



## president'sPAGE

by Phil Livingston

### NEEDED: DETERMINATION AND VISION

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**T**he economy and capital markets continue to roil as I compose this piece. More than a year after the start of the Enron calamity and the tragic and cowardly attack by al Qaeda, companies and their employees are still unsettled and anxious. The prospect of war with Iraq looms over investor confidence.

This combination of a weak economy and geopolitical turmoil is unpleasant, to say the least. Corporate staff reductions and reduced brokerage and retirement accounts add to the personal anxiety on the front line. Corporate reform efforts have been substantial, but the regulators and the legislators are openly fighting over petty matters that leave the investing public without a vision for moving toward stability and security.

Whether viewed in part or in total, the events of the last year are immense. I wonder at my fellow workers' and citizens' ability to bear up under the circumstances. But some have fared better than others. Here in the New York metropolitan area, the families of the 9/11 victims are close around us: A house for sale in the neighborhood, many babies born to lost fathers and some moms that have been unable to cope, given the magnitude of their loss. Most of us feel helpless to comfort them, but many of them struggle to absorb the blows, participating in support groups and grief counseling.

Some of the emotionally wounded are emerging from the shock phase of recovery, seeing some light at the end of the tunnel, but most importantly, gathering a sense of mission about what happened and what must be done. They

want answers to the tough questions about how our government let us down.

They don't ask the questions in a partisan manner, but simply and straightforwardly: "How did we expend so much money and energy on government, media and law enforcement, yet allow such a juvenile plot to succeed?" The answers are coming out slowly and painfully. The PBS show *Frontline's* recent expose on the "The

Man Who Knew" makes my stomach turn over the impact that FBI agency politics and State Department diplomacy interfered in the pursuit of al Qaeda, specifically the investigation into the bombing of the USS Cole. It illustrates the ability of pettiness, personal agendas and small thinking to lead to large and long-term institutional damage.

I worry that these same symptoms are blocking the road to rebuilding investor confidence. The Washington scene, frankly, is a mess as the elections near and the Iraq situation plays out. Corporate reform has fallen into the trap of political posturing, with various factions trying to look tough, while making their enemies out to be the culprits. A spirit of visionary reform is missing.

Instead, we are still in the mode of lopping off heads and blaming the enemy. As a result, corporate leaders and the accounting firms are firmly retracted inside their thin shells, unwilling to stick their necks out or raise their voices for fear of retribution and ridicule.

The shock period for our corporate and regulatory leaders needs to end. Resolve, determination and vision will, I believe, emerge from this overwhelming confluence of events.