
 THE SPREADING DISCUSSION OF CONFLICTS OF INTERESTS

Universities, business, and governments are all plagued by conflict-of-interest problems. Long before sociologists such as Simmel elaborated the concept of social role and Hyman ventured the similar idea of a man's "reference group," political debates were agitated over the question of whether a man could serve two masters. The U.S. Constitution forbade double office-holding, for example, and in 1853 a federal law on conflict-of-interests was passed, restricting federal employees from dealing with themselves (or their shadows) in private capacities.

A recent report by the New York City Bar Association urges laws to forbid gifts from "anyone whom the employee has reason to believe would not give the gift but for the employee's office or position with the Government," as well as from anyone doing business with the employee's agency. (Attorneys themselves have a difficult and age-old problem in respect to conflicts of interest, for they are sometimes found to be serving contrary parties or representing parties in matters in which they have a principal's as well as an agent's interest.) We wonder at what passes for the psychology of sanction and conformity among lawyers. How can one really expect to legislate in this area? During all of our lives we are tied up by conflicting interests. And we know very little of the ways of controlling them within ourselves, and much less of how to control them through a formal, external legal system.

The National Industrial Conference Board recently issued a study of the policies of 195 manufacturing companies toward their key employees carrying on outside business interests. One-third of the companies said they did not permit such activities at all (only one in ten had a *written* policy), whereas two-thirds permitted outside business interests. However, most companies thought they would prevent any key employee from owning a significant interest in a supplier or, in some instances, a customer company. The case of the Chrysler Corporation, where high officials were revealed to have extensive interests in such related companies, is fresh in the public mind. We also remember numerous exposures of the business interests of labor leaders, ranging from a shop steward's "take" on horse-betting in his factory area to a Teamster Union official's tire company that sold tires to trucks of companies depending upon union contracts to keep their trucks running.

Professor Quittmeyer last year undertook a survey of faculty consulting practices among members of the Academy of Management. According to data from 63 professors of 62 universities, 60 per cent of the universities concerned encouraged the practice of outside consultation; 25 per cent were neutral; and 15 per cent discouraged it. Needed income and more effective teaching are the chief justifications; competition with private firms (which charge from 50 to 100 per cent more) and conflict with teaching, research, and publication were reasons for discouraging consulting at some schools. Little mention was made of any loss of integrity or of objectivity. (A separate study might be made of the influence of textbook-writing upon integrity.) In most schools, only informal clearance with administrative authorities precedes consulting work, and often jobs are not cleared at all. The modal fee seems to be about \$100 a day, or \$25 per hour if an hourly rate. Most respondents approved their freedom to conduct their work independently of the university administration; some wished only that the university would do more to help them find work.

The more the problem of mixed-up interests in government, factory, and school is considered—and we cannot forget the "moonlighters" on the New York police force who are presently struggling with the police commissioner on the question—the more it appears that the problem goes far beyond any legalistic study or traditional, absolutistic, and pecuniary morality. Modern society is a maze of compartments and connections. Not only money, but every value—prestige, power, affection, and so on—is subject to increased chances of "split-loyalty." The moral complications that ensue should be subject to general analysis by many ethical philosophers and social scientists.