

Three Case Studies in Business Ethics
Adapted from Cicero, *On Duties*

Case 1: The Corn

A good man has brought from Alexandria to Rhodes a large cargo of corn, when there is a great scarcity and dearth at Rhodes and corn is at the highest price. This man knows that a considerable number of merchants have set sail from Alexandria, and on his passage he has seen ships laden with corn bound for Rhodes. Shall he give this information to the Rhodians, or shall he keep silent and sell his cargo for the most that it will bring?

We are imagining the case of a wise and good man. We want to know about the thought and feeling of such a man as would not leave the Rhodians uninformed if he thinks it wrong, but who doubts whether it is wrong or not.

In cases of this kind Diogenes of Babylon, an eminent Stoic of high authority, is wont to express one opinion. Antipater his pupil, a man of superior acuteness, another. According to Antipater, all things ought to be laid open, so that the buyer may be left in ignorance of nothing at all that the seller knows.

According to Diogenes, the seller is bound to disclose defects in his goods so far as the law of the land requires, to transact the rest of the business without fraud, and then, since he is the seller, to sell for as much as he can get. "I have brought my cargo; I have offered it for sale; I am selling my corn for no more than others ask, perhaps even for less than they would ask, since my arrival has increased the supply. Whom do I wrong?"

On the other side comes the reasoning of Antipater: "What say you? While you ought to consult the welfare of mankind and to render service to human society, and by the very condition of your being have such innate natural principles which you are bound to obey and follow, that the common good should be your good, and reciprocally yours the common good, will you conceal from men what comfort and plenty are nigh at hand for them?"

Diogenes, perhaps, will reply as follows:

"It is one thing to conceal, another not to tell. Nor am I now concealing anything from you, by not telling you what is the nature of the gods, or what is the supreme good, things which it would profit you much more to know than to know the cheapness of wheat. But am I under the necessity of telling you all that it would do you good to hear?"

"Yes, indeed," replies Antipater. "You are under that necessity, if you bear it in mind that nature establishes a community of interest among men."

"I do bear this in mind," responds Diogenes. "But is this community of interest such that one can have nothing of his own? If it be so, everything ought, indeed, to be given, not sold."

You see that in this whole discussion it is not said, "Although this be wrong, yet, because it is expedient I will do it;" but that it is expedient without being morally wrong, and, on the other side, that because it is wrong it ought not to be done.

Case 2: The Insanitary House

A good man sells a house on account of some defects, of which he himself is aware and others ignorant. Perhaps it is unhealthy, and is supposed to be healthy. It is not generally known that snakes make their appearance in all the bedrooms, it is built of bad materials, and is in a ruinous condition; but nobody knows this except the owner. I ask, if the seller should have failed to tell these things to the buyer, and should thus have sold his house for a higher price than he could have reasonably expected, whether he would have acted unjustly or unfairly?

"Yes, he would," says Antipater. "For what is meant by not putting into the right way one who has lost his way (which at Athens exposed a man to public execration), if it does not include the case in which a buyer is permitted to rush blindly on, and through his mistake to fall into a heavy loss by fraudulent means? It is even

worse than not showing the right way; it is knowingly leading another into the wrong way.”

Diogenes, on the other hand, says: “Did he who did not even advise you to buy, force you to buy? He advertised for sale what he did not like. You bought what you did like. Certainly, if those who advertise a good and well-built house are not regarded as swindlers, even though it is neither good nor properly built, much less should those be so regarded who have said nothing in praise of their house. For in a case in which the buyer can exercise his own judgment, what fraud can there be on the part of the seller? And if all that is said is not to be guaranteed, do you think that what is not said ought to be guaranteed? What could be more foolish than for the seller to tell the defects of the article that he is selling? Nay, what so absurd as for an auctioneer, by the owner’s direction, to proclaim, ‘I am selling an unhealthy house?’”

Thus, then, in certain doubtful cases the right is defended on the one side. On the other, expediency is urged on the ground that it is not only right to do what seems expedient, but even wrong not to do it. This is the discrepancy which seems often to exist between the expedient and the right. It seems to me, then, that neither that Rhodian corn-merchant nor this seller of the house ought to have practiced concealment with the buyers. In truth, reticence with regard to any matter whatever does not constitute concealment; but concealment consists in willingly hiding from others for your own advantage something that you know. Who does not see what sort of an act such concealment is, and what sort of a man he must be who practises it? Certainly this is not the conduct of an open, frank, honest, good man, but rather of a wily, dark, crafty, deceitful, ill-meaning, cunning man, an old rogue, a swindler. Is it not inexpedient to become liable to these so numerous and to many more bad names?

Case 3: The Fishing Villa

But if those who keep silence deserve censure, what is to be thought of those who employ absolute falsehood? Caius Canius, a Roman knight, a man not without wit and of respectable literary culture, having gone to Syracuse, for rest, as he used to say, not for business, wanted to buy a small estate, to which

he could invite his friends, and where he could take his own pleasure without intruders. When his wish had become generally known, a certain Pythius, who was doing a banker’s business at Syracuse, told him that he had a country house, not, indeed, for sale, but which Canius was at liberty to use as his own if he wished to do so. At the same time he invited the man to supper at the house for the next day. Pythius, being a banker, had people of all classes ready to oblige him. He called the fishermen together, and asked them to fish the next day in front of his villa.

Canius came to supper at the right time. A magnificent entertainment was prepared by Pythius: a multitude of little boats were in full sight; every fisherman brought what he had taken; the fish were laid down at the feet of Pythius. Then Canius says, “Prithee, what does this mean? So many fish here? So many boats?”

Pythius answered, “What wonder? All the fish for the Syracuse market are here; they come here to be in fresh water. The fishermen cannot dispense with this villa.”

Canius, inflamed with longing, begged Pythius to sell the place. Pythius hesitated at first. Finally, to cut the story short, Canius persuaded him. The greedy and rich man bought the villa for the high price Pythius asked, and bought the furniture too.

The day after the sale was completed, Canius invited his friends to his new villa. He came early; but as far as boats were concerned, he saw not a thole-pin. He asked his next neighbor whether it is a fishermen’s holiday, as he sees none of them. “Not so far as I know,” was the reply. “No fishermen are in the habit of fishing here. I therefore yesterday could not think what had occurred to bring them.” Canius was enraged. But what was he to do?

When my colleague and friend, Aquillius, was asked for a definition of criminal fraud, he replied, “When one thing is pretended, but another done.” This is perfectly clear, as might be expected from a man skilled in defining. Pythius, then, and all who do one thing while they pretend another, are treacherous, wicked, villanous. Therefore nothing that they do can be expedient, when defiled by so many vices.

Adapted from:

<http://oll.libertyfund.org/Home3/HTML.php?recordID=0265>