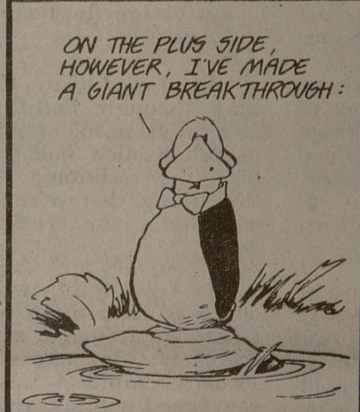
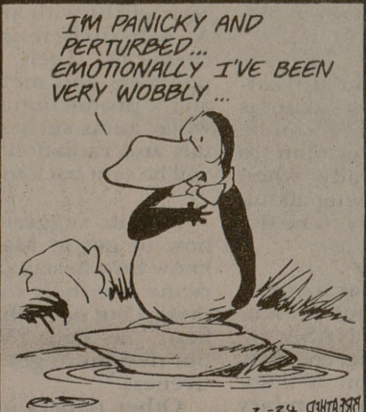
I don't want to complain about how crowded it gets there (although it does), but I would like to make a suggestion to the powers above (the board of regents). If only one cent, one dime to the common man, was taken out of the \$65.00 student service fee, that would generate \$3,000, my calculator is working correctly, to buying and replacing some of the weights that have been damaged from normal wear and tear. The \$3,000 is not a major chunk of the A&M budget, and I'm sure that A&M can afford it. Men and women would appreciate it. Think about it.

Josh Putter '88

Letters to the editor should not exceed 300 words in length. The editorial staff serves the right to edit letters for style and length, but will make every effort to maintain the author's intent. Each letter must be signed and must include the classification, address and telephone number of the writer.

BLOOM COUNTY

by Berke Breathed



The Battalion

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