

Profit Will Always Motivate More Than Principle

FT columnist John Plender, in the context of the “fast buck” made by Citigroup Capiatl Markets’ London subsidiary (being from the sale of €12.9bn (£8.8bn) of government bonds in seconds and the repurchase of €4bn at lower prices shortly after), makes a fundamental point concerning Citigroup's values. In its latest annual report it roundly declares: "We aspire to be known as a company with the highest standards of moral and ethical conduct - working to earn client trust, day in and day out. Our word is our bond." Other aspirations include being customer centred and "an organisation people can trust".

This reminds me of another multi-billion US corporation that had significant trading operations.

That particular corporation included in its 1998 annual report the following values statement: "Ruthlessness, callousness and arrogance don't belong here . . . We work openly, honestly and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won't do it."

The trading division thereof went on to profiteer hugely, to the tune of hundreds of millions of dollars, from - arguably contributing to - the Californian power crisis of 2000-2001.

The name of the corporation? Enron.

Bob Mitchell - Financial Times 18 August 2004