"A gift from the Danaans, and no ruse?
Is that Ulysses' way, as you have known him?
Achaeans must be hiding in this timber,
Or it was built to butt against our walls,
Peer over them into our houses, pelt
The city from the sky. Some crookedness
Is in this thing. Have no faith in the horse!
Whatever it is, even when Greeks bring gifts
I fear them, gifts and all. 'Timeo Danaos et dona ferentes.'"
(Virgil, The Aeneid, Book II, 62-70)

Is the Institute of Ethics a Trojan Horse? Should the majority shareholders and the management of companies fear this future vehicle of activist Business Ethics? Fateful to the pledge of complete transparency, we have to state that indeed for unethical businessmen this is a Trojan Horse, but for ethical businessmen and companies the Institute of Ethics would safeguard against future collapse of the stock exchange.

The Institute of Ethics will not operate as a 'big brother', as a 'revisor', or as a 'Russian Commissar'. This organism will operate voluntarily and have a mission to avoid the most flagrant cases of obstructing the rights of the stakeholders and minority shareholders.

By the word 'Institute', we mean either an anemic organization, which does not have power, comprised of detached men unrelated to the business world, who do not understand its complexity. It is at least what its opponents will try to convey. But this book proposes a realistic model, based on a thorough study of the subject and a profound knowledge of the business world. The proposed Institute will be very effective, as will be explained in this chapter, and will have concrete and realistic missions, experienced directors, first class attendants, and an assured financing. Furthermore, it will keep its independence and its impartiality like the courts and the judges.

The national Institute of Ethics will be financed by a contribution deducted from each transaction made at the national stock exchange. The members of the Institute will possess impeccable reputations and will be elected by the
national courts, but they will not be active businessmen and will not hold any shares in companies.

The safeguarding of the minority shareholders' interests will be parallel to the safeguarding of the underprivileged minorities in the United States, such as Afro-Americans, Hispanics, native Americans, and so on. If we will not take corrective measures to favor minority shareholders and adjust their rights, they will always be despoiled by the majority shareholders, as the Afro-Americans were by the WASPs in the United States.

We witness recently a trend toward voluntary regulation of companies in many aspects of their activities toward stakeholders, employees, customers, the community, environment, and so on. Industries' associations obtain control over its members, which is often more effective than governmental or legal control. "A faster adaptation to changing conditions in industry is possible when not restricted to laws. The quality of the adjustment to specific conditions of an industry is better. Voluntary participation of the member firms of the branch prevents destructive behaviour and secures the efficiency of self-regulation. Some of the disadvantages are: - Informal behaviour of an industry is hard to generalize and codify. - Member firms are rather inclined to agree to non-binding and mild regulations than to obligatory demanding standards. - Not all companies of a certain branch are members of the association. Consequently they are not forced to adhere to the regulations. - Violations of rules are often hard to punish." (Harvey, Business Ethics, A European Approach, Kuhlmann, Customers, p.117) The companies adhere to a 'soft law', established after mutual negotiations that result in an agreement on the rules and ways to punish the transgression of the rules.

In the political and economical world, there are associations more or less formal as the United Nations, the European Parliament, the IMF, GAAT, and so on. But those associations, like the stock exchange, are established and managed by the organisms that they are supposed to control. The Institute of Ethics will be elected by impartial courts and will supervise the companies that will agree to submit voluntarily to its rules. If in the future we will reach a status that only companies supervised by the Institute of Ethics will be able to recruit the best employees, have access to the best customers, receive the best prices from the suppliers, sell their shares to minority shareholders; then most of the companies or at least their first league will abide by the rules of the Institute. The other companies will be treated as outcasts, on the outskirts of society, and will not be able to survive in the long run. The ethical reputation of a company will become one of its most important assets and will be a decisive factor in the valuation of the company.

How is it possible to guard the integrity of the members of the Institute? First of all, by choosing members with impeccable integrity, who could have