

FRED FRIENDLY SEMINARS, INC.
ETHICS IN AMERICA II
RISK, REWARD, RESPONSIBILITY: ETHICS IN BUSINESS
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CIULLA: And that's the interesting thing about taking the ethical stand, is it's always risky. Nobody guarantees that being ethical is gonna make you money.

HEINEMAN: I mean, we're acting in good faith here. We're not just trying to make a buck.

QUEENAN: As soon as it's in the papers and you have delayed, now there's a cloud of suspicion.

ABELE: That's-- that's an enormous risk. We have to understand what that risk is.

SMITH: We've got a tremendous positive story that we should have been telling.

MCDONOUGH: If we endanger the good name of the company. That's a cost that we simply cannot afford.

ATKINS: There's pain in any of these gray moral difficult decisions - but you'd have to make the decision.

VOICEOVER: The situations are hypothetical but the dilemmas are real. From the boardroom to the bedroom; from the court room to the classroom. Men and women put their values to the test as they struggle with the kinds of decisions we face everyday.

Fred Friendly Seminars presents "Ethics in America."

This hour: Risk, Reward, Responsibility: Ethics in Business.

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VOICEOVER: Ethics in America is a presentation of the Fred Friendly Seminars at the Columbia University Graduate School of Journalism.

TAPPER: Casablanca Cruise Lines has purchased two majestic ocean liners. They are retrofitting them to create basically a luxury playground on the seas for active seniors and anyone else who might enjoy a return to yesteryear on the ocean. Betsy. You are the CEO of Casablanca Cruise Lines. Sounds like an exciting opportunity?

ATKINS: So far.

TAPPER: So far. One little wrinkle. The ships that you purchased were not new. There's a little bit of asbestos in them. You need to have it removed. In the United States you can have the two ships stripped of asbestos for \$100 million.

Or there's this country, Novastan, an impoverished former Soviet Republic on the Black Sea. And they will do it for \$20 million. In order to make your numbers, you need to do it for less than \$30 million. Why do you think there's such a price difference if the quality of the work is the same?

ATKINS: There may be different labor cost. There may be a different regulatory environment, but you said that it was an equivalent standard.

MCDONOUGH: I think the issue is, are there some concerns that we should have about the effect on Novastan of doing the work there.

ATKINS: And if there's any danger to those people that we understand it. And perhaps with our \$10 million. The difference between the \$20 million and the budget that we have of \$30 million. Maybe we take some of that resource. And use that to bring up a standard if it's necessary.

TAPPER: Let me just explain the health regulations that are in Novastan. Workers have to wear boots. They have to wear gloves. They have to wear overalls. They have to wear masks. And all those are supplied. In the United States there is much more high tech equipment.

[14:09:31:00](#) Negative airflow ventilation system. Personal ventilation system. So there is a clear difference in terms of the workers.

KRUGMAN:

This is very close to another example. The ship breaking industry in Alang, India. Which is, in fact cheaper. Much cheaper to break up a ship in India than it is to do it in Baltimore or in Rotterdam.

And it costs substantially less because the wages are much lower. And because the protections for the workers are much worse. But the moral case for saying it's okay to do that it's a question of, what would the workers in Alang be doing otherwise? India's a very poor country. These are opportunities.

And this is a case where you can in good conscience, being a full humanitarian, say, "Look, if you-- if you insist that they be working under first world standards, they're not going to have any export industry at all."

ATKINS: Well, let me poll my --

TAPPER: Okay.

ATKINS: -- fellow colleagues.

MCDONOUGH: I recommend we go forward.

SMITH: I agree.

MCDONOUGH: I agree.

ATKINS: Okay.

MALE VOICE: And we're going for--

ATKINS: With Novastan.

MALE VOICE: We're going for it.

HEINEMAN: Can the-- can the counsel disagree?

(OVERTALK)

TAPPER: We will get to you in a second.

LOWE: And can your shareholders disagree?

TAPPER: Well, Leslie. You're the head of an NGO. That's focused on the environment. And you know, Betsy just because your kids go to the same school. And you've heard about this Novastan deal going through. You have concerns about this.

LOWE: Sure. Betsy, my concern, with what Paul just said is it isn't just the workers. Asbestos generalized in the environment is a very, very dangerous substance. And unless there are those protections, I'd say that your company might be setting itself up for a big problem.

ATKINS: Well, I think that it's important to take what's been learned. And transfer it to the environment

to minimize any negative damage. But at the end of the day, we do need to make a product. And get it to market in timely fashion. We compete with many other cruise lines. And we can't not go to market.

LESLIE: You know, Betsy --

(OVERTALK)

ATKINS: (UNINTEL) on these large ships.

LOWE: You-- you don't want Greenpeace or some of those other NGOs to start coming after you about the Death Ship. That might really ruin your business plan.

SMITH: But, as an advisor I think it's very important to recognize that while Greenpeace has a very strong moral position. In their view, the environmental standards in Novastan should be exactly the same as they are in the United States. And I think the other moral position that Paul articulated suggest that, in fact, we would be obscenely immoral if we basically tried to suppress their ability to escape poverty.

LOWE: But Fred --

(OVERTALK)

MCDONOUGH: I think-- I think we can bridge this gap by being responsible. Taking the \$20 million deal. But investigating whether it would not be possible for us to have the contractor do the business in a somewhat different way. Which would lessen our possible both moral and legal risk.

TAPPER: What does that mean?

MCDONOUGH: If they would have asbestos-laden clothing that they would be required to take it off at the end of the day, shower. Get themselves cleaned up before they go home to their families. We could do something at not great expense to ourselves.

TAPPER: How much – how much are you willing to spend?

(OVERTALK)

DONALDSON: We got \$10 million to spend.

ATKINS: Yes, we do.

DONALDSON: To make sure--

ATKINS: That it's done properly.

HEINEMAN: I think they started backwards. You shouldn't look at the \$10 million. You should look at the comparative health risks. That's the issue.

And can you change the comparative health risks so that the workers in Novastan are not facing death from cancer. I mean, asbestos is not-- it's not like child labor. It's not where you can have an argument where 14 year olds can work because that's the cultural norm.

And they can get some income assuming the conditions are okay. Asbestos kills people. Exposure kills people. So you have to determine first the comparative health risk and what it would cost to make sure that the risk that the Novastan workers were facing would not kill them.

SARBANES: Ben's onto a very important point. I think you have to ask the question, "How much harm is going to be done to the workers in Novastan?" as you-- as you do this analysis.

KRUGMAN: This has to be comparative. If this is a country where the risk of accidents, industrial accidents, is high across the board. To say, well, if it isn't as safe as it is in the United States then we can't do it--

(OVERTALK)

SARBANES: No, I didn't say as safe. No, that-- that need not be your standard. But it seems to me that regardless of the conditions in Novastan. If your project is going to kill the workers, you should not do it.

LOWE: And – and --

KRUGMAN: But-- but you're not going to know that. Or at least, if you know that then you don't do it.

SARBANES: Alright. Alright. Well, that's an important point.

HEINEMAN: People understand exposure to asbestos and subsequent disease. How much, under the way that they do it, are the workers being – and their families, being exposed to asbestos. Compared to the safety standards in the United States. And what does it take to move them to a point where people might determine the exposure is-- is reasonably safe.

TAPPER: Back in the office what's between Leslie and Betsy in this meeting. What can she say to allay your concerns, if anything?

LOWE: I think what has just been said is-- would be the appropriate route. Because even though those workers are getting wages, the rest of the people in Novastan who might be exposed to that asbestos did not touch that wage. So they're getting a risk without any of the benefits.

TAPPER: I understand. What-- what would you like?

LOWE: What I would like to see is for the company to be very transparent about how they approach this. So to set out for the shareholders. For environmental activists. Exactly how they proceeded.

TAPPER: Nell, What do you think should be done? You've invested your money in this cruise line, presumably to make money.

MINOW: Make money. Yes. That's right. And I've got high hopes because Betsy's a great CEO. But I also am concerned about the kind of liability. Whether it's a reputational hit or whether it's any other kind of a liability. I would encourage Betsy to go and sit down with the Prime Minister of Novastan. I guarantee you if you're willing to spend \$20 million in a country you can get his attention. And talk with him about what they can do to get US business.

MCDONOUGH: I think we need to protect the good name of our company in the eyes of a responsible, sensible investor like Nell. Because if we endanger the good name of the company, that's a cost that we simply cannot afford.

SMITH: But there's a risk here. Because the NGO movement tends to have a certain belief that they can make the--

ATKINS: Guilty before proven.

SMITH: That's right. Guilty before proven.

LOWE: And-- and-- that's why transparency is so important.

ATKINS: But it's important to realize that how you run and operate a corporation. You don't show all

your competitors and the outside world your decision process. You do that with sound advisors, with good fact-finding. But you don't transparently, you know, disgorge every decision you do.

TAPPER: The decision has been made to go ahead with this project. And Casablanca has decided that they're actually going to invest more money and make it so that the Novastani workers, the subcontractors are abiding not only by the strict regulations of the Novastani government, but also a little bit more. A little bit more than is actually done. They've decided that-- does-- I mean, does that sound like a reasonable solution to this problem?

ATKINS: I think it's a very reasonable solution.

(OVERTALK)

ATKINS: Especially if we can confirm for ourselves that we're not-- that-- that in fact, by doing this, we are mitigating a real health risk.

TAPPER: Okay. Well, you've put Fred in charge of compliance.

ATKINS: And Fred's vigilant!

TAPPER: And Fred, you're talking to the-- to a local official on the ground. And he tells you one day, "We are abiding by the Novastani regulations. But I have to tell you, all the equipment is there. But the men are not wearing the masks."

SMITH: They also don't wear the masks in the United States. And that's one of the facts that you'd want to get in this area.

TAPPER: Is it okay, is that good?

SMITH: Do you stop the process?

MINOW: You know, you stop. Stop the process.

TAPPER: Stop it.

MINOW: Stop it right now.

TAPPER: Let me explain something to you. In Novastan we have beards for religious reasons.

ATKINS: There's plenty of workers in Novastan. If you won't comply with Fred's compliance, we'll find another worker.

TAPPER: The Novastani government knows, the inspector comes, he drinks coffee with us. It is fine. You're abiding by Novastani regulations.

ATKINS: No, it isn't fine. We're the customer. It's our contract. And we will cease the contract until you comply with our compliance regulation. And I'm sorry that it makes your beard itch.

TAPPER: You'll pull out?

ATKINS: No. We'll stop and we'll replace you.

TAPPER: Okay. I'm the next guy. They are not wearing the masks. (LAUGHTER) They don't wear them. It's okay. The government. Do you want to talk to a Novastani official?

ATKINS: No. I'm sure I can find another couple of contractors who will comply.

SMITH: The question is whether or not we're going to offer not safety. Leslie wants the world to be

safe. There's no way to make the world safe. There are ways to making the world safer. And right now what we're offering with our corporation is the chance for the Novastani people to have an increment of risk reduction. But this risk has to be put in perspective with other risks. And poverty is a risk of Novastan. Not asbestosis.

MINOW: But the question is: are you going to shut down the operation because they're not complying? Even though-- even though--

TAPPER: What do you want? Nell, what do you want?

MINOW: Yes. I--

TAPPER: You want it shut down.

MINOW: Yes. I want it shut down immediately.

TAPPER: Mr. Donaldson.

DONALDSON: You know, we got a ship. And we gotta get this asbestos out of it. We gotta get it done.

TAPPER: What do you want to do with this project now?

DONALDSON: I want to stop it.

TAPPER: You want to stop it.

DONALDSON: Yeah.

MALE VOICE: I don't think you can stop it.

(OVERTALK)

DONALDSON: And I want to-- I'd want to figure out how we can--

MCDONOUGH: I think you have to say to the foreman. In whatever accent one wants to put on.

(LAUGHTER) "Put the masks on. And get the workers busy." And he would say, "Yes, sir."

TAPPER: Okay. Okay. The masks are on.

ATKINS: And if the masks come off, then you're relieved. And we'll find an alternative person who will comply and wear the masks. Because we know that, you know, there's a plethora of workers. And not a lot of high-paying jobs in Novastan.

TAPPER: Okay. Mr. McDonough. You're a chief executive at Casablanca. Your daughter, Joanne, comes home from grad school with a copy of Bleeding Heart magazine. (LAUGHTER). Ah, you hate it when she brings that home. And in it is a very lengthy investigative, piece on third world workers.

And there are pictures of Casablanca subcontracted employees in Novastan. And, without the masks, it's pretty clear some of them are teenagers. Joanne, talk to your dad.

CIULLA: Well, Dad. First of all, I'm really disappointed about this. I understand that you need to give these people jobs. But it looks like you're not enforcing your rules very well there. And I want to know what your company's doing. It's one thing to have a good plan to protect people against asbestos. It's another thing to have a good plan to make sure there's compliance to that.

MCDONOUGH: Well, Joanne. I'm glad that you gave us credit for protecting them on the health because those scurrilous pictures that were taken were taken during that brief period

(LAUGHTER) before-- before we cracked down and made sure that they wore the masks. I'm glad that you noticed that.

TAPPER: Leslie, you have a 14 year old daughter. Does this concern you? 14-year-olds?

LOWE: Yeah. I mean, Betsy, really. I mean, this is toxic work. And you're employing young people who in Novastan's life expectancy could live another 20 or 30 years. Which is enough to develop asbestos-related diseases. And this just really, I mean, morally speaking? I just think you really stepped off the deep end here.

ATKINS: It's important that you separate your social and moral and business ethical issues. The role of-- of a corporation is to stay in business, make profits for the long term, while being a good business ethical world citizen. We are doing that. And there are social conditions that we can't control.

LOWE: I don't think you can separate moral sensibilities from business sensibilities. At least, not in the current world. We are linked by the internet. It's a global economy. There is global information. So if you're not taking good care of those workers in Novastan, it's going to come right back at you.

SMITH: But we're trying to find ways of having some of the Novastani citizens whose lifestyle is improving, whose kids for the first time are able to say, go to school. Who can do some health care. To tell their stories. And we're beginning to try to find ways of letting the Novastani people say, "Don't crucify us on a cross of American standards. Which will kill us much faster than they do."

KRUGMAN: There's a balance here. It's not an either/or decision. Should we have no jobs, or must the jobs be, you know, paying the minimum possible, the working conditions as bad as possible. This is a case where the company's interests are served by somewhat appeasing the

community of NGOs. Who want things to be better. The NGOs do a useful service as long as they don't actually cut off the jobs. You know, it's not going to be US standards. It's not going to be Western European standards. But it can be better. And it's-- pressure is good.

(OVERTALK)

TAPPER: What-- what do those jobs do in the short term for the people of Novastan?

KRUGMAN: Well, most immediately somebody is getting a-- a job that pays more than they could elsewhere.

TAPPER: Is it possible that American companies would demand health worker safety regulations so high that it wouldn't actually be cheaper to actually take the jobs to Novastan.

KADEN: Well, the Novastanis are going to have to decide what level of standards they establish. But I think just as fundamental, Casablanca and companies like it, have to decide what their global practices are going to be. And that's why it's so difficult. Because there's no simple answer. I don't think it's satisfactory to say, you follow whatever Novastani government officials decide. Nor can you say I'm go-- I'm only going to follow the standards that are applicable in the US. And try to spread them throughout the world. Betsy and her colleagues are going to have to decide, what do they want to stand for? And I don't know where you come out on the 14-year-olds. But if the-- if there were eight-year-olds compelled to work in that-- in-- in-- in that shipping operation. I suspect Betsy and her colleagues would decide they're not prepared to put their ship in the service of-- of-- of-- of those workers.

TAPPER: Nell, what about this? He's just talked about eight-year-olds. Where does it stop? I mean, is this a race to the bottom?

KADEN: Well, one would hope that at some point there are standards that companies interested in following good business practices establish. And that over time governments come to the point of adopting those standards. But in the-- in the short run, each company's going to have to decide for itself what practices it can tolerate.

MINOW: Yeah. Well, as-- as you said. I'm an investor. I buy low. I sell high. I bought into this company because I want it to make money. And I have every expectation that it will. But I do not make a distinction between business decisions and moral decisions. I think all decisions have moral consequences. But as this hypothetical shows, there are a lot of competing moral-- moral concerns. And-- and-- it's-- it's navigating that that can be the challenge. But, you know, we're talking about a high end consumer product that has a brand. And if you want to try to sell that product, you better make sure that you're not going to go out sailing while children die because of the way that we removed the asbestos. So you want to have some kind of very clear, very transparent standards. That is not your strategy. That is part of your brand.

DONALDSON: I don't-- I don't think you can-- set worldwide standards for how old your workers are going to be. Our concern here is-- is getting-- the job done and not causing death getting it done.

MINOW: Well, Bill. You can't set worldwide standards all across the board. But you can have worldwide floors. I think we can all agree that six is too young. We can all agree that seven is too young. And I think that-- I think businesses have to get together and agree to a set of principles that they're going to establish around the world.

SMITH: But Nell, but Nell, this is the problem with that. If we-- if we set a standard for our company. And I think our ca-- company does need some policies here. But I think our policies ought to be, are our involvement in Novastan going to make the Novastani citizenry better off? Healthier. Wealthier. And that may differ. The policy is the actual implementation may turn out to be different in Novastan than it's going to be in India and so forth. But we do not want to set a

floor. Because their floor may be so much lower than that.

KRUGMAN: But the floor should be something it-- we should be making a substantial improvement in the lives of people there. Substantial.

ATKINS: I'd like to challenge one point on -- we should-- if I heard you right. We should be improving the-- the sta-- the quality of the life of those people. And as a public corporation for profit, we have to develop a set of business principles. And business ethics. But we're not in business philosophically to raise social standards. We're in business to have business that makes profit for our owners. And the way to do that for the long term is to have good business ethics in all your various constituencies--

(OVERTALK)

ATKINS: Not to-- not to be a social cause. That raises levels--

KRUGMAN: This why-- this is why NGOs are so useful. Because they turn having social ethics into also a good business decision. Because they will make your life hell if you make really bad ones.

(OVERTALK)

ATKINS: We do need a business ethics standard that we have developed. That's the right long term strategy. But to say that part of our business mission is to raise social standards. That is not part of our goal.

(OVERTALK)

TAPPER: Alright, I have to take you out of the developing nation of Novastan. (LAUGHTER) Phew.

And back into the United States where these ethical issues are so much clear cut. (LAUGHTER)

SMITH: Not necessarily.

TAPPER: John. You are the CEO of a private corporation called Maxicorp. Your group of brilliant engineers has developed a product that is amazing. It's called the MaxiMile. You attach it to a car's engine. It doubles the mileage. It's a huge technological breakthrough. It's a wonderful business opportunity. You're excited about this, right?

ABELE: Absolutely.

TAPPER: You are located in the Mid-Atlantic state of Centralia. Senator Sarbanes is your senator. (LAUGHTER) KADEN is your number two. HEINEMAN is your chief counsel. Already one US auto manufacturer has developed an environmentally friendly car called the I-Care Car. The MaxiMile is a huge part of that I-Care Car. The I-Care Car was introduced two years ago. They've already sold 950,000 of them. It's just a great time for you. Until (LAUGHTER) Mr. Heineman, one day you get a letter. From a trial attorney. You knew it was a trial attorney, didn't you. An I-Care Car with a MaxiMile was doing 85 miles per hour on the highway. And it stalled. It was rear ended. The driver was killed. The family is threatening to sue I-Care Car and MaxiMile. Is there anything you're going to do?

HEINEMAN: Well, I'm going to go talk to-- I mean, most companies will have product quality people. Who are going to be able to reverse engineer. Go back. Look at it.

TAPPER: Okay.

HEINEMAN: Think about it. Test it. And we have to know whether it's, you know, one in a million. Whether it's 100 million.

TAPPER: You poke around. And you find out there have been five incidents like this. Still only one fatality.

ABELE: Then that's-- that's an enormous risk. We have to understand what that risk is.

TAPPER: Okay. I'm the head engineer. This product is fine. But, you're my bosses. I hear you. We're going to hook MaxiMiles up to a bunch of engines. And we're just going to let them go at different speeds. It's going to take about three weeks for this to happen.

HEINEMAN: You're going to want a third party at this stage. You're not going to leave it to your own company. You're going to get a third party who's going to either work with your engineers. But is going to provide some check on the credibility of what he says.

ABELE: Here's what we want to know. We've got a-- what appears to be a rare incident. But a devastating incident. And we want to know whether, in fact, this is something that is related to the product we've got. Or is just an incident. One in a million is probably what any car has in terms of rear ends.

TAPPER: Their tests are going on. I-- I forgot to tell you. A different auto manufacturer. The Sunbolt Car Company is expecting a shipment of MaxiMiles in four days. The testing is going on. But it's going to take at least three weeks.

HEINEMAN: Well, can-- can I just make a distinction between forward and back. In other words, when you've got a population out there. It's a very tough question of how many incidents have to occur within that population before you do something. Notice. Recall. Whatever it is. Going forward it seems pretty clear as counsel that you would not do it until you had determined, given the severity of the injury. Until you determined whether you have a defect.

ATKINS: But assuming and we haven't yet proven that this is our product's problem, I think we should

begin to do our worst case scenario planning immediately. So we aren't caught behind the power curve. And we have our thinking together.

TAPPER: What about the Sunbolt Car Company? The shipment is in four days. The test won't be done for three weeks.

MINOW: Then what we do is we call them. And we say, we will be happy to deliver them to you. But we want to alert you that we are having this problem. We've had one problem out of 950,000 cars. And we felt that it was our obligation to tell you about it right away. We're also calling in the National Highway Transportation Safety Board. To let them know that this claim has been made.

(OVERTALK)

TAPPER: Is that right, Ben? Are you calling in the National Transportation Highway Board?

HEINEMAN: There will be a standard in which you absolutely have to call them in. And then the question will be, if you're short of that standard, do you still want to call them in to get them involved so that you've got (UNINTEL)--

MINOW: It's always better to tell them.

HEINEMAN: So you have a third party involved. The NTSB, your engineers, looking-- looking at the problem.

MINOW: Ben, don't-- don't you think that trial attorney has already let them know that he thinks there's a problem?

HEINEMAN: May-- maybe not. Because he doesn't want to have to leak around some other trial

attorneys gotten the case. (LAUGHTER)

(OVERTALK)

ATKINS: I agree with you. It's better to come forward early. And let them know you're investigating it. What your process is. What your diligence is going to be.

MINOW: Invite them in.

ATKINS: Don't try and hide.

DONALDSON: Well, I just want to ask the counsel what-- what sort of liability do we have now if-- if we don't do anything for the next three weeks? I mean, if we just-- what do we have to do now?

HEINEMAN: I wouldn't ship because you don't want them incurring the cost of manufacturing the car when you knew there was a potential defect. There's a lot of damages as they build the cars and then you say, "Whoops." You have to retrofit or do something else. So I would not ship. As I said, distinguish forward from what's happened.

MINOW: Don't you think your contract have a severe penalty if you don't ship?

HEINEMAN: Well, you talk to them. You work it out.

MINOW: All right.

(OVERTALK)

TAPPER: Are you not shipping--

ABELE: I'm not-- I'm going to tell Sunbolt, "Hey, this is what we've got. It's a one in a million number. But this is the new product. This-- this is something that we and you want to have real clarity on."

(OVERTALK)

TAPPER: Well, I want to tell you one more thing. That lawyer. He has called you and said that he thinks the family would be willing to settle.

HEINEMAN: We're never going to be bought off. We will do what we have to do.

TAPPER: So you won't settle it?

HEINEMAN: We might settle or not, but we're going to go forward with the safety assessment
(OVERTALK) We might settle.

TAPPER: I want to know if you're going to settle.

MINOW: Not now.

ABELE: Yeah. I-- I would accept in this case the counsel-- counsel's advice.
I'd be willing to settle, but not change the strategy of making sure that we understand what the risk is. We've done-- and we've been transparent within our community.

TAPPER: In the meantime, the MaxiCorp research department has been mining the data. And they have found ten accidents, two fatalities including the first one. In all those cases, the driver was speeding. Does this change anything?

ABELE: I'm going to go back to our engineers and say, "Have you been able to duplicate this-- this

result in any way whatsoever?”

TAPPER: Let me tell you, I'm the engineer. Everything is within the specs. There was this one engine that was hooked up to a Maxi-Mile we ran it at 85 miles an hour, which of course is above the speed limit for sixty thousand straight miles. And there was a little bit of metal fatigue. It was still within the specs. I want to do some more testing.

ABELE: I would absolutely convene a panel of our top people. Probably a few outsiders that are trusted honest brokers in the process. And I'd say, “Look, what's the exposure? What is the-- the likelihood? And what is the severity?” If this is something that can happen in one in even a hundred thousand cars, that is a high risk.

MCDONOUGH: Mr. Chairman, here's my recommendation. Especially since you have decided wisely, in my view, that as a minimum, we're going to stall the lawyer who wants to settle at some expense to us. That the story will become public very quickly. Part of our fact base is, this has happened only at speeds of 85 miles an hour, which happens to be above the speed limit. I-- I recommend that we preempt the bad story we're going to have and say, “There may be a difficulty if you're driving at 85 miles an hour, which you shouldn't be doing anyway.” And therefore, we warn all people who've had this product, don't speed.

TAPPER: So you think there should be a press release.

MCDONOUGH: Yes.

TAPPER: Telling people not to speed.

ABELE: Bill, with all due respect, you know, we just can't do that. (LAUGHTER) First of all, there are a lot of highways now you can get rear ended when you're driving 85 miles an hour. (LAUGHTER). And-- and so even though that's outside of the legal limit, it's-- it's certainly a

risk that we can not--

TAPPER: Your chief counsel--

HEINEMAN: (OVERTALK) There's a different reason, which is you haven't completed the testing. If you put something out like that, then you're asked the question, "Well, what about under other conditions? What's going on? What kind of testing are you doing? What's the situation?" You can't I don't think answer those questions at this point. So until you're prepared I think to give a report that fairly states the conditions under which it has to be recalled or changed or whatever, you will make a terrible mistake and probably get yourself into all kinds of legal liability.

MINOW: (OVERTALK) But Ben. Wait, wait, wait. You're saying, we want to wait. We want to wait. How many fatalities are you risking during that waiting period?

HEINEMAN: No, you might -- I didn't say -- was disagreeing with the esteemed board member's view as to what the press release might say.

MINOW: Yes.

HEINEMAN: You might well determine it's time for a recall. I-- that's a different question. But my esteemed board member was just saying he was going to say don't speed because something could happen at 85. And I'm just saying, that's an incomplete statement at this point in time.

(OVERTALK)

SMITH: We're always going to find risk information flowing in as we go hopefully from a million sales up to the thirty million we hope to have in time. How are we ever going to be able to address this problem? If every time a trial lawyer writes us a thing, we tell all of our customers we're going to wait three weeks. We'll never sell anything in that condition.

TAPPER: John, your number two wants to say something.

KADEN: The reason they pay us so much is that it's part of our job to gather facts, assess risks and make a judgment. We're conducting these tests. We're going to get all the factors we want. The world is not perfect. And then we're going to assess what our course of action is. Should we stop shipping the product? Should we withdraw the products that are on the-- on the market already? That's going to depend on the sta-- statistical evidence, the engineering data, from all the sources we can get.

(OVERTALK)

MALE VOICE: What about--

QUEENAN: How long is all of this going to take?

MALE VOICE: And we can do it in--

MINOW: How many people are going to speed --

(OVERTALK)

KADEN: If we can do it in 24 hours, we'll do it. If it takes us three weeks, it'll take us three weeks. And in the meantime, it's up to us to make a judgment, whether the evidence justifies stopping shipments during that testing period?

KRUGMAN: Well, what about warning the public?

KADEN: That's what we're here for.

KRUGMAN: If-- if there's a potential risk that you know about and-- and someone might do the wrong thing in the next three weeks before the testing, is it-- is it moral?

KADEN: And I think, no, I think--

MINOW: Do you warn people?

(OVERTALK)

KADEN: I think once you've got the facts --

QUEENAN: Well, but it's going to be in the papers.

KADEN: Yeah. I think--

QUEENAN: Okay, so-- so as soon as it's in the papers and you have delayed and you're saying, "Well, we're-- we're working on it, we're getting the data." Now there's a cloud of suspicion.

(OVERTALK) You know that the public is more scared by a tiny number -- two out of a million scares them more than 600,000 because it's going to be them.

So the moment you-- the-- the longer you delay letting the public know that, the more the press will be all over that story.

SMITH: (UNINTEL) We're talking about saving half the energy of the automobile sector. We're talking about reducing American vulnerability to energy and security issues.

We've got a tremendous positive story that we should have been telling, so that when this attack occurs, we say, one in a million verses war in Iraq? We didn't do that enough, and we should have.

TAPPER: Joe, are you going to write this story? I'm not sure.

QUEENAN: Yes.

TAPPER: What's the story?

FEMALE VOICE: Right.

QUEENAN: The story is that something is going on. First of all, I didn't know 85 was speeding.

(LAUGHTER) Not-- not in Jersey, New Mexico or Arizona. So you better raise the number. I mean, nobody told me. (LAUGHTER)

This is a story that the public just loves because the public doesn't trust the car industry. People live in cars. It's the scariest thing in the world for them, especially if they find out they're going to be going 85 and that's dangerous now. (LAUGHTER)

So of course you're going to do the story. You'd be an idiot not to do the story.

MINOW: Joe is absolutely right, that people are interested in that story. That is a story they want to read. And that is a story they will respond to, whereas if you said, "Yeah, but we're helping the war in Iraq by buying the cars," no one cares about that.

TAPPER: I want to ask some drivers. And Paul and Leslie, you're married. And you guys love your I-Care car. You love it. You love zooming by those long lines of SUVs at the gas station.

LOWE: (UNINTEL) tell him to slow down. (LAUGHTER)

TAPPER: Well, doing that but staying with the speed. As you zoom by the gas stations, you love filling up once or twice a month. Do you want Joe to write this story?

KRUGMAN: Yeah. Because I'm a weird guy and I actually understand statistics. And therefore, I'm

probably going -- I'm not going to react like normal people.

LOWE: I will. You tell me there's a tiny possibility of a catastrophic event, then I'm going to be like most people and say, "Oh, my God, that could be me."

TAPPER: So what are you going to do? You-- you drive your kids-- you drive your kids in it.

LOWE: Yeah.

MALE VOICE: (UNINTEL)

LOWE: Yeah. Well, I, you know, you're driving the kids to school.

KRUGMAN: Yeah.

LOWE: Well, he does. Are you going to drive your kids to school at 85 miles an hour like a maniac?

KRUGMAN: Yeah. Yeah. Probably.

LOWE: -- I can't sleep at night.

TAPPER: Leslie, are you no longer going to drive the I—I-Care car? Are you going to stop driving it?

LOWE: No. I'll keep driving it.

TAPPER: You'll keep driving it. (OVERTALK) Will you put your kids in the seat?

LOWE: Eeeee. That's tougher. If it were just the car that Paul takes to work, he can have it.

(LAUGHTER) If it's the car I drive the kids in? No. I wouldn't have--

TAPPER: So it's a risk that's worth it to your husband but not for your children.

LOWE: Well, it's his fault that he drives 85 miles an hour.

TAPPER: Fred, if you're an investor and you're married to Joanne, this story is now-- Joe's written the story. Are you worried at all about your-- your kids are in this car. Talk to Fred.

CIULLA: I would look at the numbers and say, you know, this is worrisome. I want to see what's going to happen. I'm not going to go 85 miles an hour. But I'm certainly probably still going to use the car.

MINOW: Are you selling your stocks?

CIULLA: Not yet.

(OVERTALK)

TAPPER: It's a private company

CIULLA: It's a private company, so I can't sell my stock.

MINOW: But would you?

CIULLA: Well, depended on how they handled it. I think that's the key issue. And that's the interesting thing about taking the ethical stand, is that it's always risky. And you've got to decide which way you want to go. Because it's risky not to take the ethical stand. And you know, nobody guarantees that being ethical is going to make you money. But I think we do have some examples where it does.

HEINEMAN: There is always going to be a very gray moment when we don't know. If we knew that, say, you know, one or two in a million caused fatalities, then you might publicize it and recall it if you knew.

And there's always going to be a very awkward moment when you've got some incidents, you don't know whether it was the driver or whether it was the manufacturer or what the problem is. In good faith, I mean, we're acting in good faith here. We're not just trying to make a buck. And you don't want to tank the company because a lot of people have jobs. There's a good-- great technology that can help America. You could set it all back. So there's this gray moment when we have to go as fast as we can to establish whether there's a problem.

MINOW: But you've already, you've already said that you know enough not to ship that next shipment.

(OVERTALK)

DONALDSON: I – I think we ought to tell the people that we're about to ship to that we've got a problem here.

(OVERTALK)

ATKINS: We definitely have to do that; and as soon as we determine that we're not going to ship, I actually think Bill was right in saying, that's the time to get out in front of the bad news, to manage the story.

MINOW: Exactly.

ATKINS: To be the one to put the – the best face on a bad situation --

MINOW: The minute you [UNITNTEL] anybody, you have to assume everybody's going to find out.

And you want to be the one telling this story.

SMITH: We should recognize, we're in a period like we were in the 1890's where every businessman is considered to be a crook, a scoundrel or an embezzler of some sort. We need to re-legitimize the positive elements of a free society.

The challenge though is to recognize that a world that sees every business act and every unexpected finding of a risk as an example of some immorality or-- or criminal liability is a society that'll never go into the future. We've got to find ways of immunizing our system.

SARBANES: You don't seek to immunize the system by doing something that puts a blanket of immunity over everybody. Because then, that covers the bad actors. And there are a fair number of bad actors. (OVERTALK) And no one has a greater interest, in cleaning out these bad actors, than the good actors in the business community.

MINOW: You are absolutely right.

LOWE: What Fred just referred to is the delegitimization of business is because business executives have acted like scoundrels.

SMITH: No, no, Leslie. We're not going to find every business run by an honest man.

LOWE: That's why you need oversight.

SMITH: No -- don't. What we do need is since you know you're going to to be attacked sooner or later, you should have some ability to have Joe write a story that says, "Well, on the one hand, there was one in a million. And on the other hand, (UNITEL)."

LOWE: I don't think that washes anymore. I think that, you know, coming back to the auto safety issue, if I read the story and it said, well, it is saving all the energy that we need to save to make

America energy independent and reduce global warming which is a subject very dear to my heart. I would have to say, whoa. But it's at the risk of my kids' safety.

SMITH: Risk risk.

TAPPER: A small risk verses a large benefit. Whether, you know, there are kids that are killed every year by air bags in cars. Still, air bags are required to be in cars. Paul, how does-- how does society weigh a finite number of deaths verses a larger benefit to the society?

KRUGMAN: We actually do that. I mean, we, in fact-- in fact, on air bags, what we actually-- there are actually calculations made. And the decision was made--

SMITH: That's right. People die from air bags.

KRUGMAN: Some people die from air bags. But more people will be saved. But of course, what makes that a little easier is that that's being, a decision being made by government regulators who can't-- they can be accused of a lot of things, but they're not a profit making corporation. But the point is that we have a problem, a potential problem here. We are trying to serve the public interest. We are not saying, "Gee, you know, if we could hide this, you know, keep it quiet for a few months longer, we can make more sales."

No, we have to stop that right now, now that we know there's a potential problem. Because we, you know, society does in fact make those kinds of decisions.

MINOW: Society make those decisions very inconsistently and very badly.

MALE VOICE: Right.

ABELE: Right, right. We let teenagers drive cars.

(OVERTALK)

MINOW: We let teenagers – we let adults drive cars.

QUEENAN: We let teenagers drive SUVs, which is worse. It's a very inconsistent process. And – and you always have to remember how this looks in the press. The press is not going to be fair.

TAPPER: We have to move on. Because as wonderful as the Maxi-Mile may have been, there is more than one way to save the earth. And one of the ways that you can save the planet is through the spread of information. And KADEN, you are the CEO of a publicly held company called Wowie Info. (LAUGHTER)

It provides maps, information, e-mail, blogging, telephones through the internet. It is a huge success. You and your college roommate MCDONOUGH put this together. You guys now dominate the internet marketplace in the US and in Europe. Is there anywhere else you maybe want to look to expand your operation?

MCDONOUGH: Lew, let's go to Asia.

TAPPER: Have you considered Jaigunda? As the ambassador to the United States--

KADEN: I was there just last week.

TAPPER: We are a rapidly industrializing country. We have a population approaching a half a billion people. Highly educated. Eighty million internet users. That's more than anywhere except for the United States and China. And we are about to open our country to internet companies such as yours to come in and-- and offer your services. Great market opportunity?

KADEN: Yes.

FEMALE VOICE: But--

TAPPER: But. (LAUGHTER) As you know, we are not apologetic about preserving social harmony. Anyone found to be encouraging civil disharmony is dealt with appropriately. So anyone who comes in to Jaigunda has to sign a pledge promising that their business will practice self regulation and business ethics. That sounds okay to you, right?

KADEN: Well, I think we have to know more about what lies behind it. And what your specific rules are and how they affect our business.

TAPPER: Well, we monitor the internet in Jaigunda. There are things we don't dig, like democracy. (LAUGHTER) Certain spiritual cults. People who report on police brutality. Criticism of the government. I would be remiss if I didn't mention pornography of course. But that's not what the Jaigundan people want. They want freedom that the internet can provide.

MCDONOUGH: We should go into the country only with the condition that we be allowed to distribute information which we believe is responsible. We are not going to accept a government filter either formal or informal.

KADEN: I'm not sure I would go quite as far as Bill. I-- I think we need to go there. Send people there. Show them our product, how it works. Understand their restrictions. What are they going to do to it? And-- and in detail. And then, see whether there's a set of principles that we can-- we can live with.

TAPPER: Let me just say that the ambassador from Jaigunda, look, you can't turn Jaigunda into the United States like that. It's going to be a process. You guys can be a part of that process. That's the first thing I want to tell you. The second thing I want to tell you is your competitors are on the other line. With me. (LAUGHTER).

ATKINS: And this is the largest emerging high growth market. And if we don't go into it as a for profit public company, what is our response to our shareholders when we've ceded 29 percent of the world's market. We've said we're not going.

(OVERTALK)

MCDONOUGH: I don't think the ambassador cares a whole lot about that.

KADEN: What I'm interested in—

TAPPER: I'm the ambassador. And I'm interested in the pledge.

KADEN: -- is moving this service into your country according to a set of principles that meet our business practices. If your concern is pornography, I think there's probably a way for us to do business. If it's something else, then we have to take a look at it.

TAPPER: Betsy, are you willing to sign the pledge?

MCDONOUGH: No. Oh, Betsy.

TAPPER: Betsy, you're obviously not willing to sign the pledge. And Lew, I'm getting a vibe from you that you're not willing to sign it either.

ATKINS: I'm willing to sign it.

KADEN: I don't think the problem's going to be resolved by signing a pledge.

TAPPER: Okay, you two are fired. Betsy, you're in charge of the company. (LAUGHTER) I'm sorry,

but it's a public company. It's a publicly held company and – and there are stockholders who want to make money and want to expand into Jaigunda. So you've signed the pledge.

ATKINS: My two competitors are in there. It's the largest growing market. And I believe over time, I can have some amount of incremental change and get better public information flow. But I'm a practical business person. I'm a for profit public company. I disdain the business ethics or-- or the principles that I had-- I had to sign on the pledge to filter and control information. But yes, I am going to sign the pledge.

TAPPER: Is there anyone who wants to-- to join up with Betsy?

SMITH: I definitely -- 'cause Betsy -- (UNINTEL) You know, we've been doing some historical research. And we found out one of my ancestors was a printing press manufacturer in the early period of the Middle Ages. And the Catholic church banned a bunch of books. But we still opened up an outlet in Italy because we decided printing some books at least gave the Italian public a chance, you know.

Betsy you know, we're opening up a window. We're not opening up the window as big as we want to see. But Betsy, I'm convinced if we open up there, it's going to be a freer country in ten years. It'll be faster because us rather than a second rate company, Wowie Info--

TAPPER: Wowie Info.

SMITH: Wowie Info is good.

TAPPER: Welcome to Jaigunda. Thank you very much. We're very excited. A couple of months go by. And tens of thousands of Jaigundans are signing up. They love Wowie Info. They love the fact that you promised confidentiality and you're dedicated to your users. Listen, Jaigundans expect censorship.

SMITH: Yes.

TAPPER: It's not like they-- they were in Indiana and then they woke up in Jaigunda. (LAUGHTER)

Right? They are excited about consumer information. They're excited about the fact that they can share information with each other about movies and horticulture and education and health care.

It's a fantastic success. One day, a government official comes to you, Ben. You're the counsel. And says, Somebody has been using Wowie Info to e-mail and sell child pornography. That is a violation of the Jaigundan law against distributing criminal materials. We need you to give us his identity.

HEINEMAN: What was the deal when we went in about revealing people's identity?

ATKINS: In the pledge, it didn't say that we had to ever give up our confidential users. And we have a policy globally as part of our business ethics that we protect the identity of our users. And it would compromise our business and corporate reputation and it would impact our stock.

HEINEMAN: You know, basically, we all pledged to operate under local law, with some exceptions. And if there is proper process under their law to obtain the information, the general practice of multi-national corporations is that they may follow a higher law. But they certainly follow local law.

SMITH: We knew this was a risk. And we realized that we were going to engage in information services, we had to find a way of making sure that even under those situations, privacy would be preserved.

HEINEMAN: You've already compromised your principles in being here in the first place.

SMITH: I don't think so.

HEINEMAN: And so-- you have.

MCDONOUGH: Lew and I are still major shareholders and we're calling a shareholders meeting.

(LAUGHTER) And so if you (UNINTEL).

(OVERTALK)

HEINEMAN: If you don't comply with their legal processes, what are the consequences? And if the consequences are to shut you down, is it worth it?

TAPPER: Joe, what do you think would happen if the FBI asked Wowie Info for information about a child pornographer?

QUEENAN: They'd get it. In the United States? They wouldn't have any trouble getting the information about child pornographers.

TAPPER: I don't understand the problem. Why would they do it in the United States but not in Jaigunda? It's a child pornographer!

SMITH: We're certainly going to kick them off our system as soon as we find out who they are.

TAPPER: That's not good enough. They want to know who it is.

SMITH: They should find out without compromising the ability of us to provide secure financial and -- and economic -- and information privacy to the vast majority of people who are not abusing that privilege.

MALE VOICE: -- specific information

KADEN: With respect, that's nonsense. As Ben said. You go into a country, whether it's the US or Jaigunda. You operate under the rules and procedures of that country. And if proper process is used to make a request to you to-- to respond with information under your control, no promise or no contract of confidentiality can overcome that.

ATKINS: If there's the right process, then I think we're going to have to--

TAPPER: You're going to turn over the kiddy-- the child pornographer.

ATKINS: If-- if it's a correct process.

ABELE: You know what's going to happen.

ATKINS: Yeah. (OVERTALK) (LAUGHTER). It's the slippery slope.

FEMALE VOICE: Right.

HEINEMAN: Can I-- as a counsel, can I say something else? We're not going to obey every law of Jaigunda. We're going to obey this law because this law doesn't sort of offend western or global sensibilities or standards. But in terms of our reputation, there may be laws in Jaigunda that they'll ask us to obey.

ATKINS: The political harmony law. We're probably not going to obey that.

(OVERTALK)

HEINEMAN: We may not or we may chose not to obey them.

TAPPER: The child pornographer has been turned over. Months go by. Everything is still going great. Wowie Info is building up market share. Government official comes to you again, Ben. Somebody else has been breaking the law. Distributing criminal materials. We need his name too. Can we have it?

HEINEMAN: More facts, please.

TAPPER: It's a blogger that was writing about police brutality in the outer provinces.

HEINEMAN: Well, I think by going in the way we have gone in, we have accepted the fact that there's going to be a compromise of free speech over internet. And that's the decision made going in.

ATKINS: Yes.

HEINEMAN: So that is not inconsistent with that decision if we made the right decision in the first place.

MINOW: And you made that clear to your Jaigundan customers, too. When they signed up, they scrolled down through that long, long page with all the little letters on it that said-- and clicked on the I agree saying I have absolutely no privacy rights because I live in Jaigunda.

SMITH: No, no, no. We can't have an information society if government can intervene at will. It can under very circumscribed circumstances pull a piece of information out. But it better be

(OVERTALK)

MINOW: You agreed to that going in. Betsy was the first one to raise her hand. That's how she got the job as CEO. (LAUGHTER)

SMITH: But it was content control-- it was content control not information sharing that we gave.

LOWE: So you're willing to conceal a crime by protecting the privacy of your customers.

SMITH: We don't think it's our job to be the government police force. It is our job to provide a liberating information service --

MALE VOICE: You're being subpoenaed. You're being subpoenaed. (OVERTALK)

SMITH: If they've got crimes, let the police do their job. (OVERTALK)

TAPPER: While you're talking I have to give you some information. While you're talking, your servers in Jaigunda have gone down. The government knows nothing about it of course. (LAUGHTER) We're waiting for the names of this blogger and you haven't given it to us. Your servers are down. Your competitors are getting all sorts of people to sign up.

HEINEMAN: Look, we made a pact with the devil to begin with. On the broad theory, on the broad theory that it was better to be there than not be there. If you're going to be there in a totalitarian or authoritarian society, you know, you are going to do certain things consistent with the original decision. There will come a point when you have to-- when you have to get out. Now, whether that point is when they ask for someone who was politically protesting as opposed to child pornography or it's not unsurprising sometimes they ask for the religious affiliations of your employees.

SMITH: Or tax records.

HEINEMAN: -- things like that. Then you may just say no mas. Goodbye. Not now.

TAPPER: So you think you should pull out.

ATKINS: I think we have to be mindful of where we cross that line. And when they ask for everybody in Mongolia who, you know, went to visit the Dalai Lama because they want to execute them, then maybe that's well beyond our line.

LOWE: And how much of your shareholders' money did you sink in Jaigunda?

ATKINS: Well, it was always cost effective. And in fact, we couldn't have afforded as a public company not to go to the largest growth market in the world. That would have been hugely irresponsible by us, where our other competitors were already there.

So that was a business decision. And maybe, you know, we at this point call up our fellow competitors and speak to the other two large internet companies and ask them if we can get some agreement as a consortium of how we want to do business or what rules we want to create. Since there isn't a regulatory body to protect us, perhaps it's time to have an industry association and look at how we solve it.

KRUGMAN: This is where again the NGO's were generally, you know, aroused citizen groups can be your friends. Because they can say, "Look, we are going to urge people to boycott companies that go along with the Jaigundan government in this stuff."
It's actually a good thing if we can have a political process or a quasi political process on-- on this end to-- to make it easier for companies to behave well.

QUEENAN: But it's inconceivable that you went into this country, Jaigunda, without knowing that the servers were going to go down. You knew that-- it's inconceivable that you didn't know that you weren't in Indiana. Or even Illinois. But your original agreement actually dealt with this. Your original agreement was, yeah, we'll play by your rules.
And your rules are not great rules. So you knew, of course they're going to ask for the names of the bloggers. Absolutely. And of course, the bloggers knew that, too. I mean, the bloggers are-- there are guys who like to get attention. And now they got it.

And so, you've already kind of dealt with the problem by saying, "Yeah, we've made a deal with the devil."

KRUGMAN: But you can change-- a parallel. There was a time when US companies blithely went around bribing officials in countries where bribery of officials is normal. Rules were passed saying you can't do that.

QUEENAN: Except in Louisiana.

KRUGMAN: Right. Except in Louisiana. The fact that a US company signed an agreement to go ahead with whatever horrible things they do in Jaigunda doesn't mean that the aroused US populous can't demand that US companies stop doing that.

TAPPER: Well, Joe, it is a story, right?

QUEENAN: Sure.

TAPPER: Do the American people care?

QUEENAN: No, I don't think so.

LOWE: I do.

QUEENAN: Well, great. (LAUGHTER)

LOWE: I-- I'm an American. I care.

TAPPER: But do the American people care? Is Wowie Info having problems with getting customers in the United States or Europe?

QUEENAN: No. Because every American accepts that the rules in Jaigunda or the rules in many of these other countries are going to be different. Where the company would run into problems would be if it said in advance, we're not the kind of company that does that. But you are the kind of company that does that.

(OVERTALK)

LOWE: Exactly. That's why I raised it. How can you promise your customers confidentiality if you're in Jaigunda? You can't.

(OVERTALK)

SMITH: How can you promise it in America? I mean, we've got problems everywhere. We do the best we can.

LOWE: I agree. I think its terrible (OVERTALK).

ABELE: (UNINTEL) The phraseology is, "Don't be evil," right?

QUEENAN: Don't be that evil.

LOWE: Part of the promise of globalization, and I hear it all the time, is that ultimately, the market economy is going to bring freedom to people. Well, I always say, "Tell that to the enslaved Africans who toiled in capitalist America." It doesn't necessarily bring freedom to anybody. And I think we're kind of in the situation we were with child labor in the 19th Century. It's a race to the bottom unless somebody says stop. And you get enough people along with you to agree to that. And that's why I think Betsy's idea of an industry standard would be the way to go.

SMITH: We've had-- we've stopped economic growth many times historically. And we might do it again. But why—

(OVERTALK)

LOWE: Child labor is necessary for economic growth? We're in trouble. (OVERTALK)

SMITH: Wealth is healthier; wealth is cleaner; wealthier eventually leads to more freedom. We're not-- we're not going to change the world tomorrow. But American corporations and corporations more generally start a process.

LOWE: We're not in complete disagreement. What I'm just saying is that the American start to the freedom that is going to ultimately lift people in these countries has to be the kind of start that says, no, there is a floor here. There are certain things we will not do. Notwithstanding the emerging market and the lure of dollars.

TAPPER: Nell, as a stockholder, do you think they should turn him over?

MINOW: Um, as I said, they-- they signed an agreement going in. Once they've made the decision to go in with Jaigunda and they signed agreements with all their Jaigundan customers saying that-- that this was what they intended to do. And so, I think that they must turn them over.

ATKINS: Well, there's pain in any of these gray moral difficult decisions. And although you have, set a standard and you've made a business decision that it was the right thing for your investors and your shareholders to enter a major market, that doesn't make it less painful when you're faced with, you know, dealing with some of the actual realities.

But in-- in the end, you have to swallow hard and weigh the good, the bad, the value that you're bringing to the actual country and the citizens of Jaigunda, the right business decision, the competitive global market, the hope that you can change and influence things with your

colleagues.

Perhaps use the NGOs to help raise awareness and pressure. I mean, it's not a perfect world. And it's painful when you're facing the fact that you're going to do harm to an individual's life.

TAPPER: Is this the kind-- is this the kind of decision that as a CEO would keep you up at night?

ATKINS: It would keep you up at night, but you'd have to make the decision.

TAPPER: So, ladies and gentlemen, we are out of Jaigunda. We're back here in the United States. Please give this panel a huge hand.

(APPLAUSE)

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