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Electronic Bits and Ten Gallon Hats: Enron, American Culture and the Postindustrial Political Economy

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Electronic Bits and Ten Gallon Hats: Enron, American Culture and the Postindustrial Political Economy

by

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Dedication

In memory of Albert Benke.

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Electronic Bits and Ten Gallon Hats: Enron, American Culture and the Postindustrial Political Economy

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This dissertation uses the Enron Corporation as a case study to examine the ways in which large-scale corporations become cultural actors in pursuit of establishing favorable regulatory environments, and how Enron's collapse in 2001 allowed United States citizens to protest and express anxiety over a national and international economic shift towards postindustrialism that began in the early 1970s. Through a consideration of materials such as marketing literature, correspondence between Enron executives and state and federal government officials, and the entire run of *Enron Business*, the employee magazine, as well as popular cultural texts, including, newspaper and magazine articles, as well as film and book-length narrative accounts of the company, this study contributes to an understanding of the cultural work that must be performed in order to establish and maintain political economic systems, as well as the ways in which cultural production is used to make sense of economic change.

In many ways, Enron manifested a number of prominent political economic changes during the late twentieth century that have been identified by scholars such as David Harvey and Frederic Jameson. From the 1980s onward, the company increasing eschewed large-scale industrial operations in favor of information-based businesses that mirrored industries such as finance. Enron's concomitant rhetorical shift to an emphasis on information technologies worked to mask and render culturally palatable the spatial, economic and political implications of this change. Because Enron was a company that engaged in cultural production, and because its transformation from a pipeline operator to a derivatives trading house was so dramatic, the company became an ideal site for Americans to express cultural anxieties about the move away from Fordist, material production and towards an emphasis on working with complicated pieces of information. However, despite the company's symbolic value, no coherent criticism of the economic features Enron embodied emerged in the public outcry, suggesting that the cultural materials needed to advance a sustained critique of late capitalism had not yet developed.

Table of Contents

INTRODUCTION

In late 2001 and 2002, the Internet was rife with jokes skewering the recently disgraced energy company, Enron. In the wake of the company's bankruptcy (then the largest in U.S. history), more than a few amateur and professional humorists pilloried Enron's convoluted finances and political ties. One such online joke was titled "Capitalism vs. Enron Venture Capitalism." With regular capitalism, the joke went, "You have two cows. You sell one and buy a bull. Your herd multiplies, and the economy grows. You sell them and retire on the income." However, when it came to "Enron Venture Capitalism" the joke continued,

> You have two cows. You sell three of them to your publicly listed company, using letters of credit opened by your brother-in-law at the bank, then execute a debt/equity swap with an associated general offer so that you get all four cows back, with a tax exemption for five cows. The milk rights of the six cows are transferred via an intermediary to a Cayman Island company secretly owned by the majority shareholder who sells the rights to all seven cows back to your listed company. The annual report says the company owns eight cows, with an option on one more.[1]

While some may have found a perverse humor in the joke, it also pointed to some of the anxieties that Enron's collapse unleashed. The joke worked by just barely exaggerating the types of financial maneuvers the company had made the core of its business. Though the gag took Enron as its subject, the punchline uncomfortably hinted that there might be something nonsensical about the U.S. economy at the start of the twenty-first century.

[1] "Capitalism vs. Enron Venture Capitalism," *Enron Owns the GOP*, <http://web.archive.org/web/20021020055333/http://www.enronownsthegop.com/humor/capitalism.htm>, (Accessed June 11, 2011).

Curiously, while jokes about the company proliferated online, studies from business historians did not appear as quickly.

In the journal *Enterprise & Society*'s memorial for business history's most dominant figure, Alfred Chandler, the historian Christopher McKenna gently took issue with Chandler's influence on the field, writing that it was "striking how little American business historians had to say (or were asked to say) when Enron, the Houston oil-trading behemoth, collapsed amidst great public uproar in 2001."[2] McKenna lamented that while business historians had focused on "accounting, gas pipelines, and financial markets," the theoretical framework first laid out by Chandler "didn't permit business historians to say very much about fraud, corporate corruption, or business ethics."[3] Early on, Chandler emphasized studying the internal structures and strategies of successful firms. By contrast, little attention was given to wider social, political and cultural contexts as categories for analysis. Consequently, the Chandlerian paradigm was not particularly helpful when analyzing a corporate scandal.

Yet there were other factors that made Chandler's approach ill-suited for a firm like Enron. Significantly, the company's collapse had more cultural, as opposed to economic, significance.[4] This is not to say that Enron's fall was not dramatic, but its economic effects were not lasting. Though Enron was the largest bankruptcy in U.S. history when it occurred, it was eclipsed only months later by WorldCom's bankruptcy.

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[2] Christopher D. McKenna, "In Memoriam: Alfred Chandler and the Soul of Business History," *Enterprise & Society* (2008) 9.3 422-425.
[3] Ibid.
[4] Kenneth Lipartito, "Business Culture," in *The Oxford Handbook of Business History*, Ed. Geoffrey Jones and Jonathan Zeitlin, (Oxford: Oxford UP, 2007), 603-628, 604.

Today, the bankruptcy of the investment bank Lehman Brothers is the largest in U.S. history. Likewise, while Enron employees lost their jobs and secure retirements suddenly vanished as the stock's price plummeted, the collapse's negative economic effects were relatively mild compared to the global economic recession of 2007 and 2008. Even if Enron's business and the nature of its meltdown reflected a type of capitalism that was more oriented around financial markets, it was not even that era's first financial crisis. Rather, some scholars have given that honor to the October 1987 stock market crash.[5]

However, Enron proved to be a significant cultural event. The history of commerce in the United States is punctuated by scandalous episodes such as the attempt by "Jubilee Jim" Fisk and the "Mephistopheles of Wall Street" Jay Gould to corner the gold market in the Gilded Age, the Teapot Dome scandal in the Roaring Twenties, or even "Junk Bond King" Michael Milken's corporate raiding and insider trading during the Reagan years.[6] For an American public uneasy with economic excess, change and inequality, the symbolic value proved to be equal to, or even more important than, the economic and financial fallout in such cases.[7] These were moments that were the subject of newspaper stories and political cartoons, as well as the inspiration for novels such as Frank Norris's *The Pit*, Upton Sinclair's *Oil!*, and Thomas Wolfe's *The Bonfire of the Vanities*. Enron is another such episode and presents a unique opportunity for examining

[5] David Harvey, *The Condition of Postmodernity*, (Malden, MA: Blackwell, 1990), 356.
[6] For more about financial scandals, see Steve Fraser, *Every Man a Speculator: A History of Wall Street in American Life*, (New York: HarperCollins, 2005), 115, 376, 559.
[7] In the case of Milken, Karen Ho argues that Milken's time on Wall Street did set the stage for a reorientation in finance and investment banking. Still, Milken was equally important as a symbol of greed and immorality during the 1980s. See Karen Ho, *Liquidated: An Ethnography of Wall Street* (Durham: Duke UP, 2009), 131-133.

various aspects of American culture towards the end of the twentieth century and at the beginning of the twenty first.[8] Indeed, the sheer quantity of cultural production that followed Enron's collapse was astonishing for a company that was not a household name. Books, films, magazine articles, jokes, plays and musicals about this complex business quickly permeated the popular cultural landscape. However, since the late 1980s, the company itself had been toiling to change its image from an environmentally friendly industrial corporation into a champion of knowledge work and free markets. Long before Enron was the subject of cultural production, in its marketing literature, employee magazines, community outreach and so on, Enron was a producer of culture. Because of the enormous amount of ink spilled, both by and about Enron, looking at the conversation surrounding this corporation can present a portrait of changing and equivocal American attitudes towards business and commerce. Specifically, I argue that because of its cultural production, the dramatic shift in its business practices, and the outrageous details of its collapse, Enron provided a near-ideal vehicle for Americans to express their frustrations and anxieties about the political-economic regime under which they lived.

AMERICAN STUDIES AND BUSINESS HISTORY

Uncovering the cultural import of the corporation's collapse requires a different approach than the scholarly treatments of Enron that have already appeared. The most

[8] In some ways, Enron can be seen as only one episode in a series of informational crises, including the 1998 meltdown of the hedge fund, Long Term Capital Management, and even the current Wall Street debacle that has been largely attributed to the proliferation of mortgage-backed securities (physical assets that have been reconceptualized and abstracted as apparently poorly understood pieces of information). However, among these crises, Enron has been the subject and site of the most cultural production.

prominent study of the subject thus far has been management scholar Malcolm Salter's *Innovation Corrupted*, which attributes Enron's slide into fraud to negligent board oversight, compensation schemes that encouraged excessive risk-taking, and so on.[9] Other case studies have examined the legal and accounting issues associated with the scandal. More recently, Rosalie Genova has looked at how Enron's collapse has influenced political narratives.[10] However, to date none of these studies have adequately examined how and why the downfall of an obscure business with convoluted strategies resonated so quickly and so broadly in U.S. culture.

Because Enron did make a large cultural splash, consideration must be given to the documents that emerged in the scandal's wake. Getting this side of the story requires sources that fall outside of the Chandlerian paradigm of focusing on the relationship between a firm's organization and strategy that has dominated business history for so long. However, such documents, ranging from book length narratives to films, and ways of reading these documents, are familiar to American Studies scholars. If we are to understand Enron's cultural significance, it requires looking for the connections between the business itself and a range of cultural producers. Accomplishing this task entails looking at the company from two angles – both the company's business practices and how they were interpreted by the public.

[9] Malcolm Salter, *Innovation Corrupted: The Origins and Legacy of Enron's Collapse* (Cambridge: Harvard UP, 2008).
[10] Rosalie Genova, "Big Business, Democracy, and the American Way: Narratives of the Enron Scandal in 2000s Political Culture," (PhD Diss, The University of North Carolina at Chapel Hill, 2010).

Looking at these aspects of Enron's history requires examining a range of sources including archival documents that outlined the company's business practices and how these practices were communicated both to employees and a wider audience. Many of these sources and documents, such as professional correspondence, internal publications, press releases and advertisements, are commonly used by business historians to understand how firms react to their environments. While these sources are useful, on their own they do not allow for a complete understanding of Enron's cultural significance. In this case, it is equally important to draw on the sources and methodologies used by cultural historians and cultural geographers.

Just as business history could benefit from cultural studies, so too does business history as a discipline have much to offer cultural historians. As much as scholars in American Studies have recently turned their attention to studying the effects of neoliberalism, and late capitalism in general, these same studies do not linger on modern capitalism's primary institution – the corporation. Likewise, while many American Studies classics are concerned with the role of enterprise in society, a cursory glance at such titles reveals a striking thread. While graduate students in American Studies find books such as *Advertising the American Dream*, *Land of Desire* and *Imagining Consumers* on comprehensive exam lists, all of these works are ultimately concerned with firms and industries that produce consumer goods. One could even go so far as to claim that while the field has a rich tradition of consumer studies, it does not have a substantial business studies tradition. Even a work like Alan Trachtenberg's *The*

Incorporation of America focuses on the overall structure of feeling in the Gilded Age, but does not devote any space for an extended discussion of a single firm. Yet an individual firm is an active participant in its cultural and social milieu.

In arguing for a "new synthesis of business and culture," the business historian Kenneth Lipartito calls attention to several steps required of the historian.[11] First, Lipartito argues that "the information and texts of business life can be read for the meanings and values they encode, the way of life they express, the arguments they make."[12] This process means looking at documents such as annual reports, press releases, employee publications, and so on, through the lens offered by cultural theory. However, Lipartito also calls attention to a second group of sources. He writes: "Images and representations of business practices, protocols and rules for behavior, dramatizations of business life all become important to understanding the core economic functions of firms."[13] This second group that Lipartito references includes sources that are not always generated at the level of the firm or even during the life of a firm. These documents include angry letters to the editor, book length exposés of corporate wrongdoing and even politically-minded documentaries. In Enron's case, its collapse produced a wealth of such documents, allowing the historian to get a more complete picture of the different cultural responses to and sentiments towards corporations and economic life at the end of the twentieth century.

[11] Kenneth Lipartito, "Business Culture," in *The Oxford Handbook of Business History*, Ed. Geoffrey Jones and Jonathan Zeitlin, (Oxford: Oxford UP, 2007), 603-628, 620.
[12] Ibid.
[13] Ibid.

BACKGROUND ON ENRON

Though many Americans only became aware of the company when it fell from grace in 2001, the firm's history spanned the 1980s and 1990s. Enron was created when two older natural gas companies, Houston Natural Gas and InterNorth, merged in 1985.[14] Ken Lay, who had been the Chief Executive Officer (CEO) of Houston Natural Gas, became the new company's Chairman and CEO. When the merger was completed, the new company was the largest natural gas pipeline system in the United States. However, in the 1990s, Enron moved away from operating as a traditional natural gas company and entered a number of different ventures. By the end of the decade, Enron resembled an Internet company in style and an investment bank in substance. The business press (as well as financial analysts) hailed the transformation, as well as the primary force behind it – the company's CEO and president, Jeff Skilling – as a business genius.

However, at the same time, there were significant problems inside the company. Academics in business schools have come to criticize Enron's internal culture as unduly cutthroat and offering "perverse incentives" that led to an over emphasis on making deals, deemphasized running operations after deals had been made, and encouraged too much risk-taking.[15] Other problems included a poorly managed international arm that focused on building power plants, and a failed partnership with Blockbuster intended to provide movies online. Famously, when California deregulated electricity in the late

[14] Kenneth L. Lay, "The Enron Story," (1985), 5.
[15] Malcolm Salter, *Innovation Corrupted: The Origins and Legacy of Enron's Collapse* (Cambridge: Harvard UP, 2008), 88.

1990s, Enron was widely blamed for an ensuing energy crisis that involved outrageous prices and rolling blackouts.

Finally, and most significantly, the company's aggressive expansion required it to accumulate a large amount of debt. In order to keep the debt off of the company's balance sheet, Enron's Chief Financial Officer (CFO), Andy Fastow, created a number of shell corporations called Special Purpose Entities (SPEs), with names such as Chewco, and LJM1 and 2. The first of these, Chewco, was created in 1997. While SPEs are perfectly legal, the rules that govern them are very complicated. As anyone familiar with Enron now knows, the structures that Andy Fastow created did not meet the legal requirements for SPEs. In fact, they covered up a massive financial rot inside the company. Enron was not nearly as profitable as it appeared to be on paper.

In the summer of 2001, Enron realized that these SPEs were a potential disaster and attempted to "unwind" them, but it was too late. That fall, the company issued a number of public financial restatements and provided a more accurate – and much less flattering – picture of the company. These announcements arrived just as some (though not all) business journalists and financial analysts were voicing skepticism about the company's businesses and financial health. Enron's already-declining stock price subsequently dropped rapidly, along with its credit rating and the company declared bankruptcy at the end of the year.

As Enron became a hot news item, outlandish details about the company came to light. The ensuing media and government scrutiny revealed that in his dual positions of

Enron's CFO and as the Managing Partner of several of these SPEs, Andy Fastow was actually defrauding Enron while at the same time aiding Enron in this larger fraud.[16] Likewise, its accounting firm, Arthur Andersen, also came under intense criticism for its insufficient oversight. Indeed, Arthur Andersen no longer exists today because of the fallout from its relationship with Enron. The debacle also resulted in prison sentences for a number of executives.[17] Enron's collapse appeared to be all the more spectacular because it seemed to happen so suddenly. Even more stunning was the swift and loud public outcry over Enron's misdeeds. Outside of the business community, investors and Houstonians, Enron was not a terribly well-known company. However, the sudden public reaction had much longer historical roots.

Throughout the late 1990s, Enron and its managers, most notably Jeff Skilling, touted the company as one of the most "innovative" of the era, possibly even within the annals of corporate and economic history. To be sure, in the late 1980s, the company's approach to regulatory changes in the natural gas pipeline industry was novel. The company attempted to repeat this innovation in related industries throughout the 1990s. However, in other ways, the company was not so much a drastic break with the overall economic landscape in the U.S. as it was emblematic of it.

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[16] Several reporters and scholars have classified Enron's actions as fraud. However, as Malcolm Salter notes, "Enron journeyed into the realm of fraud by way of predisposition, but not entirely by premeditation. It succumbed incrementally during the late 1990s…." Malcolm Salter, *Innovation Corrupted: The Origins and Legacy of Enron's Collapse* (Cambridge: Harvard UP, 2008), 136.

[17] Today, Enron exists as Enron Creditors Recovery Corporation, which is solely dedicated to: "reorganize[ing] and liquidat[ing] the remaining operations and assets of Enron." Enron Creditors Recovery Corp (2008), <http://www.enron.com> (accessed November 3, 2008).

As Karl Marx argued long ago, there has always been a split between use value and exchange value. Yet the late twentieth century did witness a change whereby exchange value became a defining feature of economic life. Added layers of derivatives, stocks and the like further complicated matters. David Harvey is one scholar who has identified a sea change in capitalism that began around 1973 resulting from the crisis and collapse of the Fordist system of production and accumulation.[18] For Harvey, 1973 marked the starting point for what he terms "flexible accumulation" which involves a number of economic changes, including "new ways of providing financial services, new markets, and, above all, greatly intensified rates of commercial, technological, and organizational innovation."[19] Writing in 1990, Harvey argued that the end of the Fordist system meant a new round of "time-space compression."[20] As a result, capitalism became faster and more abstract. Workers and companies were forced to change and adapt at a much quicker pace, and information itself became "a very highly valued commodity."[21] Yet information itself – and specific types of information – became increasingly complicated. In grappling with these issues, Harvey points to the growth of the financial services sector, writing that it had become so complex that it was beyond "most people's understanding" and gave rise to "paper entrepreneurialism."[22] This type of economic activity emphasizes "finding ways other than straight production of goods and services to

[18] David Harvey, *The Condition of Postmodernity*, (Malden, MA: Blackwell, 1990), 145.
[19] Ibid. 147.
[20] Ibid.
[21] Ibid. 159.
[22] Ibid. 161-3.

make profits."[23] All the characteristics of this newer style of capitalism that Harvey describes could be applied to Enron. However, this is a very different statement than saying Enron instigated these changes, many of which were well underway by the time the company was founded in 1985.

Even the innovations that Skilling ushered in might be considered as part of broader trends in U.S. business history. As Karen Ho points out in her ethnographic study of Wall Street investment bankers, Wall Street conceptions of corporate organization and why corporations exist are developments that have their roots in the shareholder revolution of the 1980s. Ho writes that since that time, Wall Street bankers have in effect forced their vision and even their particular culture onto U.S. corporations in general.[24] While Ho sees this as a disciplining function, the ways in which Skilling reorganized Enron also resembled an investment bank. Even the types of financial instruments that Enron first used in the natural gas industry and later tried to apply to other utilities and services were creations of the early 1970s. Enron was also a champion of free markets and deregulation as guiding economic principles. However, as business historians have illustrated, the deregulation of U.S. industries was a trend that dates to the 1970s.[25] Nor was Enron's involvement in Houston novel. While downtown Houston was one place that Enron vigorously tried to change in the 1990s, Houston's transformation mirrored

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[23] Ibid. 163.

[24] Karen Ho, *Liquidated: An Ethnography of Wall Street* (Durham: Duke UP, 2009), 133.

[25] Louis Galambos and Joseph Pratt, *The Rise of the Corporate Commonwealth: United States Business and Public Policy in the 20th Century*, (New York: Basic Books, 1988), 241.

changes in urban centers throughout the United States. In fact, some executives' civic engagement reflected a typical Sunbelt attitude.

Likewise, Enron can hardly be considered a trailblazer in its advertising and marketing. In transforming its business model, the company drew on the anti-bureaucratic sensibility of the "new economy" which historian Fred Turner argues has its roots in the counterculture of the 1960s.[26] If Enron's marketing stood out in the late 1990s, it was not because its corporate imagery was unique, but because it was not an Internet company. Contrary to the company's pronouncements, Enron was not a completely new entity, but rather represented a concentration of these other trends. What is more, because Enron engaged in cultural production throughout the 1990s, it had already entered the cultural realm in a significant way. Because of this, the company was laden with the symbolic content needed to express anxiety about the changes that had taken place since the rise of the informational economy. In short, the company synthesized many of the cultural tropes, political sensibilities and economic ideologies of the late twentieth century into a single, coherent whole.

Here, Enron was significant in that it provided a concrete example in an era that many have regarded as being marked by its immateriality. Harvey has described the experience of these sweeping political-economic changes as the "condition of postmodernity." As Harvey writes, postmodernity:

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[26] Fred Turner, *From Counterculture to Cyberculture: Stewart Brand, the Whole Earth Network, and the Rise of Digital Utopianism*, (Chicago: The University of Chicago Press, 2006).

> is dominated by fictitious capital, images, ephemerality, chance, and flexibility in production techniques, labour markets and consumption niches; yet it also embodies strong commitments to Being and place, a penchant for charismatic politics, concerns for ontology, and the stable institutions favoured by neo-conservatism.[27]

These qualities have had disastrous political consequences since postmodernity signaled the "triumph of aesthetics over ethics."[28] Fredric Jameson has also noted a postmodern emphasis on image, what he laments as a "depthlessness."[29] Like Harvey, Jameson connects such an aesthetic and cultural sensibility to a shift in economic conditions. For Jameson, postmodern cultural production and aesthetics are, "distorted figuration[s] of something even deeper, namely, the whole world system of a present-day multinational capitalism."[30] Perhaps the phrase "distorted figuration" is the key point in Jameson's statement, implying that the cultural production typical of postmodernity is at once an expression of late stage capitalism as well as a failure to directly address this new form of capitalism. The literary critic Terry Eagleton argues that the postmodern "world as information" calls attention to a problem of representation.[31] As he writes, "suddenly, anti-realism was no longer just a question of theory. How could you conceivably represent in realist terms the great invisible criss-crossing of circuits of communication, the incessant buzzing of to and fro of signs, which was contemporary society?"[32] The form of capitalism all of these scholars described was at once pervasive and invisible. Its

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[27] David Harvey, *The Condition of Postmodernity*, (Malden, MA: Blackwell, 1990), 339.
[28] Ibid. 329.
[29] Fredric Jameson, *Postmodernism: Or, the Logic of Late Capitalism*, (Durham: Duke UP, 1991), 6.
[30] Ibid. 37.
[31] Terry Eagleton, *After Theory* (New York: Basic Books, 2003), 67.
[32] Ibid.

characteristics often influenced and directed representation and imagery, but simultaneously eluded direct criticism.

However, the Enron Corporation, both in its rise and collapse, offered a relatively tangible case for Americans to grab a hold of and use as an expression of anxiety about the post-1973 political-economic order. Because of its transformation from an industrial, natural gas pipeline operator to a financial services company connected to that industry, its use of new economy rhetoric and symbolism, its commitment to what Robert Reich termed “symbolic analysts,” its aggressive pursuit of neoliberal markets and deregulation and its transformation of specific spaces, most notably Houston, Texas, Enron constituted an almost ideal forum for critiquing these changes. However, as I will argue, the critiques that emerged were hardly straightforward and should be read as further indications of how complex economic life was in the late twentieth century.

DEFINITION OF TERMS

Academics have used a number of terms, such as “postmodernity,” “postindustrialism” and “Postfordism,” to describe the post-1973 era. These phrases imply that large-scale industrial activity is no longer at the heart of U.S. economic production. While “postindustrialism” and “Postfordism” might appear to be straightforward concepts, on some level they are misleading terms. Industrial processes did not end around 1973, but rather, the logic of *information*, instead of industrialization, came to oversee these processes.[33] For example, in *Empire*, Michael Hardt and Antonio Negri describe the current phase of capitalism as being characterized by the increasing use of “symbolic manipulation” and the production of meaning. They write that work is: “characterized in general by the central role played by knowledge, information, affect, and communication. In this sense many call the postindustrial economy an informational economy.”[34] For this project, I will primarily use the term “informational economy” because I find it to be the most descriptive of Enron’s business activities.

The informational economy also has profound geographic implications. As Manuel Castells notes, the informational economy does not mean the end of industrial production, but rather that production and knowledge work become spatially separated.[35] Geographers Neil Brenner and Nik Theodore note that this sort of spatial separation is also typical of neoliberalism. By neoliberalism, I mean both an ideal conception of a world that is a unified and unregulated space that finance and investment capital can move through unimpeded, as well as the policies and practices intended to create this ideal spatial environment. Yet there is an unmistakable divide between the ideal neoliberal state and the way it exists on the ground. David Harvey and others have noted that rather than eliminate spatial differences, neoliberal practices actually create new and different spaces and that capital accumulation under neoliberalism is predicated on

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33 Michael Hardt and Antonio Negri, *Empire* (Cambridge: Harvard UP, 2000), 285-6.
34 Ibid. 285.
35 Manuel Castells, *Rise of the Network Society* (Malden, MA: Blackwell, 1996), 293-3.

"uneven development."[36] Similarly, Brenner and Theodore have gone so far as to suggest that the idea of a pure deregulated environment is an entirely theoretical concept without any real world corollary.[37] Rather, neoliberalism advances in fits and starts with the elimination of certain regulatory policies (in a word, deregulation), as well as the introduction of other policies that are decidedly pro-business.

Though their fields can be diverse, all of the thinkers I have mentioned here point towards a contradiction at the root of both the informational economy and neoliberalism. Namely, that for all of the rhetoric of immateriality and universality, neither the informational economy nor neoliberalism can entirely escape or transcend material reality. Physical production still happens and the world is not transformed into a smooth and seamless space, but, instead, numerous places are created and transformed.[38] The terms "informational economy," "neoliberalism" and "symbolic manipulation" all describe economic factors that, as I will argue, can be found in the cultural production surrounding Enron.

In discussing Enron as a cultural event, I am using a specific idea of what "culture" is. Many have noted that "culture" is a particularly slippery concept, and it is worth outlining what I mean when I use the term. First, I take it that culture itself is not a unified, superorganic whole. Rather, as James Duncan argues, culture should be thought

[36] Neil Brenner and Nik Theodore, "Cities and the Geographies of 'Actually Existing Neoliberalism,'" in *Spaces of Neoliberalism*, ed. Neil Brenner and Nik Theodore (Malden, MA: Blackwell, 2002), 5, and David Harvey, *The Condition of Postmodernity* (Oxford: Basil Blackwell, 1989), 147.
[37] Ibid. 4.
[38] Michael Hardt and Antonio Negri, *Empire*, (Cambridge: Harvard UP, 2000), 286 David Harvey, *The Condition of Postmodernity* (Oxford: Basil Blackwell, 1989), 295-6

of as a “context for behavior” instead of something over and beyond the level of individuals.[39] In *Keywords*, Raymond Williams calls attention to the eighteenth century intellectual Johann Gottfried Herder’s argument that it is almost proper “to speak of ‘cultures’ in the plural: the specific and variable cultures of different nations and periods, but also the specific and variable cultures of social and economic groups within a nation.”[40] Similarly, I assume that culture can incorporate many different voices at the same time. However, I also mean “culture” to include, as Don Mitchell puts it, “a structured system of representation of both people and things.”[41] Yet these representations can also be complex. For example, Stuart Hall sees forms of popular culture, “by definition contradictory and which therefore appear as impure, threatened by incorporation or exclusion.”[42] Similarly, I view the cultural production around Enron not as clear and untroubled reflections of culture, but rather as contested sites of competing ideas.

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[39] James Duncan, "The Superorganic in American Cultural Geography," *Annals of the Association of Cultural Geography* 70, no. 2 (1980): 181-98, 197.
[40] Raymond Williams, *Keywords: A Vocabulary of Culture and Society*, (New York: Oxford UP, 1976), 89.
[41] Don Mitchell, "There's No Such Thing as Culture: Towards a Reconceputalization of the Idea of Culture in Geography," *Transactions of the Institute of British Geographers* 20, no. 1 (1995): 102-16, 111.
[42] Stuart Hall, "What Is This 'Black' in Black Popular Culture?" in *Stuart Hall: Critical Dialogues in Cultural Studies*, Ed. David Morley and Kuan-Hsing Chen, (London: Routledge, 1996), 465-75, 471.

THE CORPORATION AS A CULTURAL ACTANT

As historians Kenneth Lipartito and David Sicilia point out, business history was, for a long time beholden to the "Chandlerian model" of examining the corporation as an organization without considering the corporation in a wider social, political, and cultural setting.[43] However, they also note that in recent years business historians have begun to examine the corporation in these contexts. Ultimately, Lipartito and Sicilia point out that "no strict and simple line can be drawn to divide the corporation from the rest of the social order."[44] This insight implies that "corporations are best seen as actors caught up in the very process of defining or constituting the social order."[45]

This last point is doubly important, implying that a corporation can also have agency. Corporations are made up of individuals, but have always been something more than the individuals within a firm. As Alan Trachtenberg notes, since at least the nineteenth century, "the corporation embodied a legally sanctioned fiction, that an association of people constituted a single entity which might hold property, sue and be sued, enter contracts, and continue in existence beyond the lifetime or membership of any of its participants."[46] Because of this legal fiction, it also becomes possible to consider a corporation, like Enron, as a unified whole in a cultural context. What is more, this legal

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[43] Kenneth Lipartito and David B. Sicilia. "Introduction: Crossing Corporate Boundaries," in *Constructing Corporate America: History, Politics, Culture*, Ed. Kenneth Lipartito and David B. Sicilia, (Oxford: Oxford UP, 2004), 1-28,11.
[44] Ibid. 12.
[45] Kenneth Lipartito and David B. Sicilia. "Afterward: Toward New Renderings," in *Constructing Corporate America: History, Politics, Culture*, Ed. Kenneth Lipartito and David B. Sicilia, (Oxford: Oxford UP, 2004), 343-348, 345.
[46] Alan Trachtenberg, *The Incorporation of America*, 25th Anniversary Edition, (New York: Hill and Wang, 2007), 83.

fiction has implications beyond economics. Lipartito and Sicilia write that "real markets consist of real actors, who bring to the marketplace their values, identities, and feelings."[47] In Bruno Latour's terms, markets are "actor-networks," where corporations (and not the *individuals* working for them) are one of many "actants."[48] Given the expansive conception of markets that Lipartito and Sicilia provide, corporations can be considered cultural actants in addition to being economic ones.

Of course, the individuals within a corporation are the actual engines who account for the corporation's activity. Still, even then, some sociologists have provided a theoretical frame for considering corporations as "institutions" that "are something more than collections of individuals."[49] The term "institution" "implies a structure that becomes permanent and fixed enough to influence and constrain, and also enable, individuals."[50] In this conception, "individuals operating within institutional structures are given to following rule-like patterns or scripts."[51] Enron was staffed with thousands of workers, and the corporation's history was significantly shaped by their individual actions. Jeff Skilling in particular, had considerable influence over the direction that Enron took in the mid-1990s. Likewise, popular accounts of the company and its collapse focus on groups within Enron, such as the company's West Coast electricity traders.

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[47] Ibid., 15.
[48] "Actor-network theory," in *The Dictionary of Human Geography,* fourth ed., R.J. Johnston, Derek Gregory, Geraldine Pratt, and Michael Watts, ed. (Malden: Blackwell Publishing, 2000), 4-6.
[49] Kenneth Lipartito and David B. Sicilia. "Introduction: Crossing Corporate Boundaries," in *Constructing Corporate America: History, Politics, Culture*, Ed. Kenneth Lipartito and David B. Sicilia, (Oxford: Oxford UP, 2004), 1-28, 12.
[50] Ibid.
[51] Ibid.

However, the company's official messaging, encompassing its public relations statements and actions, its advertising, and internal employee communications, presented the corporation as a unified whole. This is significant, since it sometimes is difficult to determine an individual author or producer of a specific piece of marketing literature or similar cultural artifact. In these instances, the absence of a specific actor or document author highlights how the corporation as a whole can be a cultural actant. Indulging in the longstanding legal fiction of the corporation while acknowledging its paradoxical and imperfect construction, from time to time I will refer to an action that "Enron" (and not individuals inside Enron) took.

CHAPTER OUTLINE

In charting how Enron became a flashpoint for people in the United States to express anxiety about the informational economy, I am not offering up an exact chronology of the company's history. While I do touch on some of the business activities the company engaged in, I am more concerned with the ways in which these changes played out on a cultural and symbolic level. In the first chapter, I recount the company's founding, as well as give a general overview of Enron's primary business operations. In this section, I chart the company's drastic transformation in the 1990s as the business model Jeff Skilling introduced meant that Enron would begin to resemble a financial services company in its business practices and internal corporate identity. However, I focus not on the practices themselves, but the ways in which the company represented these changes in its corporate rhetoric, identity, advertising and marketing literature. For years, Enron and its executives struggled to find an adequate way of representing its increasingly immaterial business practices to a wider public of investors, consumers and the press. This struggle was not because Enron had hired incompetent marketing personnel. Rather, the company's newer businesses presented the same issues of representation that Harvey and Jameson see as symptomatic of late capitalism.

Enron's problem was partially alleviated with the appearance of the "new economy" in the late 1990s. This development provided Enron with the rhetorical and symbolic tools to represent and communicate its newer businesses. However, the "new economy" was not a complete solution for Enron's communication problems. Specifically, the "new economy" did not allow Enron to define its business, but rather allowed Enron to celebrate and promote some of the political, economic and cultural aspects of the informational economy. In doing so, Enron's marketing efforts were cultural iterations for neoliberalism and symbolic analysts. What is more, throughout this process, the company abandoned an earlier commitment to environmental sensitivity.

Yet however much the company's rhetoric and imagery moved away from the physical world, the company's newer business practices belied a profound interplay with the material world, and U.S. geography in particular. In the second chapter, I address the unique spatial contradictions inherent in Enron's business. Throughout the decade, Enron's increasing commitment to both an international project of globalization and a national project of economic deregulation emphasized an erasure of spatial difference.

While this ideal seemed to line up perfectly with the corporation's shift toward symbolic analysis, achieving this goal meant a complex relationship with individual geographies around the United States. I document this interplay as Enron pushed for electricity trading in several states, such as New Hampshire, Texas and, finally, California – a case that revealed many of the hidden dangers of symbolic analysis and neoliberal deregulation.

In this chapter, I also consider the complicated and evolving relationship between the corporation and Houston, Texas, where it was headquartered. Not only has Houston historically been a "business friendly" environment, but business forces, operating under a free market ideology, have also helped shape the way in which the city developed.[52] Though Enron was a relatively new organization at the time of its demise, the company had deep roots in Houston. In its industry and in the way it aggressively lobbied for deregulation, Enron was operating within the city's business tradition.[53] Enron also had a very visible, material presence in Houston. Enron's history is punctuated by attempts to leave its mark on the city, such as its involvement with local charities as well as the construction of the Enron Field ballpark in downtown Houston. However, the company's vision for the city was tantamount to a decisive break with Houston's past. Enron's involvement in community affairs in Houston was oriented toward transforming the metropolis from an industrial city to a location that would be attractive to the symbolic analysts the company required as it changed its focus in the late 1990s.

[52] Joe Feagin, *Free Enterprise City*: *Houston in Political-Economic Perspective* (New Brunswick, NJ: Rutgers UP, 1988), and *Energy Metropolis,* Martin V. Melosi and Joe Pratt, ed., (Pittsburgh, U of Pittsburgh P, 2007).
[53] Robert Bryce is one Texas writer who has made this connection.

The third chapter addresses the public collapse of Enron in late 2001 through 2003. In this section, I argue that Enron became a vehicle for Americans to express their anxiety over many of the contradictions inherent to the informational economy. Immediately following Enron's collapse, the authors of documents such as media reports, editorials, and letters to the editor used the complexity of the company's business and its demise to express a wider cultural anxiety over the complicated nature of the informational economy.

In chapter four, I look at extended treatments of Enron, including two of the most prominent books on the subject, as well as *The Crooked E*, a made for TV movie from 2003 and the 2005 film documentary, *Enron: The Smartest Guys in the Room*. While these works attempted to make cultural sense of Enron’s collapse, they were documents that were shot through with contradictory sentiments, illuminating how a variety of cultural and political categories had been jumbled by the post 1973 economy. Anti-intellectual impulses mixed uneasily with other sensibilities, including a populist disdain for big business and a liberal political ethos that condemned a laissez-faire approach to business regulation. I argue that authors and filmmakers used these older, sometimes contradictory tropes, such as business's antipathy towards intellectualism and populist mistrust towards large corporations, in an ultimately failed attempt to make sense of Enron's collapse.

Writing and researching a dissertation on the vagaries of Enron’s immaterial business schemes took on a new sense of relevance in 2008, with the near total collapse of the financial services sector across many parts of the world. Here again, almost absurdly complicated financial instruments that referred more to each other than they did to the material world had concrete consequences. The context of this much larger and devastating crisis of the informational economy informed this dissertation. Not only did it seem germane to understand why Enron's collapse triggered a wave of public outcry over a way of economic life and production, but it also seemed important to understand why that outcry and cultural production failed to stop the financial collapse which ultimately cast a long and dark shadow over the close of the twenty-first century's first decade.

CHAPTER ONE

"THIS IS NOT A SIMPLE CONCEPT TO GET ACROSS" – THE MOVE TOWARDS IMMATERIALITY IN ENRON'S RHETORIC AND PRACTICE

INTRODUCTION

In this chapter, I chart Enron's history from its formation in 1985 until just before the company's collapse in 2001.[1] Though narrative accounts of the company appeared almost immediately after the collapse, their authors tended to focus on an arc whereby Enron moved from being a profitable, albeit uninteresting natural gas pipeline operator into a company that, while dazzling the business community, was little more than an accounting scam. Such books often track the creation and subsequent unraveling of the various Special Purpose Entities that Chief Financial Officer Andy Fastow created throughout the late 1990s. In addition to emphasizing the outright fraud, journalists such as Bethany McLean and Peter Elkind, as well as management scholars like Malcolm Salter, point to poor management controls, negligent board oversight and ill-conceived ventures, such as Enron Broadband, a joint deal with Blockbuster Video, and Azurix (the company's failed water utility venture). While the narrative I provide touches on some of these issues, this chapter also deviates from such narratives in significant ways.

Like many Enron narratives, mine tracks the corporation's movement from pipeline company to "new economy" darling. However, my focus is on the cultural contours of this transformation. Rather than linger over the intricate details of rotten

[1] By this, I mean the last year of any meaningful existence for the company. Indeed, a legal entity, Enron Creditors Recovery Corp. continued to exist for several years following the company's demise.

accounting deals and other acts of corporate deceit, I seek to call attention to the rhetorical and representational modes the company used to present itself to the business community, its own employees, and, finally, a larger national public. Indeed, such rhetorical and representational modes changed dramatically over the course of the company's existence. Paradoxically, as Enron's business became less about physical processes and more about the production and manipulation of information, the ways of representing that information became increasingly difficult. In the late 1980s and early 1990s, Enron wrapped its corporate image in a mantle of environmental responsibility. However, as Enron changed its business model and engaged in what was immaterial economic activity, it was forced to delve into modes of representation that were far more abstract in nature.

Below, I argue that the drastic changes in Enron's identity over the course of the 1990s were largely cultural. In advocating for a "cultural turn" in business history, Kenneth Lipartito has stressed the importance of "the relationship between the firm" and the world around it.[2] I read both Enron's early environmental emphasis and later celebration of the "new economy" as the company's attempt to "understand" its own services as both culturally and socially relevant, and to "push [its] interpretations beyond [its] own walls into the public realm."[3] Both moves are striking, since gas pipeline transporters such as Enron would typically have no reason to burnish a public image.

[2] Kenneth Lipartito, "Culture and the Practice of Business History." *Business and Economic History* 24, no. 2 (Winter 1995): 5. Lipartito emphasizes a firm's relationship to the market; however, his point easily extends beyond the market, potentially encompassing the wider cultural field of which the firm is a part.
[3] Ibid., 30.

PIPELINES AND HARDHATS

On April 10, 1986, a press release went out over the news wires announcing that a company called HNG/InterNorth was changing its name to Enron. The last paragraph of the release, commonly called the “boiler plate,” described Enron as having “nearly $10 billion in assets” and as “involved in natural gas transmission and marketing, exploration and production of gas and oil, liquid fuels, petrochemicals and international and domestic trading of hydrocarbons.”[4] HNG/InterNorth itself was a relatively new company, the product of Houston Natural Gas merging with InterNorth, a natural gas company based in Omaha, Nebraska (where Enron was temporarily headquartered). The release itself was full of scripted quotations from Enron’s Chief Executive Officer (CEO) Ken Lay. The executive, who held a Ph.D. in economics, was originally from Missouri, and had spent time working for the Pentagon in Washington, DC, had been head of Houston Natural Gas when the merger took place. Many of the statements attributed to the new company’s CEO focused on reassuring investors that Enron could weather difficult times.

Indeed, Enron came together in what was a very turbulent period for both Houston, then in the middle of a recession, and the natural gas industry. Though natural gas had been used as fuel and heating for years, the industry was highly regulated. For much of the twentieth century, gas was sold at set prices at the wellhead and oil fields to pipeline carriers that then sold the gas to what were termed “local distribution centers,”

[4] Enron Corp., Press release, 10 Apr. 1986.

again at prices that were determined by regulatory bodies. Because natural gas was perceived to be a limited resource, until the late 1970s U.S. energy policies tended to discourage excessive exploration and production, leading to shortages in the latter part of that decade.[5] In fact, in the winter of 1976 and early 1977, the shortage in gas for power generation and heating was so severe in the northeast that schools and industrial plants shut down. A state of emergency was even declared in New York.[6]

The Carter administration's response to the problem was the Natural Gas Policy Act in 1978, which inaugurated a process of deregulation spanning over a decade.[7] Throughout the 1980s and early 1990s, a series of Federal Energy Regulatory Commission (FERC) orders completed the industry's deregulation.[8] For example, in 1985, FERC Order 436 allowed "open access transport" of natural gas over pipelines, which "marked the beginning of the end for pipelines as monopoly sellers of bundled gas and transportation service."[9] The next year, Order 451 raised the ceiling price of wellhead gas so high that it was, in effect, deregulated. Finally, in 1992, Order 636 completed the "open access" of gas pipelines.[10] The result was dramatic. Rather than the steady, predictable business that it had been, the natural gas industry was now characterized by

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[5] Christopher J. Castaneda, *Invisible Fuel: Manufactured and Natural Gas in America, 1800-2000* (New York: Twayne Publishers, 1999) 189.
[6] Ibid., 166.
[7] Sanjay Bhatnagar and Peter Trufano, "Enron Gas Services," (Boston: Harvard Business School, 1994), 2. Though this case study was written in 1993, the copyright date is 1994.
[8] On some level, the industry would never be a purely deregulated environment. However, the series of moves meant that in effect, the natural gas business in the United States was deregulated.
[9] Arlong R. Tussing and Bob Tippee, *The Natural Gas Industry: Evolution, Structure, and Economics* Second Edition, (Tulsa, PennWell Books, 1995), 204.
[10] Ibid., 223.

"unprecedented volatility."[11] Gas prices were now determined on the "spot market" and could change frequently.

These shifts had wide reaching practical and ideological implications for Enron. While this could have been a disaster, Enron learned how to profit from the instability that deregulation provoked. The company's ultimate success in profiting from this deregulated business landscape had a huge impact on how Enron would develop for the remainder of its life. Certainly, Order 636 was treated internally as a significant event. However, throughout this period, the image Enron presented to the public ignored these changes (to a degree) and emphasized different aspects of the natural gas industry, specifically, the material benefits and characteristics of the commodity. In fact, in the early 1990s natural gas companies provided good models for corporate stability. As energy historian Christopher Castaneda writes: "In some respects, the 1990s utility industry resemble[d] the utility industry of the 1920s and 1930s, when a few huge public utility holding companies dominated their industry."[12] Enron, with its extensive pipeline system, was one such company.

ENVIRONMENTALISM AND THE MATERIAL WORLD

As a corporation that had power generation plants and oil and gas exploration operations in addition to its gas pipeline network, Enron had a number of options for establishing its corporate identity. However, the avenue the company ultimately took in

[11] Bhatnagar and Trufano, "Enron Gas Services," 3.
[12] Castaneda, *Invisible Fuel: Manufactured and Natural Gas in America, 1800-2000,* 194.

this regard was striking. Beginning in the late 1980s, Enron cultivated an environmentally friendly image. However, there was a specific logic at work behind this image. The early environmental focus was an attempt by the company and its managers to engage in the physical world. In images that placed the company's power plants and pipelines in harmony with the natural world, Enron was acknowledging the inherent materiality at the core of the energy business.

While, as Castaneda notes, natural gas is cleaner than coal and oil, historically the industry itself could hardly be viewed as "green." As he writes, "For many years, pipeline companies used oils, which contained PCBs (polychlorinated biphenyls)."[13] Yet this patina of corporate social responsibility was so ingrained that it formed the core of Enron's corporate identity. By 1994, the company had even introduced an "Environmental Code of Ethics." As the code stated, "Enron Corp. is committed to the protection of the environment. Environmental concerns are embodied in the company's Vision and Values."[14] After declaring that employees must comply with environmental regulations, the code went even further to mandate that "Employees must consider the environmental consequences of all aspects of company operations."[15] In fact, by the time this Code of Ethics appeared, care of the environment had been at the core of the company's public image for at least four years.

On October 9th, 1990, the Newcomen Society, an organization devoted to celebrating the histories of industries and individual companies, invited Ken Lay to

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[13] Ibid., 197.
[14] Elaine McCasland, "'E' is for Environment," *Enron Business*, May 1994, 2.
[15] Ibid.

address an audience in Houston, Texas. Referring to the instability ushered in by natural gas deregulation, Lay seemed relieved that Enron had weathered "a rough, chaotic time."[16] Indeed, that October, the CEO appeared to be in an upbeat mood. As Lay told his audience, he was

> convinced that Enron is in the right business at the right time. We firmly believe natural gas will be the fuel of the 1990s – and for good reasons. First of all, it's a clean source of energy, contributing less than any other fossil fuel to the emissions which cause acid rain, the greenhouse effect or the destruction of the ozone layer in the atmosphere.[17]

Lay clearly regarded natural gas's environmental benefits as critical to Enron's fortunes. It was a point that he emphasized again towards the end of his talk, when he called attention to what he termed the company's "Vision" - a concise statement intended to provide focus for the company throughout the new decade. Enron, he declared, wanted to become "The First Natural Gas Major, The Most Innovative and Reliable Provider Of Clean Energy Worldwide For a Better Environment."[18]

As the example of Enron's first vision statement suggests, in the late 1980s and early 1990s the company adjusted its corporate identity and strategy in response to shifting cultural attitudes toward environmental stewardship. Part of this process meant building on cultural values, concerns and tropes already in circulation. Frederick Buell has argued that the 1980s witnessed a sea change in U.S. environmentalism, when it lost its activist bent and was largely co-opted by reactionary forces. As he notes:

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[16] Kenneth Lay, *The Enron Story*, (New York: The Newcomen Society of the United States, 1991), 16. The society itself no longer exists.
[17] Ibid., 7.
[18] Ibid., 22-23.

> The list of 'real' environmental stewards came to include not only specific corporations – ones that claimed to be green in products and processes – but also, astonishingly, free-market capitalists and even grassroots antienvironmentalists. If you asked, in the wake of the 1970s, who was looking out for the environment, everyone's hands went up – including those of the antienvironmental right and the nation's most polluting corporations. And when the hands went up, it would be harder than ever before to tell who was who.[19]

In other words, though it seems paradoxical that a fossil fuel company would make such use of environmental imagery, by the 1980s environmentalism had moved into the mainstream of U.S. public discourse and a business that touted itself as "green" would not have been noteworthy.

Indeed, the greenhouse effect, acid rain and a general concern over the state of the environment loomed large in U.S. culture in the late 1980s and early 1990s. Not only did President George H. W. Bush put a good deal of energy into the Clean Air Act, but the twentieth anniversary of Earth Day in April 1990 promised to be a major event. As to be expected¸ both *Time* and *Newsweek* both ran long stories on that occasion, though the two magazines evoked different attitudes. *Time* hopefully proclaimed that "a quiet revolution is greening the country," while *Newsweek* pessimistically shed light on environmental degradation up and down the Mississippi River.[20] Given the amount of media attention afforded environmental anxieties during this time, it should come as no surprise that a host of corporations began promoting "themselves as friends of the Earth."[21] No wonder Ken Lay felt that the timing was right for Enron's business. Even before Earth Day and

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[19] Frederick Buell, *From Apocalypse to Way of Life: Environmental Crisis in the American Century*, (New York: Routeledge, 2003) 5.
[20] *Time* April 23, 1990, Vol. 153, No. 17, 2. *Newsweek*, April 16, 1990.
[21] Sharon Begley, "The Selling of Earth Day," *Newsweek* 26 Mar. 1990, 60-1., 60.

Enron's first vision statement, the company had placed considerable emphasis on environmental stewardship in its marketing literature.

The company began using environmental rhetoric and visual imagery in earnest with its 1988 annual report.[22] In the report's "Letter to Shareholders" the "authors" (nominally Ken Lay and then-president Rich Kinder) suggested that "renewed interest in clean air" would be good for the natural gas company.[23] Similarly, the report's cover featured a gas power plant in the background with a field of flowers in the foreground.[24] The image embodied a "pastoral ideal" that sought to harmonize the photograph's two elements – the industrial power plant and the fields.[25] Here the plant and field coexisted peacefully and without contradiction. This picture was striking when considering the image that had appeared on the cover of the previous year's annual report – a close up of a gas pipeline and workers wearing hard hats, leaving no room on the page for even the presence of the natural world. Rather, industrial might was the photograph's dominant motif. Even the two employees at the center of the page were revealed as insignificant figures among the hard materiality of the gas pipelines.

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[22] Typically, a company publishes each year's annual report early in the next year. For example, the 1988 report was actually published in first part of 1989.

[23] Enron, "1988 Enron Annual Report to Shareholders and Customers," (1989), 5. Without question, Enron's environmental commitments were largely self-serving. However, such self interested motives do not necessarily negate the potential benefits of the resultant actions. As Bert Spector and others have noted, Corporate Social Responsibility is frequently used as a way for a firm to gain some specific competitive advantage. See: Bert Spector, "'Business Responsibilities in a Divided World': The Cold War Roots of the Corporate Social Responsibility Movement," *Enterprise & Society* Vol. 9, No. 2 (June 2008): 314-336. 331.

[24] The plant itself was not owned by Enron, but was rather a customer's.

[25] Leo Marx, *The Machine in the Garden: Technology and the Pastoral Ideal in America*, (Oxford: Oxford UP, 1964), 23. The "pastoral ideal" is an early American Studies concept that was first articulated by Leo Marx in his 1964 classic, *The Machine in the Garden*. While subsequent scholarship has questioned the theoretical underpinnings of the "myth and symbol" school that Marx was operating under, the "pastoral ideal" as an ideological construct still has merit.

In tandem with increasing concern over environmental degradation in public discourse, there was an even bigger leap in the company's environmental rhetoric the following year. The 1989 report's cover proclaimed that natural gas was the "cleanest burning and most economical of all fossil fuels" and that it held "the promise for a cleaner world…."[26] For the next several years, environmental rhetoric and iconography appeared regularly in Enron's marketing literature.[27] Indeed, illustrations and photographs throughout the 1992 annual report featured all of Enron's business operations and units as in harmony with green, nature-themed backdrops – an extension of the same themes the company had been working with for years. That the report's imagery was dominated by illustrations was also significant, endowing each scene with a friendly, nonthreatening quality. Unlike photographs of power plants, there was no need for captions to provide context. The artist (and company) could simply present an untroubled co-existence of industry and the natural world. In fact, the number of Enron-related operations stuffed into each imagined landscape implied a "naturalness" to the company itself. Such images call to mind Buell's argument about the vast transformations in American environmentalism in the 1980s. To be sure, Buell has in mind an environmental backlash that was part of the Reagan Right. Still, it is worth noting that by 1992, an energy company headed by an avowed free marketer could present itself as an effective and dedicated environmental steward.

[26] Enron, "1989 Enron Annual Report to Shareholders and Customers," (1990).
[27] Throughout this period, Enron would sometimes describe itself as a "vertically integrated clean energy company."

What's more, in Enron's case, these were not merely superficial statements meant to produce a friendlier corporate image. To a degree, these larger cultural concerns also shaped Enron's business strategy in the early 1990s.[28] For example, in 1989 and 1990 Ken Lay began promoting what he referred to as the "natural gas standard." Again emphasizing the environmental benefits of natural gas relative to other fossil fuels, Lay suggested that no other power generation plants be built unless they could at least equal gas fired cogeneration plants in both cost and environmental impact.[29] In an odd way, one could argue that Enron was ahead of the curve. Writing in 2001, business historian Christine Rosen noted a change in management attitudes towards the environment that neatly sums up some of the trends of the 1990s, writing that such managers "are realizing that it is in their firm's strategic self-interest to identify and find ways to embrace the business opportunities inherent in taking a constructive approach to solving society's environmental problems."[30] Indeed, Enron's emphasis on cogeneration plants can be seen as an example of what Rosen calls "environmental innovation."[31] Environmental sensitivity was undeniably at the core of the company's internal and external identity for

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[28] This focus on "clean energy" and environmental responsibility also filtered down to the culture the company tried to produce. The May 1994 issue of the company's employee magazine, *Enron Business*, was predominantly devoted to the environment, with articles entitled: "E is for Environment" and "EOG Protects and Enjoys Environment."

[29] Enron Corp., "Enron Corp. Chairman Ken Lay Promotes Natural Gas in Testimony Before Republican Platform Committee," news release, 13 Apr. 1992. Of course, it is worth noting that the company's relationship with the environment was also fraught.

[30] Christine Meisner Rosen, "Environmental Strategy and Competitive Advantage: An Introduction," *California Management Review* 43.3 (Spring 2001), 8-15, 8

[31] Ibid., 9.

years. When the company began expanding beyond natural gas, they primarily entered into environmentally friendly industries such as wind and solar power.[32]

Likewise, Enron never hesitated in strategically deploying “green” rhetoric when it proved useful. For example, in 1997 the company’s annual report cover featured a close up of lush, vibrant green leaves.[33] Similarly, when Enron began consumer directed advertising in the mid to late 1990s, the company sometimes highlighted its environmental image.

Of course, given the company’s ignominious demise in 2001, it is tempting to cast a jaundiced eye towards its environmental image. To be sure, Enron’s brand of environmentalism was hardly straightforward. Environmentally beneficial suggestions such as the “natural gas standard” were also obvious attempts to gain a competitive advantage for the company. Likewise, even when the company put a pastoral scene on the cover of its 1989 annual report the caption revealed an inherently market-oriented logic. The cover depicted antelope in dimming light grazing along vast plains. Throughout the first few years of the following decade, Enron often featured photographs such as this one in its marketing literature. However, the caption accompanying this photograph identified the location as Big Piney, Wyoming – the company’s largest gas field in the United States and site of one of its drilling and exploration operations.

[32] Enron’s activities on behalf of the environment were so extensive that ex-employee and conservative writer Robert L. Bradley, Jr. would grouse about them years later. See Robert L. Bradley, Jr., *Capitalism at Work: Business, Government, and Energy*, (Salem, MA: M&M Scrivener Press, 2009), 8.

[33] As Mimi Schwartz pointed out in her book with Sherron Watkins, *Power Failure*, this report cover has been sometimes called the “Fig Leaf” cover, since it was in 1997 when Enron began truly covering up their losses with outright fraud.

Nor was this environmental focus limited to the corporation's public image. Throughout the first part of the 1990s, the company touted its commitment to environmental responsibility in the pages of *Enron Business*, the company's internal publication for employees. In fact, the May 1994 issue was dedicated entirely to Enron's environmental efforts. In an echo of earlier annual report covers that evinced a pastoral ideal, the May 1994 *Enron Business* cover took the same approach, linking this ideal to Enron's power plant in Teeside, England, which was the company's most ambitious international development project at that time. The photograph foregrounded cows meandering in a field with a mammoth industrial structure in the background while the caption read: "Nature and technology harmoniously coincide at Enron's 1,875 megawatt Teeside Power Facility, which is fueled by clean-burning natural gas. The facility, located in the United Kingdom, exemplifies Enron's commitment to a better environment worldwide."[34] Much like the cover, many of the articles inside sought to reconcile the company's profit-making activities and political leanings with a sense of environmental responsibility. For example, in an article about Enron's lobbying efforts on Capital Hill, Terry Thorn, senior vice president of government affairs and public policy, applauded the Clinton administration's "willingness to use market-based solutions to solve environmental problems as progressive, innovative and a step in the right direction."[35] Such reasoning calls to mind Buell's point about how environmental rhetoric and attitudes in the 1980s blurred the line between what previously had been oppositional

[34] *Enron Business*, May, 1994.
[35] Mary Clark, "Promoting Natural Gas Underscores Enron's Environmental Activities on Capital Hill," *Enron Business* May 1994, 4.

camps. The idea that the free market could lead to "innovative" environmentally sensitive outcomes was echoed later in the article when Thorn commented that "environmentalists today have basically debunked the theory that economic growth and environmental controls cannot coincide."[36] Other articles in the May 1994 issue were far more rhapsodic in tone. One article about Enron's oil and gas exploration unit began:

> Maneuvering through West Texas ranch lands or along Wyoming riverbeds is a stark contrast to the rush hour congestion endured by most American workers.
>
> Few industries have the added benefit of operating beneath snow-tipped mountain ranges or along coastal shores like Enron Oil & Gas (EOG) field supervisors and lease operators, but with those peaceful surroundings come huge responsibilities.[37]

The article itself made repeated appeals to local environmental issues, insisting that Enron employees in these areas also had a vested interested in stewardship of the land. Perhaps unsurprisingly, the article prominently featured the photograph of antelope along the gas fields in Big Piney, Wyoming, that had graced the 1989 annual report cover.

Even two years later, in 1996, *Enron Business* ran an article that called attention to the company's efforts at laying pipe through wetlands near Lake Superior in Michigan. That article even included photographs of pipeline waiting to be put into the ground, as well as one after the area had been restored to "pristine" condition. That the environment was a recurring theme both in its outward marketing and branding efforts, as well as its internal communications, suggest how central environmental stewardship (albeit of a market-friendly variety) was to the company's brand and identity. However, the ways in

[36] Ibid. 5.
[37] Carol Hensley, "For EOG, Protecting the Environment is Just as Important as Enjoying It," *Enron Business*, May 1994, 6.

which Enron deployed these visual and linguistic tropes were fraught with contradiction. Such rhetoric and imagery offered an uncomfortable echo of William Cronon's argument that "wilderness" as a concept "represents the false hope of an escape from responsibility, the illusion that we can somehow wipe clean the slate of our past and return to the tabula rasa that supposedly existed before we began to leave our marks on the world."[38] Images of Big Piney or green rolling hills among Enron's various operations worked to absolve the company's very real, physical reworking of the land.

Still, despite the potential contradiction, throughout much of the 1980s and 1990s Enron attempted to ground itself both politically and culturally in the material world. Rather than presenting itself as operating solely in the realm of thought and information, the company was acknowledging its own embeddedness, through its large, industrial operations, in the physical world. Of course, the company explored other modes of representation in the early nineties. Around 1994, the company began to make known its global ambitions. Enron often touted large scale overseas projects, particularly massive power plants in Teeside, England, and Dhabol, India, as evidence of the company's growing influence. Domestically, however, the company continued to emphasize its commitment to environmental stewardship. By the late 1990s, Enron's image had shifted drastically. However, much like the "green" rhetoric, the seeds of this change in the company's image also lay in the late 1980s and early 1990s. Even at the beginning of the decade, changes were underway within the company which eventually pushed it to

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[38] William Cronon, "The Trouble With Wilderness,' *Uncommon Ground: Rethinking the Human Pace in Nature*, William Cronon, ed. (New York: W.W. Norton, 1996), 69-90, 80.

celebrate a world dominated by the sophisticated manipulation of complicated pieces of information.

Internal corporate identities are rarely, if ever, as unified as a company's public image. As much as environmental stewardship may have been central to the company's public, corporate identity, each individual unit within Enron did not necessarily embrace this theme wholeheartedly. In their study of organizational structure and identity, Stuart Albert and David Whetton have argued against the notion that any large organization possesses one, unified organizational (as opposed to a public or corporate) identity.[39] Even reviewing the various articles in *Enron Business*, it is clear that the company always contained multiple internal identities. Of course, Albert and Whetton point out that such a phenomenon should be expected with large organizations. What makes Enron's case so striking in this regard is the severity of the change that took place during the 1990s. Albert and Whetton have identified a temporal factor in a shifting organizational identity, arguing that a firm's rapid growth, acquisitions and divestitures can all force a change in organizational identity.[40] In Enron's case, it was rapid growth in one specific area – Enron Gas Services – that eventually produced a revamped image in the late 1990s.

BANKING CULTURE COMES TO ENRON

Although the company's environmental focus was its predominant public identity throughout the early part of its existence, the company was large and there were other

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[39] Stuart Albert and David A. Whetton, "Organizational Identity," *Research in Organizational Behavior* Volume 7, L.L. Cummings and Barry M. Staw, ed. (Greenwich, CT: JAI Press, 1985), 263-295, 263.
[40] Ibid., 274.

operations within Enron that possessed a very different ethos. One such unit was Enron Gas Services, created and headed by Jeff Skilling. The executive's involvement with Enron predated the company's existence. In the early 1980s, Skilling was an employee for McKinsey & Company, a management consulting firm. Significantly, Skilling was not initially interested in energy but wanted to focus on banks and other financial institutions. However, with an economic crisis in Houston in the 1980s, he saw that practically "every bank in the State of Texas was bankrupt."[41] As he put it, "I kind of realized that, if I was going to be in Texas, there were no more financial institutions left here, so I better learn the energy business."[42] This detail is not insignificant. In 1988 and '89, in his capacity as a consultant, Skilling devised a concept called the "Gas Bank," which would allow Enron to profit from deregulation's volatility and fluctuating prices in the spot market. As he began to advise and eventually join Enron, Skilling introduced a style of business and internal culture that resembled banking and financial activities far more than it did the operation of gas pipelines, cogeneration power plants, and exploration and development. In essence, Skilling's arrival at Enron touched off a gradual, though ultimately sharp, move away from the material world and toward the immateriality that came to define the company by the end of the decade.

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[41] 11867. Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 37, 10 Apr. 2006.
[42] Ibid.

About a year later, Ken Lay and others at Enron convinced Skilling to leave McKinsey and join Enron as head of Enron Gas Services.[43] It was this unit that later housed the Gas Bank and, in time, grew so influential that it drove the direction the company took throughout the 1990s. However, the Gas Bank and Enron Gas Services were significant for several interrelated reasons. First, one of the ways the bank functioned was by offering different derivative products, many of which could be used to secure futures of prices. Indeed, in some ways Enron had no choice but to function as a bank. As an overall celebratory Harvard Business School case study from 1993 pointed out, in the wake of bankruptcies that spread through Houston in the late 1980s with the collapse of oil prices, Enron had to develop ways to lend to gas suppliers.[44] From the beginning, Enron Gas Services was "a hybrid natural gas and financial services firm."[45]

In effect, the company was now offering long term contracts. What is more, it was this banking activity that eventually brought Andy Fastow to the company. Like Skilling, Fastow had a background in finance, in particular with securitization. While this particular financial operation had been typically used in pooling mortgages, as Skilling noted during his criminal trial, early in his career Fastow became known in the business community for applying securitization to other areas.[46] Fastow was also the catalyst for

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[43] At first, the Gas Bank did not seem to work well. It was its failure that prompted Lay to recruit Skilling to Enron fulltime. After another year, the Gas Bank became very successful. As Lay later put it: "I started trying to recruit him into Enron as early as '88 or '89 for sure, but I never could quite put together the job that was exciting enough for him." 14557. Transcript of Proceedings Before the Honorable Sim Lake and a Jury, Vol. 37, 24 Apr. 2006.
[44] Bhatnagar and Trufano, "Enron Gas Services," 6.
[45] Ibid., 4.
[46] 11892. Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 37, 10 Apr. 2006.

Enron's extensive use of off-balance sheet partnerships which proved to be a major factor in the company's eventual demise.[47]

The first of these fraudulent accounting structures was not created until 1997, but the roots go back to 1993, when, under Fastow, the company entered into a partnership with CalPERS (the California Public Employee Retirement System) and established JEDI (Joint Energy Development Investments).[48] JEDI's purpose was to identify and invest in profitable opportunities. While this arrangement worked for a time, when, in 1997, Enron wanted CalPERS to invest in a second fund, they created an illegitimate Special Purpose Entity called "Chewco" to take over CalPERS' investment in JEDI.[49] SPEs require at least three percent of their equity financing to come from a different source than the original company (in this case, Enron). However, Fastow had a difficult time finding outside investors and wound up creating byzantine structures and agreements that effectively guaranteed others' investments, meaning that little to no risk was transferred from Enron. Such schemes violated both the spirit and the law concerning SPEs. What is more, this move set a pattern for Fastow and the company for the remainder of its existence. SPEs with ever more elaborate structures ballooned over the next few years and allowed Enron to hide substantial amounts of debt.

Beyond these issues, Enron Gas Services and the Gas Bank also introduced the company's use of Mark-to-Market accounting, which allowed Enron to claim profits

[47] Such off-balance sheet partnerships are sometimes referred to as Special Purpose Entities, or SPEs.
[48] The reference to Star Wars was entirely intentional. Andy Fastow was apparently a fan.
[49] "Collapse of Enron," Hearing Before the Committee on Commerce, Science, and Transportation United States Senate, Feb. 12, 2002, 32-33.

before the money itself had been realized. In later Enron narratives, the Securities and Exchange Commission (SEC)'s response was used to highlight systemic failure (in essence, that the agency never should have allowed Enron to use this kind of accounting). However, the presentation that Enron sent to the SEC reflected the pervasiveness of the firm's banking mentality. Specifically, the authors tried to position the business unit as more of a bank than anything that had been previously connected to the natural gas industry. Indeed, the presentation (signed by Jack Tompkins, EGS's Chief Financial Officer, and George Posey, the VP of Finance and Accounting) argued that the company should be given mark-to-market accounting treatment, since it was more like a trading business (contrary to what the company would insist later). As they put it in their letter, the business unit was "substantially different" from the company's other businesses since its "assets" were "comprised of contracts and financial instruments, as opposed to fixed assets such as natural gas pipelines."[50] In effect the unit was emphasizing immateriality as opposed to materiality; the company was more like a bank than a regular pipeline operation. What is more, the letter highlighted the novelty of what Enron Gas Services was doing. As they put it, the unit was "among the first traders of natural gas under long-term fixed price contracts and derivative products."[51] The report that the company sent to the regulatory body was also significant in that it compared its own operations to a series of financial institutions (including Continental Bank, where Andrew Fastow had learned structured finance).

[50] Jack I. Tompkins and George W. Posey to George H. Diacont and Robert A. Bayless, 11 June 1991. Securities and Exchange Commission, 1.
[51] Ibid., 2

In effect, even as it witnessed the introduction of policies that eventually proved to be the company's undoing, Enron Gas Services pointed toward a way to profit from the suddenly unstable natural gas business. What is more, Enron had done so in a way that resembled "knowledge work" instead of the traditional way of operating gas pipelines. Natural gas had suddenly become a risky business to be in, and it was Enron's offering various immaterial risk management products (such as certain types of derivatives) that provided a way for the company to make money.

As the Harvard Business School case study put it, by 1992 "EGS could engineer virtually any type of financial contract its users demanded, and it often bundled physical and financial contracts together for ease in marketing."[52] Specifically, the business unit had developed a number of derivative products, and even had "the largest portfolio of fixed-price gas and natural gas derivative contracts in the world."[53] Indeed, throughout the application to the Securities and Exchange Commission, the authors repeatedly highlighted the role of risk management in their day-to-day operations. By using a number of "financial instruments, including long-term price swaps, options (collectively, 'derivative products') and forward contracts" the company could "eliminate economic risk" that, with deregulation, had become "associated with natural gas prices."[54] Indeed,

[52] Bhatnagar and Trufano, "Enron Gas Services," 9.
[53] Ibid., 5.
[54] Tompkins and Posey, Letter, 2, 4.

the idea of risk management became central to the company's definition of itself and its services.[55]

Still, to the outside world, Enron's image was that of an environmentally responsible natural gas company. While the company advertised its financial products, such as EnFolio, in the early 1990s, the company's overall ad campaign and internal and external message told a much broader story (even if, at least on some level) the language the company used was becoming less specific. To an extent, this is understandable. Even by Skilling's own admission, it would take years before Enron Gas Services became the primary force behind Enron's earnings and dominate both the company's internal culture as well as its self-representation to the outside world. However, even glancing at some of the company's marketing literature from the early 1990s reveals the creeping banking culture that gradually took center stage within the company. One striking example appeared in the company's 1990 annual report. While that document largely promoted the company's environmentally friendly image, its inside flap hinted at the changes to come. The page, which folded out, was meant to provide a snapshot overview of the company as a whole.

At the time, Enron was divided into five different business units, of which Enron Gas Services was but one. Readers (primarily shareholders and potential investors in the company) were greeted by five images meant to convey the types of activities undertaken

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[55] Though the imagery associated with investment banking would, to a degree, be replaced by the visual and linguistic rhetoric of the "new economy" Enron would continue to have a complex relationship with risk. As the decade wore on, the company would both celebrate a world of risk (and in some cases seek to create it) while at the same time offer solace from that risk.

by each business unit. In this lineup, Enron Gas Services stuck out. All of the other images, associated with business units that had long been a part of the company and would have been familiar to anyone in the natural gas industry, featured photographs of the material world. The pipeline group foregrounded land and featured employees working on it (presumably determining where to put a new pipeline or working with a pipeline that was already underground). Other groups, such as the power generation group, highlighted large industrial processes, here represented by a power plant. By contrast, the image of Enron Gas Services was a disruptive break. The image itself was taken from the outside looking in, the viewer seeing workers through blinds and a window. Unlike the other scenes on the page, this work was not taking place outside. The workers themselves sat at desks, answered phones and consulted each other. Instead of dealing with large material structures, such as pipelines, power plants or exploration rigs, these were "knowledge workers" manipulating information.

The brief description of the business unit also emphasized both the immaterial nature of its work ("marketing products" and "financing alternatives") and values ("innovative") that implied the company was able to handle the chaotic world of the "rapidly changing natural gas industry." In time, these values and ideas afforded cause for celebration by the company. Though the company continued to operate its pipeline system right up until the end, the constant reorganizations and name changes the company experienced in the mid to late 1990s placed increasing emphasis on businesses that resembled financial services. Rather than firmly viewing itself as a vertically integrated clean energy company, in a section of the 1995 “Letter to Shareholders” entitled “Unique and Forward Strategy,” the management predicted that “40 percent” of the company’s “projected $1 billion net income in the year 2000” would come from “businesses that did not exist in 1990.”[56]

CHANGE IN LANGUAGE AND FOCUS

Though these new, more informational modes of production proliferated within the company, they also presented a unique problem of representation. By the late 1990s, the environmental concern formerly at the center of Enron’s corporate identity had largely faded from view and with it, the company’s overt commitment to the material world.[57] The company’s earlier image had been relatively easy to represent. The environment and the power business came with stock images of pristine wilderness and industrial might. By contrast, Enron would find that, at least at first, no language existed that could adequately describe what it was the company did. Ironically, as Enron’s business practices moved towards emphasizing information, communicating the nature of that information became increasingly difficult. Throughout the middle of the decade, Enron struggled to find the words to describe itself, settling on increasingly vague

[56] Ibid., 11.

[57] However, this shift in focus was not one of substitution, but rather one of proportion. Many of the rhetorical devices and imagery that came to define what we might term “late-period” Enron were present from the beginning. For example, the word “innovation” was always present in the company’s marketing literature, but usually as a modifier, not as a central idea. What is more, the practices that defined the company by the end of century were already in place in 1990, when Jeff Skilling created Enron Gas Services.

language imparting feelings and values, rather than defining concrete products and processes.

The next time the company changed its “vision” in 1994, it reflected the internal changes in Enron’s culture and operations as well as these problems. The company was, it now declared, “The world’s first natural gas major … creating energy solutions worldwide.”[58] Though the 1994 annual report still mentioned the environmental benefits of natural gas, the issue had clearly taken a back seat to far more abstract ideas and values – as evidenced by the use of words like “creative,” “energy solutions,” and, of course, “innovative.”[59] While such words could be used to describe the *feel* of a company, unlike earlier descriptions, these words and phrases failed to convey the precise nature of the company’s operations. This trend continued over the next several years. In 1995, Enron’s marketing literature declared that the company had established itself as an “entrepreneurial, innovative, and vision-driven company.”[60]

To be sure, this was heady stuff. Indeed, Enron had changed significantly since 1990 (when the Gas Bank was first introduced). Perhaps it is the nature of corporate “visions” to be vague and aspirational, but these linguistic contortions were also taking place on a smaller scale inside the company. This issue first appeared and was addressed in the section that Skilling had formed, Enron Gas Services. In 1994, the business unit underwent a name change, to Enron Capital and Trade. When it was covered in *Enron*

[58] Enron, "1994 Enron Annual Report to Shareholders and Customers," (1995).
[59] To some degree, Enron would always retain a patina of environmentalism and the company would never hesitate to strategically deploy “green” rhetoric when it proved useful. For example, in 1997, the company’s annual report cover featured a close up of lush, vibrant green leaves.
[60] Enron, "1995 Enron Annual Report to Shareholders and Customers," (1996), 6.

Business, the new name was treated as a momentous event.[61] As the article noted, the team involved in coming up with the new name took their charge seriously. The author wrote that the team "evaluated the marketplace. They consulted dictionaries and thesauruses [sic]."[62] The change was more than cosmetic and represented fundamental shifts taking place inside the company. Significantly, the word "gas" was removed from the title. The material commodity that Enron had been dealing in since its inception was removed altogether. Almost immediately, the business unit faced the challenge of explaining what it actually did. The issue was apparently significant enough that the writer of the *Enron Business* piece went so far as to dissect the new name. The word "Enron" communicated "the notion of energy," while "Capital" represented finance and "Trade" (according to the article) represented the physical side of the business.[63] Still, even though the last word in the title was meant to signify the physical, material aspects of the business, the description had more to do with risk management services than physical delivery of natural gas. The new name, as imprecise as it was, served as an important marker for the direction the company was moving in.

Paradoxically, as Enron (and this business unit in particular) moved more towards an ethos of knowledge work, the language itself became far less concrete than it had been before. The problem of language in describing what Enron did was not lost on the

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[61] Roland Marchand has noted the significance internal corporate publications have for both internal and external corporate rhetoric, imagery and identity. See Roland Marchand, *Creating the Corporate Soul*: *The Rise of Public Relations and Corporate Imagery in American Big Business*, (Berkley: The U. of California P., 1998), 226-7.
[62] "What's in a Name?", *Enron Business* Oct. 1994.
[63] Ibid.

company's senior managers. Years later, during his criminal trial, Jeff Skilling reflected on this problem. Skilling himself could not quite seem to find the words to describe Enron.[64] As he put it, "we tried over the years – it was hard because this was new – to describe what it was. And we tried lots of different words over the decade."[65] While at first Enron's identity had been linked directly to gas and electricity, Skilling admitted to worrying about being too closely tied to the material itself, since the company's stock would rise and fall with the price of gas (something Skilling felt was unfair since the company was providing services related to gas). In Skilling's telling, Enron was known later as a "merchant" company, though the executive felt that the word didn't "sound quite right."[66] He preferred the term "intermediation," though "everybody told me that it's just too hard for people to understand, just, you know, sounds kind of technical. We tried logistics."[67] Still, Skilling tried to come up with some way to describe the company. As he put it: "I think the communication over a decade […] was that the company was a sophisticated deliverer of product and services to customers."[68] Yet the phrase Skilling ultimately settled on was tortured and lacking in description. What is more, it coincided with a general lack of specificity in describing what Enron did. The problem of language had significant consequences for the company.

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[64] 11903. Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 37, 10 Apr. 2006.
[65] Ibid., 11905.
[66] Ibid.
[67] Ibid.
[68] Ibid. 11905-11906.

The seeming inherent incommunicability of the business unit's activities found its way into the 1993 Harvard Business School case study. The study's authors even opened with it, citing a 1993 *Forbes* article that was critical of Enron Gas Services. As the Harvard study's authors put it, the *Forbes* criticism was unwarranted because Enron Gas Services was "a complex hybrid of a natural gas company and a financial institution, which made the task of understanding its business and associated risks extremely difficult for outsiders."[69] The study did agree that the business was "opaque" but still noted that Enron Gas Services had also become extremely adept at risk management services.[70] The study even noted that a Lehman Brothers analyst thought the *Forbes* writer did not understand what the company did. As the case study concluded, the *Forbes* article "was a disturbing reminder that EGS had not completely communicated the degree to which this internal system had succeeded."[71] Here, the Harvard Business School case study's authors regarded both the level of informational complexity in what Skilling had done and subsequent problems with communication and language as evidence of sophistication.

The connections between the case study's criticism and the ones that McLean made later on were not lost on Skilling. As he put it during his trial, the case study

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[69] Bhatnagar and Trufano, "Enron Gas Services," 1. In her *Forbes* article, Toni Mack foreshadowed later complaints with her critique of Enron's use of mark-to-market accounting, though it was the Harvard study that brought the problems of communication and complexity to the fore. See: Toni Mack, "Hidden Risks," in *Forbes* 24 May 1993, 54.

[70] Ibid. This idea of risk management would become central to Enron's identity later on.

[71] Ibid. On some level, given this early coverage, it is easy to see how the company could (and did) get in the habit of routinely dismissing such criticism throughout the 1990s.

sounded “remotely familiar with the *Fortune Magazine* article in the year 2001.”[72] Yet, as Skilling himself put it, representing Enron’s evolving business “was an ongoing issue that went way back in time, and it was – it was difficult because this is not a simple concept to get across.”[73] Just as language was a problem in describing Enron, so too, was visual imagery. While in the past the company had been able to visually represent itself with large industrial processes or even bucolic scenes of the natural world, increasingly Enron would have to resort to both vague language and visual metaphor to represent itself and its activities.

By 1997, however, Enron’s language problems were in part resolved by the emergence of a “new economy” culture. Once again, the company’s rhetoric and imagery changed drastically. 1997 was a watershed year for Enron in many ways. Of course, the most outward change was the company’s new logo. What is more, the year was, according to many, when Enron slid into outright fraud with developments such as Fastow’s accounting schemes. 1997 was also the year that Enron launched an effort to establish a more prominent public presence in the United States. In part, the rebranding worked in tandem with the company’s initial foray into retail electricity. Suddenly, it mattered that U.S. consumers knew the name. And while environmentalism played a role in *some* of this rebranding, it was no longer the company’s marketing focus. Such changes in corporate imagery and identity, as well as the slide into fraud, and the

[72] 11908. Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 37, 10 Apr. 2006.
[73] Ibid.

company's overt cultural production, corresponded with the ultimate triumph of the business strategy and style that Skilling had developed with Enron Capital and Trade.

By 1997, the company reached a milestone. As Jeff Skilling put it during his trial testimony, around this time Enron reached a "tipping point" where Enron Capital and Trade – the business Skilling had started – became the company's most profitable business unit.[74] As Skilling described it then, Enron decided to focus on developing what he termed "brain-intensive businesses" as opposed to "capital-intensive projects."[75] The language the embattled executive used was striking, as were its implications. Skilling wanted the company to focus less on the material world and more on manipulating complex pieces of information. The new focus meant operating primarily in the style of Enron Capital and Trade. By favoring "brain-intensive businesses," Skilling and Enron were privileging the immaterial world of ideas, but the phrase implied more than a particular corporate strategy. The phrase explicitly prioritized intelligence above anything else in the company's business. In effect, Skilling's statement revealed that Enron now wanted to focus on "symbolic analysis," work that required a specific type of employee: the "symbolic analyst." Yet the company's dedication to this type of work carried with it a very specific ideological underpinning revealing yet another contradiction of the informational economy. With the success of Enron Gas Services and the Gas Bank, Enron had learned to profit from an unstable, unpredictable world. As the 1990s wore on,

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[74] 11926. Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 37, 10 Apr. 2006.
[75] Ibid.

Enron engaged in a political-economic, as well as cultural project of both creating and celebrating a newly unstable, risky world.

SYMBOLIC ANALYSTS

During the latter part of the decade, Enron faced the problem of communicating the idea of its "brain intensive businesses." One early response was the company's celebration, both internally and externally, of what political economist Robert Reich has termed the "symbolic analyst."

Many have described the post-1973 informational economy as a contemporary political economy that has come to be defined by "knowledge work," information, and the annihilation of space and time. By the late 1990s, writers in the popular and business press described this type of economic production in breathless terms and ahistorically heralded it as a dramatic and definitive break with the past that had been brought about by entrepreneurial businessmen creatively utilizing new technologies.[76] However, these writers did not necessarily grasp the full import of the informational economy. Just as the nature of work changed in the informational economy, new categories of workers also emerged, with symbolic analysts performing the highest level tasks.[77]

Though the concept of "knowledge workers" dates back to at least the 1960s, Reich sees symbolic analysts as something different. Writing in 1992, Reich explained that, "Symbolic analysts solve, identify, and broker problems by manipulating symbols.

[76] For an example of this, see Kevin Kelly, *New Rules for the New Economy* (New York: Penguin, 1998).
[77] Enron itself never used this term to describe its own employees. However, I use the term here because Reich's formulation allows for a fuller understanding of the implications of this type of work.

They simplify reality into abstract images that can be rearranged, juggled, experimented with, communicated to other specialists, and then, eventually, transformed back into reality."[78] Reich's definition of "symbolic analysts" is very broad, even including artists and musicians. However, for Reich, there are similarities uniting this seemingly disparate group of workers. Notably, the "products" that symbolic analysts produce are

> not standardized things. Traded instead are the manipulations of symbols – data, words, oral and visual representations.
>
> Included in this category are the problem-solving, -identifying, and brokering of many people who call themselves research scientists, design engineers, civil engineers, biotechnology engineers, sound engineers, public relations executives, investment bankers, lawyers, real estate developers, and even a few creative accountants.[79]

Another distinction that sets symbolic analysts off from other workers is the actual labor involved. As Reich explains: "symbolic analysts sit before computer terminals – examining words and numbers, moving them, altering them, trying out new words and numbers […] Final production is often the easiest part. The bulk of the time and cost (and, thus, real value) comes in conceptualizing the problem, devising a solution, and planning its execution."[80] Of course, one could make the argument that symbolic analysts do not represent anything new; large corporations have always had managerial classes, including large "brain work" departments devoted to research and development or marketing. However, Reich argues that one can be a white collar worker without being a symbolic analyst. It is the *creative* manipulation of symbols and information (the same

[78] Robert B. Reich, *The Work of Nations* (New York: Vintage Books, 1991), 174.
[79] Ibid. 177.
[80] Ibid. 179.

type described by Hardt and Negri in *Empire*) which is qualitatively new and constitutes an explicitly *postmodern* type of work.[81]

However, the core inconsistencies of the informational economy are also present in the nature of symbolic analysts' work. As Reich points out, "Symbolic analysts rarely come into contact with the ultimate beneficiaries of their work."[82] Despite the limited view symbolic analysts have - Reich notes that the way in which these workers see the world while at work is literally abstracted - they have enormous influence. Symbolic analysts and those affected by their work may never meet, yet symbolic analysts are intimately tied to these people. In other words, the creative manipulation of symbols and information has real, tangible consequences. For example, Manuel Castells's observation that production and knowledge work have become spatially separated leads to what Anthony Giddens refers to as "disembeddedness." Disembeddedness is a condition whereby "local practices" are linked with "globalized social relations" which "organize major aspects of day-to-day life."[83] Giddens argues that people must now place trust in "abstract" or "expert" systems. As he puts it, "*Trust* relations are basic to the extended time-space distanciation associated with modernity. *Trust in systems* takes the form of

81 Michael Hardt and Antonio Negri, *Empire* (Cambridge: Harvard UP, 2000), 286.
82 Reich, *The Work of Nations*, 178.
83 Anthony Giddens, *The Consequences of Modernity* (Cambridge, UK: Polity Press, 1991), 79. I realize here that I am using Giddens's work *The Consequences of Modernity* to help expand on a point that I am identifying with postmodernism. Indeed, in this very book, Giddens takes issue with the very idea that the time in which he is writing is qualitatively different from the modern world, but rather an intensification of its central characteristics. For my purposes, I am uninterested in taking a side in this debate. Rather, taken as a whole, all of these figures – Reich, Giddens, Harvey, Hardt and Negri and others – provide a useful set of terms and concepts for describing the political economic landscape in the late twentieth century, as well as Enron's business activities. See also Manuel Castells, *Rise of the Network Society* (Malden, MA: Blackwell, 1996), 293-3.

faceless commitments, in which faith is sustained in the workings of knowledge of which the lay person is largely ignorant."[84] More recently, some have pointed to the powerful role symbolic analysts play in expert systems[85]

Yet the trust people must place in the expert knowledge of symbolic analysts can also produce a jittery and anxious dread.[86] This is because the informational economy is far from a moral order. As Reich points out: "Problem-solving, -identifying, and brokering can create substantial value for individual consumers, but these services do not necessarily improve society."[87] While symbolic manipulation can contribute to the public good, Reich argues that at times "symbolic analysts simply enhance some people's wealth while diminishing other people's to an equal extent; or their net effect may be to reduce almost everyone's well-being."[88]

In some ways, Enron is typical of this economy and its workers. Since the creation of the Gas Bank in 1990, Enron had moved in the direction of symbolic manipulation and analysis and away from tangible, physical production. This move became more pronounced throughout the decade, eventually coming to define the

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[84] Ibid. 87-8. Emphasis in original.

[85] *Globalization: The Key Concepts* (Blackwell, 2007), 229.

[86] For Giddens, it means that we are forced into adopting an almost pre-modern stance (though he also acknowledges that there are significant differences). He notes that: "For the lay person, to repeat, trust in expert systems depends neither upon a full initiation into these processes nor upon mastery of the knowledge they yield. Trust is inevitably in part an article of 'faith.'" See Giddens, *The Consequences of Modernity*, 29.

[87] Reich, *The Work of Nations*, 185.

[88] Ibid. Some note that analysts themselves may experience the same type of instability in their own careers. As Chris Warhurst and Paul Thompson declared in 1998, "Future knowledge workers of all kinds will be selected, rewarded and promoted according to compentencies […] Stable career patterns will be a thing of the past. Rather than climb the reduced rungs of the organizational ladder, knowledge workers will hawk their skills around organizations." See: Chris Warhurst and Paul Thompson, "Hands, Hearts and Minds: Changing Work and Workers at the End of the Century," in *Workplaces of the Future*, ed. Paul Thompson and Chris Warhurst, 1-24 (London: MacMillan Press, 1998) 3.

company – even if this definition came in the form of vague phrases such as the "financialization of energy."[89] The manner in which Enron workers described and understood their jobs also points to the creative manipulation of symbols. For example, one worker described his job as taking complicated insurance and financial products and translating them into language that final customers could understand. Indeed, some would point to the work of a symbolic analyst *par excellence*, Andy Fastow, as causing Enron's downfall. To be sure, the potential dark side of symbolic analysts and symbolic manipulation was not lost on everyone, and its role is crucial for understanding Enron.

Throughout the second half of the 1990s, Enron morphed into a company full of symbolic analysts. What this meant for employees was a barrage of messages as to what a "symbolic analyst" was like and the type of work that they did. Increasingly, Skilling sought to create an internal culture that catered to symbolic analysts, giving them a great deal of freedom (a management style he referred to as "loose/tight"). In a 2000 *Fortune* article, he described Enron as a "free market" of people.[90] As Skilling described this system during his criminal trial:

> The loose side was, if somebody had a new idea, as long as they worked within this control system, they were encouraged to try it. And if somebody wanted to wear – well, we didn't have a dress code. You know, we – I used to say that some of our most innovative people were kind of the weirdest people that we had

[89] Interestingly, Reich also points to the inadequacy of language to describe the work of symbolic analysts. As he puts it: "because symbolic analysis involves processes of thought and communication, rather than tangible production, the content of the job may be difficult to convey simply. […] Some symbolic analysts have taken refuge in job titles that communicate no more clearly than this, but at least sound as if they confer independent authority nonetheless." Reich, 182. One Enron who worked as a marketer reported that he wasn't given a formal job title, but was simply told to make one up.
[90] Thomas A. Stewart, "Taking Risk to the Marketplace," *Fortune*, March 6, 2000, 424.

> working for us. So, you need to give people latitude because they liked – you wanted different kind of people because then you got better ideas.[91]

After the company collapsed, many commentators pointed to the internal chaos that "loose/tight" fostered, including poor internal controls, perverse incentives, and a brutal employee evaluation process. Still, it is worth noting how these internal developments were directly related to the company's increasing commitment to immaterial production and symbolic analysis.

Still, representing immaterial processes was inherently problematic. Indeed, in his contribution to the 1998 management book, *Straight from the CEO*, Ken Lay highlighted Enron's strategy of direct engagement with culture, as well as the problems the company faced. Specifically citing some of the recent regulatory changes in both natural gas and electricity that were in the offing, Lay noted that the company would have to directly engage consumers.[92] As part of the changes that were taking place, the executive reasoned that "branding and aggressive advertising" would be a hallmark of the new industry.[93] Yet this would be no easy task. As Lay himself put it, "Given the invisibility of both methane and electrons, a company's most important marketing edge will be the public's goodwill."[94] In effect, Enron would not be able to rely as much on the relatively

[91] 11925. Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 37, 10 Apr. 2006.
[92] Ken Lay, "Coming Soon to Your Home and Business: The New Energy Majors," in *Straight from the CEO: The World's Top Business Leaders Reveal Ideas that Every Manager Can Use*, G. William Dauphinais and Colin Price, Ed. (New York: Simon & Schuster, 1998). 251.
[93]Ibid., 255. Even if the gas itself was invisible, manipulating it necessitated large, industrial objects such as processing plants and lengthy pipelines.
[94] Ibid., 254.

straightforward concept of environmental responsibility in its corporate imagery (though it would never completely abandon this ethos). Rather, the company would have to find new ways of engendering public goodwill in a business that increasingly dealt with intangible products. Enron's public face would have to change and the company would have to be more aggressive in its engagement with the U.S. public.

THE NEW ECONOMY, CULTURE AND THE CELEBRATION OF INSTABILITY

The change was almost immediately recognizable in the 1997 annual report. Throughout Enron's career, the annual reports had been relatively sober statements about the company's performance and prospects. These were also the places where Enron publically unveiled its "visions" for the future.[95] The 1997 report contained an introductory section entitled "Who we are." In this section, the company declared, "We begin with a fundamental belief in the inherent wisdom of open markets. We are innovative. We are all about creating energy. We operate safely and with a concern for the environment."[96] In many ways, this statement operated as a good indication of the direction Enron was taking. Of course, the environmental rhetoric was still there (and, indeed, was more or less featured on the cover). However, it had taken a back seat to a political economic investment in "open markets." The following statement, that Enron was "innovative," deliberately highlighted a word that the company had always used, but

[95] This approach began to change with the 1996 report, which was largely given over to a discussion of deregulating the U.S. electricity industry. I will discuss this report in detail in a subsequent chapter.
[96] Enron, "1997 Enron Annual Report to Shareholders and Customers," (1998).

that now began to form the core of the company's identity. Not only did the business and general media pick up on the term and use it to describe the company over the next couple of years, but the company emphasized the idea to both its employees and the public. Significantly, the term "innovative" was a description, but nothing concrete. Still, the term implied a style of business and carried far more philosophical weight than perhaps the company at the time realized. The next statement, where Enron declared that it was "all about creating energy," was far less specific than such earlier self-characterizations as a "vertically integrated clean energy company." The problem of language that Enron had struggled with in the past was still present, but the company, it seemed, had found a solution. In its declarative statement, the company effectively jettisoned concrete descriptions of its business and instead emphasized a set of cultural, political and economic values. Political-economic maxims about "open markets" replaced references to the material world.

However, the changes ushered in by the 1997 annual report went beyond such statements. Strewn throughout the annual report were images from a new print advertising campaign that Enron had begun, directly engaging in cultural production and representing itself to the public at large. What is more, as the company became more direct in its engagement with culture, the corporation's politics became more overt.

DERIVATIVES AND THE ABSTRACTION OF FINANCE

Though some, including Bethany McLean, would complain about Enron's description of its business practices as the "financialization of energy," the phrase itself is not wholly without merit. The inspiration for and logic behind the work Enron performed through the 1990s to 2001 could be found in the financial services sector of the economy. As Enron adopted Skilling's emphasis on immaterial labor and symbolic analysis, the company dealt largely in different types of risk-management instruments collectively known as derivatives.

Generally, derivatives are defined as "tradable contracts" where the value is *derived* from "the value of other assets."[97] As Bill Maurer notes, "futures contracts, forward contracts and options contracts" are all classes of derivatives.[98] Despite differences in the types of derivatives, all of them have the same basic function of hedging against risk associated with economic activity. For example, one type of derivative is a "put option" - a contract that gives the buyer the right to sell something (a stock or a commodity) at a set price at a specific time in the future.[99] Some have characterized derivatives as types of money that attempt to "make the future both profitable and secure."[100]

[97] Bill Maurer, "Repressed futures: financial derivatives' theological unconscious," *Economy and Society* 31, no. 1 (February 2002): 15-36, 1.
[98] Ibid.
[99] Donald MacKenzie, *An Engine, Not a Camera: How Financial Models Shape Markets*, (Cambridge, MA: The MIT Press, 2006), 300. MacKenzie's glossary contains many useful, straightforward examples of different financial terms and concepts.
[100] Michael Pryke and John Allen, "Monetized time-space: derivatives – money's 'new imaginary'?," *Economy and Society* 29.2 (May 2000): 264-284, 276.

Derivatives have a long history and were a part of what William Cronon refers to as the "necessary fiction" of the commodities market that developed in late nineteenth century Chicago. Rather than merchants directly examining individual bushels of grain, the stuff was grouped into broad categories. Merchants and sellers would then work with slips of paper instead – buying and selling grain throughout the day without ever laying eyes on the material itself.[101] This abstraction of economic activity then allowed for the development of contracts like grain futures, a type of derivative. As Cronon explains, futures contracts, an agreement to deliver grain on a future date, amounted to trading in a commodity that did not yet exist.[102] Edward LiPuma and Benjamin Lee call these earlier forms of derivatives "production-based" since there was still a fairly direct relationship to the actual product.[103]

This qualifier is crucial, and it is important to distinguish these types of derivatives from a variety that began to emerge in the late 1960s and early 1970s, which are sometimes called "financial derivatives." These types of derivatives are "essentially wagers on changes in the price of money."[104] Many economic anthropologists, geographers and critics regard this period as a watershed moment in the global economy.[105] During this period, there were a number of significant economic changes.

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[101] William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: Norton, 1991), 109-147.
[102] Ibid. 126.
[103] Edward LiPuma and Benjamin Lee, "Financial Derivatives and the rise of circulation," *Economy and Society* 34.3 (August 2005): 404-427, 411.
[104] Ibid. 407.
[105] David Harvey, for instance, argues that a distinct historical period, that of postmodernity, began around 1972-1973. Not coincidentally, the early 1970s is the period that witnessed the emergence of flexible labor. I am not particularly interested in engaging in the debate over what postmodernism is; however, several

First, in 1971, the United States moved off the gold standard, which meant that the value of the U.S. dollar would no longer be linked to gold. In effect, the system of fixed exchange rates for currencies that had been in place since the Bretton Woods agreement in 1944 was no longer operative. Instead, these exchange rates could "float." The term "float" itself is fitting, since mobility (in almost every sense) became a new quality in world economy. As Pryke and Allen note, newer financial derivatives were "financial instruments to counteract the risks of *interest rate movements, exchange rate fluctuations* and *price volatility*."[106] It was in this period that the global market for options, futures and other derivatives grew exponentially, constituting, in the eyes of some, new types of money.[107] In the world of "financial economics," the publication of the Black and Sholes Option Pricing Model equation in 1973 was widely regarded as a landmark, contributing to an already increasing level of complicated mathematics in the financial markets and with financial derivatives.[108] In general, global capitalism and finance became far more mobile and complex, making participation in finance and economic activity riskier.

Paradoxically, though such derivatives were born out of a need to deal with risk, they also spread risk. Derivatives cannot eliminate risk, but only move it somewhere else.[109] As some have noted, this process helps to connect different parts of the globe in a

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theorists who have written about postmodernism are useful here for providing connections and a way to connect economics to culture in the late 20th century.

[106] Pryke and Allen, "Monetized time-space," 266. Emphasis in original.

[107] Stuart Corbridge and Nigel Thrift, "Money, Power and Space: Introduction and Overview," *Money, Power and Space*. Stuart Corbridge, Nigel Thrift and Ron Martin, ed. (Oxford, UK: Blackwell, 1994), 1-25. 8.

[108] MacKenzie, *An Engine, Not a Camera*, 4.

[109] Pryke and Allen, "Monetized time-space," 268.

web of risk.[110] MacKenize refers to this process as "disentanglement," where the risk, in an abstract form, is removed from its local, physical origins and can be "placed" elsewhere.[111] If, as Nigel Thrift argues, firms during the late twentieth century saw the world as "inherently uncontrollable," derivatives were both causes of and responses to anxieties surrounding this risky, uncontrollable world. [112]

Derivatives are also inherently immaterial since they can be disassociated from the original asset (whether it be stock in a company, a nation's currency or some commodity). As Pryke and Allen observe, in "*99 per cent of futures trades, physical possession of the underlying security never takes place*."[113] Brian Rotman, for instance, has characterized some derivatives as "xenomoney," a "money-sign" that has no real outside referent.[114]

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[110] LiPuma and Lee, "Financial Derivatives," 407.
[111] MacKenzie, *An Engine, Not a Camera*, 14.
[112] Nigel Thrift, "Virtual Capitalism: The Globalisation of Reflexive Business Knowledge," *Virtualism: a new political economy*, James G. Carrier and Daniel Miller, ed. (Oxford, UK: Berg, 1998), 161-186, 162.
[113] Pryke and Allen, "Monetized time-space," 272. Emphasis in original.
[114] Xenomoney, for Rotman, emerged when the United States dollar was removed from the gold standard. The U.S. dollar now referred to itself rather than to "some natural thing imagined to have a pre-monetary worth." For Rotman, derivatives take this one step further. Of various financial derivatives, he writes:

> Divorced by fiat from any source of 'intrinsic' value outside its own universe of signs, it is forced as a sign to engage in the creation of its own signified – one written in the only terms available to it, that is future states of itself. By buying and selling itself through time, that is commoditizing the difference between its spot and forward values, xenomoney achieves a certain sort of self-creation. It is a time-bound sign that scandalously manufactures its own signified, what it insists is its value, as it goes along.

Rotman is worth quoting at length because he helpfully classifies complicated financial products like financial derivatives as a self-referential system of signs. It is not an accident that Rotman's description of xenomoney is close to poststructuralist ideas about writing and language. He even makes the connection clearer later in his book. As I shall argue later, this is crucial to understanding some of Enron's business practices and the anxiety that emerged from the company's collapse. See Brian Rotman, *Signifying Nothing: The Semiotics of Zero* (New York: St. Martin's Press, 1987), 96, 101.

However, Rotman's claim goes too far. The immaterial realm of financial derivatives is not entirely disconnected from the material world. Rather, they are active agents in that world. MacKenize and others have noted the "world making" potential of derivatives and other financial instruments and theories. Pryke and Allen, for example, note that derivatives have the ability to "recompose, *re-rhythm* 'real' geographical spaces as financial calculations unwind in the everyday, far away from the terminals in financial centres."[115] In other words, disparate spaces and (since derivatives are always looking to the future) times are connected through derivative contracts.

Derivatives and their implications are crucial for understanding Enron's business practices.[116] Enron's "market making" activities throughout the 1990s usually involved introducing some sort of derivative product. Most infamously, Enron was one of the first companies to offer a weather derivative (in 1997) which promised to hedge against adverse weather conditions – perhaps one of the most audacious attempts to avert risk inherent in the material world.[117] Internally, the advent of weather derivatives was regarded as significant enough that *Enron Business* included it as a major milestone in a 2000 timeline. That same year, when Enron launched an advertising campaign, one of the television commercials exclusively focused on weather derivatives. The idea of weather derivatives offered the most striking rejoinder to the company's earlier image and focus on environmental stewardship. While, earlier in the decade, Enron had espoused a

[115] Pryke and Allen, "Monetized time-space," 279.
[116] For a more in-depth definition of arbitrage, see: "Artbitrage," *Economics: The Key Concepts*, Donald Rutherford ed., (London: Routelege, 2007), 7.
[117] Michael Pryke, "Geomoney: An option on frost, going long on clouds," *Geoforum* 38 (2007) 576-588. 583.

sensibility to the world in which it was embedded, now, through symbolic manipulation, the natural world could be transcended.

However, weather derivatives were only the most obvious and extreme examples of the company's attempts to supersede the material world through symbolic manipulation. Much like Enron Capital and Trade's early success offering stability in the suddenly chaotic natural gas industry through the use of various derivatives, Enron now sought to introduce similar services across different industries. Ironically, the company began to market credit risk and bankruptcy derivatives. Enron planned to offer even more types of derivatives, such as those that hedged against the risk of a workers' strike. Other schemes included trading commodities such as paper and pulp, and Internet bandwidth.[118] In all of these instances, Enron was attempting to both profit from and remove various risks associated with the physical material world through the use of symbolic manipulation.

The move was so striking that in 2000 and 2001 Skilling would describe Enron as an e-commerce company. However, try as they might, the company could never completely transcend the material world. For instance, even though Skilling clearly saw bandwidth trading as another "brain-intensive" venture at which the company would excel, it required the decidedly physical activity of laying fiber optic cable. Likewise, to facilitate its electricity trading capabilities, the company sought to build "peaking" power plants (gas-fired, of course) all over the country. As one *BusinessWeek* article pointed

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[118] Derivatives are also important to the Enron story since many of the complex financial deals that Andy Fastow created (and which ultimately ruined the company) used various derivatives.

out, this particular scheme amounted to bringing the logic of finance to the power business (in effect overcoding the material processes), but escape from the physical world and the promise of one where the mind could imagine anything was elusive.[119] Still, as Enron, largely led by Jeff Skilling, sought to market itself as a new economy, a "brain-intensive" business, the company engaged in processes of representing itself as such.

THE NEW ECONOMY AS A CULTURAL PROJECT

Significantly, the shift in rhetorical and representational modes coincided with a larger movement in U.S. business. The late 1990s, of course, witnessed a boom in information technologies leading to what many came to dub the "new economy." Geographer Nigel Thrift points out that the "new economy" was in many ways a cultural project. For Thrift, the "new economy" was marked by the proliferation of various cultural outlets (what Thrift refers to as the "cultural circuit" of capitalism) including management consultants, business schools and magazines such as *Fast Company* and *Business 2.0*. Thrift argues that business organizations became "cultural entities" which attempted to "generate new traditions, new representations" of themselves "and the world."[120] Interestingly, Thrift also points to the role of rhetoric and visual style.

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[119] Peter Coy, "Exploring Uncertainty," in *Business Week* 7 Jun 1999, 118-124.

[120] Nigel Thrift, *Knowing Capitalism*, (London: Sage Publications, 2005), 34. Indeed, rereading Lipartito's work in light of Thrift's observations suggests that culture was at the center of the "new economy." The figure of the entrepreneur was at the heart of new economy (and late-period Enron's) rhetoric. As Lipartito suggests, the goal of entrepreneurs (and entrepreneurial organizations) can be seen as getting the public and employees "to see reality in a new, unexpected way." See Lipartito, "Culture and the Practice of Business History," 35.

Perhaps surprisingly, given the company's roots in the energy industry and Houston (far from the "new economy's" epicenter in Northern California), Enron became a major participant in this decidedly cultural project.[121] Enron's immersion in "new economy" culture accelerated and highlighted changes in the company that had been well underway for years. In some ways, this should not be too surprising. Enron had long struggled to find some adequate way of representing itself to the world. With the arrival of the "new economy," the company was supplied with a ready stock of tropes, images, and metaphors that it could use in describing its businesses. What is more, Enron's increasing focus on the "entrepreneurial" work of its employees (a term that was also closely aligned with the idea of "innovation") practically constituted a degree of cultural production.

Because of these affinities, the language in Enron's marketing literature began to resemble the rhetorical style of "new economy" writers like Kevin Kelly, who declared in his book, *New Rules for the New Economy*, "networks, enhanced and multiplied by technology, penetrate our lives so deeply that 'network' has become the central metaphor around which our thinking and economy are organized."[122] Kelly's book was almost apocalyptic in the changes that it described. Through his ten maxims, such as "Embrace the Swarm," "Let Go at the Top," and "No Harmony, All Flux," Kelly put forth a vision

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[121] Interestingly, it was also during this time that the company began aggressively advertising directly to consumers, as well as unveiling its now infamous "Big E" logo.

[122] Kevin Kelly, *New Rules for the New Economy*, (New York: Penguin, 1998), 2. Though there is no direct evidence that Enron executives or employees were directly playing off of Kevin Kelly's style, Kelly still represents a good starting point here, because of his prominence within the new economy culture of the late 1990s. Not only was *New Rules for the New Economy* well received, but Kelly was also one of the founding editors of the magazine *Wired*, a major new economy outlet.

of the world that was radically unstable. In Kelly's telling, the "new economy" had ushered in an era of constant change. For Kelly himself, the changes were largely to be welcomed and celebrated (though there were moments in the book where the author appeared to worry about the ills these changes might sweep in). It was both Kelly's vision and the language that he used to describe it that Thrift perhaps has in mind when discussing the tropes and metaphors of the new economy. However, some of what Kelly described in his book also had more direct implications for "brain-intensive businesses."

In *New Rules for the New Economy*, Kelly declared that the new economy favored "intangible things" and that "the world of intangibles, of media, of software and of services – will soon command the world of the hard – the world of reality, of atoms, of objects, of steel and oil…."[123] Of course, for Kelly, the intangibles that were foremost in his own mind were that of computer code and small slivers of silicon. However, the author did not simply limit himself to these phenomena. Rather, Kelly took a broader view of the landscape he was describing, stating that "the new economy deals in wispy entities such as information, relationships, copyright, entertainment, securities, and derivatives."[124] Of course, this wider sense of the new economy could easily include the businesses Enron had been engaged in since the early 1990s. Kelly might as well have had the Houston company in mind when he declared that the "U.S. economy is already demassifying."[125] What is more, much like Skilling's focus on the workers Enron wanted, as well as the idea of intelligence being at the center of Enron's evolving business model,

[123] Ibid.
[124] Ibid., 3.
[125] Ibid.

Kelly used the brain as one of his central tropes, at times referring to the "deep cortex of the new economy."[126] Yet even beyond the stylistic similarities that Kelly's book had with the ways in which Enron chose to represent itself for the remainder of its existence, the writer also betrayed a specific political economic philosophy. As he put it when describing "swarm power," the best type of governance would be "minimal."[127] Instead, Kelly recommended letting "the network of objects govern itself as much as possible; we add government where needed."[128] Still later, the author declared that "the best systems have this living quality of few rules and near chaos."[129] Of course, in these moments, Kelly was not explicitly making statements about the role of government in economic regulation. More often, Kelly was describing some technological idea or what he regarded as an ideal structure (or lack of structure) for an organization. Still, the subtext of a turbulent world that resisted too much control was clear. In these moments, the writer left no room for a regulated economy, implying instead the primacy of the free market.[130]

No wonder, then, that Enron would come to adopt the rhetoric and representational modes of the new economy. In effect, the concept was a euphoric celebration of chaos and instability, the same qualities which had, since natural gas deregulation and the Gas Bank's success earlier in the decade been at the core of its

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[126] Ibid. 7.
[127] Ibid. 18.
[128] Ibid. 19.
[129] Ibid. 113.
[130] Fred Turner argues that the pages of *Wired*, which Kelly edited, often made this connection explicit. Fred Turner, *From Counterculture to Cyberculture: Stewart Brand, the Whole Earth Network, and the Rise of Digital Utopianism*, (Chicago: The University of Chicago Press, 2006), 208.

operations. Indeed, the company's push for electricity deregulation and even water privatization in the developing world could also be seen as attempts to profit from instability and even create unstable environments. What is more, the new economy's emphasis on immaterial labor ("intangible things") meshed well with Skilling's insistence that the company would focus on "brain intensive businesses." In short, ideologically, Enron was at home in the new economy.[131] The company increasingly engaged in a cultural project – celebrating many of the core values of the new economy, and the symbolic analyst as a cultural ideal.

This shift was noticeable in the change in the visual imagery the company used in its marketing literature. For instance, the covers of the company's last three annual reports (1998-2000) reflected the new style. Images of young symbolic analysts on the phone or standing in front of computers replaced those of power plants or pipelines comfortably nestled among rolling green fields and pastures. Depictions of such tangible objects were relegated with increasing regularity to smaller plots of real estate on the page. The interiors of the 1998 report were equally striking. For example, one photograph depicted Lay and Skilling (in ties, but not jackets – an indication of how informal the company's style was becoming) standing in front of the middle of a room (probably a trading floor) with young symbolic analysts at work in front of computers. The series of clocks and monitors behind the two executives in the image clearly implied an informational environment. It was also in this annual report that the company began using

[131] Though, as many would point out, Skilling himself was wary of online businesses until the success of EnronOnline in 1999.

the word “network” to describe itself – an idea that was featured even more prominently in the following year’s report.

For example, the 1999 cover featured four people in a blank space, standing inside a box with smooth white edges. The rest of the page featured several arcing, elliptical lines. This visual motif, meant to symbolize the company’s “networks” connecting material assets and immaterial symbolic analysts across space and time, was persistent throughout the report.

Similarly, the 2000 report’s cover also featured boxes with rounded edges. However, rather than a single box framing a specific image, each group of boxes had the effect of breaking up an image (usually a person) – as if that being were spread across several computer screens. The move itself was striking. The predominant visual imagery Enron was now using was comprised almost wholly of metaphors (when nodding towards representation) or entirely abstract, nonrepresentational design. This new visual style was a far cry from the trope of environmental stewardship that punctuated the company’s print presence in the late 1980s and early 1990s.

The change was equally dramatic in the company’s rhetoric. In linguistic echoes of the new graphic design, the 1999 and 2000 annual reports repeatedly emphasized the importance of “networks,” “innovation” and “creativity.” These terms were all direct parallels of the stock metaphors and “rhetorical flourishes” that Thrift identifies throughout the “cultural circuit” of the “new economy.” As he argues, these metaphors were responses to “a more turbulent and uncertain and insecure world.”[132] Taken together, they were “based on the notion of constant adaptive movement.”[133] In Enron’s case, they were full-throated endorsements of an unstable world. Rather than explain physical processes as it had in the past, the company was now emphasizing values such as “innovative” and “creativity.” Paradoxically, this shift exacerbated some of the problems of language and representation that had dogged the company since the creation of the Gas Bank.

In a sharp contrast to the earlier letters to shareholders in the company’s annual reports, the 1999 letter’s tone became declarative and confrontational. After a few vague paragraphs about the nature of “networks,” the document launched into wild declarations about a “new economy,” proclaiming: “the rules have changed dramatically. What you own is not as important as what you know. Hard-wired businesses, such as energy and communications, have turned into knowledge-based industries that place a premium on creativity.”[134] Here, many of the rhetorical motifs of the “new economy” were present, especially the idea of constant movement. Interestingly, here, that movement caused language to fail. The company, it seems, was beyond meaning.[135]

[132] Nigel Thrift, *Knowing Capitalism*, 32.
[133] Ibid.
[134] Enron, "Enron Annual Report 1999," (1999), 2
[135] I want to stress here that the vagueness of language was not simply a matter of “rhetorical flourish.” Years later, during his criminal trial, Jeff Skilling highlighted the problem of language and of describing what Enron actually did. Such dramatic pronouncements were accompanied by other, dramatic substantial shifts – such as internal reorganizations (there were so many of these that they became a joke among Enron employees) and renaming divisions.

However, instead of worrying about the vagueness of language, the company found a unique solution, celebrating the inadequacy of language in describing what the company had become. As the 1999 Letter to Shareholders declared: “Enron is moving so fast that sometimes others have trouble defining us. But we know who we are. We are clearly a knowledge-based company….”[136] Rather than regarding this “trouble” as an embarrassment, the document’s authors now seemed to disdain any readers who were confused about the company. Indeed, the assertion “we know who we are” was aggressive. Yet simultaneously, the passage was shot through with traces of the former handwringing and ambiguity. The statement: “we are clearly a knowledge-based company” was surely meant to convey the same contempt for misunderstanding readers. Yet the word “clearly” could also be read as a false bravado. Perhaps the company wasn’t so sure what it was.

This same sense of flux and fluidity was clear in Enron’s self-definition in 2001. No longer a “vertically integrated clean energy company,” as it saw itself in the early 1990s, the company was now an assemblage of “flexible networks” that could “deliver physical products at predictable prices.”[137] “With our networks,” the company declared, “we can significantly expand our existing businesses while extending our services to new markets with enormous potential for growth.”[138] Indeed, in the last year of the

[136] Enron, "Enron Annual Report 1999," (1999), 2. Indeed, the vague language would even prove to be a point of consternation for skeptical journalists. *Fortune* writer Bethany McLean would point to Enron’s opaque language in a critical article on the company. See Bethany McLean, "Is Enron Overpriced?," *Fortune*, March 5, 2001, 122-126, 123.
[137] Enron, "2000 Enron Annual Report to Shareholders and Customers," (2001).
[138] Ibid.

company's existence, Enron's Letter to Shareholders reflected on the ways in which it had changed, stating, "We have metamorphosed from an asset-based pipeline and power generating company to a marketing and logistics company whose biggest assets are its well-established business approach and its innovative people."[139] Strikingly, the company's letter emphasized an "approach" to business and a specific type of employee – the symbolic analyst. It was as if the company was sweeping away the last vestiges of the material world.

The company even renamed the pipeline division. It was now called "Enron Transportation Services" to reflect "a cultural shift to add more innovative customer services to our efficient pipeline approach."[140] Here, the linguistic substitutions emphasized nebulous ideals ("innovative customer services") over specific material processes. It is, of course, also significant that the letter described the change as a "cultural shift." While this phrase referred to the company's internal culture, it could easily have applied to the ways in which Enron was presenting itself to the outside world. While such name changes might not seem to have all that much import, in fact they indicated substantial ideological shifts happening within the company. As an *Enron Business* article put it, Enron Transportation Services now wanted "to be driven by customer needs and market demands, rather than the dictates of energy regulators."[141] Yet the name was, according to that business unit's CEO, also meant to indicate a "renewed emphasis on being responsive to customer needs by moving faster, offering new products

[139] Enron Corp. "Letter to Shareholders" 2000 Annual Report (2001) 4-5.
[140] Ibid., 4.
[141] "ETS Flying Under New Colors," *Enron Business*, Vol. 6, 2000, p 2.

and services and becoming more competitive."[142] Here, one could find a free market ethos (as evinced by the article's hostility to "the dictates of energy regulators"), a move away from specific language, and a celebration of fast change and movement. Throughout these last years, in internal communications and external marketing efforts, Enron increasingly celebrated a world that was both immaterial and unstable.

CULTURE WITHIN –CULTURE WITHOUT

As Enron sought to enter the culture at large, the firm had a dual task. Understandably, even before Skilling's arrival the company had been concerned about its corporate culture. However, in the late 1990s, the emphasis on Enron's internal culture became far more prominent. Through a variety of outlets, the company trumpeted the "symbolic analyst" and the qualities he or she would possess. In particular, the company began envisioning the ideal Enron employee as "entrepreneurial," "creative" and "innovative," as well as risk-taking. Both internally and externally, the company aggressively promoted the idea.

For example, in 2001, *Enron Business* began running a series of features about employees with unusual, risky pastimes. Titled "Extreme Enron," the series told the stories of customer service directors who "encountered alligators that jumped as high as their heads, black bears that weighed in at 500 pounds," as well as "countless water

[142] Ibid.

moccasins and panthers," while searching for wild orchids during their vacations.[143] According to Sarah Palmer, the article's author, other Enron employees spent their free time as hydroplane racers, mountain climbers, or, in the case of John Neslage, an "all—around extremer."[144] However, these were hardly fluff pieces. On the contrary, these features were meant to show that "risk taking *is* an innate characteristic of Enron employees."[145] Later, books about Enron pointed to some of the dangerous trips that Jeff Skilling and other employees liked to take, often to ridicule the absurdity of the undertakings. Here, however, there was seriousness behind the "Extreme Enron" features. The company was promoting "risk taking" as a value. While Enron had a fraught relationship with risk (seeing it as both an opportunity and a threat), here, the idea that symbolic analysts would be risk takers was meant to be a positive value. As Caitlin Zaloom suggests, risk is practically an existential concern for financial traders, since they "manipulate risk to manage their identities and establish status in the eyes of their rivals. These practices encourage the production of subjects who can sustain themselves under high-stakes conditions and thereby draw profit from economic risk."[146] What is more, Zaloom argues that "the ascetic practices and social displays of virtue enacted" reflect "a capitalist ethic that centers on the mastery of the self under conditions of hazard and

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[143] Sarah Palmer, "Extreme Enron," in *Enron Business*, V.4, 2001, 12.
[144] Ibid., 13.
[145] "Extreme Enron," in *Enron Business*, V. 2, 2001, 4.
[146] Caitlin Zaloom, "The Productive Life of Risk," *Cultural Anthropology* 19.3, 365-391, 366.

possibility."[147] In other words, *Enron Business* articles like the "Extreme Enron" features were attempts to fashion subjects that would prove economically productive.

At other points, *Enron Business* emphasized intellectual pretensions, specifically highlighting "innovation" as a value. An article titled "ECT Employees Innovate to Change the World," for instance, pointed to a "campaign" to demonstrate that business unit's commitment to the idea. The campaign was "designed to inspire ECT employees to even greater heights of creativity."[148] According to the article, the campaign featured "quotes from famous innovators" that included Frank Lloyd Wright, George Bernard Shaw, James Joyce and Albert Einstein. In events such as this, Enron was not only promoting the idea of innovation and creativity, but also aligning these ideals with high culture and intellectualism. Interestingly, many of these same ideas and values later appeared in the company's external marketing.

However, even as the company introduced a new advertising campaign in 2000, largely based on these values and the idea of both "innovation" and symbolic analysis, Enron still faced the problem of communicating what it was it actually did. In a 2000 article in *Enron Business* on its ad campaign, the author opened with the problem of representation. As the author put it, "How do you describe a company like Enron?"[149] Interestingly, the company's ad agency interviewed "Enron's leading thinkers" about the company.[150] Such references to "leading thinkers" and the like reflected the company's

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[147] Ibid.
[148] "ECT Employees Innovate to Change the World," in *Enron Business*. V.3 1998.
[149] "Enron Asks Why?" *Enron Business* Vol. 2, 2000, 1.
[150] Ibid.

move towards operating in “brain-intensive businesses” and “intellectual capital.” The implication behind such sentiments again pointed to the company’s emphasis on the intellect. The symbolic analyst was center stage in the company’s mode of representing itself, and, increasingly, Enron sought to align specific political-economic ideals with a sense of intellectualism and “high culture.” This attempt at fusing the two was evident throughout the article discussing the company’s new advertising campaign.

The campaign’s title and motif even reflected this shift. Titled “Ask Why?,” the message of the campaign was meant to be “as different and challenging as Enron itself.”[151] The commercials themselves were often bizarre, perhaps a byproduct of the problems of visually representing “brain-intensive” work. In one commercial, a figure in a metal business suit wandered different parts of the world. The man, obviously encumbered by the suit (vaguely recalling the Tin Man in *The Wizard of Oz*), slowly moved through a series of spaces, such as busy street corners in cities like New York. The quick, frenetic movement around him offered a striking contrast to his slow, awkward gait. Periodically, an audible phrase would break away from a din of background chatter. As one voice (before cutting over to a close up of an older man with a serious visage) intoned: “We inherent some ideas that are unnecessary. We have to jettison that excess baggage in order to make progress.”[152] After a few more seconds another voice declared, “People who have really creative ideas are people who keep asking ‘why?’” as the man in the cumbersome metal suit lumbered through other global,

[151] Ibid.
[152] “Enron Commercial,” http://www.youtube.com/watch?v=XZ8XM7JVpYw, (Accessed April 29, 2010)

fast-paced environments.[153] The final shot was a black screen with the words “ask why?” below the Enron logo. The *Enron Business* article explained to employees that the “the man in metal serves as a metaphor for the conventional constraints that block change.”[154]

Another commercial that specifically promoted EnronOnline featured a mishmash of “realist” representation (various traders yelling “buy” and “sell” into phones) with metaphorical images such as three men in business suits wearing mouse-head masks moving slowly with seeing eye dogs and tapping sticks. In another scene in the commercial, a room full of symbolic analysts at computer desks all stood up on them, somewhat defiantly (even if the message itself was unclear). Throughout, Jeff Skilling’s voice could be heard over the entire commercial extolling the virtue of EnronOnline as a “transparent, open market.” Of course, this commercial also ended with the “ask why?” screen.[155]

Perhaps the most direct commercial from the campaign was literally about the word “why,” which the voice-over proclaimed “was the voice of the nonconformist.”[156] Throughout, the television spot cut among a series of exciting, somewhat unrelated images, such as a space shuttle taking off, a statue of Gandhi, a photograph of Abraham Lincoln, a civil rights march, clips from other Enron commercials, and close ups of various people (including some children). The final image before the black “ask why”

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[153] Ibid.
[154] “Enron Asks Why?” *Enron Business* Vol. 2, 2000, 3.
[155] “Enron Commercial – Change,” http://www.youtube.com/watch?v=W_NxYUpLE6A&feature=related, (accessed April 29, 2010).
[156] “Enron “why” Commercial,” http://www.youtube.com/watch?v=pboh1SFk6TM&feature=related, (accessed April 29, 2010).

screen was a Frank Gehry-designed Nationale-Nederlanden building in Prague. The building, which is also known as "Ginger and Fred" because its form suggests that it is "dancing" with the buildings around it, was a particularly striking image. In these commercials, Enron collapsed various strains together to come up with an exciting (if confusing) representation of specific ideological values. Here, of course, Enron was highlighting its own intellectual pretensions, aligning itself with "nonconformity" and a specific type of radicalism. Throughout the ad campaign, declarations that older ideas sometimes had to be "jettisoned" positioned the company as forward thinking. As the *Enron Business* article explained, the commercials were meant to "communicate the spirit of Enron, the drive that distinguishes it from every other energy company, indeed almost any other company in existence."[157]

Significantly, the commercials did not primarily emphasize specific services (though some, including the one for EnronOnline and another for weather derivatives, did), but rather a set of ideas and values. Much like the problems that the company had had since the introduction of the Gas Bank, it was difficult to communicate, name or otherwise represent what it was Enron actually did. Indeed, the *Enron Business* article did not attempt to correct this, but emphasized values, such as "innovation" and "creativity." When the article's author did discuss what it was that set Enron apart from every other company, it was not some specific service or even expertise, but "Enron's restless dissatisfaction with the status quo and its ability to quickly grasp how most things can

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[157] "Enron Asks Why?" *Enron Business* Vol. 2, 2000, 1.

always be improved."[158] The article also noted that, in screening the campaign for executives that commercials appealed to them "intellectually" – another nod to the company's commitment to "brain work."[159] Ultimately, the company's hope was that the phrase "ask why" would "become the rallying cry of a new generation of business."[160] Much like the visual and rhetorical style found in the late 1990s annual reports, these commercials were a part of what historian Eric Guthey calls "New Economy Romanticism," which echoes "the very familiar narrative of American exceptionalism, which also celebrates the notion that radically atomistic individuals can achieve a clean break from the shackles of the past and from oppressive institutions in order to create a New World."[161]

These same ideas also found their way into other outlets. Just as the primary "Ask Why" television ad used the image of a Frank Gehry building, in 2001 Enron became a corporate patron of a Gehry retrospective at the Guggenheim museum in New York. While such arrangements are often typical for corporations (indeed, Hugo Boss was another exhibit sponsor), Enron's approach clearly indicated an attempt to align itself with Gehry's work. In a brief note in the exhibition book, Skilling wrote: "Enron shares Mr. Gehry's ongoing search for the 'moment of truth' – the moment when the functional approach to a problem becomes infused with the artistry that provides a truly innovative

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[158] Ibid.
[159] Ibid., 2.
[160] "Enron Asks Why?" *Enron Business* Vol. 2, 2000, 3.
[161] Eric Guthey, "New Economy Romanticism, Narratives of Corporate Personhood, and the Antimanagerial Impulse, *Constructing Corporate America: History, Politics, Culture*, Kenneth Lipartito and David B. Sicilia, ed. (New York: Oxford UP, 2004): 321-342, 324.

solution."[162] In both the television commercials and Skilling's comparison of his company to Gehry's work, the company was conflating its own ideological commitment to "innovation" as well as "brain work" with high culture and intellectual dissent.

However, the values expressed in these moments were not that far from ideas the company had touted for years. In the vision that Enron was offering, the ideas of nonconformity and intellectualism – of asking why – were ideologically connected to ideas of entrepreneurialism and creative destruction. Indeed, "innovative" had been a word that the company had used for years to describe itself, its employees and businesses, but now it truly celebrated the idea. The company was practically giddy when *Fortune* magazine continued to list it as the most "innovative" company in the United States.

Indeed, throughout the late 1990s, *Fortune* remained one of Enron's biggest supporters, repeatedly pointing to (and approving of) the company's "innovative" culture and strategy. The first of these articles appeared in the magazine's March 3, 1997 "Secrets of America's Most Admired Corporations: New Ideas, New Products" section. Though Enron was only one of the many businesses the article highlighted, the article's author called attention to how much the company had changed over the course of the decade. What is more, the story's treatment of the company firmly reflected the values of the "new economy." Even Rich Kinder (who was later treated as a symbol of the steady world of the old pipeline industry) was quoted as saying that a good idea could, "like a

[162] Jeff Skilling, sponsorship statement, *Frank Gehry – Architect* Guggenheim 2001.

lighted match, easily [be] blown out by the cold winds of rigid management."[163] Such quotations offered direct reflections of what Guthey calls the "antimanagerial" rhetoric of the new economy. A bit later, Brian O'Reilly, the article's author, attributed a good deal of Enron's success to Ken Lay's early efforts at deregulation in the natural gas industry.[164] As O'Reilly put it, thumbing his nose at "the geniuses in Washington and in the utility businesses, Enron (presumably under Lay's direction) "hired aggressive, well-compensated traders and almost single-handedly began creating spot markets in gas."[165] In this way, O'Reilly's piece revealed the political-economic logic of the new economy and how well Enron fit in with this narrative. An absence of government oversight (the "geniuses" remark was dripping in sarcasm), as well as a staff of symbolic analysts who were given free reign, were uniformly positive developments. Still, the story did not completely ignore that material world. The accompanying image was a photograph of an Enron power plant under construction in China. Finally, O'Reilly established what would be a recurring theme in *Fortune*'s Enron coverage for the remainder of the twentieth century – pointing to the company's rising stock price as evidence of its success.[166]

The next time the publication dedicated a substantial amount of space to the company was just over a year later. Significantly, while Jeff Skilling did not receive

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[163] Brian O'Reilly, "The Secrets of America's Most Admired Corporations," *Fortune* March 3, 1997,62.

[164] One of the most striking aspects of this conflation is how it ignored the historical experience of the 1970s.

[165] O'Reilly, "The Secrets of America's Most Admired Corporations," 62.

[166] Again, of course, this focus on the stock price is ironic since, as Malcolm Salter and others have pointed out,
1997 was the year that Enron had irrevocably slipped into fraud. One could argue that such media coverage only encouraged perpetuating fraudulent activity.

mention in O'Reilly's article, this time journalist Erin Davies began her piece with the executive's name.[167] In some ways, Davies's article was a curious mix in terms of defining the company. After noting some of the company's recent financial woes (Enron reported over half a billion dollars in losses in the second quarter of 1997), Davies reasoned, "there are good reasons to take post-1997 Enron seriously."[168] Again highlighting the company's commitment to "innovation" (particularly when discussing the firm's trading operations), Davies hailed the company for creating "new businesses such as electricity trading, in which kilowatts are bought and sold like pork bellies."[169] While this statement, coming at the end of the article, gestured toward the immaterial production and economic activity that increasingly defined the company's operations, Davies still began her piece by referring to Enron as "the world's leading integrated natural-gas and electricity giant," calling to mind the company's marketing strategy from the early 1990s.[170] At least in terms of the business press, Enron was still at a crossroads and was, on some level, still defined by its vast pipeline network and cogeneration plants.

By 2000, however, the company had become far more associated with the "new economy" (due in no small part to its own marketing and branding efforts). An illustration of this can be found in the January 24, 2000, issue of *Fortune*. The editors ran a story titled "Enron Takes Its Pipeline to the Net." Significantly, the magazine placed the article in the "e-company" section. While the immediate occasion for the story was the

[167] Of course, by this point, Skilling had replaced Rich Kinder as the company's president.
[168] Erin Davies, "Enron: The Power's Back On," *Fortune* April 13, 1998, 24.
[169] Ibid., 28.
[170] Ibid., 24.

company's (ultimately unsuccessful) foray into Internet bandwidth trading, the article called attention to Enron's now-long-held "most innovative" designation. In an issue where many of the ads were firmly in what might be termed the "new economy style," a story about a pipeline company moving into increasingly immaterial and ethereal businesses fit right in. The writer, David Kirkpatrick, called attention to some "entrepreneurial" people inside the company, as well as to Enron's stock performance. *Fortune* repeated these themes in other articles that ran throughout the year.

One in particular, "Taking Risk to the Marketplace," took up the problem of protecting a "knowledge asset."[171] Given his emphasis on "brain intensive businesses," it is fitting that Jeff Skilling emerged as the article's centerpiece. A photograph of the executive featured him causally sitting on a desk with computers in the background, again implying the informational environment. In this piece the author, Thomas Stewart, focused on Skilling's strategies for handling symbolic analysts. As Stewart saw it, Enron (under Skilling's direction) had created a "flexible internal labor market" by rotating people without changing titles or salaries.[172] In describing how "intellectual risks can be securitized – at least metaphorically – and managed as part of a portfolio," both Skilling and Stewart revealed the basic ideological assumption underpinning the new economy, as well as how deep the connections between Enron and the world of finance had become.[173]

[171] Thomas A. Stewart, "Taking Risk to the Marketplace," *Fortune* March 6, 2000, 424.
[172] Ibid.
[173] Ibid.

Finally, just a month later, Brian O'Reilly, again writing for *Fortune*, revealed how complete Enron's image had transformed. In an article that later rankled the liberal journalist and cultural critic Thomas Frank (for comparing Enron to Elvis), O'Reilly used clichéd new economy terms such as "agent of change" and described the company's stock performance as "Nasdaq-like."[174]As these articles suggest, by the end of the century, Enron had succeeded in transforming its corporate image, at least in the business press. No longer a natural gas or pipeline company, Enron was, by 2000, associated with symbolic manipulation (as evidenced by a recurring visual motif of scores of young office workers sitting at computers), new economy speed and movement, as well as with deregulation and free markets. Terms such as "innovative," which Enron had long used to describe itself, regularly appeared in business stories about the company.

NEW ECONOMY MEDIA COVERAGE

Nor was this revamped image particular to *Fortune.* Other business journalists also began treating the company as if it were a "new economy" firm and often in terms that mimicked the company's own marketing literature. *BusinessWeek*, for example, began including the company in "E.Biz" inserts in 2000 and 2001. One such 2001 article featured a photograph of Jeff Skilling sitting in front of Enron Tower. The executive's golf shirt and jeans were a far cry from the formal suit he had preferred in earlier photographs. In language that mimicked Enron's self-presentation, the author, Wendy

[174] Brian O'Reilly, "The Power Merchant," *Fortune* April 17, 2000, 148-160, 150.

Zellner, described Skilling as "restless."[175] Even the article's title, "From Sleepy Utility to Online Turbotrader," suggested the rapid movement and flux that Enron (picking up from other "new economy" sources) had trumpeted in recent years. Just a year later, again as part of the "E.Biz" section, Zellner proclaimed that the culture Skilling had instilled at Enron was "perfectly suited to the Internet Age."[176] Once more, the article's title, "Enron Electrified," called to mind the excitement and instability of the "new economy."[177] While articles such as the two Zellner wrote occasionally pointed to some of the risks the company was taking (particularly the idea that Enron was moving so far afield from its origins in natural gas), they were primarily laudatory features offering little criticism.

The visual imagery in these publications also bolstered the image the company had been using with increasing regularity throughout the 1990s. For example, in 2001, after the California energy crisis, *BusinessWeek* ran a cover story on the company discussing the issue and the fallout. While the debacle itself was still a hotly debated and controversial topic, the cover's graphic offered a stunning visual representation of the company's rhetoric of immateriality. Skilling loomed large in this image. Dressed in a black turtleneck, the executive appeared to channel the look of either a brooding intellectual or, perhaps, Apple founder Steve Jobs (another executive with intellectual pretensions). The figure extended his arm out towards the viewer, his palm open, revealing a small ball of

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[175] Wendy Zellner, "From Sleepy Utility to Online Turbotrader," in *Business Week E.Biz* 18 Sept. 2000, 46.
[176] Wendy Zellner, "Enron Electrified," in *Business Week E.Biz*, 24 July 2000, 54.
[177] Curiously, the 2001 feature also used press photographs that seemed to be from the same photography shoot as the previous year's.

energy in his hand. This was hardly a celebration of the material, industrial processes that went into powering California's electricity grid. Rather, it was Skilling the intellectual who held the power in his hand.

Still, these were business publications and, to large degree, Enron only became a nationally recognized name when it fell from grace. However, there were brief moments in the late 1990s and early 2000s, when the company found a more general audience. While some stories, such as one in *Newsweek* in 1998, emphasized the company's environmental image, others also picked up on the corporation's attempt to rebrand itself as a new economy entity. In a 2000 story in *Time* magazine, journalist Frank Gibney Jr. described Enron as "a company that thrives on entrepreneurial defiance of convention" and characterized the Gas Bank as a stunning example of "business judo."[178] While, like many journalists, Gibney hedged somewhat, pointing out some of the risks the company was taking, as well as criticisms others had levied against it, his tone was generally positive. As Gibney put it, Enron was pushing ahead while "so many old-economy companies" appeared "helpless against the dizzying pace and technology of the digital age."[179] Gibney's writing mirrored the image Enron had cultivated through its own marketing efforts.

By early 2001, Enron had, to a degree, succeeded in making itself a recognizable name with a specific image. The company, when it did appear in media coverage, was closely associated not with the power business (indeed, for journalists, the company's

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[178] Frank Gibney Jr., "Enron Plays the Pipes," in *Time*, August 28, 2000. 38-9, 39.
[179] Ibid., 38.

origins were primarily remarkable for the distance the company had traveled over the course of fifteen years), but with symbolic analysis and a turbulent, exciting world of new technologies. More than just a company, Enron, through its rhetoric, marketing and visual imagery had become a cultural celebrant of a world that was, while wild and unsettled, also full of promise. Indeed, the company's slogan from 2001, "ask why," suggested a new world in which brains and clever thinking could supersede the constraints of the old natural, material world. Of course, there were casualties in this formulation. The company's longstanding (if self-serving) commitment to environmental stewardship was largely forgotten. What is more, the company actually relished the disruptive "creative destruction" that was implied by an entrepreneurial ethos and a commitment to "innovation." Yet as thrilling and breathless as descriptions of the new economy were, the anxiety of a turbulent world and a style of work that could not produce anything tangible was always present in the same representations. Indeed, Enron had become so successful in aligning itself with these ideals that when the company collapsed in late 2001, it would become the focal point for a wave of cultural production that seemed to protest these very same values. What is more, there was an inherent contradiction at the heart of the informational economy that Enron had involved itself in; while the company was dedicated to immaterial "brain-intensive" symbolic analysis, it could not avoid the "capital-intensive" and years' long project of transforming Houston into a place in which symbolic analysts would thrive, and the company's dedication to a neoliberal project and electricity deregulation forced Enron to acquire a deep geographic awareness of the

United States, linking both immaterial, informational work to material, tangible spaces through the trading of electricity and a large array of derivative financial products.

CHAPTER TWO

"JUST THE BOOST DOWNTOWN HOUSTON NEEDED" – GEOGRAPHIC CHANGE AND THE INFORMATIONAL ECONOMY

The idea that all of Enron's abstract, symbolic analysis represented a move away from the material world was inherently contradictory. Despite the company's rhetoric, Enron's activities always had an intensely material component. Enron operated its pipelines right up until the end of its existence, and it engaged in numerous overseas development projects throughout the 1990s. In fact, the "brain intensive businesses" that excited Skilling, as well as the informational economy in general were always connected to the material world. As geographer Doreen Massey notes, cyberspace is not some region that is wholly disconnected from geographic place. Instead, for Massey,

> tales of cyberspace are belied by its own, very material, necessities. The devaluation of space and place which runs through this [cyberspace] literature is one aspect of a general shift by which "information" has been conceptualized as disembodied from materiality, one implication of which has been "a systematic devaluation of materiality and embodiment."[1]

However, as Massey notes: "The virtuality of cyberspace has its roots very firmly planted in the ground."[2] More specifically, any connection in cyberspace has "roots" in (at least) two different locations. This inescapable fact also means big changes for those locations. As early as 1989, Manuel Castells called attention to transformations required of social space to create a palatable "milieu" for knowledge work.[3] Likewise, Massey argues that

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1 Doreen Massey, *For Space* (London: Sage, 2005), 96.
2 Ibid.
3 Manuel Castells, *The Informational City: Information Technology, Economic Restructuring, and the Urban-Regional Process* (Oxford: Basil Blackwell, 1989), 66.

"Just as the groundedness of virtuality ties it to a specific location so too spaces and places are altered in their physicality and in their meaning through their embeddedness in networks of communication. The 'virtual' world depends on and further configures the multiplicities of physical space."[4] These connections between immaterial, abstract symbolic manipulation and the material world, as well as the connections among places *through* cyberspace are crucial frameworks for understanding the profound spatial ramifications of Enron's business operations beginning in the late 1990s.

Ironically, at the very moment Enron was disavowing the material world, the company was forced into paying close attention to, as well as encouraging, geographic difference and transformation. Viewing the ways in which Enron's "brain intensive businesses" affected different spaces around the country (and world) brings to light the contradiction in the supposed split between information and the material world. Enron's neoliberal commitment to free markets, a prerequisite for the company's shift towards symbolic analysis in the 1990s, necessitated geographic change. The company was literally trying to construct a wider space that gave its symbolic analysts the room they needed to perform their work. This preoccupation with space was evident in the company's support of globalization as an economic ideal, its lobbying for domestic deregulation in individual states, and, finally, its attempts to refashion Houston's downtown business district.

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[4] Doreen Massey, *For Space* (London: Sage, 2005), 96-7.

GLOBALIZATION AS SPATIAL MANIFESTO

For a company that dealt increasingly in paper contracts, Enron also had to foster a deep sense of place in various spots around the country. However, such attention to specific locations was intended to be a stepping stone to far grander ambitions. Ultimately, the company's vision was of a business environment in the United States that would be analogous to the market privatization it was encouraging abroad. In this manner, Enron's activities can be seen as part of a wider neoliberal movement in the 1990s which appeared under the popular term "globalization." However, Enron was not simply using a business buzzword. The enthusiasm for economic globalization revealed the company's "geographic imagination." Throughout the 1990s, Ken Lay and Enron advocated for the homogenization the economic environments of different geographic locations throughout the world. As an examination of the company's pronouncements about globalization reveal, geography was central to the company's business strategies in a number of ways.

A commitment to neoliberalism was long a part of Enron's world view. This vision of economic globalization was important enough to the company that a story on the World Trade Organization's 1999 Seattle meeting *Enron Business* was labeled as an "Employee Suggested Article."[5] In Seattle, Lay described his "vision" of a "global economic future in which companies like Enron" would "compete in a 'transparent' free marketplace of goods, services and ideas, promising significant benefits to billions of

[5] Presumably, this designation meant that employees were being urged to read this article in particular.

people around the globe."[6] The article, which called for "grass-roots support from Enron employees" in "dealing with Congress on trade matters," expressed dismay over "barriers, subtle and overt, that restrict the free flow of services between providers like Enron and the nations that need and want them."[7] The article's author called attention to the company's involvement in trade reform so the world could be refashioned as a "level playing field on which companies can compete fairly."[8] Though Enron's concerns were mostly about energy services, articles such as this one made it clear that Lay considered his company to be part of a "global trade agenda."[9] This stance meant that Enron and its managers would have to become increasingly involved in a political-economic project of policy reform. Lay himself, it appeared, never missed an opportunity to promote this "global trade agenda." In a 1997 letter to Texas governor George W. Bush, the CEO wrote that he and his wife "attend the World Economic Forum most years."[10] At one point, Lay even went so far as to send Bush an article by *The New York Times* columnist Thomas Friedman about globalization. Lay's enthusiasm for economic liberalization permeated the company. This commitment to globalization was so extensive that in April 1999, the company's Government Affairs department announced it would request

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[6] "Enron Playing a Key Role in Global Campaign to Reform Energy Services Trade Policies," *Enron Business*, v. 1, 2000, 6.
[7] Ibid.
[8] Ibid.
[9] Ibid.
[10] Ken Lay to George W. Bush, 6 Oct. 1997. George W. Bush Papers, Texas State Archives.

employees' help in contacting "congressional representatives in support of specific trade issues as they arise."[11]

That same month, Lay sent a letter to each member of Congress supporting a host of international issues such as funding OPIC (The Overseas Private Investment Corporation) and the Ex-Im (Export-Import) Bank (both of which had benefited the company for years), as well as normalizing trade relations with China since the company believed "engagement in China, both commercial and diplomatic, is the most effective way for the U.S. to promote continued growth towards democratic ideals and free-market principles in China."[12] Interestingly, though Lay opened his letter by describing Enron as a "leading global energy company," he also wrote that the company looked "forward to working with [the Congress] on domestic legislative issues important to Enron, including electricity restructuring, water issues, Commodities Future Trading Commission (CFTC) reauthorization, bankruptcy reform, trade and tax policy."[13] Significantly, the sentence linked the company's overseas activities to its domestic business operations. Similarly, in 1999, when *Enron Business* listed the Government Affairs group's accomplishments, it included the "accelerated opening of the Pennsylvania market" and "significant progress of deregulation legislation in Texas, Ohio, Maryland, New Jersey and Nevada" alongside the "lifting of sanctions against India and Pakistan" and the "re-authorization of the U.S.

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[11] "What employees can do to help," *Enron Business*, v. 2, 1999, 4.
[12] "Enron in Global Marketplace," *Enron Business*, v. 2, 1999, 5. Of course, much like other free market advocates, Lay and Enron were often quick to link freedom and free markets in general.
[13] Ibid.

Export-Import Bank, the Overseas Private Investment Corp., and the Trade & Development Agency."[14]

In these statements, Lay and the writers of *Enron Business* implied an ideal, economically unified world that allowed capital and trade to flow across wide spaces without hindrance. Lay's vision, though, was hardly unique. Rather, the executive's views were fairly standard for proponents of neoliberalism. As some geographers have noted, neoliberal advocates have always viewed "the world of market rules as a state of nature."[15] The idea of the market as a natural state also works to deemphasize geographic variation, since advocates see the market as working "according to immutable laws no matter where they are 'unleashed.'"[16] Given the ideology of a natural free market with universal laws, for a figure like Ken Lay it would make perfect sense that domestic deregulation should mirror international economic liberalization. For geographers Neil Brenner and Nik Theodore, such a sensibility amounts to a vision of an unrealized utopia.[17]

For optimists like Lay, the utopia of a thoroughly neoliberalized world (and nation) was all but inevitable – an attitude that informed the company's Letter to Shareholders in its 1996 annual report.[18] The letter's tone was rapturous, offering a near-

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[14] "Enron's Government Affairs Group: A Two-way Conduit to Regulators and Legislators," *Enron Business*, v. 1, 1999, 8-9, 8.

[15] Neil Brenner and Nik Theodore, "Cities and the Geographies of 'Actually Existing Neoliberalism,'" in *Spaces of Neoliberalism*, ed. Neil Brenner and Nik Theodore (Malden, MA: Blackwell, 2002), 35.

[16] Ibid., 4.

[17] Ibid., 5.

[18] As I have demonstrated by such documents that appeared later in the 1990s, the company's Letter to Shareholders were no longer quotidian summaries of the previous years' activities, but were instead treated as an appropriate forum for various grandiose statements.

apocalyptic discussion of deregulation that bore many of the rhetorical and formal features of a manifesto. The literary critic Janet Lyons defines a manifesto as "draw[ing] from its constitutive discourses, which include, among others, the discourses of religious prophecy and chiliasm (or millennialism); the martial language of war or siege; and the forensic mode of persuasive rhetoric."[19] All these qualities could be found in Enron's letter from 1996. After a few perfunctory paragraphs, the letter read: "*In North America, the movement to deregulate the gas and electric utilities has begun. Deregulation is coming, inevitably and day by day.*"[20] From this point forward, the document's author predicted that deregulation would be an ultimately benevolent force of creative destruction. The author wrote that "monopolies will be broken up – new markets will be liberated – and consumers will be able to reap benefits so big that they will actually improve the quality of life of individuals here and around the globe."[21] The author even referred to deregulation as "the force of the future," endowing it with a terrible grandeur.[22] Likewise, martial overtones could be found in statements such as: "*In the U.S. we are moving forward in a state by state advance* to support deregulation and quicken its pace."[23] Here, through the use of the militaristic language of an advancing army, Enron admitted its own actions in favor of deregulation, but also positioned that deregulation as inevitable. In addition to the combination of militaristic language and the more typical rhetoric of free markets, the last two paragraphs revealed the corporation's

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[19] Janet Lyon, *Manifestoes: Provocations of the Modern* (Ithica: Cornell UP, 1999), 13.
[20] Enron, "1996 Enron Annual Report to Shareholders and Customers," (1996), 2. Emphasis in original.
[21] Ibid.
[22] Enron, "1996 Enron Annual Report to Shareholders and Customers," (1996), 3.
[23] Ibid. Emphasis in original.

global view and ambition. Towards the letter's end, its author declared, "*In the industrial nations we continue to seize opportunities*," while announcing in the subsequent paragraph, "*In the developing world we continue to move as markets open – and we continue to open them.*"[24] Much like the letter to Congress and *Enron Business* article from 1999, these two sentences linked the entire globe together in a single neoliberal project.

The manifesto form was fitting. As Lyons notes, the genre expresses an *unrealized* vision, just as neoliberalism is always presented as an unrealized state. As Brenner and Theodore point out, there is a split between the neoliberal ideal of a smooth space that capital can flow through, and what they term "actually existing neoliberalism."[25] Brenner and Theodore argue that neoliberalized space resembles more of a patchwork of regulatory regimes than it does a space with a smooth, uniform character. Rather, they emphasize "the contextual *embeddedness* of neoliberal restructuring projects insofar as they have been produced within national, regional, and local contexts defined by the legacies of inherited institutional frameworks" and highlight the "contextually specific interactions between inherited regulatory landscapes and emergent neoliberal, market-oriented restructuring projects at a broad range of geographical scales."[26] From Lay's public pronouncements, to the pages of *Enron Business* and the 1996 letter, such rhetoric was intended to smooth over these spatial realities – such as the need to court states individually.

[24] Ibid. Emphasis in original.
[25] Brenner and Theodore, "Cities and the Geographies of 'Actually Existing Neoliberalism,'" 4.
[26] Ibid.

This rhetorical fix, however, was only partially successful. Interestingly, cracks in Enron's neoliberal rhetoric were always present. Specifically, an implicit threat of violent disruption lurked just beneath the sunny lines about freedom and choice. These competing impulses were produced by neoliberalism's unfinished quality. In pursuit of the utopian, natural state of a world united by a single unregulated and free market, the company had to grudgingly acknowledge (and exploit) geographic difference – a contradiction that was most visible in Enron's efforts in the 1990s at electricity deregulation in the United States.

MAPS AND MILTARY CAMPAIGNS

At least internally, the company's rhetoric reflected the militaristic undertones of the 1996 letter. Gaynell Dochne's *Enron Business* article detailing the company's lobbying efforts on Capital Hill in 1996, "Enron Battles for Competition in Retail Power Market," offered a striking example. Aligning itself with lobbying organizations such as the American Legislative Exchange Council (ALEC), and libertarian think tanks such as the Cato Institute, which supported free markets, Enron was, Dochne declared, in the "thick of the fight" in a "massive public relations and legislative battle" to "bring competition to the U.S. retail market for electricity, one of the last great monopolies."[27] Displaying the sort of ardent faith in free markets Ken Lay had long held, Dochne quoted

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[27] Gaynell Dochne, "Enron Battles for Competition in Retail Electric Power Market," *Enron Business*, July/August 1996, 3. Indeed, the specter of "monopolies" was one that Skilling even referred to during his trial. The way he saw it, the company's militaristic campaign was aimed at large utilities that were aligned against consumer interests.

Rob Bradley, an Enron employee, as saying: “The truth is on our side. The airline, trucking, railroad, natural gas and telecommunications industries already have been significantly restructured. As a result, prices have come down considerably for consumers, and we all stand to gain even more from electric restructuring.”[28] Still, despite the story’s enthusiastic tone, Dochne noted the “battle” was “being fought on several fronts,” including both the federal and state levels.[29] As one Enron executive noted, Enron (as well as its lobbying allies) would have to work on a “state-by-state basis.”[30] Such comments pointed to the local work that would have to be involved in achieving the grand vision that Lay had put forward.

Though in 1999 Steve Kean declared his Government Affairs unit “activists who drive change,” it would be a long fight for Enron Energy Services, the company’s electricity service department (which was headed by Lou Pai – later an infamous character in published Enron narratives).[31] Even two years later, *Enron Business* was declaring that while Enron Energy Services had a “a national franchise in place,” it still had to “battl[e] state legislatures to open their markets to competition” so the business unit could create “innovative products and services” for the “North American marketplace.”[32] Significantly, in these instances, the rhetoric – “innovation” in particular – was the same Enron used when discussing its “brain intensive businesses.” This was

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[28] Ibid. 8.
[29] Ibid.
[30] Ibid.
[31] “Enron’s Government Affairs Group: A Two-way Conduit to Regulators and Legislators,” *Enron Business*, v. 1, 1999, 8-9, 8.
[32] “Enron Energy Services Poised for Competition,” *Enron Business*, V. 2, 1998.

not for lack of a dictionary; Enron's commitment to globalization and domestic neoliberal restructuring was meant to create an environment that would allow the company's symbolic analysts to work unimpeded.

In practical terms, this meant that throughout the late 1990s, Enron paid close attention to U.S. geography, a preoccupation that was evident throughout the pages of *Enron Business*. Articles about the status and pace of electric utility restructuring routinely featured maps revealing which states were moving toward deregulation, and even what level of deregulation that state was adopting. Such images gave the lie to the rhetoric of immanent and uniform change, instead echoing Brenner and Theodore's point about the stop and go, spatially mixed reality of neoliberalism. Still, articles accompanying the maps implied a definitive movement toward Enron's ultimate vision.

In 1997, an article in *Enron Business*, "Beyond Electric Restructuring," encapsulated these tensions. As to be expected, the article was largely triumphant, with author Teresa Hurst noting: "As restructuring and consumer choice move closer to reality, the electric power industry is poised for an explosion in innovative technology and services. Competition is expected to transform the power industry much the same way it has revolutionized the telecommunications business."[33] Interestingly, Hurst chose to refer to electric utilities en masse as "the nation's last great monopoly."[34] Hurst also quoted Steve Kean (head of the company's government affairs team) as saying, "the debate has already shifted from 'if' deregulation will occur to 'when.' And we're now

33 Teresa Hurst, "Beyond Electric Restructuring," *Enron Business* Vol. 6, 1997, 2.
34 Ibid.

starting to see the debate move from ‘when’ to ‘what is the competitive future going to look like?’”[35]

Still, while this was heady stuff, Hurst and Kean could not ignore the split between vision and reality throughout the article. As Kean pointed out, from the company’s perspective, federal legislation was far more desirable, since “it would avert the creation of a ‘patchwork’ of systems that most likely will occur if the states implement retail choice without guidance from the federal government.”[36] This same goal, of national unified space for electricity (and capital) was also reflected in a bill that “recognize[d] that electricity is interstate commerce – the nation is connected by an electricity grid that knows no state boundaries.”[37] Elsewhere, Hurst’s story dutifully recounted the status of deregulation in the U.S., and revealed which states (eight, including California, Pennsylvania, Rhode Island, and New Hampshire) had “enacted laws that will give businesses and residents consumer choice in the near future”[38] while other states had begun to formally explore the issue. Much like the maps in *Enron Business*, articles served as reminders that Enron’s neoliberal vision was not yet realized. The way the company dealt with individual states bore the traces of an uncomfortable split between neoliberalism’s ideal, global space and “actually existing neoliberalism.”

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35 Ibid.
36 Ibid.
37 Ibid.
38 Ibid.

SPACE AND PLACE

While a piecemeal approach to electricity deregulation was not, from the company's point of view, ideal, Enron doggedly courted individual states and even townships in pursuit of its goals. In these instances, Enron moved away from the militaristic language of the 1996 letter and the abstract view of space found in the *Enron Business* maps. Here, the tension implicit in what Henri Lefebrve refers to as the "triad" of "perceived, conceived, and lived" space was present. The maps that appeared in the publication were examples of "representations of space" (or conceived space) that contained a "mixture of understanding and ideology."[39] For Lefebvre, this type of space is the space of "technocratic subdividers and social engineers."[40] Significantly, Lefebvre also connects abstract space to economic production. "Capitalism," he contends, has "produced abstract space" that is "founded on the vast network of banks, business centres and major productive entities, as also on motorways, airports and information lattices."[41] For Lefebvre (and geographers that have built on his work), capitalism has an intensely geographic logic. Space must be constructed and arranged in such a way that is conducive to capital flows.

Though Lefebvre argues that conceived space is "the dominant space in any society," it almost never exists in a pure state.[42] Rather, it is bound up in a three-part dialectic with "perceived space" and, significantly, "lived space," – a concept that is

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39 Henri LeFebvre, *The Production of Space*, (Malden, MA: Blackwell, 1991), 41.
40 Ibid., 38.
41 Ibid., 53.
42 Ibid., 39.

analogous to humanist geographer Yi-Fu Tuan's idea of "place." Tuan conceives of place as far more subjective and experiential than space. For Tuan, a "sense of place" is a feeling of permanence and intimacy that develops over years. It is a "pause in movement" or a respite from the cool abstractions of conceived space.[43] Building on Tuan's definition, the geographer Tim Creswell has noted that while place can exist at a variety of scales, a sense of particularity is crucial to a sense of place.[44] Though place is fluid and changes as people engage in "place-making activities," places are ultimately locations that people invest with meaning.[45] It was precisely this sense of place that Enron could not avoid even as the company tried to produce abstract, neoliberalized spaces.

COURTING PLACE IN PURSUIT OF SPACE

For example, in 1997, when Enron began selling electricity at the retail level in Peterborough, New Hampshire, it dispensed with grand pronouncements of a unified global space and instead courted the town through localized appeals. In an echo of Roland Marchand's point about how large mid-century conglomerates adopted the rhetoric of the "good neighbor" in an effort to "humanize" their companies, Amy Lee, in her *Enron Business* article, attributed Enron's success to fostering a local sense of place.[46] As Lee put it:

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[43] Yi-Fu Tuan, *Space and Place: The Perspective of Experience*, (Minneapolis: U. of Minnesota P., 1977), 138.
[44] Tim Creswell, *Place: A Short Introduction*, (Malden, MA: Blackwell, 2004), 7.
[45] Ibid.
[46] Roland Marchand, *Creating the Corporate Soul: The Rise of Public Relations and Corporate Imagery in American Big Business*, (Berkeley: The University of California Press, 1998), 348-354.

> The relationship that began with [Peterborough's] selectmen is expanding daily to include increased interaction with the townspeople. Steve Lawrence, manager of Enron's Peterborough office, and Maggie Ramos are helping to build the company's image with local citizens and finding that success is really about getting to know the people you serve.[47]

This attention to locality was even repeated in the company's ad campaign. A national print ad highlighting Peterborough featured a severe looking Mort Bader, a local resident, standing in front of a barn, evoking the state's agrarian past. The advertisement's text also reflected a local sense of place. "In a state whose motto is Live Free or Die," the advertisement's text began, "people didn't like paying some of the highest energy rates in America. So they all got together and went shopping for a new energy company." According to the ad copy, this "newfound freedom of choice" came when "Enron listened to the voice of the community and acted on what it heard."[48] In other words, the text claimed, the company had displayed a good deal of sensitivity to place. However, from there, the advertisement turned away from a particular sense of place and towards a much lager geographic area. The success in Peterborough, the ad concluded, was a portentous sign of good things to come, since "One day soon, those voices could span a nation."[49] Here, Enron explicitly referenced New Hampshire's state motto and connected it to the typical neoliberal paeans to consumer freedom of choice (via market competition). Peterborough stood for a model of what national neoliberalism could be. Still, this model could not be presented in any palatable manner without capitalizing on town's *local*

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[47] Amy Lee, "Peterborough Electricity Pilot Where Customers Come First," *Enron Business*, March 1997, 2-3, 2.
[48] Enron Corp., Print Advertisement, 1997.
[49] Enron Corp., Print Advertisement, 1997.

qualities. In instances such as this, the connection between the local and global could not be separated – nor could Enron erase this attention to spatial difference. For all of this attention to local concerns, Peterborough was ultimately part of Enron's global marketing push.

DEREGULATION AND NEOLIBERALISM IN THE LONE STAR STATE

If the company's marketing in Peterborough demonstrated that a local sense of place had to be considered in pursuit of pure, abstract neoliberalized space, in other instances, Enron actually exploited spatial difference in advancing its goals of a unified, global, neoliberal space. The company's efforts in Texas offered a glimpse at this strategy. As to be expected, Texas was one state that jumped into the deregulation fray. An eerily prescient *Enron Business* article from 1999 updating employees about electric restructuring even featured a photograph of Texas governor George W. Bush signing a bill passing "electric restructuring legislation."[50] The cover story used much of the same language that other *Enron Business* articles (as well as the 1996 letter to shareholders) used in describing Bush's action, calling it "one more step on the march to pry open an industry that has been protected from competition for over a century."[51] The article proclaimed that "customers in every part of the country, representing over half of the nation's electricity demand, have now won the right to make their own choices."[52] Although the law would not go into effect until 2002, the article's author was quick to

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[50] "Texas, Ohio and Oregon keep the momentum moving," *Enron Business*, Vol. 4, 1999, 1.
[51] Ibid.
[52] Ibid.

point out Enron's special connection with Texas. As Steve Kean was quoted as saying, "Not only is Texas Enron's home state, but more electrons are sold here than in any other state, giving Enron enormous potential to grow our businesses."[53] As the article put it: "Texas in general and Houston in particular have become the home to many of the country's non-regulated power marketing and energy service companies…."[54] Here, then, was a signal victory for Enron – at once substantial and symbolic.

Still, despite a deeply sympathetic executive in the governor's mansion, electricity restructuring in Texas had been a long process of courting "consumer, large customer, and environmental groups; the municipal and cooperative-owned utilities; labor unions; other energy marketers; and even the monopoly incumbent utilities."[55] Despite this long list, the article failed to mention the extensive personal correspondence between Ken Lay and George W. Bush.[56] Lay had begun writing to the governor on a regular basis concerning (among other issues) electricity deregulation in the state shortly after Bush took office. While sometimes this would include sending along promotional literature from special interest groups (of which Enron was a member), Lay also made repeated personal appeals to Bush on the subject. Much like the Peterborough advertisement, Lay's letters called attention to a local sense of place. However, while the New Hampshire ad positioned neoliberal deregulation and restructuring as fulfilling a local

[53] Ibid.
[54] Ibid. 2.
[55] Ibid. The article also spent time discussing similar efforts and achievements in Ohio and Oregon.
[56] The relationship between the two men would prove to be a sensational news story in its own right when the company collapsed in 2001 and 2002. However, as some have noted, Lay had a much stronger friendship with the president George H.W. Bush. Still, the future president's presence in Austin presented a unique opportunity, and one that Lay would take advantage of throughout the 1990s.

sense of place, in these letters, neoliberalism appeared as a menacing force that threatened the Lone Star State as a place.

For instance, in February 1995, Lay wrote to Bush that "restricting important competitors from the wholesale power market harms the Texas economy by causing higher electric prices, less investment, and fewer jobs." By contrast, Lay continued, "more competition, leading to lower electric rates, would benefit all Texans and help keep Texas business competitive in world markets." These few sentences in the middle of the letter were striking in several respects. First, they exemplified the intense spatial logic of neoliberal restructuring. Texas, Lay insisted, had to start moving toward deregulation because not doing so could lead to "less investment," the implication being that finance capital would flow to other, friendlier spaces. What is more, Lay's point that Texas had to be competitive in "world markets" reflected the rescaling of geographic relationships brought on by neoliberal reform in the same way the cozy, homey feel of the Peterborough ads were intended for a global audience.[57]

If the threat of spatial competition was only implied in the February epistle, Lay was bolder about the dangers of failing to adopt his point of view a scant two months later. Writing to Bush, encouraging him to sign a bill into law (S.B. 373), Lay reassured him that the "historic legislation represents a major step towards competition in the electric business and will help keep the regulatory environment in Texas in step with that in the rest of the country." Though Lay promised that like "every other industry,

[57] Ken Lay to George W. Bush, 15 February 1995. George W. Bush Papers, Texas State Archives.

competition will reward innovation and efficiency and keep electric prices low," he also warned the governor that "Texas industry" needed to be "viable in the face of stiff national and international competition." Again, rescaling was an issue, as was the demand that places become similar in an effort to attract capital. It was in this last statement that neoliberalism's implied threat became ever more explicit. Texas simply had no choice but to deregulate electricity or else face the loss of investment and possible economic ruin. [58]

The following year, Lay's (as well as Skilling's) entreaties to Bush took on a new sense of urgency. As Lay wrote to Bush in May 1996, "Electric 'customer choice' is gaining momentum across the country, and we expect that proposals to implement retail competition in Texas will a major issue." Significantly, Lay included a *Houston Business Journal* article about Enron's move into the electricity market and even extended an invitation to the governor to visit "Enron's Power trading floor in Houston." As Lay added, "We would like to show you what the new electric industry looks like."[59]

If that letter sounded a bit coy, Lay did not mince words two months later. As he put it, when it came to electric restructuring, Texas could not "afford to wait" since a "delay could diminish our state's ability to compete for domestic and global business." Texas now faced a choice, Lay reasoned. Adopting the stance of a concerned resident, he wrote: "We will control our energy future and therefore our economic future, or others will realize the competitive advantages of the new system before we do." While other

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[58] Ken Lay to George W. Bush, 30 May 1995. George W. Bush Papers, Texas State Archives.
[59] Ken Lay to George W. Bush, 22 May 1996. George W. Bush Papers, Texas State Archives.

portions of the letter sounded a more optimistic note, the overall push of that passage was striking. Texas, according to Lay, had to remain competitive, and the only way to do this was through electricity deregulation. Of course, Lay was also sure to include bromides about letting market forces "work their magic" and (perhaps vaguely threateningly) professing that "there is not one cultural, economic or technical barrier that cannot easily be removed with a little teamwork among the stakeholders." Indeed, that comment revealed much about Enron's strategy moving forward in places like California and New Hampshire.[60]

Still, Lay was sure to end his letter in no uncertain terms. As he warned Bush: "Recent changes in laws to promote cogeneration and the entry of wholesale producers into the marketplace have set forces of change into motion that will not stop." Again casting himself as a concerned citizen, Lay wrote that "Our place in the new system will be decided by us, or for us. I want that decision to be made in Austin, not in some other state's capital, or in Washington. I want Texas to assert its position as an energy leader." Again, Lay was connecting the promise of deregulation to Texas's position in a global marketplace. [61]

As David Harvey argues, a fluid sort of capitalism (the neoliberal ideal) results in "coercion" because of "inter-place competition for capital investment and employment (accede to the capitalist's demands or go out of business, create a 'good business climate'

60 Ken Lay to George W. Bush, 11 July 1996. George W. Bush Papers, Texas State Archives.
61 Ibid.

or lose jobs)….”[62] It is this sense of coercion that lurks behind the neoliberal rhetoric of "freedom," and was, at times, more or less explicit in Enron's case. Significantly, the threat played out in geographic terms. These menacing comments can be read as Enron taking the frustrating patchwork of regulatory regimes and leveraging them to its own advantage. Ironically, it was precisely the unfinished quality of neoliberalism that helped propel and accelerate its spread. The letters were examples of how neoliberalism is, as geographers Jamie Peck and Adam Tickell put it, a "strong discourse" that is "self-actualizing."[63] In these letters, neoliberalism appeared as an "apparently disembodied" and "out there" force, even though Lay himself was actively working to neoliberalize space.

Letters such as these were also intimately connected to Enron's lobbying efforts, and pointed to another neoliberal contradiction. As much as Enron executives scoffed at the idea of government intrusion, pursuing a free market strategy meant that, on a practical level, the organization would become more and more embroiled in the legislative process, much in the same way many scholars now see neoliberalism as inherently a political process.[64] Both the cases of Enron's efforts in New Hampshire and Texas may have hinted at the different approaches Enron took in the 1990s in addressing

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[62] David Harvey, "From Space to Place and Back Again," *Justice, Nature & the Geography of Difference*, (Oxford: Blackwell, 1996), 291-326, 299. For Harvey, this type of coercion is one step removed from outright violent oppression. However, the spatial implications are what I am interested in here. The demand is, much like the desires expressed in *Enron Business* articles, for a smooth, undifferentiated space (though Harvey will note that this then puts a secondary pressure on places to distinguish themselves in some manner from other places).
[63] Jamie Peck and Adam Tickell, "Neoliberalizing Space," in *Spaces of Neoliberalism*, ed. Neil Brenner and Nik Theodore (Malden, MA: Blackwell, 2002), 33-57, 35.
[64] Brenner and Theodore, "Cities and the Geographies of 'Actually Existing Neoliberalism,'" 6.

the unpleasant reality of a crazy quilt of regulatory environments that the maps repeatedly depicted. However, achievements in both states were small victories compared with the possibilities found in the Golden State. California, in fact, was on the company's radar from a very early date since it represented such a huge market.

CALIFORNIA

Much like Enron's actions in New Hampshire and Texas, the drama that unfolded between Enron and California as the company bought and sold energy in the state's newly deregulated energy market in the late 1990s and the opening years of the twenty-first century reveals the instability of space and place as categories under neoliberalism. From 1996 to early 2001 (before the company's complete collapse), the traces of dynamic, relational, and multiple understandings of space and place were revealed in the relationship between the company and the state. As California moved towards deregulating its energy market in the mid 1990s, Enron was keen to take advantage of the development.

California Bill 1890, which passed in 1996, helped establish the state's newly deregulated power system. The most significant change was the creation of the California Power Exchange (CalPX) which required investor-owned utilities (IOUs) "to buy all of their power in a newly created 'spot' market" as well as "forbidding IOUs from entering into long term, ‘bi-lateral’ contracts.”[65] Much like the way FERC Order 436 introduced volatility into the natural gas industry by creating a spot market in the mid 1980s, California’s new system contained at least the potential for similar unpredictability. Though the market structure was not to be implemented for another two years, the company moved immediately to take advantage. Significantly, access to the Western states’ power grids (and California’s in particular) was the motivating force behind Enron’s merger with Portland General Electric (PGE) in 1996. An *Enron Business* article celebrating the merger even featured a photograph of Ken Lay and Ken Harrison (of PGE) cutting a cake in the shape of the continental United States with decorative power lines stuck in the frosting. Literally a map waiting to be carved up, the image served as a fitting metaphor for Enron’s approach to electricity marketing in the U.S.

As (a likely scripted) quote from Lay in the press packet announcing the merger put it: “By combining the natural gas and electricity marketing and risk management expertise of Enron with the wholesale and retail electricity expertise of Portland General, along with its related assets and skilled employees, we are uniquely positioned to be the leader in the increasingly competitive natural gas and electricity marketplace.”[66] Here, the merger (and the logic behind it) revealed Enron’s continued involvement in the material world. As the press release put it, the combined company now possessed “more than 5,900 megawatts of electric generating capacity worldwide and more than 37,000

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65 “The Western Energy Crisis, the Enron Bankruptcy, and FERC’s Response,” The Federal Energy Regulatory Commission. http://www.ferc.gov/industries/electric/indus-act/wec/chron/chronology.pdf, n.d. Accessed 11 Jan. 2011.

66 Enron Corp., “Enron and Portland General Announce Pro-Competetive Merger,” 22 Jul. 1996. 2.

miles of natural gas pipeline."[67] Though much of the press release highlighted Enron's "risk management" and trading businesses, owning even more physical assets was key to Enron's strategy of electricity retail and trading. The merger with Portland General Electric also included a decidedly spatial component. A map included in the press packet revealed power lines from Oregon snaking through the Western United States, and into California. These lines, and Enron's West Coast trading operation in Portland, had dire consequences for the Golden State.

The case of California echoed many of the national statements the company had made regarding electric restructuring, as well as revealing (again) how Enron had embroiled itself in local politics in pursuit of a globalized free market. Many of these issues came to the fore in a talk Lay gave at the Western Economic Association Conference in California in June 1998. As to be expected, Lay's comments echoed the national, militaristic rhetoric of Enron's campaign. Here, again, were pronouncements of a "battle of ideas."[68] This choice of words was significant, demonstrating that he regarded the company's success in entering such markets as ideological victories. While he said that free market advocates were once "a lonely group," he rejoiced in the fact that "Economists who opposed a common wisdom bent on guarding monopolies and were once considered 'fringe' are now mainstream."[69] Of course, the immediate cause of celebration for Lay was the turn of events in California. After applauding the "California

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[67] Ibid., 1.
[68] Kenneth Lay, "Remarks of Ken Lay, Chairman and CEO, Enron Corp.," Speech, Western Economic Association Conference, Lake Tahoe, CA, June 30, 1998, 1. http://www.doe.gov/sites/prod/files/maprod/documents/enron1998.pdf, Accessed 13 Sept. 2011.
[69] Ibid., 1.

Public Utilities Commission for starting the march toward consumer choice and competition in electricity in 1994" and approving AB 1890 in 1996 that created a path toward energy deregulation, Lay declared that his company was "very excited about California."[70] This was, of course, because California represented a potentially huge market for the company.

In addition to the company's merger with Portland General, Enron acted in other ways in order to take advantage of the developments in California. One such move was the purchase of the Bentley Company in 1997, which a press release described as "one of the oldest and most respected firms in the west."[71] An *Enron Business* article from that same year touted the purchase of the Bentley Company as "gain[ing] a powerful ally in the battle to bring choice to electricity consumers."[72] This article's coverage of the purchase also reflected Enron's attention to a local sense of place in pursuit of a national deregulated environment. The article framed the acquisition as a coup for the company, since Bentley was an old, established California company and offered Enron "additional firepower in its campaign to capture a significant share of the industrial, commercial and institutional segments of the electricity market, first in California," which was scheduled to be opened up "to full competition on Jan. 1, 1998, and eventually nationwide."[73] The comment was striking in the way it instantly linked deregulation in California to a

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[70] Ibid., 2.
[71] Enron Corp., "Enron Makes a Bold Entry into California Electricity Market," October 23, 2997, <http://www.lexisnexis.com> . Accessed 18 Nov. 2006, 2.
[72] "Enron Adds Muscle to Electricity Marketing Through Bentley Acquisition," *Enron Business* v. 10, 1997, 4.
[73] Ibid.

national project. Much as the use of Peterborough in Enron's print advertisement implied, California's uniqueness would ideally be a temporary condition. Deregulation in California was intended to be one step in a national project. The article quoted the president of Bentley as saying, "California is ground zero for deregulation."[74] Still, moving forward, Enron had to assert the idea of California's uniqueness even as it viewed the state as only one (albeit major) front in its "campaign" for a nationally (and internationally) deregulated environment. In order to gain entry into the state, Enron actively encouraged the idea of California as a unique place. Unlike the menacing letters Lay sent to Bush, Enron's initial approach to the Golden State suggested a power relation decidedly in favor of California.

This power relation was most evident in several Enron press releases dating from the 1990s. Rather than placing demands on California, Enron promised to adapt itself in ways that would not alter California's pre-existing sense of place. In this instance, the marketing strategy was not too much of stretch, allowing the company to draw on the environmental rhetoric it had used for years. For example, a 1997 release announcing a partnership between N.C.P.A. (the Northern California Power Agency) and the company quoted a new state law calling for energy that would maintain "California's commitment to developing diverse, environmentally sensitive electricity sources."[75] Enron's corporate message consistently referenced both the environment and the state's uniqueness and by 1999, Enron was making much more direct appeals to California as a particular place.

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[74] Ibid.
[75] Enron Corp., "NCPA and Enron Form Major Strategic Energy Alliance," January 15, 1997, <http://www.lexisnexis.com>. Accessed 18 Nov. 2006, 2.

One press release highlighted a ”clean” power plant, Green Power I, that “was built to supply clean, renewable electrons for Southern California’s environmentally conscious electricity consumers.”[76] The company even sponsored Earth Day events in 1999 and promised to build wind farms.[77] A press release regarding Earth Day also called attention to the company’s thinking of California as a place. The release noted that Enron had contributed to parks and schools projects, and included a scripted quote from Ken Lay hailing Earth Day 1999 in California as “an impressive and inspiring example of how individuals, businesses, environmental agencies and communities can join together to restore and protect our natural resources.” Lay also asserted that environmental stewardship was “essential not only to the quality of life in our communities, but also to continued economic growth.”[78] This press release used the first person plural (“our”) when referring to California’s environment. Such syntactic strategies sought to link Enron to local “communities.”[79] While this fit well with the company’s older environmental image (the company sponsored Earth Day events in other locales including Houston), the company’s California celebrations specifically courted that state *as a place*. For example, in an *Enron Business* article about Earth Day in 1999, Jeff

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[76] Enron Corp., “Enron Wind Dedicates New California Wind Power Project; First Major Green Merchant Plant in the State,” December 8, 1999. <http://www.lexisnexis.com>. Accessed 18 Nov. 2006, 2.
[77] However, as Hamid Ekbia notes, Enron often announced plans without actually following through on them. See Hamid R. Ekbia, “How IT Mediates Organizations: Enron and the California Energy Crisis.” *Journal of Digital Information*. 5.4 (2004), http://journals.tdl.org/jodi/article/viewArticle/146/144 (accessed August 16, 2011).
[78] Enron Corp., “Enron Hosts Statewide Earth Day ’99 With California State Parks Foundation,” April 23, 1999, <http://www.lexisnexis.com>. Accessed 18 Nov. 2006, 2.
[79] One could make the argument that Enron does not explicitly reference California communities in this passage, but the implication is unambiguous.

Dasovich, an Enron employee based in San Francisco, was quoted as saying, "There are a whole lot of people in California who hadn't heard of Enron before, but thank to Enron's participation in Earth Day, they know who Enron is now, and they have a better understanding of our company, our values and the people who work here."[80]

This public relations strategy recalled a longer tradition in corporate public corporate communications. As Roland Marchand notes of the postwar corporation, "Given that one long-standing barrier to greater moral legitimacy for the giant corporation had been its immense size and seeming aloofness, no better counter image could be offered than that of a friendly neighbor and civic contributor located right nearby on Main Street."[81] Marchand argues that during the twentieth century, large and increasingly decentralized businesses attempted to ingratiate themselves to communities as "good neighbors" in order to "cast an aura of familiarity over ever-more-complex economic and spatial relationships."[82] This same attempt to produce a sense of closeness could be found throughout Enron's public relations efforts in California.

To at least some extent, Enron's attempt to portray itself as (somewhat) Californian may have worked. Though many news stories referred to Houston as the company's headquarters, others seemed to suggest that locating Enron was a more difficult task. For example, the company was one of three in an October 2000 story in

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[80] "Enron Earth Day Impact Felt in Texas, California and Oregon," *Enron Business*, v.3, 1999, 8. This is not to say that the actual Earth Day activities, including cleaning up trash from beaches, or awarding grants to community projects in Houston, weren't beneficial. Rather, I point to them here as another way space and place became contradictorily reconfigured in Enron's business dealings.

[81] Roland Marchand, *Creating the Corporate Soul: The Rise of Public Relations and Corporate Imagery in American Big Business*, (Berkeley: The University of California Press, 1998), 349.

[82] Ibid., 362.

Escondido, California's *North County Times*, titled "California Power Companies Report Sizzling Third Quarter." One line in the article's opening paragraph was telling: "Three of the companies that generate and sell electricity in California."[83] Here, Enron was described as "the world's largest electricity company," directly echoing the press release's boilerplate. It is also worth noting that Duke Energy was referred to as "Houston-based," suggesting that Enron was particularly successful in effacing its sense of place.[84] Californians, it appeared, had basically accepted the company's presence in their state.

However, a sense of the temporary nature of the company's investment in a local sense of place was always present. Even the 1999 Earth Day press release expressed a concept of space that was directly at odds with the "good neighbor" metaphor and that revealed Enron's investment (both figurative and literal) in the annihilation of space and time. After testifying to a commitment to California, Ken Lay trumpeted the company's global reach; though Enron was happy to contribute to California's Earth Day celebrations, it was ultimately a worldwide business. This was also echoed in the "boilerplate" description of the company (the paragraph found at the end of each press release). It is worth quoting at length:

> Enron is one of the world's leading integrated electricity and natural gas companies. The company, which owns approximately $30 billion in energy related assets, produces electricity and natural gas, develops, constructs and operates energy facilities worldwide and delivers physical commodities and risk

[83] Dan McSwain, "California Power Companies Report Sizzling Third Quarter," *North County Times*, 19 Oct. 2000. <http://www.ebscohost.com>, Accessed 28 Nov. 2006, 1.

[84] Describing Duke Energy as "Houston-based" was a mistake. Most other stories covering energy deregulation note that Duke Energy was headquartered in North Carolina.

> management and financial services to customers around the world. Enron's Internet address is www.enron.com, and the stock is traded under the ticker symbol, "ENE".[85]

While this passage mentioned physical structures, the emphasis was decidedly on the company's *lack of place* and immateriality. As Enron itself had grown in scope (to the point of being global), its sense of place diminished proportionally. While its physical address (Houston, Texas) was not mentioned, its online address was. Though Enron made direct appeals to California as a place, the absence of Enron's own locality pointed towards its adversarial view of space and distance. Massey notes that the narratives and rhetoric of cyberspace always involve "an assumption, not only of space as merely distance, but also of it as always *a burden.*"[86] In this way, Enron's attitude towards space directly paralleled its antipathy towards heavy assets. Both instances reflected its growing commitment to the postindustrial, immaterial labor of symbolic analysis. However, much like the company's attempts to completely deny hard, material, industrial processes, the desire to annihilate space and time was ultimately elusive. For Massey, when it comes to "the communications revolution," it is not a question of "whether space will be annihilated but what kinds of multiplicities (patterns of uniqueness) and relations will be co-constructed with these new kinds of spatial configurations."[87] This unavoidable and

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85 Enron Corp., "Enron Hosts Statewide Earth Day '99 With California State Parks Foundation," April 23, 1999, <http://www.lexisnexis.com>. Accessed 18 Nov. 2006, 2.

86 Massey, *For Space*, 94.

87 Ibid., 91. I am not at all arguing that Enron is unique in avoiding place in its description. Indeed, another worldwide energy company, El Paso, also avoids any particular place, instead writing: "El Paso Corporation provides natural gas and related energy products in a safe, efficient, and dependable manner. The company owns North America's largest natural gas pipeline system and one of North America's largest independent natural gas producers. For more information, visit http://www.elpaso.com ." (elpaso.com).

potentially consequential linkage between information and place became painfully obvious as the state slide into crisis.

THE CALIFORNIA ENERGY CRISIS AS MATERIAL REALITY

Though at first California's new electricity market appeared to run smoothly, in May of 2000, "spot prices began to rise notably."[88] Throughout that summer, the state declared a "Stage 3" emergency and, in an effort to conserve power, northern California experienced rolling blackouts starting on June 14th.[89] The crisis continued throughout the year and reached a high point on April 26, 2001, when California declared a Stage 1 emergency, meaning "power reserves were at or below 7.5 percent of demand."[90] It was also during this time that the CPUC began formally investigating power companies operating in the state. While not directed solely at Enron (indeed, the study found that several companies were engaging in dubious practices), trading strategies with titles such as "Fat Boy," "Death Star," and "Ricochet" came to light. The unfortunate names represented the most extreme instance of the instability that was the ultimate purpose

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[88] "The Western Energy Crisis, the Enron Bankruptcy, and FERC's Response," The Federal Energy Regulatory Commission. http://www.ferc.gov/industries/electric/indus-act/wec/chron/chronology.pdf, n.d. Accessed 11 Jan. 2011, 1. As this FERC report ultimately concluded, there were multiple causes for the dramatic increases in energy prices, including "a low rate of generation having been built in California in the preceding years making California dependent on imports of electricity; northwestern drought conditions resulting in lower than expected water runoff for hydropower generation; a rupture and subsequent capacity constraints on a major pipeline supplier of natural gas to California markets (California was heavily dependent on gas-fired generation due to state air standards); strong economic growth and thus increased electricity demand throughout the west; and unusually high temperatures coupled with an increase in unplanned plant outages of older plants that were being run to meet increased demand in California." However, the report also found that "some energy companies attempted to manipulate wholesale electric and gas markets."

[89] Ibid., 2.

[90] Ibid., 5-6.

behind Enron's attempt to neoliberalize space. Much like the other types of activities the company's symbolic analysts were performing, trading electricity required an unstable economic environment.

While testifying during Ken Lay and Jeff Skilling's trial, Tim Belden, head of the West Coast trading desk (which was actually run out of Portland, Oregon, not Houston), highlighted the role of instability in Enron's trading business. Belden and the rest of the one hundred person office were involved in "speculative trading."[91] As he described it, Enron's West Coast energy trading profits were "completely dependent upon whether or not the prices went up or went down, depending on whether we bought or sold."[92] In fact, Belden specifically pointed to "volatility" as the means through which Enron could profit in the West Coast market.[93] In 2000, there was, as he put it, "chaos" in California's energy market (which Belden – along with other Enron executives – blamed on the way in which the state had organized that market).[94] However, because Enron had been systematically working towards a vast, unified space that money and megawatts could flow through, "chaos in California created chaos in the entire western market."[95] At least in the short term, this was good for the company. As Belden put it: "The chaos drove high prices; and the high prices drove our profits."[96] Given this connection between instability and profit, which had been the company's experience since natural gas

[91] 5056. Transcript of Proceedings Before the Honorable Sim Lake and a Jury, Vol. 17, 28 Feb. 2006.
[92] 5059, Ibid.
[93] 5061, Ibid.
[94] 5063, Ibid.
[95] 5064, Ibid.
[96] Ibid.

deregulation in 1985, Belden's statement should not have been too surprising. However, in the case of California, the abstract symbolic analysis that was being performed in Portland – simply looking and reacting to numbers on a screen – resulted in disastrous consequences in the material world.

In subsequent Enron narratives, the California episode was a prominent feature even though it was divorced from the immediate circumstances of the company's collapse. Perhaps this was because it offered the most stunning example of the connection between symbolic analysis and the material world denied by the "new economy" rhetoric the company was routinely using by that point. Yet before these narratives ever appeared, many in California grasped this connection. In fact, the immediate outrage in the state took the form of explicitly pointing to this connection and highlighting both the material consequences of abstract knowledge work and Enron's distance from California.

As the crisis unfolded with rising electricity prices and rolling blackouts, many Californians no longer saw energy deregulation and Enron as good things for the state, but rather as threats to California as a place. One example could be found in a letter to the *San Diego Union-Tribune* concerning the steep rise in electricity costs. William Brotherton, a San Diego resident, wrote that the city's energy woes were "being exploited by large out-of-state utilities, such as Enron."[97] Another letter in the same paper revealed the deep anxiety over the effect: "Forget the ballpark. It's not going to happen. Forget the downtown library; that's history, too. Forget the new hotels, the booming tourism, the

[97] William Brotherton, letter to the editor, *San Diego Union-Tribune*, 19 Aug. 2000, http://www.lexis-nexis.com/, 2. Accessed 18 Nov. 2006.

growth and prosperity San Diegans have come to view as theirs by right. It's over, folks."[98] That letter was full of anxiety and fears over what would happen to the city as a result of the energy crisis. Indeed, such letters were indicative of how Californians were beginning to perceive energy deregulation. In these representations, Enron was definitively (and threateningly) outside of California and actively reshaping the state.

Still, the geographic implications of symbolic analysis were rather muted in these letters (even if a geographic anxiety was present). By contrast, when California journalists covered Enron's role in the energy crisis, the notion of disparate locations connected through symbolic manipulation and cyberspace quickly came to the fore. Californian journalists repeatedly emphasized Enron's physical distance from the state. Writing for the *San Francisco Chronicle*, David Lazarus depicted Ken Lay as gazing "out from his plush, 50th-floor office" with "Houston's downtown skyscrapers jutt[ing] like sharp teeth against the overcast sky."[99] Though the imagery of the skyline as a menacing set of jaws was unique to this article, this type of rhetorical move became increasingly common as the energy crisis in California grew. Simply put, Enron was explicitly resituated in Houston.

A February 7, 2001, story in the *San Jose Mercury News* titled "Texas Energy Company Thrives in California's Deregulated Atmosphere" was even more explicit about Enron's location in Texas while simultaneously calling attention to its distance from

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[98] Carolyn Wheat, letter to the editor. *San Diego Union-Tribune*, 19 Aug. 2000, http://www.lexis-nexis.com/, 1. Accessed 18 Nov. 2006.

[99] David Lazarus, "Enron's Chief Denies Role as Villain," *San Francisco Chronicle*, 4 March 2001, http://www.lexis-nexis.com/. Accessed 18 Nov. 2006.

California. The story's opening line, "Though it produces hardly any power for California consumers, a Texas energy company is thriving in a deregulated energy marketplace that it helped shape," implied a split between the company and the state.[100] The story's author, Brandon Bailey, hinted that by virtue of its location outside of California, Enron lacked concern for the state. Highlighting the role of both symbolic manipulation and geographic distance, Bailey, wrote, "At the company's 50-story Houston headquarters, Enron traders use sophisticated software to monitor supply and demand…."[101] Significantly, this line used the detail of computers to link two distant geographic places. Yet rather than see these technologies and symbolic analysts as modern improvements, they were now unwelcome developments. These representations of Enron as rooted in a specific locality can be read as a direct rebuke to the company's commitment to both neoliberal reform and symbolic analysis. In effect, this news coverage amounted to a vernacular articulation of Doreen Massey's critique of cyberspace. As Massey notes, "the world of physical space and the world of electronically mediated connection do not exist as somehow two separate layers, one (in what is I suspect a common mind's eye imagination) floating ethereally somewhere above the materiality of the other."[102] Indeed, Massey goes on to argue points of access to cyberspace are always rooted in a physical location. It was this connection that Californian journalists highlighted in references to the Houston skyline, Enron Tower, and even the corporation's trading floor, the very moment when Enron

[100] Ibid.
[101] Brandon Bailey, "Texas Energy Company Thrives in California's Deregulated Atmosphere," *San Jose Mercury News*, 7 Feb. 2001, http://search.ebscohost.com/. Accessed 18 Nov. 2006.
[102] Massey, *For Space*, 96.

traders *in Houston* were, through this ostensibly "ethereal" world of cyberspace, having a direct, material impact on California.

Enron's placelessness took on a sinister character in these news stories. Though *San Francisco Chronicle* writer David Lazarus situated Enron in Houston, the threat of a "placeless" global capitalism also appeared in his article. In describing Enron's trading floor, Lazarus wrote that, "Enron's trading floors buzz all day long with frantic activity as […] employees scan banks of flat-panel displays in search of the best deals."[103] After describing this scene of symbolic analysts in an informational environment, he called attention to its geographic consequences, writing that "Kevin Presto, who oversees Enron's East Coast power trades, called up the California market on his computer. With a few quick mouse clicks, he showed that Enron at that moment was buying power in the Golden State at $250 per megawatt hour and selling it at $275. [104] In the context of Lazarus's article, the trader's ability to buy and sell power on both coasts from a desk in Houston was not a cause for celebration, but rather one of dread. In this moment, the state lost almost any sense of materiality, and was instead reduced to a series of financial transactions on a computer screen.

The spatial tension between the company and state found perhaps its fullest expression in Robert Salladay's article for the *San Francisco Chronicle*, "California

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103 David Lazarus, "Enron's Chief Denies Role as Villain," *San Francisco Chronicle*, 4 March 2001, http://www.lexis-nexis.com/. Accessed 18 Nov. 2006.

104 Ibid. It is also worth noting that certain Texans feared Enron as well. As Lazarus notes, "as Texas proceeds toward deregulation of its own electricity market next year [2002], Turner [a Houston lawmaker quoted earlier in the article] said he has learned from California's experiences – and is taking steps to prevent Texas' power giants from shaking down local customers."

Shivers – Texas Smirks." Though the article humorously cataloged the long historical animosity between the two states, the last third was devoted to Ken Lay and Enron. Still, despite the overall humorous tone, notes of anxiety were present. Salladay even quoted a state senator as saying: "We really ought to be taking a hard look at how it is that California's pocket has been emptied into the pockets of Texas and Southern Corporations."[105] As Salladay noted, the senator "nearly spit the word 'Texas' when she said it."[106] Here, place almost completely overtook Enron. Though this article was also concerned with George Bush, Enron no longer appeared as placeless, but one of several signifiers for Texas itself.[107] A telling example of this was when Salladay wrote: "Kenneth Lay, a Texas buddy of Bush and chairman of the huge energy trader Enron, says California should be friendlier to his business."[108]

It was also in the height of this tension that the threatening side of neoliberal restructuring – which Lay had pointed to in his letters to Bush – overtook Enron's supposed commitment to California. Gone were the pronouncements about consumer choice and freedom. What was left, however, was an aggressive stance. Just as Lay had written to Bush in the mid 1990s about the perils of regulation, in California, Lay began publicly voicing neoliberalism's threats, rather than promises. No longer the "good neighbor," Lay began to reflect Harvey's observations about the pressures mobile

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105 Robert Salladay, "California Shivers—Texas Smirks," *The San Francisco Chronicle*, 20 Feb. 2001, http://www.lexis-nexis.com/, Accessed 18 Nov. 2006, 3.
106 Ibid., 4.
107 Indeed, in many of these articles, the authors point to Lay's relationship with Bush.
108 Of course, this is not to deny the somewhat tongue and cheek tone to the article. For example, after quoting tensions between the two states, Salladay, in faux-California lingo, writes: "Harsh, Texas dudes. Is California experiencing some sort of karmic retribution?" (Salladay 2)

investment capital could put on a place. In discussing Enron's refusal to bring turbines into the state, Lay was quoted in Salladay's piece as saying: "If California makes it attractive to do business in their state, they've got a chance of some of those turbines coming to California."[109] Lay and Enron were no longer offering themselves as trustworthy custodians of California's sense of place, but rather demanded California align itself with the company's neoliberal agenda.

Ultimately, though, the company never realized its goal of nationwide deregulation. As late as 2000, *Enron Business* still had to contend with the fact that "a map of the country looks like a crazy and fragmented quilt of fully deregulated, partially deregulated and wholly regulated energy markets."[110] Of course, the article was quick to follow this observation with the hopeful note, "As more states and countries move toward complete deregulation, additional market opportunities will present themselves."[111] California's well-publicized woes only made Enron's struggle more difficult. In the wake of the California debacle, the company announced (in the pages of *Enron Business*) that it was engaging in a "focused, strategic campaign" in "four key battlegrounds" to "stabilize the fallout from California, promote competitive markets and improve public perceptions."[112] As this sidebar opined, "it would be disastrous for government

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[109] Ibid.
[110] "EES Muscles in Big," *Enron Business*, Vol. 6, 2000, 5.
[111] Ibid.
[112] "Advancing Electric Competition…Enron is Hot on the Campaign Trail to Affect Policy and Public Opinion," *Enron Business*, V. 2, 2001, 12.

authorities to begin pulling away from their commitment to deregulation and open electric power markets."[113]

Yet California's woes at Enron's hand only point to one way in which symbolic analysis can have a profound impact on place. Just as Massey notes that both ends of a connection in cyberspace are transformed through that relationship, Houston itself – far from being the dreaded lair from whence Enron launched its attacks on California out of sheer spite – was a place that the company found (on some level) lacking and in need of profound change in the service of postindustrial production. This attitude mixed with stereotypically Texan hometown pride – perhaps an acknowledgement of how rooted Enron was in the region's past.

ENRON'S SUNBELT PAST

For all of Enron's attempts to transform both the United States and the rest of the world into a single unified and unregulated space so that the company's traders could move electrons, electronic bits, natural gas and money around the globe, by virtue of its origins Enron was also tied to Houston's past as well as the region's traditional focus on energy. Despite this connection, if the organization was to achieve these goals, it required more than a regional city, as Houston – the so-called "Golden Buckle of the Sunbelt – was in many respects. Rather, the company, and Ken Lay in particular, sought to recast Houston as what urban theorist Sakia Sassen calls a "global city" as opposed to simply a

[113] Ibid.

large metropolis (which Houston certainly was).[114]

For Sassen and other urban theorists, economic globalization has changed the nature of cities. Cities become connected to different parts of a decentralized and transnational production process. Some cities turn to providing immaterial services such as banking and marketing that cater to "the needs and desires of the global elite."[115] In the 1990s, Ken Lay sought to reposition Houston as a global city. However, this repositioning required a reworking of what Lefebvre calls "social space." Lefebvre sees social space as "produced and reproduced in connection with the forces of production."[116] For him, productive forces "are not taking over a pre-existing, empty or neutral space," but enter into a dialectical relationship with other place-making forces.[117] In effect, Houston's social space would have to be remade to fit the needs of symbolic analysts and immaterial production. Since "global cities provide attractive places for service industries and their employees to work," Houston's social space had to resemble that of other global cities.[118] These changes could be seen in large projects – creating a baseball field in downtown Houston for instance - as well as in subtler ways, such as the company's increasing commitment to a cosmopolitan workforce.

A quick glance at the branded items the company offered throughout the 1990s provides a clue as to the character of this project. For instance, the May 1993 issue of

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[114] "World Cities/Global Cities," in *Globalization: The Key Concepts*, Annabelle Mooney and Betsey Evans, ed. (London: Routeldge, 2007), 247.
[115] Ibid.
[116] LeFebvre, *The Production of Space*, 77.
[117] Ibid.
[118] "World Cities/Global Cities," in *Globalization: The Key Concepts*, Annabelle Mooney and Betsey Evans, ed. (London: Routeldge, 2007), 248.

Enron Business's back page featured a small number of branded items for sale. There, an employee could buy a foam and mesh hat with a "ca-MOO-flage" cowhide print. Just two years later, the publication's back page offered a cap with an "Aztec" print. Though a minor change, the newer hat paralleled the company's overall transformation. While the "ca-MOO-flage" print recalled both the Texas past and Houston's blue collar heritage, the "Aztec" design looked beyond Houston's past and geography, indicating a worldly attitude. The "ca-MOO-flage" hat instantly conjured Houston's blue collar oil refining jobs that sprang up along the Buffalo Bayou. By contrast, the Aztec print hinted that the company was, by the mid 1990s, pushing at the edges of this decidedly Texan locale. This newer design reflected Lay's and Enron's vision (albeit on a small scale) for Houston - a vibrant, cosmopolitan place that, while still connected to the energy business, would have little in common with the hard, material fact of petrochemical processing that marked the area from the start of the twentieth century.

The hats also revealed a tension at the core of Enron's Houston experience. Undeniably, the company was a product of the energy industry that has been synonymous with the city since the start of the twentieth century. Despite briefly being headquartered in Omaha, Enron could scarcely have emerged from any other place, and in some ways the company's managers never forgot it. For instance, the city's long commitment to a business-friendly environment – typified by the 8F Crowd, a group of businessmen (mostly oil executives) who played a large role in civic affairs during the mid-twentieth century - grafted easily onto Enron's neoliberal vision. Throughout the decade, the company celebrated the city it was a part of – throwing company barbecues, involving its employees in numerous local charities, and running celebratory articles in *Enron Business* such as the one commemorating the centennial anniversary of discovering oil in nearby Spindle Top. Yet at the same time, the company sought to transform Houston. While it may have appeared that Lay was simply taking his place among a long line of business elites (largely connected to the petroleum industry), the character of the changes he was seeking amounted to a decisive break with Houston's past. These two impulses – of continuity with and break from Houston's past – appeared repeatedly throughout the 1990s.

HOUSTON'S PAST

Houston has always been a city with a strong sense of place. Historians Martin Melosi and Joseph Pratt write that Houston is an "archetypal twentieth-century city, which came into its own with the popularization of the automobile."[119] Because of this the city's geography "is multinodal, decentralized, and expansive" - spatial qualities that contributed to some of the city's problems.[120] After World War II, oil fueled a working class culture as refineries sprang up along the Buffalo Bayou. The absence of any significant public transportation along with a good deal of highway construction meant

[119] Martin V. Melosi and Joseph A. Pratt, *Energy Metropolis: An Environmental History of Houston and the Gulf Coast*, Ed. Martin V. Melosi and Joseph A. Pratt, (Pittsburgh: U of Pittsburgh P, 2007), 105.
[120] Ibid.

that Houston became an extremely low-density area, exacerbating both racial and class segregation. By the 1960s, through both air conditioning and cars, rich whites "could avoid both the region's climate and the city core" while "the lack of cars and adequate public transportation kept many residents of older neighborhoods from traveling to the outskirts of Houston."[121] Many professional workers used the city's core primarily as a place of work. Even though, as Joe Feagin points out, Houston's ties to an international economy began shortly after oil was discovered in 1901, for much of the twentieth century, the metropolis could hardly be described as cosmopolitan in character.[122] Unlike, for instance, New York, with a city center that contains a vibrant cultural life and skyscrapers housing brainy pursuits such as finance, Houston's spatial layout from the midcentury on encouraged a suburban professional class that had basically abandoned the city.[123]

However, if, as Melosi and Pratt argue, Houston was an "archetypal twentieth century city," it began to face a variety of challenges as that century neared its end. Though, as Barry Kaplan notes, Houston grew steadily in population and physical infrastructure during the postwar era, it was the 1973 oil shock that provided Houston

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[121] Robert S. Thompson, "The Air-Conditioning Capital of the World: Houston and Climate Control," in *Energy Metropolis: An Environmental History of Houston and the Gulf Coast*, Ed. Martin V. Melosi and Joseph A. Pratt, (Pittsburgh: U of Pittsburgh P, 2007), 88-104. 95.

[122] Joe Feagin, *Free Enterprise City*: *Houston in Political-Economic Perspective* (New Brunswick, NJ: Rutgers UP, 1988), 2.

[123] This is not to say that everyone walking Houston's streets in the twentieth century was a blue collar laborer. Of course, NASA's presence guaranteed a certain amount of brainwork would take place in the region. However, as I will argue, Enron was committed to a type of worker that did not emerge until the last few decades of the twentieth century.

with a big boost throughout that decade.[124] As the price of oil rose throughout the decade, so did the city's fortunes. As political scientists Robert Thomas and Richard Murray note, Houston's major industrial products "were several times more valuable than they had been a couple of years earlier."[125] Likewise, services related to petrochemicals were in demand during the 1970s. The second oil shock in 1979 caused another steep rise in oil prices, adding to Houston's good fortune.[126]

Houston had been an industrial powerhouse since the end of World War II, but the collapse in the price of oil and natural gas in the 1980s revealed how tightly the city's fate was tied to those specific commodities. Though the price of oil rose to $31.77 in 1981, nearly ten times what it had been in 1971, the following year the price began to fall precipitously.[127] By the end of 1986, the price of oil was less than twelve dollars a barrel.[128] Sociologist Stephen Klineberg notes that before the bust, "Houston had been building and borrowing in the expectation of $50 oil."[129] The effects of such sudden and dramatic economic change were devastating. As Klineberg puts it, "One out of every seven jobs that were in Houston in 1982 had disappeared by early 1987, marking this as the worst regional downturn in any part of the country at any time since World War

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124 Barry J. Kaplan, "Houston: The Golden Buckle of the Sunbelt," in *Sunbelt Cities: Politics and Growth Since WWII*, Ed. Richard M. Bernard and Bradley R. Rice, (Austin: U of Texas P, 1983), 196-212, 198.
125 Robert D. Thomas and Richard W. Murray, *Progrowth Politics: Change and Governance in Houston*, (Berkeley: IGS Press, 1991), 49.
126 Ibid., 51.
127 Stephen L. Klineberg, "Houston's Economic and Demographic Transformations: Findings from the expanded 2002 survey of Houston's ethnic communities," (Houston: Rice University, 2002), 4.
128 Ibid.
129 Ibid.

II."[130]

During these hard times, several Enron principals, including Ken Lay and Jeff Skilling, were already residents of the city. As Skilling recalled during his trial testimony:

> by 1986 and 1987, Houston was in the midst of a really prolonged depression. And it was – we had the lowest – or highest vacancy rate of office buildings of anywhere in the country by, I think, twice as much or something. They used to call them shotgun buildings. You could shoot a shotgun through the office building and you wouldn't hit anybody because there was no one in them anymore.[131]

It is not insignificant that almost twenty years later Skilling could call to mind the image of empty office space downtown. Nor was his memory wrong. In the mid-1980s the vacant office space in Houston topped twenty five percent, up from about ten percent in 1981.[132] Arguably, the memory of a city at the mercy of the price of physical material helped propel Enron's business activities in subsequent years.

The economic depression did not just apply to eerily vacant office space, but also to the materiality of the petrochemical business. As Skilling again recalled during his trial: "They were stacking rigs, big drilling rigs. If you remember, you went out I-10 west of town, there were literally hundreds of acres that had, in some cases, brand new drilling rigs just sitting there rusting in the sun…."[133] It is fitting that these images should come from Skilling, since he, more than anyone, was responsible for steering the company

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[130] Ibid.
[131] 11875. Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 37, 10 Apr. 2006.
[132] Thomas and Murray, *Progrowth Politics*, 56.
[133] Ibid.

away from the large, industrial world that the rusting drilling rigs represented. When the city began to recover, the experience of such hardship called for a need to transform the city's economic base.

Even though the city's economy recovered by 1990, Houston was undergoing dramatic changes. First, Houston was becoming a far more ethnically diverse city, as the numbers of Asian and Latino residents grew (by the end of the century, Houston would be a "majority minority" city).[134] Second, the city was well on its way to becoming a "knowledge-based economy."[135] As Thomas and Murray note, Houston's economic recovery was "rooted in a postindustrial economy with the impetus for growth coming primarily from an expanding corporate sector, technologically intensive industries, and a growing service economy."[136] If these changes were unsettling for some, Enron was one company that welcomed them. Indeed, the company itself was moving into areas that could accurately be described as knowledge work and sought employees suited for this type of work. Additionally, the memory of a city and its business district in decline would inform many of Enron's revitalization efforts in the 1990s.

TRANSFORMING HOUSTON

Indeed, as Houston began to change from a regional powerhouse with a large blue

[134] Stephen L. Klineberg, "Houston's Economic and Demographic Transformations: Findings from the expanded 2002 survey of Houston's ethnic communities," (Houston: Rice University, 2002), 7.
[135] Ibid., 5.
[136] Thomas and Murray, *Progrowth Politics*, 53.

collar industrial base into an international city, Enron sought to speed up and shape these changes, recasting Houston as a global center for knowledge work and symbolic analysis. In encouraging these changes, Enron, and its CEO Ken Lay in particular, adopted a neoliberal view of Houston, seeking to transform it into an "entrepreneurial city" that simultaneously possessed a "business friendly" environment and a high quality of life. The geographer Gordon MacLeod sees the entrepreneurial city as a municipality that organizes itself and city life with the primary aim of "reviving the competitive position" of the city through free market initiatives.[137] During the 1990s, Enron's involvement in Houston took on many forms, such as bringing the World Economic Forum to the city in 1990, building onto the company's headquarters in 1999, and involvement in charitable activities throughout the metropolis. Of course, one could argue that Lay was simply operating in the manner of the 8F Crowd. However, while it may be tempting to see Lay's involvement in Houston's civic affairs as quintessentially Houstonian (as journalist Robert Bryce did, casting him as a modern-day John Kirby), Ken Lay and Enron's activities advanced a novel vision of a globalized Houston. Perhaps the earliest example of these activities could be found in Lay's role in the 1990 World Economic Forum. While this meeting is generally held in Davos, Switzerland, that year Houston hosted the meeting, and Ken Lay (at the request of then-President George H.W. Bush) co-chaired the committee that organized the event. Significantly, President Bush described the forum

[137] Gordon MacLeod, "From Urban Entrepreneurialism to a 'Revanchist City'?," in *Spaces of Neoliberalism*, ed. Neil Brenner and Nik Theodore (Malden, MA: Blackwell, 2002), 254-276, 256.

as "the first economic summit conference of the 'post-postwar era.'"[138] Though Bush was referring to a new political balance of power with the end of the Cold War, events like the World Economic Forum were also intended to usher in a global, neoliberal era. Indeed, as *The Economist* noted, the focus of the summit was also on liberal trade policies – the same type the company subsequently extolled throughout the decade. Still, Houston's strong sense of place was not lost in this scene. The event organizers presented Houston as a unique and storied place as well as a city that was aligned with a new global, neoliberal political economy. Ken Lay steered Houston through a process of changing itself into a suitable host city while simultaneously accentuating a local sense of place.[139]

When planning began in March, the local press was enthusiastic. One *Houston Chronicle* article noted that "local leaders [Lay among them] preparing for the international economic summit say they will strive to make Houston the world's friendliest and cleanest major city."[140] Such sentiments were typical of the press coverage of the summit. In transforming Houston into such a friendly and clean place, event organizers also sought to enlist the area's residents. As another article noted, "committee leaders called on area residents to acquaint themselves with statistics on Houston's upward spiral and act as salesmen for the city as they greet journalists and others here for

[138] R.W. Apple Jr., "The Houston Summit: A New Balance of Power," *The New York Times*, July 11, 1990. 7 Oct. 2008, http://www.lexisnexis.com (accessed November 3, 2008).

[139] This practice of juggling a sense of local place and global prominence is a typical neoliberal strategy for city boosterism. On some level, hosting the World Economic Forum has the same effect as hosting the Olympics – a city's announcement that it was stepping onto the world stage. For more on the connection between the Olympic Games and neoliberalism, see Andrew Ross, *Nice Work if you Can Get it: Life and Labor in Precarious Times*, (New York: NYU Press, 2009), 78.

[140] Bob Tutt, "Summit Host Panel Sets Goal for City," *The Houston Chronicle*, March 1, 1990, http://www.chron.com (accessed October 7, 2008).

the summit."[141] What is more, such boosterism also drew on Houston's past. Lay, for instance, was heavily involved in securing the Kirby Mansion for the summit's offices. Another *Houston Chronicle* article proudly noted, "the 36-room red brick was built in 1926 by the late lumber/oil/railroad magnate John Henry Kirby."[142] Fittingly, *The Houston Chronicle* reported that at the start of the forum, "the flood gates opened with a 'y'all come' invitation from co-chairman Ken Lay."[143]

Clearly, the 1990 World Economic Forum was a huge event for both Lay and Houston. While Lay would not host an event of that size again, the themes underscored in the press accounts of the World Economic Forum, as well as Lay's own pronouncements about it – that Houston was becoming an exciting international city, reverberated throughout the rest of the decade. Simultaneously, Lay trumpeted Houston's unique identity while the company's community relations efforts were firmly directed at resituating the city in a global, economic context.[144]

Even when the company was engaging in run of the mill activities, such as community-based charity work, there was always an undercurrent of neoliberal logic. For instance, during his trial, both Lay and his close confidante, Cindy Olson (who was head

[141] Bob Tutt, "Summit Hosts Red Hot Over Houston's Image," *The Houston Chronicle*, June 8, 1990. http://www.chron.com (accessed October 7, 2008).
[142] Betty Ewing, "Economic Summit Offices Open in Mansion," *The Houston Chronicle*, April 6, 1990, http://www.chron.com (accessed October 7, 2008). 7 Oct. 2008.
[143] Ibid.
[144] It may appear that I am splitting hairs too finely in trying to distinguish Houston's old Sunbelt ethos from a late twentieth century brand of neoliberalism. Historians, of course, debate the idea of "globalization" as a fundamentally new phenomenon and some may even take issue with my attempt to cordon off Ken Lay's promotion of Houston in 1990 as different from traditional boosterism. It is not my intention here to get bogged down in larger debates about the viability of "globalization" as a new phenomenon, but rather use it as a historically situated idea that would have appeared new in the wake of the Cold War's end.

of both community relations and human resources), pointed to the confluence of community work and the company's strategy of recruiting symbolic analysts. This commitment to charity in and around Houston could also be found in the pages of *Enron Business*, particularly the "Enron Envolved" section. During his trial, Lay himself proclaimed, "I've always believed very strongly that businesses should give back to the communities where they do business, and the individuals working for those businesses should become active in those communities and help make them a better place to live and a better place in which to work."[145] As he noted, this desire sprang in part from his personal religious devotion. At the same time, Lay and Olson noted that such charitable activities could also work with more overt efforts at gentrifying parts of Houston.

Cindy Olson, who also testified at the trial, noted that Lay put considerable emphasis on Enron employees contributing to local charity efforts. Even tracking Olson's shifting job responsibilities reveals the company's growing commitment to reshaping Houston as much as possible. Significantly, Olson was moved from working in Enron Capital and Trade to the head of community relations in 1997. As she noted during her trial testimony, by the end of her career at Enron, Olson was in charge of human resources, as well as "community resources and diversity."[146] While these three categories may at first seem unrelated, all three of them were intertwined with the company's overall post-1997 strategy. As Olson put it, Ken Lay's vision of the company

[145] 14502-3, Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 45, 24 Apr. 2006.
[146] 14358, Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 44, 20 Apr. 2006.

was "to get very involved in the Houston community and – and, as we created the Enron brand, to have that be a big piece of our brand."[147] Yet at the same time, as Lay put it, it was "not all philanthropy."[148] Rather, Lay sought to make the city an attractive place, not only to do business, but also a city that would attract highly educated symbolic analysts. During the trial, Olson connected projects such as a United Way campaign and the Enron Field baseball stadium. Olson's points here are apt. Much like Enron's charitable activities, the baseball stadium reflected the emerging vision of Houston as a global city.

ENRON FIELD

For a long time, the Astrodome had been synonymous with Houston and its Sunbelt characteristics. As American Studies scholar Ben Lisle argues, when the Astrodome was built in the 1960s, the massive stadium, located seven miles from downtown "expressed Houston's explosive growth" as well as "its brazen new confidence."[149] Interestingly, the Astrodome was also embedded in Houston's postwar freeways.[150] The stadium was a near perfect analogy for the way in which the city as a whole was developing – with an emphasis on the outskirts and a disdain for the city's inner core. By contrast, the stadium Enron had a hand in building, Enron Field, was

147 14359, Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 44, 20 Apr. 2006.
148 14503, Transcript of Jury Trial Before the Honorable Sim Lake United States District Judge, Vol. 45, 24 Apr. 2006.
149 Ben Lisle, "'You've Got to Have Tangibles to Sell Intangibles': Ideologies of the Modern American Stadium, 1948-1982" (PhD Diss, The University of Texas at Austin, 2010), 203.
150 Ibid., 204.

indicative of the city's transformation. In 1996, Houston's Major League baseball team, the Astros, considered leaving the city, prompting civic leaders to propose building a new stadium in an effort to halt the team's flight. However, the new stadium would not merely be an update of the Astrodome, but would serve as another step in advancing Lay's goal of ultimately transforming the city into a cosmopolitan metropolis.

Much as he did when the city hosted the World Economic Forum at the beginning of the decade, Lay played a very prominent and public role in working to realize the baseball stadium. Indeed, throughout the year, Lay (and others) successfully campaigned in both public and private for a downtown stadium. Beginning in late August, *The Houston Chronicle* reported on efforts to bring the ballpark to downtown, often prominently featuring Lay. That summer, Ken Lay publically argued that locating the stadium in the city's core "could do some significant things in helping revitalize downtown."[151]

Houston was not the only city to hatch such a scheme. In the mid 1990s, ballparks were seen as the key to downtown revitalization.[152] In Houston, the task was also a daunting one, requiring an influx of cash and lacking public support. Still, Lay was unflagging in his support, proclaiming: "It is important that the fourth-largest city in the

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[151] John Williams, "11th Hour Pitch for Stadiums/Business Leaders Tout Downtown Site," *The Houston Chronicle*, 28 Oct 1996, http://www.chron.com (accessed February 25, 2010). By this point, Lay was no stranger to Houston's civic life. An article in the *Houston Chronicle* mentioned Lay's success in bringing big events to the city, such as the 1991 Economic Summit and the 1992 Republican National Convention.

[152] Andrew Ross has even gone so far as describing the mid-1990s baseball stadium building a "craze." See Andrew Ross, *Nice Work if you Can Get it: Life and Labor in Precarious Times*, (New York: NYU Press, 2009), 88.

country, and what we think is a world-class city, have world-class professional athletics, just like it has world-class ballet and symphony and museums of fine arts and all the other things that make this a great city."[153] It was a sentiment that Lay and Enron later echoed internally. Significantly, the reason Lay provided was the need to reframe Houston as a "world-class" city.

Still, the local media saw Lay and his allies as operating in a Houstonian tradition. Lay, *The Houston Chronicle* noted, made the declaration of elevating the city to "world-class" status "after he met for lunch at the River Oaks Country Club on Tuesday with more than 15 high-ranking officials of large Houston companies."[154] This line effectively yanked the debate forming over the baseball stadium away from the neoliberal quality of life and economic rescaling that was behind Lay's interest in keeping the Astros in Houston and reframed business elites' interest in the stadium as typically Houstonian. Another *Chronicle* writer, Ed Fowler, mused that the idea to build a downtown ballpark had finally picked up speed because "the Big Cigars downtown were all at the summer places in Martha's Vineyard until recently. Or maybe their wives made them go along on a shopping trip – to Milan, Rome and Paris. Whatever, we're glad they're back and talking ballpark numbers."[155]

Perhaps this coverage served Lay well, since it at least partially obscured how

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[153] Williams, "11th Hour Pitch for Stadiums."
[154] Ibid.
[155] Ed Fowler, "Look no farther than downtown," *The Houston Chronicle,* 30 Oct. 1996, http://www.chron.com (Accessed February 25, 2010).

different the vision for the city would actually be. Though the ballpark faced an uphill battle in public support (by mid-September one poll indicated that only 38% of the city's residents supported it), those with a public voice, such as the opinion pages of the *Houston Chronicle*, were enthusiastic. Echoing Lay's comments, the editorial board of the *Chronicle*, in support of a ballot proposition for bonds to help finance the stadium, compared the measure to other recent ballparks and wrote: "Where new downtown stadiums have been built to complement downtown development and entertainment concepts, the result has been increased and steady ballpark attendance, a revitalization of the area and hundreds of new business opportunities and successes for those communities."[156] As the head of Houston Sports Facility Partnership, created to realize the stadium, Lay dismissed the large amount of criticism against the plan as "the usual suspicious people nervous about business in general."[157] Ultimately, proponents of the ballpark were successful, though the measure approving the ballpark passed by a narrow margin.[158]

Ground broke for the stadium in October, 1997. That month, *Houston Chronicle* writer John Williams appeared to think the ballpark was a sign that augured well for downtown. As he wrote in an article for the paper's Sunday magazine, "Houston's

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[156] "Ballpark III – Fiscal Responsibility, Economic Opportunity are There, *The Houston Chronicle*, 31 Oct. 1996. http://www.chron.com (Accessed February 25, 2010).
[157] John Williams, "Critics Balk at Ballpark Investment," *The Houston Chronicle*, 20 Oct. 1996. http://www.chron.com (Accessed February 25, 2010).
[158] John Williams, "Ballpark Fans Pause to Party," *The Houston Chronicle*, 31 Oct. 1997. http://www.chron.com (Accessed February 25, 2010).

decade-long-suffering downtown appears fully poised to rebound from the oil bust."[159] Williams regarded the ballpark as a part of that general renaissance. Casting the revitalization in a global context, Williams wrote: "Though on the precipice of success, downtown Houston still needs much work before it enjoys a retail and entertainment revival that will give it the vitality many Houstonians want to show the rest of the world."[160] The article was filled with prominent Houstonians expressing their hopes and visions for a city preparing for the twenty-first century. Williams noted that in addition to the ballpark and rapidly filling skyscrapers, work at the street level was directed at cleaning up places like Main Street, which Williams described as "at best, shabby in stretches" and "at worst […] boarded up."[161] Of course, this meant that the future of the area's homeless was suddenly uncertain as "plans for a pavilion for the homeless have not been completed because neighborhoods around downtown don't want to attract street people."[162] Beyond the Astros' new home, the writer drew attention to more than 1,500 new "condominiums and apartments" that would soon be added to the area.

Interestingly, Williams also connected downtown revitalization to Houston's move toward knowledge work – the very type that became the source of woe for California in a few scant years. In an "era of deregulated energy," Williams wrote, a

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[159] John Williams, "Downtown: betting on the future," *The Houston Chronicle*, 12 Oct. 1997. http://www.chron.com (Accessed February 25, 2010), 1.
[160] Ibid.
[161] Ibid.
[162] Ibid.

revitalized downtown would “serve as the world’s energy trading capital.”[163] This distinction was crucial for Williams, who referenced “the not-so-distant days when some experts predicted downtown would never add another gleaming tower to its skyline.”[164] While by the time the article ran, “the city’s monumental skyscrapers” were “virtually filled,” Watson was careful to note that they were filled with companies that had “turn[ed] their head[s] from the days of $40-a-barrel oil and look[ed] toward an era of deregulated energy in which downtown [would] serve as the world’s energy trading capital.”[165] Of course, Enron was by this point at the forefront of this specific economic activity. Lay himself repeatedly linked downtown revitalization to Houston’s transformation into a “knowledge economy.” As Williams noted, Lay’s argument for downtown development was “to attract top-notch workers and big business.”[166] The article featured a long quotation from Lay comparing Houston to a range of international cities. Lay declared:

> We are the fourth-largest city in the United States; we are increasingly very much an international city. We are being compared with New York City and San Francisco and Los Angeles, and London and Paris and Hong Kong. As the world becomes more global, people become a lot more differentiating about the cities they want to go to.[167]

Again, with this quotation, Lay linked the transformation of Houston’s downtown to the city’s ability to retain the type of workers Enron needed. Significantly, such downtown

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[163] Ibid.
[164] Ibid.
[165] Ibid.
[166] Ibid.
[167] Ibid.

revitalization was consistent with an overall neoliberalization of space. As geographer Neil Smith notes, late-style gentrification and revitalization is "expressive of the rescaling of the urban vis-à-vis national and global scales."[168] The "Golden Buckle of the Sunbelt" was redefining its relationship with the rest of the world.

Enron's internal communications echoed this logic when the ballpark was completed. In 2000, just three years after Williams' *Chronicle* piece, the Astros played their first game in the ballpark, which now bore the name Enron Field. Both former and future presidents George Bush Sr. and Jr. attended the event. Predictably, *Enron Business* "covered" the event. The article's title, "Just the boost downtown Houston needed," highlighted the connection between Enron Field and that neighborhood. The author declared:

> The ballpark has ignited the imagination of Houstonians. Its design – a throwback to the days when baseball was played on intimate fields, not mammoth multi-sport arenas – is inspiring developers to recreate the glory of downtown on a human scale. Modern condominiums hide behind historic facades. New dwellings echo the style of years ago. Construction is designed to invite both the resident and visitor to linger and unwind.[169]

Significantly, the article called attention to the "human scale" of downtown, and even the ballpark. The project had been designed by the same firm as other recent baseball fields around the country.[170] Much like other ballparks from that time, the field itself was intended to be "intimate," despite such modern features as a retractable roof. The passage

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[168] Neil Smith, "New Globalism, New Urbanism," " in *Spaces of Neoliberalism*, ed. Neil Brenner and Nik Theodore (Malden, MA: Blackwell, 2002), 80-103, 97.
[169] "Just the boot downtown Houston needed," *Enron Business* vol. 2, 2000. 9.
[170] Lisle, "You've Got to Have Tangibles to Sell Intangibles," 431.

also illustrated how much Houston's downtown revitalization represented a break from Houston's past, best symbolized by the Astrodome.

A sidebar for the article touted other recent changes to Houston's downtown, citing the ballpark as the transformation's catalyst. Not only were construction projects underway; the article noted that over 150 new restaurants and clubs had opened in the area, the number of residents had tripled in less than two years, and property values were rising. In a word, gentrification had come to downtown Houston. Yet, the article also pointed out that this was not disinterested corporate philanthropy. Rather, Enron needed its employees "to live in a city as vital and exciting as Enron is itself."[171] As the article noted, Lay reasoned that "the best talent and the brightest people may not be happy or be stimulated in a city without a center or a vibrant soul."[172] In other words, Enron required very material changes to Houston as a place in order to create the room they needed in order to perform their immaterial work.

The political economic implications behind these statements revealed a deep neoliberal logic of interurban competition and rescaling. Referring to David Harvey's work, Jamie Peck and Adam Tickell write that "urban entrepreneurial" activities, such as the "reproduction of cultural spectacles, enterprise zones, [and] waterfront developments" reflect "the powerful disciplinary effects of interurban competition."[173] Houston was no

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[171] Ibid.
[172] Ibid.
[173] Jamie Peck and Adam Tickell, "Neoliberalizing Space," in *Spaces of Neoliberalism*, ed. Neil Brenner and Nik Theodore (Malden, MA: Blackwell, 2002), 46.

longer just the golden buckle of the Sun Belt. Instead, Lay, Enron and others were working to recast Houston as a global center of abstract knowledge work.

But downtown revitalization did not mean a complete erasure of the past. As David Harvey argues, some types of postmodern architecture emphasize local concerns. Specifically, he notes that postmodern urban design, "aims to be sensitive to vernacular traditions, local histories, particular wants, needs, and fancies…."[174] Likewise, Enron Field and downtown's new, ostensibly democratic scale and attention to local concerns fit this mold well. Interestingly, the "historic façades" also fit with Harvey's point about postmodernism's "penchant for historical quotation."[175] These details point to the fraught relationship Enron had with Houston's past. At the very least, Enron's focus on the downtown represented an ideological rejoinder to the spatially segregated city and the commuter ethos and design that characterized white collar workers' experience of Houston for much of the twentieth century even as the new physical details of Enron Field celebrated that past.

LOOKING TOWARD THE FUTURE

However, though the aim of the ballpark was to refashion Houston's central business district on a "human scale," remnants of the city's modernist and imposing past remained. In these instances, Enron built upon them. For example, the region's often

[174] David Harvey, *The Condition of Postmodernity* (Malden, MA: Blackwell, 1990), 66.
[175] Ibid.

inhospitable weather led to the creation of a system of underground walkways, known as "The Tunnels."

Rather than walk above ground, pedestrians traverse long hallways that go on for city blocks, periodically opening up into food courts and so on. There was even an entrance to the system below the company's headquarters, Enron Tower, at 1400 Smith Street. However, the number of amenities offered in the building itself rendered such excursions unnecessary. Indeed, features like the Tunnels were in keeping with the city's overall anti-urban ethos.

While the Tunnels literally connected 1400 Smith Street to the rest of Houston's downtown, elsewhere Enron used modern architecture's symbolic potential to emphasize the change that the company represented. Though Enron Tower was connected to the rest of the neighborhood through past developments like the Tunnels, the building itself, as well as the company's additions to it, suggested Enron's difference from the businesses surrounding it. Much like Frederic Jameson's celebrated analysis of Los Angeles's Westin Bonaventure Hotel, it seemed Enron Tower aspired to be a "total space" that was a "complete world."[176] Jameson's reading of the Bonaventure's "disjunction from the surrounding city," a quality typical of "a certain number of other characteristic postmodern buildings" neatly described the relationship between Enron Tower and downtown Houston.[177] Both the Bonaventure and Enron Tower had glass façades that

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[176] Frederic Jameson, *Postmodernism: Or, the Logic of Late Capitalism,* (Durham: Duke UP, 1991), 40.
[177] Ibid., 40-41.

achieved a “peculiar and placeless dissociation” from their respective neighborhoods.[178] For Jameson, the relationship between such postmodern buildings and their surroundings was not integrative, but oppositional, with the buildings positioned as “equivalent[s] and replacement[s] or substitute[s]” for the city.[179] Of course, Enron did not design 1400 Smith Street. The skyscraper had been built in 1982, several years before the company’s existence. However, in the late 1990s and beginning of the twenty first century, Enron added onto the existing structure in ways that highlighted the building’s difference from the rest of downtown Houston.

Specifically, Enron’s additions represented space-age updates to familiar structures in Houston's downtown. For example, when the company built a second building, Enron Center, across the street from 1400 Smith Street, the two buildings were connected by a circular, decidedly space-age walkway above the street. Though such walkways had long been a feature of the city’s downtown, the aesthetic sensibility of the walkway that connected Enron Tower with the newer Enron Center seemed a deliberate attempt to refashion the downtown for a more globalized city and the informational economy. The elliptical layout suggested the fluidity and movement that characterized Enron’s self image in the late 1990s. While Houston has sometimes been called “Space City” because of NASA’s presence, and though the circular walkway recalled a midcentury design style that could even be found in the Astrodome, both Enron Center and the walkway attempted to locate high technology and knowledge work with the other

178 Ibid., 42.
179 Ibid., 40.

energy companies in the city's center, and not on the outskirts with the old stadium. The walkway was also an architectural compliment to the visual style Enron adopted in the 1ate 1990s. Indeed, the figure the Enron buildings cut in the Houston sky, as well as the elliptical walkway, were practically architectural parallels to the design style of the 1999 annual report.

In this context, Enron Center and the walkway were veritable tributes to the company's focus on symbolic analysis. A 1999 *Enron Business* article did not mince words regarding the import of the new structure. As the writer put it, "in addition to the tower, a seven-story base that spans a full city block will house four state-of-the-art trading floors with technical capacity that will rival the New York Stock Exchange."[180] The accompanying photo depicted both Lay and Skilling in hard hats and wielding jackhammers. Both the quotation and photo revealed the tension at the heart of the move. The company's ambitions and reference points were, by then, outside of Houston – looking again to more easily recognizably international cities like New York. A bit later, the article noted that the building was designed by Cesar Pelli, "an internationally renowned architect" who had "designed the world's tallest building located in Kuala Lumpur, Malaysia and a number of Houston-area buildings."[181] Here, again, the tension between Houston's regional role and a wider global view was present. If, as Stuart Leslie contends, a building's "façade announces the corporation's civic aspirations," then the additions to Enron's headquarters suggested a new role for Houston in a global

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180 "Abbreviations: Houston: New Building Ground Breaking Event," *Enron Business*, Vol. 5, 1999, 3.
181 Ibid.

economy.[182] The building itself was meant to be massive. This was fitting, since Lay was quoted in the article as saying Enron's Houston-based workforce would "swell by 20 to 30 percent" by 2001.[183] This is not an insignificant detail. In fact, Enron's Houston-based workforce, the type of workers the company was looking to hire, practically demanded the sorts of changes to Houston that Enron sought. What is more, the space's interiors were meant to rival other centers of knowledge work, not the sort of office tasks being performed by oil and gas executives in other skyscrapers down the block.

DIVERSITY AS CORPORATE STRATEGY

Lay's attempts to transform Houston were not only designed to transform the city into a global city of knowledge work. The additions to Enron Tower and the construction of Enron Field meshed well with the corporation's keen interest in a diverse workforce. For the Houston energy company, the word "diversity" became a key term. Throughout the 1990s, *Enron Business* consistently ran articles praising diverse perspectives and insisted that a diverse set of employees translated to a competitive advantage. Of course, throughout the 1990s, the company also touted its global ambitions. These strains manifested themselves in images such as the one that graced the 1994 annual report cover, which featured a group of ethnically diverse children (as well as a few adults)

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[182] Stuart W. Leslie, "The Strategy of Structure: Architectural and Managerial Style at Alcoa and Owens-Corning," *Enterprise & Society* (2011) 12.4 863-902, 864.
[183] "Abbreviations: Houston: New Building Ground Breaking Event," *Enron Business*, Vol. 5, 1999, 3.

sitting in front of a statue of the globe from the 1964 World's Fair in New York. The globe represented Enron's increasing global ambitions, but it is significant that the children were in the foreground. Their diverse faces offered a parallel to the changes taking place in Houston and emphasized how attention to diversity was part of the company's business strategy. Simply put, Enron needed Houston to be a global city because the company required a global workforce.

Because of this need, the corporation went to great lengths throughout the 1990s to portray itself as a cosmopolitan organization. For example, in 1999, *Enron Business* ran an article celebrating Hispanic Heritage Month. Titled "Viva Diversity," the feature opened with a brief scene in front of the company's headquarters. As the article noted, the display was visible to both "hundreds of Enron employees (and curious passers by)."[184] While the main attraction was food, the scene itself was far more involved, featuring "authentic Mexican cuisine from Taqueria del Sol and a Latin band, Groupo Batacha."[185] The article also cheerily reported that, "Brazilian dancers in colorful costumes added a festive touch to the celebration of a rich culture that has influenced more than 20 countries around the world."[186] The scene itself, then, looked beyond Houston and again tried to reframe the building and the company in a global context. Yet the scene was not simply a diversion for employees. The article took up the theme of "diversity" and connected it back to the company and its global ambitions. The article

[184] "Hispanic Heritage Month: Viva Diversity!," *Enron Business* v.6, 1999, 8.
[185] Ibid.
[186] Ibid.

even quoted Cindy Olson claiming that "as a global company with operations in more than 30 countries, Enron champions diversity of thinking, talents, educational background as well as race, culture and gender."[187] Here, it may be tempting to view Olson's quote as a cynical reworking of a 1990s multicultural sensibility. Another article, "Enron Takes a Wider View on Diversity," asserted that Enron's "uniqueness" was why it was "the most innovative company in America," and that "diversity among [the corporation's] people create[d] new and different ideas, in turn creating business value."[188] This emphasis on "diversity" also found its way into Enron's charitable activities in Houston. That same *Enron Business* story highlighted the Enron Economic Development Corporation, through which the corporation funded and advised minority-owned small businesses throughout the city.[189]

As William Leach pointed out in *Country of Exiles* (1999), such corporate cosmopolitanism was typical of the late 1990s.[190] For example, Caitlin Zaloom has noted that in the 1990s, Perkins Silver, a London financial services company, "recruited educated professionals, including women and minorities" with a "working theory" that "posited that traders with these backgrounds and experiences […] would generate particular and profitable readings of the market."[191] As Zaloom points out, the logic behind this strategy was that diversity among employees would reveal "new angles for

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[187] Ibid.
[188] "Enron Takes a Wider View on Diversity," *Enron Business* v.2, 1999, 8.
[189] Ibid.
[190] William Leach, *Country of Exiles: The Destruction of Place in American Life* (New York: Vintage Books, 1999), 166.
[191] Caitlin Zaloom, "Markets and Machines: Work in the Technological Sensoryscapes of Finance," *American Quarterly* 58.3 (September 2006), 815-837, 827.

interpreting market activity."[192] Likewise, Enron valued a diversity of backgrounds among its symbolic analysts - in short, a global workforce for a global environment – and needed a city that would accommodate these workers. Events such as Hispanic Heritage Month (which also included a display of artwork in the lobby of the building) were complimentary to the larger changes Enron sought in Houston. If the company was increasingly looking to hire an international body of symbolic analysts, the city itself would have to be pulled from its decidedly parochial roots and attitudes. Of course, by this point, the city *was* changing, and Enron and Ken Lay were some of the forces hastening the pace of change.

JITTERS IN HOUSTON

Lay was undoubtedly excited by such changes though the sharp break from the city's past also produced strains of anxiety among some Houstonians. At times, these anxieties were not immediately visible. For example, the Houston journalist Mimi Schwartz wrote admiringly in *Texas Monthly* in 2001 about the "modern," "international" and ethnically diverse scene at Enron's headquarters. Tellingly, Schwartz began her piece by calling attention to the company's physical spaces. For the journalist, Enron Tower registered a distinct difference from the other spaces and companies in the area. Unlike the offices of old Houston institutions, Schwartz wrote, "The Enron skyscraper near the

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[192] Caitlin Zaloom, "Markets and Machines: Work in the Technological Sensoryscapes of Finance," *American Quarterly* 58.3 (September 2006), 815-837, 827.

south end of Houston's downtown feels like the international headquarters of the best and the brightest."[193] Schwartz even made the break explicit, writing that "the lobby in no way resembles the hushed, understated entryways of the old-fashioned oil companies, like Shell and Texaco nearby. Enron, in contrast, throbs with modernity."[194] Here, Schwartz registered the "new" Houston that Enron had sought to actively create. Not only did the scene appear far more "modern" to Schwartz, but it also seemed more "international." As the writer noted, "The people hustling in and out of the elevators [were] black, white, brown; Asian, Middle Eastern, European, African, as well as American-born."[195] Here, the international group of young symbolic analysts provided the journalist with an image of the changes to Houston that Enron represented. These scenes suggested that the changes Lay sought while spearheading efforts such as bringing the Astros to downtown were being realized. Schwartz's admiration, though, was hardly unqualified.

While the article was filled with admiring passages (such as the opening), there were also moments when the journalist seemed unsure about the change Enron represented. Significantly, these uneasy moments were connected to downtown revitalization and the diversity of Enron's workforce. For example, in describing the sort of knowledge worker that Enron began to attract (and that motivated the company's

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[193] Mimi Swartz, "How Enron Blew It," *Texas Monthly* November 2001, 136-139, 171-178, 138.
[194] Ibid. Though the article appeared in the midst of the company's meltdown, it was clearly written beforehand, registering some of the problems Enron was experiencing, but also assuming the company would survive.
[195] Ibid.

involvement in city affairs), Schwartz noted that “Skilling wanted smart people but not just any smart people. He wanted the smartest people from schools like Harvard, Stanford, and maybe, Rice.”[196] Here, Schwartz drew attention to the origins of the knowledge workers that gave Enron’s headquarters an “international” feel. While the writer approved of the diversity the company represented, this passage also bristled slightly at the idea of importing workers from outside the state, as opposed to hiring from venerable state institutions like Texas A&M.

To Schwartz, the presence of such bodies suggested a materialistic corruption of Houston’s values (never mind that Houston had long had a reputation of being a “glittery, often gaudy” paean to materialism).[197] Schwartz’s unease was palpable when she wrote that “the starting salary” of these young international workers “was around $80,000. Maybe it wasn’t a fortune – yet – but the signing bonus, about $20,000, was more than enough for a lease on the obligatory Porsche Boxster or one of the lofts being renovated close to downtown. (Enron people didn’t live in far-flung suburbs. Suburbs were uncool and too far from the office.)"[198] Here, Schwartz looked askance at both the conspicuous new symbolic analysts and Enron’s rejection of Houston’s past. Even preferring the city to the suburbs was worthy of criticism. Schwartz recast the downtown revitalization that won praise from both the *Houston Chronicle* and *Enron Business* as morally suspect. In this piece, Schwartz chose to frame revitalization as drastic change from Houston’s past

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196 Ibid., 172.
197 Barry J. Kaplan, “Houston: The Golden Buckle of the Sunbelt,” in *Sunbelt Cities: Politics and Growth Since WWII,* Ed. Richard M. Bernard and Bradley R. Rice, (Austin: U of Texas P, 1983), 196-212, 196.
198 Mimi Swartz, “How Enron Blew It,” *Texas Monthly* November 2001, 172.

rather than a natural step for the “Free Enterprise City.”

Such moments were striking in an article that largely emphasized how Enron’s business had been transformed from being, in Schwartz’s telling, populated by “cautious executives who dealt with tangible assets like pipelines” to an organization that now preferred “bold executives who dealt with intangible assets.” Still, despite the misgivings that the author had, she chose to close her piece with Skilling’s point of view, writing, “Houston, he promises, will become the world’s center of commodity trading….” Indeed, in the last paragraph of the article, Skilling himself made the connection between symbolic analysis and the changes to the region, saying “there are thousands of people running around the streets of Houston that get it.” Still, in the end, Schwartz’s piece was shot through with ambivalence regarding the changes that Enron was ushering in.

Ironically, Schwartz’s article could not have had worse timing. By the end of the year, the company’s collapse had become a national news story and was (for a time) the largest bankruptcy in U.S. history. While it goes without saying that Enron and its collapse would have a special meaning for Houstonians and Texans, the collapse brought forth a confused response from the state’s liberals. [199] In the process of condemning the changes Enron introduced to both the energy business and to Houston, such writers inadvertently revealed a reflexively conservative brand of state pride.

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[199] Li-Hua Shan, for instance, has noted that *The Houston Chronicle*’s coverage of Enron’s fall focused on its ill effects on employment in the city, highlighting how it was a local issue for Houston. See Li-Hua Shan, “Comparison of Enron Coverage in the *New York Times* and *The Houston Chronicle*: Exploring the Sources of Media Agenda,” (MA Thesis, The University of Texas at Austin, 2003), 65.

One such author was Robert Bryce, a writer for the liberal publication, *The Texas Observer*, and, according to Molly Ivins, “the best Texas investigative reporter of his generation.”[200] Bryce tackled Enron as the subject of his book, *Pipe Dreams*, in 2003. Paying particular attention to a sense of place, Bryce even began his treatment of Enron with a scene dripping with symbolism – following an aging, recently fired Enron employee as she tried her luck at a job fair at Enron Field shortly after the bankruptcy. What is more, Bryce attributed part of the fiasco to Houston’s traditional business culture and used a good amount of space early in the book to connect Enron to Houston’s past. Early chapters noted that the company first started by John Kirby eventually became Enron.

Yet even though Bryce saw Lay as only the latest in a long line of Lone Star “energy baron[s] who willingly pulls his pants down,” the journalist could not help but admire Houston’s swagger, calling it a “frontier” city with a “fearless ‘can-do’ spirit” that was missing in “Northern cities.”[201] By contrast, Houston was a “city of irrepressible optimists.”[202] Yet if Bryce betrayed admiration for the wildcatting enthusiasm and eternal sense of renewal in Houston’s energy barons, he also saw some of Enron’s tragedy as the product of this same attitude. The journalist connected Houston to Enron by arguing that

[200] Molly Ivins, “Introduction,” in Robert Bryce, *Pipe Dreams: Greed, Ego and the Death of Enron*, (New York: Public Affairs, 2002), xv. Though an endorsement from Molly Ivins would seem to provide Bryce with liberal bona fides, by the end of the decade, the author was affiliated with the Manhattan Institute, an organization dedicated to promoting free market ideals.
[201] Robert Bryce. *Pipe Dreams: Greed, Ego and the Death of Enron* (New York: Public Affairs, 2002), 14.
[202] Ibid., 16. Interestingly, in the book she co-authored with “whistle blower” Sherron Watkins, Mimi Schwartz echoed Bryce, writing “Houston has never been conventionally pretty.” Mimi Schwartz and Sherron Watkins, *Power Failure*, (New York: Random House, 2003), 17.

the nefarious habits of "buying" politicians at the national level was simply an extension of Houston's business culture.

Still, as much as the author blamed the legacy of the 8F Crowd for Enron, he reserved most of his scorn for a different group of Enron workers. Specifically, Bryce took up the same issues that Schwartz had addressed in her piece regarding Enron's symbolic analysts as suspect, and insisted (far more emphatically than Schwartz had) that the corrupting elements within the company were not native to Texas. In one passage, Bryce quoted a former employee as saying, "you had the old pipeliners and you had the New York-type financial traders."[203] A little later, Bryce again quoted the executive as saying "nothing mattered to the New York traders except the deal."[204] In these moments, the author betrayed a sense of pride related to place. At least some of the company's bad practices, in this telling, came from outside the state. In other words, the transformation that Houston underwent in the 1990s – from "Golden Buckle of the Sunbelt" to global city – were changes for the worse. Though politically liberal, Bryce had, at least on some level, echoed traces of the same Texas nativism and a strain of anti-cosmopolitanism that Schwartz revealed in her suspicion of the international symbolic analysts who shunned the (largely white) Houston suburbs.

Yet if Bryce ultimately laid the blame at the feet of symbolic analysts, *Pipe Dreams* was also filled with the physical markers of the changes to Houston these traders

[203] Ibid., 123.
[204] Ibid.

had brought. Throughout the book Bryce mapped a moral geography of Houston, tracking the movement of many notorious Enron executives as they took up residence in or around Houston's wealthy River Oaks neighborhood. The book itself even included a map, revealing the location of many of these places.[205] Here, these houses permanently marked Houston's landscape as sites of greed and crime. In effect, both Bryce and Schwartz were turning their backs on Houston as a global center of symbolic analysis and knowledge work. Yet both writers stopped short of looking back in a wave of nostalgia for Houston's industrial past. For Bryce, at least some of Enron's collapse could be seen as an extension of the city's long-standing veneration of big business.

Other Houstonians, though, did not hesitate in calling for a return to the city's pre-Enron days. 2006's *Enron – The Musical,* which was written, produced, and financed by Houston humorist Mark Fraser, explicitly rejected the new Houston and instead longed for the less complicated days of a pre-bust and recovery Sunbelt city. In a reflection of how much Enron's fall from grace resonated as a local issue, the script's narrative had more to do with Houston than the country or the world. Fraser's play revealed an outright hostility toward the transformations that had taken place in the city. Not only did Fraser view Enron's collapse as disastrous for Houston, but he blamed the late-century changes that Enron exemplified and looked nostalgically back to the city's mid-century industrial economy and regional identity.

The musical's storyline focused on a character named "Ex-Enron" (standing in as

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[205] Ibid., 348.

an everyman for Houstonians and former employees) who related both his personal history, as well as the company's. In an echo and extension of Schwartz's asides, the script dealt with Houston's transformation into a "knowledge economy" and reframed these changes as an insider/outsider tension with Houston and the northeast. In the play, Ex-Enron revealed that he started working for Houston Natural Gas in 1977, years before the company merged with another natural gas company to form Enron. This date is doubly significant in that it also predates the move to a "knowledge based economy" as well as an awareness of the demographic changes that had taken place in the region.

Throughout, Fraser cast Ex-Enron as a representation of the company before the introduction of its trading and derivatives business, as well as the Gas Bank and EnronOnline. In other words, Ex-Enron was more "Houstonian" than employees who came in with Skilling. A telling line in the musical pointed to this when Ex-Enron described Jeff Skilling as a "snake oil salesman" and the people he hired as "a bunch of MBA snobs."[206] At one point, Ex-Enron declared: "Skilling never got his hands dirty - and we are in the oil and gas business!"[207] In these moments, Fraser was looking beyond the changes taking place in Houston (which Enron was at the forefront of), back to the economic modes of production that enabled the region's mid-century growth. In the end, the narrative clearly implied that even though Ex-Enron had lost his retirement, he and the city were better off without Enron and knowledge work. Fittingly, the staging of the play itself was very much a local undertaking. The cast was comprised of six unpaid

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[206] Mark Fraser, *Enron – The Musical*, Unpublished manuscript, 2006, 49. Courtesy of the author.
[207] Ibid., 58.

community theater actors and one pianist; the play itself was held in a church.

In Fraser's formulation, there was no equivocation or sense that Houston's business culture might be at the very least partially to blame for Enron, such as Bryce indicated. Instead, symbolic analysts were the culprits. By contrast, there was something almost noble about the gas and oil business before it had been subsumed under the logic of the informational economy. Originally produced in December of 2006, the production was forced to share the stage decorations with a Christmas pageant that was running concurrently. While the authors were able to use half of the stage sparsely, treating it as a blank space where the audience could imagine Enron's offices or the halls of Congress, the production also had to address the presence of a Christmas tree and living room sofa and chairs that made up the second half of the stage. The solution Fraser came up with was striking. The playwright used the set as an inspiration for a narrative framework whereby Ex-Enron and his wife hosted old friends around the holidays. The actor would even don a cardigan sweater for these scenes. This picture of domesticity and hominess was a direct rebuke to Houston's internationalization and urban revitalization. These were scenes of suburban calm, recalling the decentralized commuting Houston of the automobile and Astrodome. In this way, *Enron – The Musical* longed for the restoration of a city and way of life that was, by that point, a part of the distant past.

But of course, Houston had been transformed by Enron. The company's remnants are still scattered across the city. Shortly after the collapse, Enron Field was renamed Minute Maid Park and it is still home to the Astros. Enron's logo no longer stands in front of 1400 Smith Street, but the company's additions to its former headquarters (including the second tower and circular walkway hovering over the street between the two buildings) are still present. The buildings are now occupied by Chevron, an oil company with direct ties to Houston's past. However, Enron's fall from grace was not a source of anxiety for Houston alone. Rather, many of the fears these Houston writers betrayed also played out on a national level as Americans used Enron's collapse as an opportunity to express their fears of a postindustrial economy that seemed increasingly unstable.

CHAPTER THREE

"WHATEVER THAT MEANS" – THE EMERGING SCANDAL AND CRISIS OVER MEANING

INTRODUCTION

Enron ended the twentieth century as an emblem of the "new economy," but it would not maintain this position for long. Jeff Skilling once described the company's stock as "kind of the ultimate score card."[1] If one takes Skilling's proposition at face value, Enron was not doing well in 2001. Though Enron's stock was $82 towards the end of January, a month later it had fallen to just over $73.[2] The day after the company filed for bankruptcy on December 2nd, the stock's price was a mere forty cents.[3] A number of events that year precipitated this final injury. For example, Skilling abruptly resigned in August, fueling both investors' ire and media speculation. Ken Lay would subsequently return to his former position as CEO, but his tenure was ultimately brief. Shortly after he stepped back into that role, Sherron Watkins, an accountant with Enron, wrote an anonymous memo to Lay detailing financial problems with the company; she had recently been transferred to work for Andy Fastow's unit and had come across the fraudulent Special Purpose Entities (SPEs) the CFO had created. The company's

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[1] John Emshwiller, "Enron's Skilling Cites Stock-Price Plunge As Main Reason for Leaving CEO Post," *The Wall Street Journal*, August 16, 2001, http://factiva.com (Accessed April 27, 2009).
[2] Robert Bryce, *Pipe Dreams: Greed, Ego and the Death of Enron*, (New York: PublicAffairs, 2003) 245, 249.
[3] "SEC Announces Insider Trading Charges Against Former Chairman and CEO of Enron Energy Services," *The Securities and Exchange Commission*, July 29, 2008, http://www.sec.gov/news/press/2008/2008-151.htm, (Accessed on May 7, 2009).

problems would soon be well-known, unfolding in the pages of publications such as *The Wall Street Journal* and *The New York Times*.[4]

Beginning in the fall of 2001, the pace of events was startling. On October 16th, Enron announced large losses of just over a billion dollars, spurring the first of many critical *Wall Street Journal* reports on the company's financial health. After determining that the SPEs Fastow had created were not legitimate, on November 8th, the company issued a restatement of its finances for the years 1997 through 2001. The financial community reacted badly. The stock price dropped quickly and the company's debt rating was downgraded to a level where it was no longer considered investment worthy. Fastow was ousted and attention turned to the accounting firm Arthur Andersen and its conflict of interest in offering Enron both consulting and accounting services. Like Enron, Arthur Andersen did not survive the scandal.[5] In a last ditch effort to keep operating, Enron attempted to merge with Dynegy, another Houston energy company, but the deal fell apart after more documents surfaced, revealing that Enron's financial situation was even worse than earlier reported; some contracts contained provisions demanding immediate repayment of loans if Enron's stock price or debt bond rating dropped below a specific point (which it already had). Suddenly, Enron was obligated to pay off more debt, but the company was quickly running out of money.

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[4] Later, some would point to the *Journal*'s coverage as contributing to a growing lack of confidence in the company, resulting in even lower stock prices and credit ratings.

[5] The historian Christopher McKenna notes that the reports of Arthur Andersen's Enron-related activities, as well as a ham-fisted public relations response from the accounting firm's CEO, Joe Bernadino, resulted in an exodus of clients and an obstruction of justice conviction for the company in June 2002. That same year, the old accounting firm was permanently shut down. See Christopher McKenna, *The World's Newest Profession: Management Consulting in the Twentieth Century*, (New York: Cambridge UP, 2006), 240-1.

Though it took a little while for the general news media to pick up on the story, certain details, such as widespread document shredding at Arthur Andersen, revelations that employees were unable to access their 401Ks to sell the rapidly declining stock (even as Skilling and Lay had sold enormous amounts), and Ken Lay's close relationship with President Bush, added to interest in the company's collapse. During this time, the majority of Enron employees lost their jobs. When the company finally filed for bankruptcy, it was the largest in U.S. history. By January of 2002, the story seemed to grow even more salacious. Cliff Baxter, a former Enron executive (with a history of depression) committed suicide, fueling conspiracy theories. Pretty soon, Enron executives were testifying before congressional panels and television cameras showed executives in suits, ties, and handcuffs. Public reaction, though, was hardly univocal, with some reports focusing on the company's unsavory political connections instead of its type of business. Yet many people sought to widen the interpretive scope of Enron's significance. For instance, Rosalie Genova has demonstrated that despite the appearance of "remarkably varied" Enron narratives, the company's demise grafted easily onto long held anxieties about what she terms "the legitimacy and accountability of leadership" in both "business and government."[6]

However, a single, specific strand that ran through the initial coverage surrounding Enron indicated a larger anxiety, and one that was primarily expressed through a preoccupation with language. While ostensibly about Enron, early newspaper

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[6] Rosalie Genova, *Big Business, Democracy, and American Way: Narratives of the Enron Scandal in 2000s Political Culture*, Unpublished dissertation. University of North Carolina, Chapel Hill, 2010. xxvi.

and magazine articles were also expressions of a general mistrust of meaning, symbolic analysis and the informational economy.

This anxiety over the type of economic activity Enron exemplified, marked by dramatic increases and changes in the amount, flow and nature of information and work, was lurking in many of the cultural texts that emerged in the wake of the company's failure. As the Enron narrative began to take shape in a number of newspapers and magazines, and was later codified in an avalanche of books and films, fears began to emerge of a world where information had become so complex that meaning itself was threatened and nothing of monetary or moral worth was created. Most of this anxiety was never fully or explicitly articulated, but was present in traces and asides where language failed and signification began to slip.

Though Enron's fall from grace was, for many in the United States, the first they had ever heard of the company, it proved to be a huge media story. Given the enormously complicated nature of what Enron was doing at the time of its demise, its popularity as a news story was startling. Less surprising was how quickly the particular details of Enron's business dropped from view. Instead, Americans began to use Enron as a convenient symbol for all the uncertainties that had accompanied the rise of the informational economy. One hallmark of what Harvey regards as postmodernity, is a financial system "so complicated that it surpasse[d] most people's understanding." [7] Indeed, many of the changes in both social and economic life that Harvey points to in

[7] David Harvey, *The Condition of Postmodernity* (Oxford: Basil Blackwell, 1989), 161.

aftermath of the Fordist collapse in 1973 were similar to the innovations in the natural gas industry that Enron had trumpeted throughout the 1990s. In reacting to Enron's collapse, journalists, authors and other cultural producers were reacting to a miniaturized version of the transition from Fordism to flexible accumulation.

"THE MALOX MARKET" – ANXIETY AND THE NEW ECONOMY IN THE 21ST CENTURY

Though the 1990s experienced one of the longest bull markets in U.S. history, by the start of the new century, a nervous undercurrent began to creep into discussions about the economy, particularly the "new economy" of Internet stocks. March 10, 2000, was a high watermark for the NASDAQ stock index, which had been practically synonymous with the decade's technological innovations. During that day, the NASDAQ reached a record of 5132.52.[8] Yet that same day, the Dow Jones Industrial Average was at a level of 9928.82, even though it had started the year above 1100.[9] These contradictory numbers only began to hint at the economic anxiety just beneath the surface during the 1990s. Indeed, anthropologist Karen Ho points out that although the 1990s have been called "the greatest economy boom in U.S. history," the decade was also one of "record

[8] Bill Mann, "Where Were You When to Bubble Popped?", *The Motley Fool*, March 10, 2005, < http://www.fool.com/investing/value/2005/03/10/where-were-you-when-the-bubble-popped.aspx> (Accessed February 24, 2011). While March 10, 2000 was the NASDAQ's high point, the stock index began to drop immediately after that point.
[9] Google Finance, "Dow Jones Industrial Average historical prices," http://www.google.com/finance/historical?cid=983582&startdate=March+1%2C+2000&enddate=March+20%2C+2000, (Accessed May 7, 2009).

downsizings," suggesting a far more ambiguous economic scene.[10] Still, as financial historian Charles Geisst notes, the "climb" of the Dow Jones was dramatic throughout that decade.[11] However, though "television business news programs celebrated each new milestone," each new mark was accompanied by "skepticism" that "began to build as the 12,000 mark was approached."[12]

"Skepticism" was probably too mild a term. As early as February 2000, financial magazines were beginning to write about the prospect of economic collapse.[13] In part, this worry was due to the wild swings of the stock market as well as a string of dotcom failures.[14] By April 14, 2000, the NASDAQ had dropped to 3321.29.[15] These financial and economic jitters found their way onto the cover of *Newsweek* a short while later. The magazine's cover featured two Alka-seltzer tablets fizzing in a glass of water and the subtitle "Sobering up about the New Economy," describing it in the table of contents as the "Malox Market."[16] The article itself mentioned that the NASDAQ's drop had been greater than the 1929 market crash, morbidly joking that "If you could hurt yourself

[10] Karen Ho, *Liquidated: An Ethnography of Wall Street* (Durham: Duke UP, 2009), 1-2.
[11] Karen Ho suggests that the connection between record stock prices and a high rate of layoffs in the 1990s can be tracked to investment banking practices during that decade. Karen Ho, *Liquidated: An Ethnography of Wall Street* (Durham: Duke UP, 2009), 3.
[12] Charles Geisst, *Wall Street: A History from Its Beginnings to the Fall of Enron* (Oxford: Oxford UP, 2004) 376.
[13] Bill Steigerwald, "Money, ASAP Warn of Crash Ahead," *Pittsburgh Post-Gazette*, February 24, 2000, http://lexisnexis.com (accessed March 12, 2009).
[14] I am not at all arguing here that looking at how market indexes are performing can be used to make definitive statements about the state of an economy as whole. Instead, I am merely suggesting that the dramatic highs and lows throughout 2000 are a good indicator of how uncertain investors felt about the economy during this period.
[15] Google Finance, "NASDAQ COMPOSITE historical prices," http://www.google.com/finance/historical?cid=13756934&startdate=March+1%2C+2000&enddate=May+1%2C+2000, (Accessed May 7, 2009).
[16] *Newsweek*, April 24, 2000.

jumping out of one-story buildings, Silicon Valley parking lots would have been littered with the bodies of techies despairing over their vaporized stock options."[17] The piece focused on "new economy" companies, the very type that Enron emulated in practice and pronouncement. The author, Allan Sloan, specifically noted that many of these companies had "high concepts but little else."[18] By the following year, confidence in the "new economy" was badly shaken.

In the first few days of 2001, *InternetWeek* ran an article titled "Enjoy the Recession of '01 and You'll Feel Better – Really," arguing that some companies would emerge stronger than before.[19] The NASDAQ was at 2781.30 towards the end of the month and the *Christian Science Monitor* noted that "as the calendar flipped to 2001, the nation's central bankers" were worrying about a recession.[20]

In broad terms, this meant that the much vaunted "new economy" was coming under fire, with many of the complaints couched in the same terms and language that would eventually be used to condemn Enron. One prominent example was management scholar Michael Porter's article for the *Harvard Business Review* in March 2001. Though he conceded that the Internet was an important development, Porter, a respected voice in his field, pointed to several worrisome components of the "new economy," including

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[17] Allan Sloan, "The $2.1 Trillion Market Tumble," *Newsweek*, April 24, 2000, 22-6, 24.

[18] Ibid. Despite this grim picture, the issue also ran an article about a new technology company towards the end of the issue; faith in the informational economy had not entirely disappeared.

[19] Wayne Rash, "Enjoy the Recession of '01 and You'll Feel Better – Really," *InternetWeek*, January 8, 2001, http://lexisnexis.com (accessed March 12, 2009).

[20] Google Finance, "NASDAQ COMPOSITE historical prices," "NASDAQ COMPOSITE historical prices," (Accessed May 7, 2009). David R. Francis, "How the Bottom Fell Out of the US Economy so Quickly," *The Christian Science Monitor*, January 25, 2001, http://lexisnexis.com (accessed March 12, 2009). Interestingly, the article points to the media and communications as contributing to the bad environment, arguing that the speedy travel of bad news complicated mattes.

(presciently) creative accounting approaches and "confusing market signals."[21] Instead, Porter argued that "the creation of true economic value" was "the final arbiter of business success."[22] An accompanying small inset titled "Words for the Unwise: The Internet's Destructive Lexicon" also highlighted the new economy's language problems. Here, he wrote that "the misguided approach to competition that characterizes business on the Internet has even been embedded in the language used to discuss it."[23] The author worried that "murky" terms such as "business model" could become invitations to "faulty thinking and self-delusion" and that "words in the Internet lexicon also have unfortunate consequences."[24] Porter's critique of the "new economy" was significant in two respects. First, it focused on both aggressive accounting practices and the vagaries of language that would come to characterize early panics over Enron. Second, it prompted a response from champions of the new economy.

Business 2.0 mentioned Porter's assessment and, as a mild rebuff, offered up the cover story to their August/September 2001 issue, "The Revolution Lives." The article's author, Jerry Useem, tried to strike something of a middle ground, but for a publication that had previously been given over to techno-utopian flights of fancy, the humor and concession of certain points both masked and revealed an anxiety that the new economic order had not actually come to pass. Though ostensibly lighthearted, Useem's defensive asides belied fears in the business community that the digital, knowledge-based economy

[21] Michael Porter, "Strategy and the Internet," *Harvard Business Review*, March 2001, 65.
[22] Ibid.
[23] Ibid. 73.
[24] Ibid.

was sputtering. Interestingly, towards the end of the article, the author pointed to Enron and Jeff Skilling as examples of a fundamental, revolutionary change, proclaiming that in Enron's headquarters, "glimmers of a possible future are emerging."[25] Skilling himself was even one of three men featured on the magazine's cover.

Ironically, that same month Skilling left the company, sparking some in the press to question Enron's state of affairs. Though he cited personal reasons for leaving, the announcement caused a small flurry in the financial and energy trade press.[26] Earlier in the year, Skilling had called a stock analyst an "asshole" during a conference call, raising eyebrows about the CEO's mental state.[27] Perhaps most provocatively, John Emshwiller of the *Wall Street Journal* reported that one reason for Skilling's exit was the declining stock price.[28] Yet even his departure was also intertwined with growing doubts about the "new economy." *InternetWeek*, for example, claimed that Enron's woes were caused by its close association with the Internet, and that it was the digital world itself that was under attack.[29]

By the end of the twentieth century, many of the dotcoms that had been hailed as revolutionary no longer existed. Some Americans had begun to view many of these now-

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[25]Jerry Useem, "The Revolution Lives," *Business 2.0*, August/September 2001, 74.
[26] In later accounts, authors would give much weight to Skilling's announcement, though a review of newspaper coverage from around this time suggests that the reaction was fairly mild.
[27] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 325.
[28] John Emshwiller, "Enron's Skilling Cites Stock-Price Plunge As Main Reason for Leaving CEO Post," *The Wall Street Journal*, August 16, 2001, http://factiva.com (Accessed April 27, 2009).
[29] Robert Preston, "Enron A Victim Of Irrational Pessimism," *InternetWeek*, August 27, 2001, http://factiva.com, (accessed April 27, 2009).

defunct companies as shams from the start – or, at best, stupid ideas (e.g. - Pets.com).[30] However, others were not ready to let go of the technological euphoria of the previous decade. Curiously, Enron began to emerge as a company that was part of the "real" new economy – and not a failed dotcom.

"VAGUE, GRANDOISE TERMS" – ENRON AND THE UNCERTAINTY OF LANGUAGE

However, even at the height of media enthusiasm for the company, some business journalists had been critical of the company. Peter Eavis, a writer for the financial website, *TheStreet.com*, had been a consistent critic for some time. Jonathan Weil's article in the September 20, 2000, Texas edition of the *Wall Street Journal,* titled "Energy Traders Cite Gains, But Some Math is Missing," was especially prescient.[31] Not solely focused on Enron, Weil took issue with a number of energy trading companies' accounting practices, specifically "mark-to-market" accounting and the practice of claiming "unrealized gains."[32] Significantly, Weil pointed out that even though Enron

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[30] Pets.com is a particularly egregious example of dotcom excess. See Tom McNichol, "A Startup's Best Friend? Failure", *CNNMoney.com,* 4 Apr. 2007, < http://money.cnn.com/magazines/business2/business2_archive/2007/03/01/8401031/?postversion=2007022807> . (Accessed February 24, 2011).

[31] This article is sometimes cited as the one that "broke" the Enron story. However, its focus is much narrower than that of other early critiques of the company. What is more, as some have pointed out, the article ran in the *Wall Street Journal*'s regional edition, lacking widespread circulation.

[32] Jonathan Weil, "Energy Traders Cite Gains, But Some Math is Missing," *The Wall Street Journal* September, 20, 2000, http://factiva.com (accessed March 23, 2009).

was reporting profits, without "unrealized gains the company would have reported a quarterly loss."[33]

However, the most prominent critical voice appeared in *Fortune* in March of 2001. Journalist Bethany McLean's article, titled "Is Enron Overpriced," was a pointed critique of the company at a time when other media outlets – especially in the business and technology press (such as the *Business 2.0* article, published that same month) – were hailing Enron as a triumph of the new economy's "knowledge work" in a field that was typified by large industrial processes. Since its appearance, McLean's article has come to play an important role in most popular narratives about the company and McLean herself became the first of several journalists who would assume a heroic role in Enron's story.

The article's later notoriety was due in part to Jeff Skilling and Andy Fastow's reactions to the very prospect of a critical news story about the company. In her retelling (in the film documentary, *Enron: The Smartest Guys in the Room*), McLean's initial contacts with Enron executives were hostile.[34] Jim Chanos, a "short seller," told the journalist that he found Enron's financial statements perplexing and thought it was not a good investment (at the time, this was a minority opinion). McLean was similarly flummoxed by the company's financial information and decided it would be a good subject for a *Fortune* article. As part of her research for the article, she contacted Jeff Skilling, who was both evasive and confrontational (apparently calling the journalist

[33] Ibid.
[34] *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (Magnolia Pictures, 2005).

"unethical.")[35] The next day, Andy Fastow and another executive flew to New York to meet with McLean. In her retelling, at the end of the meeting, Fastow lingered and asked her not to write anything bad about him.[36] Even though the circumstances surrounding the article's creation were unusual, McLean would later point out that her criticisms were relatively mild.[37]

Still, the article was significant. It was here that McLean anticipated many of the criticisms and anxieties about postindustrialism and the informational economy that surfaced in later Enron narratives. The article's main point was that the company's financial statements and businesses were extremely complex and difficult to understand. Still, the full page photograph accompanying the article recalled many of the images that business publications (as well as the company itself) had used since 1997, depicting action on Enron's trading floor. The bodies of the traders moving about were slightly blurred, suggesting motion and high energy. In the foreground, one young trader sat in front of five large computer screens, each displaying different pieces of information. As Caitlin Zaloom points out, such flickering images on computer terminals are abstractions of the market itself, a physical space transposed into pieces of information - charts, line graphs, scrolling numbers and so forth.[38] Information itself dominated the scene.[39] The accompanying caption also pointed to the company's ultimate transformation: "Some

[35] Bethany McLean, "Why Enron Went Bust," *Fortune*, December 24, 2001, 59.
[36] *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (Magnolia Pictures, 2005).
[37] Ibid.
[38] Caitlin Zaloom. "Markets and Machines: Work in the Technological Sensoryscapes of Finance" *American Quarterly* 58.3 (2006): 815-37. 827.
[39] This is also, of course, the same environment that both Ken Lay and Jeff Skilling proudly invited Gov. George W. Bush and the head of the Texas Public Utilities Commission to visit.

people liken Enron, with its massive trading operation, to a Wall Street securities firm."[40] However, instead of signifying the triumph of "brain intensive businesses," the article's subtitle - "It's in a bunch of complex businesses. Its financial statements are nearly impenetrable. So why is Enron trading at such a huge multiple?" – framed the image in a negative light.[41] Indeed, there was a direct connection between the overwhelming amount of abstract data in the photograph and the statement that Enron's businesses were "complex" and its statements "impenetrable."

That the company's operations had become too complex was a criticism running throughout McLean's article. She pointed out Enron's arrogance early on in the article and quipped that even though the company's stock price was trading at a very high level, "Enron has an even higher opinion of itself."[42] From this point, the journalist moved quickly to highlight the incomprehensibility of the company's practices. After noting that Enron "has been steadily selling off its old-economy iron and steel assets," she wrote that Enron's new business was usually described in "vague, grandiose terms like the 'financialization of energy.'"[43] A little later, she complained that "describing what Enron does isn't easy, because what it does is mind-numblingly complex."[44] These passages contained the first rumbling of the anxieties that Enron's collapse eventually unleashed. They registered the shift that Enron had taken, from an "old-economy" company with

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[40] Bethany McLean, "Is Enron Overpriced?," *Fortune*, March 5, 2001, 123.
[41] Ibid.
[42] Ibid. The idea of arrogance, while a minor point in this article, becomes a major trope in later media stories.
[43] Ibid.
[44] Ibid. 123-4.

large, material assets (physical, tangible things) to the "financialization of energy" – a strange phrase that signaled the triumph of immaterial abstraction.

While the 1999 letter to shareholders had boasted the failure of language, here the journalist was uneasy about it. For McLean, this "vague" phrase rendered the business nearly impossible to describe. At the precise moment that information and symbols assumed dominion over the material world, language failed.[45] The description of the company's operations as "mind-numbingly complex" further connected the vagueness of language to the increasing intricate manipulations of information. It was this very complexity that caused this loss of meaning. At the same time, McLean also rejected Skilling's emphasis on "brain intensive businesses." She paraphrased Fastow as saying that the company still, at the end of the day, delivered natural gas, a physical commodity, and mentioned that "in order to facilitate its plan to trade excess bandwidth capacity, Enron is constructing its own network."[46] Indeed, these details underscored the central contradiction of the informational economy – such traffic in information could only be facilitated by large material objects and spaces. Though it was muted, McLean's article hinted at tensions that would later rise to the surface, in effect making Enron a convenient site for some to voice anxiety about the post-1973 informational economy just below the technological euphoria of the previous decade.

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[45] I am not arguing that McLean intends some Derridian meditation on the nature of language here. However, it is striking how the traces of Derrida's insights about the indeterminacy of meaning in a signifying system, such as language, dovetails nicely with McLean's turns of phrase.
[46] Bethany McLean, "Is Enron Overpriced?," *Fortune*, March 5, 2001, 126.

Still, it would be wrong to imply that McLean's *Fortune* article sparked a wave of skepticism about Enron or postindustrialism in general. In the months following, the article was essentially ignored, and Enron, as a news story, more or less disappeared from *Fortune*'s pages, beyond the typical coverage it had received up until that point.[47] Panics over 9/11 and terrorism, obviously, became the major news story in September. Still, this does not mean Enron had completely disappeared from the news. Indeed, news coverage would prove to be integral to Enron's downfall. Specifically, two *Wall Street Journal* reporters, John Emshwiller and Rebecca Smith, wrote a series of damaging news stories after Enron began revealing its financial woes in conference calls with analysts and issuing a number of documents, such as financial statements. Much like McLean's *Fortune* article, Emshwiller and Smith's reports were viewed in later accounts as integral to a loss of confidence in the company. Though they drew on information that was not available to McLean earlier that year, some of the anxieties in her *Fortune* article could also be found in the *Wall Street Journal* stories.

[47] However, the article did spark some reaction inside the company. The article was forwarded from email to email. In a particularly telling forward, an employee sent it to Vince Kaminski (who, in some narratives, would assume the role of soothsayer), adding: "Please see the following for the interesting article about Enron, and it is exactly what you have been worried about and now it is
starting to catch Wall Street's attention." (Li Sun, email message to Vince Kaminski, February 23, 2001). Another email referred to the article as "garbage." (Cindy Derecskey, email massage to Jeff Dasovich, February 3, 2001). For access to these emails, see http://www.enronexplorer.com/.

"I THINK WE HAVE A CROSSED LINE" – ENRON REPORTING LOSSES, REPORTING ON ENRON'S LOSSES

The bad news that Enron provided came on October 16, 2001, when the Houston company released its third quarter earnings. Shortly after beginning a conference call with financial analysts and reporters, Ken Lay noted that the company would record "nonrecurring charges of slightly over a billion dollars" before going on to discuss a number of bright spots.[48] Towards the end of the scripted portion of the call, Lay dissected the sources of the "nonrecurring charge" and revealed that $544 million came from losses associated with shutting down the Special Purpose Entities (SPEs) that Fastow had created over the last several years, referring to them as "certain structured finance arrangements with a previously-disclosed entity."[49] He went on to announce that "in connection with the early termination" of the SPEs "shareholders' equity" would "be reduced by approximately $1.2 billion."[50] This section of the call would prove to be the focal point of the *Wall Street Journal* coverage that led to further revelations and, finally, the company's bankruptcy. Far from the fawning pieces of previous years, the *Journal*'s October coverage of the company was tantamount to a revolution in attitudes towards Enron.

This was but a small portion of the overall conversation. If the call could be

[48] Transcript, Enron 3rd Quarter 2001 Earnings Statement Conference Call, October 16, 2001, http://www.usdoj.gov/enron/, (accessed on May 7, 2009).
[49] Ibid.
[50] Ibid.

said to have a theme at all, it would be clarity. As Lay put it early on in the conversation, "We are committed to making the results of our core energy business more transparent to investors and not clouded by non-core activities."[51] At the conclusion of his remarks, many of which highlighted material, physical objects such as pipelines and power plants, Lay told his listeners, "We hope our expanded disclosures help you to understand our operations."[52] Shortly after the call was opened up to questions, some (though not all) analysts expressed concern over the losses that Enron had reported.

Ironically, and perhaps reflecting how difficult clarity could be in the informational economy, the question and answer session was momentarily interrupted by crossed wires. The call's operator cut in on Ken Lay in the middle of a sentence, leading to the following exchange:

> **Operator:** Sir, are you there?
> **Kenneth Lay:** Hello?
> **Operator:** Yes, sir. Are you there?
> **Kenneth Lay:** Yeah.
> **Operator:** Yes. You were calling in reference to the Duke Energy call?
> **Kenneth Lay:** No. Operator?
> **Operator:** Yes …
> **Carl Krist:** I think we have a crossed line.
> **Kenneth Lay:** We have a crossed line here. This is the Enron third quarter call.
> **Male:** Is the Enron operator on?
> **Operator:** Yes, sir, I am on. Just one moment, we will isolate the incident. One moment, please.
> **Kenneth Lay:** Now, if you'd like us to talk about Duke, we'll do that too.
> **Carl Krist:** Well, Ken, I think you've helped me with some flavor, and I appreciate it. Best of luck.

[51] Ibid.
[52] Ibid.

> **Kenneth Lay:** Well, the only point I was going to make finishing that up, I mean, we found our businesses coming back very quickly after September 11th.
> **Unidentified Male:** Yes sir.
> **Kenneth Lay:** Ah, Next question.
> **Operator:** Thank you, gentlemen. We'll now move on to Anatol Feygin with JP Morgan.
> **Kenneth Lay:** Anatol?
> **Operator:** One moment, please.
> **Kenneth Lay:** Maybe he got on the Duke call.
> **Anatol Feygin:** Hello, operator?
> **Operator:** Mr. Feygin, your line is now open. Please go ahead.
> **Anatol Feygin:** Can you hear me, operator?
> **Kenneth Lay:** Yes, we got you.[53]

Of course, when the *Wall Street Journal* reported on the results of the call, and when authors would recount the earnings statement in books, they neglected to mention this exchange. It was just "noise" after all, but it also vividly demonstrated how disorienting the informational economy and its modes of communication could be. In retrospect, Lay's quick statement about "previously-disclosed entities," "shareholder reduction" and "nonrecurring charges" would be the moment that set the course for Enron's downfall. It was also the catalyst for the damning *Wall Street Journal* coverage that appeared later that month.

Co-authored by John Emshwiller and Rebecca Smith, the *Wall Street Journal* pieces were relatively dry in tone, but the very first one, which ran the following day (October 17, 2001), reiterated several of McLean's points. The article's second line read: "The loss highlights the risks the onetime highflier has taken in transforming itself from a pipeline company into a behemoth that trades everything from electricity to weather

[53] Ibid.

futures."[54] Ostensibly, these articles focused on the now-infamous sea of partnerships CFO Andy Fastow created in order to keep losses and risk off Enron's balance sheet, but resonated beyond the immediate fraud. Not only did these news stories reveal how swiftly Enron's stock price declined, but, as they unfurled, they charted an erosion of confidence in the company. Of course, in the context of these articles, the authors were referring to "investor confidence," but there was still a connection with this specific loss of confidence and a general postindustrial anxiety. For example, on October 23rd the reporters wrote: "Analysts also voiced concerns yesterday about possible other bad news lurking amid Enron's vast and extremely complex operations."[55] This moment harkened back to McLean's criticisms that Enron, by moving away from its old pipeline business and into something resembling financial trading, had become difficult to understand by virtue of the complex symbolic manipulation that now characterized its business. This theme became even more pronounced in an article published the next day, where the reporters described an exchange between an analyst and Ken Lay:

> During the conference call, analysts – even some who have been longtime Enron fans – challenged executives about the Fastow partnership arrangement and the company's often opaque financial reports. "There's the appearance you are hiding something," said Goldman Sachs analyst David Fleischer. "You need to do everything in your power to demonstrate to investors that your dealings are above board."
>
> Mr. Lay responded, "We're trying to be as transparent as we can."[56]

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[54] John R. Emshwiller and Rebecca Smith, "Enron Jolt: Investments, Assets Generate Big Loss," *Wall Street Journal*, October 17, 2001, http://factiva.com (accessed January 22, 2009).

[55] John R. Emshwiller and Rebecca Smith, "SEC Seeks Information on Enron Dealings with Partnerships Recently Run by Fastow," *Wall Street Journal*, October 23, 2001, http://factiva.com (accessed January 22, 2009).

[56] John R. Emshwiller and Rebecca Smith, "Enron May Issue More Stock to Cover Obligations," *Wall Street Journal*, October 24, 2001, http://factiva.com (accessed January 22, 2009).

This last quote closed the article in a stunning fashion. Not only did it represent a fuller articulation of the anxiety over information, but it also hinted that the anxiety had actually spread to the company itself. Lay's comment was full of doubt and worry that his symbolic analysts could not fully interpret the information they had produced. In the days and weeks that followed, Lay would actually use the defense that he didn't understand what was happening at his company. In essence, Enron's business had become in large part immaterial and increasingly difficult to understand.

Yet this immateriality began to have real effects. On October 25th, the *Wall Street Journal* reported an analyst recommending a "sell" on Enron's stock "because of uncertainties about the company's extremely complex financial structure."[57] In a way, this quote stood in as a synchedoche for the larger sense of loss of confidence. Significantly, it also connected the actions of recommending a "sell" with the anxiety over how complicated Enron's financial structures and information-related businesses practices had become. By the end of the month, Moody's, the credit rating agency, had downgraded the company's rating.

While such an action may have been long overdue, the potential ramifications revealed how the informational economy had scrambled the line between perception and reality. As Emshwiller and Smith reported that Enron's credit rating was to fall below investment grade, the company might default on billions of dollars worth of loans and

[57] John R. Emshwiller and Rebecca Smith, "Enron Replaces Fastow as Finance Chief," *Wall Street Journal*, October 25, 2001, http://factiva.com (accessed January 22, 2009).

"force it under the terms of various financial agreements to issue millions of shares of stock to holders of that debt, which would dilute the value of existing shares."[58] Here, even as credit rating agencies attempted to arrive at an accurate representation, such a move threatened to further destabilize the situation. The prospect of such a cause and effect was both ironic and unsettling. On October 31, the reporters were blunt about the predicament, wondering in the lede paragraph: "…in the topsy-turvy world of Enron, what constitutes logic anymore?"[59] To be sure, this line was meant, at least to a degree, to be tongue and cheek, but it also pointed to a core anxiety about Enron's predicament.

This sense of unease was not limited to the financial press alone. The exasperation and uncertainty of the *Wall Street Journal* stories were echoed in Enron's November 8th earnings restatement. This document was of singular importance, since it provided a clearer picture of the company's true financial health, accelerating what some writers later referred to as its "death spiral." The document's origins also reflected how complex manipulating information had become. For years, Enron had been using Special Purpose Entities (SPEs) – corporations, partnerships or other methods of corporate organization that can be used to hold assets and be treated as completely different entities from the company itself. However, the rules governing these entities require that SPEs need to have at least three percent of outside equity at risk. After a review of the extraordinarily complex SPEs Fastow and Enron had created, Arthur Andersen and Enron decided that

[58] John R. Emshwiller and Rebecca Smith, "Enron Debt is Downgraded by Moody's," *Wall Street Journal*, October 30, 2001, http://factiva.com (accessed January 22, 2009).
[59] John R. Emshwiller and Rebecca Smith, "With Enron Stock Trading at Book Value, Some See Company as a Takeover Target," *Wall Street Journal*, October 31, 2001, http://factiva.com (accessed January 22, 2009).

they did not meet these requirements. As an internal investigation of the company later revealed, the problems with the SPEs at the outset were the result of accounting errors.[60] The debt sacked away in these SPEs would have to be reported. Consequently, Enron provided a financial restatement for the company from 1997 to 2001. As to be expected, the restatement plainly demonstrated that Enron had not been nearly as profitable as it had appeared to be over the past five years. After listing the revised numbers, the document described the nature of the deals and how they were devised.

However, there was a pervasive sense of uncertainty in this document. Rather than declarative statements, sentences began with phrases such as "Enron now believes" and qualifiers like "to the extent information is available."[61] In one particularly telling passage, the statement read: "While the information provided herein reflects Enron's current understanding of the relevant facts, it is possible that the Special Committee's review will identify additional or different information concerning these matters."[62] Some of this equivocal tone was attributable to the fact that Fastow had actually been bilking Enron while managing these SPEs. Indeed, a lot of people inside Enron were learning many of these facts for the first time. However, Fastow's blatant obfuscation alone could not account for the uncertainty. Rather, the document's tone revealed the tenuous grasp the company itself had on its own activities. The unease about complexity and meaninglessness that had gripped journalists was also affecting Enron's managers.

[60] The "Special Committee" here refers to an investigative team led by William Powers. William Powers et al., "Report of Investigation by the Special Investigative Committee of the Board of Directors of Enron Corp.," February 1, 2002, 2.
[61] Enron Corp., Form 8-K, November 8, 2001.
[62] Ibid.

A POSTMODERN MORAL PANIC

In some ways, the complexity of Enron's businesses, as well as the growing sense that the company had failed because of information running amuck, was reflected in the range of responses once the company became a general news story. However, unlike the business press, no single theme emerged in the popular press. Instead, such news articles, letters to the editor and so forth contained a tangle of moral judgments, references to the American past (such as Watergate and 1998's Long Term Capital Management financial meltdown), hostility towards intellectual sophistry, a distrust of politicians, disease metaphors, fears over a loss of meaning, folksy aphorisms and a panicked insistence on the power of objective truth. In all, journalists and others struggled to find modes of thought and representation in response to Enron's failure. These confused strands often appeared in the same articles as contradictory sentiments; at once blasting the company as sophisticated crooks who duped unsuspecting Americans, and condemning a morally lax culture all too willing to go along with such obvious hucksterism.

Much like the *Wall Street Journal* coverage, major national news outlets such as the *New York Times* and *Washington Post* were quick to emphasize the idea of complexity and meaningless information, but also imposed a moral levy on the entire affair. One early example was a question and answer column in the *New York Times*'s business section. Here, Floyd Norris, the article's author, chastised Enron's opaque financial statements. Referring to the Special Purpose Entities that had then become the focus of journalists' ire, he complained that even the financial restatement did "not provide enough information to understand the arrangements completely."[63] Such a criticism was relatively narrow, but Norris immediately broadened its scope, writing that "many investors and analysts were not curious about" about the deals "when everything seemed to be going well."[64] Here, the writer hinted at an ethical judgment levied at American business culture. It was a judgment the writer expanded in the ensuing months. Norris recast Enron's failure as damning evidence of a mode of production predicated on a willing suspension of truth and collective greed. On November 16th, Norris ended his story ominously:

> Enron's financial statements were, as Mr. Lay conceded this week, "opaque and difficult to understand." Investors and analysts knew they did not know what was going on. They bought anyway.
>
> Enron was viewed as a company that always made its numbers. An old-line gas pipeline company had been transformed into a brilliant trader that could apply its magic around the world. Investors did not care how Enron made the numbers. Now, when it is too late, they do.[65]

Not only had an issue of social morality snuck into questions surrounding Enron, but there was also a creeping unease with the malleability of information that Enron had trumpeted in previous years. Enron's "financialization of energy" was now seen as fraudulent, but a fraud that many, according to Norris, had gone along with. The stern ending served as a call for returning to an objective truth. Notably, Norris implicitly connected this idea of truth to material production (and away from symbolic

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[63]Floyd Norris, "Plumbing Mystery of Deals by Enron," *New York Times,* October 28, 2001, http://lexisnexis.com (accessed February 22, 2009).
[64] Ibid.
[65] Floyd Norris, "Did Ken Lay Understand What Was Happening at Enron?," *New York Times*, November 16, 2001, http://lexisnexis.com (accessed February 22, 2009).

manipulation). Still, it would be wrong to claim that Norris, writing from the *Times*'s business desk, was offering a social or cultural critique. Rather, the writer limited his objections to the business community.

However, there were others who did extend these complaints beyond the immediate context of analysts and investors. One example appeared in a damning letter to the editor published with the heading, "A Culture of Lying." Here, the letter writer claimed:

> Adam Lashinsky ("Bankrupt Analysis," Op-Ed, Nov. 30) asserts that the Enron debacle is emblematic of the wider problem of a loss of objectivity on Wall Street. Why stop there? Perhaps the loss of objectivity on Wall Street indicates an even wider problem: a culture that places very little value on truth.
>
> As long as stock prices rise and money flows easily, we are all too willing to ignore measures of real value.
>
> Why let truth stand in the way of making a million dollars?
>
> Now that the charade is coming to an end, we will, it is hoped, start to re-examine our own attitudes and come to terms with the loss of objectivity that, to one degree or another, has infected us all.[66]

Here, the writer, much like Norris, made the connection between greed and a loss of objective truth.[67] Similarly, Daniel Freedenberg, the letter's author, also linked truth to material production. Though it was not directly stated, Freedenberg's juxtaposition of stock prices and flowing money with "measures of real value" offered a rejoinder to symbolic manipulation. Freedenberg worried that there was no longer a connection between stock prices and a material value possessing an inherent, inarguable worth. Finally, the tone in this letter also hinted at a moral panic, one that other journalists and pundits began to echo.

[66]Daniel Freedenberg, letter to the editor, *The New York Times*, December 2, 2001, LexisNexis.
[67]Interestingly, on a formal level, this letter vaguely resembles a jeremiad.

For example, two days later, in an op-ed piece, *The New York Times* columnist Richard Cohen imagined a conversation about Enron with his dead grandfather. Cohen's vaguely Capra-esque column laid the blame on U.S. society as a whole, expanding the critique found in both business stories, like Norris's and McLean's, and letters such as Daniel Freedenberg's. The column pitted Cohen, here the defender of a sophisticated but fallen American culture, against the folksy wisdom of a less educated, plain spoken grandfather. In the column, when Cohen tried to explain Enron's business, the apparition retorted: "It sold smoke. […] It sold the Brooklyn Bridge over and over again. It sold the uptown version of dream sheets and prayer handkerchiefs, only it used brokers and banks and not guys in fedoras and shiny suits. A bunch of con men."[68] In this fictional exchange, Cohen began by adopting a tone of condescension, insisting that Enron wasn't all bad, but the ghost had none of it: "Is that how you college people talk? They lied."[69] Of course, it was no small thing that the grandfather classified derivative investments as "lies." The column took up the theme of the informational economy's corruption and found its roots in language itself. The accounting statements that had become a problem for so many were not merely confusing; they were dishonest. The grandfather's apparition was more virtuous than Cohen because his use of language – his plain spoken-ness – was unsophisticated. Despite (presumably) lacking a formal education, he was able

[68]Richard Cohen, "Enron's 'Con'," *The Washington Post*, December 4, 2001, http://lexisnexis.com (accessed February 22, 2009).
[69]Ibid.

to get to an objective truth, the heart of the matter, much faster. Here, the line between sophistication and sophistry blurred.[70]

Yet even when the debacle wasn't framed in such explicit terms, others reacted to the story with alarm. Some, such as economic journalist Robert Samuelson, focused on the manipulation of information as a systemic threat to capitalism as a whole. In a December 2001 column for *The Washington Post,* Samuelson wrote that:

> The collapse of the energy company Enron has inevitably become a metaphor for many of the sins of modern capitalism. It may be, but the story is more complicated than a simple tale of victims and villains. Capitalism derives its strength from the power of self-interest and the ingenuity of the human spirit. But its weaknesses also stem from human nature, which can convert the quest for riches into self-deception and dishonesty.[71]

Samuelson worried that Americans were now living in a time where "creative obscurity" had "become commonplace" and chided readers that in order "To work well, capitalism needs accurate information."[72] Here, Samuelson was pointing toward the central role of information that economists have always regarded as crucial. However, Samuelson did not offer a critique of capitalism as a system, but rather condemned a degraded society that had threatened a system that was, on some level, inherently moral. Still, the writer had identified one of the most vulnerable points in the informational economy. What, after all, would happen to a system that required good information when the mode of production emphasized, valorized and encouraged the manipulation of information?

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[70] Interestingly, this train of thought would emerge later as an ugly by-product of attempts to come to terms with Enron and the informational economy in general – a creeping hostility toward intellectualism in general.
[71] Robert Samuelson, "Enron's Creative Obscurity," *The Washington Post*, December 19, 2001, http://lexisnexis.com (accessed February 22, 2009).
[72] Ibid.

Samuelson’s point about information was mild compared to others who began to worry that reality itself was threatened by the postindustrial, informational economy. In a January 2002 Sunday “Outlook” piece in *The Washington Post*, Lanny Davis proved to be a prescient, if grim, interpreter of Enron’s problems. Davis used Enron as a metaphor for the economy and culture as a whole, accurately noting that “Enron’s demise” would “be little more than a blip,” economically, but also insisting that the reasons behind the collapse were of the utmost importance.[73] Much like McLean and others, Davis noted that Enron was a company that foolishly “didn't focus on selling real products to consumers with real profit margins. Rather, Enron was essentially a broker: It bought, resold and invested in commodities futures contracts, gambling on future prices and market conditions.”[74] Though Davis did not focus on language, this concern was present in biting asides. After noting that Enron traded weather derivatives, he added the parenthetical: “(whatever that means).” However, Davis deviated from the prevailing conclusion offered by financial journalists when he pointed out that Enron’s growth and success had been “based on perception rather than reality.”[75] Of course, much like Samuelson’s argument about information, Davis was, to an extent, offering an old point about stock bubbles. Yet Davis also went further, arguing that such bubbles had become far more dangerous, writing that: “if you live by the perception and the illusion of growth, then you die by it once reality sets in. Being ‘asset lite’ meant that once Enron's

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[73] Lanny J. Davis, "Enron? We're Missing the Point," *The Washington Post*, January 6, 2002, http://lexisnexis.com (accessed February 22, 2009).
[74] Ibid.
[75] Ibid.

numbers and disclosures became suspect, there was no foundation of hard assets -- real products with real value -- to fall back on."[76]

Though in this comment Davis was referring explicitly to Enron, ultimately the writer's concern was that the split with the material world (in which, in this somewhat unsophisticated analysis, objects had an intrinsic value) was now complete. As Davis concluded, "With millions of Americans now invested in the stock market, this is no longer a concern limited to financial elites. We cannot afford to preserve a system in which perception is more important than reality."[77] Interestingly, Davis also gloomily assumed that his call was likely to go unheeded. Here, he took the loss of meaning that McLean and others only identified and drew it out to its logical end, where the production of ever more sophisticated pieces of information not only obscured the truth, but actually threatened reality. This is not to say that Davis felt the matter was entirely hopeless. Rather, the essay retreated into a solace of sorts, insisting that some other entity would step in to provide the services that Enron had been providing (and thereby betraying an ultimate faith in capitalism as a system).[78] Furthermore, as powerful and dangerous as immaterial production was, Davis reasoned that it ran up against the physical world, writing, "Speculators in Enron's 'weather derivatives' may have lost some money, but that's not likely to have much effect on whether it rains or shines each day."[79] This was a forceful insistence on the power of a material world. For all of Enron's manipulation and

[76] Ibid.
[77] Ibid.
[78] This is another theme that occurs again and again – a failure, ultimately, to condemn the system as a whole, and indeed, a reliance on the system as ultimately virtuous.
[79] Ibid.

language, it could not transcend such hard realities. However, some who read this column even expressed doubts about this silver lining.

One letter to the editor appeared to find comfort in the Davis piece, writing: “The good news is that the collapse of Enron [editorial, Jan. 6] is not likely to jolt the economy, because Enron didn't really produce anything.”[80] However, and perhaps betraying a fear that the informational economy could have very serious and huge effects, the letter’s writer also stated: “California is wise to ask whether its recent energy crisis was *real* or partly the effect of one of Enron's shell games.”[81] This comment was full of apprehension toward the “world making” power of the informational economy.[82] Both Davis’s editorial and the response to it gestured toward a glaring inconsistency at the heart of the informational economy: the contradictory interplay between materiality and immateriality and which force had more agency.

These newspaper columns (and readers’ responses) revealed how quickly Enron became a vehicle for thinking about problems with and anxieties about the informational economy. Particular details of the case might have been too complex for many to understand, but the financial journalists’ anxious tone had been rearticulated as serious moral and existential questions. Still, the details themselves *were* extraordinarily complex (of course, this was precisely McLean’s original complaint.) National newspapers were hardly the forum for a nuanced discussion of these anxieties and questions, and these

[80] Jim George, letter to the editor, *The Washington Post*, January 11, 2009, LexisNexis.
[81] Ibid. Emphasis mine.
[82] See Donald MacKenzie, *An Engine, Not a Camera: How Financial Models Shape Markets*, (Cambridge, MA: The MIT Press, 2006).

anxieties and questions only rarely became explicit. Rather, weekly news magazines, and later books and films, began to develop the vocabulary, tropes and metaphors, as well as lines of argument, that other cultural producers would use to give voice to and try to come to terms with postindustrial anxiety.

Eventually, the story came under the province of general publications such as *Time* and *Newsweek*. Not only did these magazines take up the same themes of uncontained information, but they also began to add a political element to the story.[83] Curiously, both publications were slow to pick up as Enron as newsworthy. *Newsweek*'s first piece, "Lights Out for Enron," which was relatively brief, focused on hubris and the irony of Enron's push for deregulation (and the idea that the "mercilessness of the markets" was what ruined the company).[84] However, most of the early coverage from the two news weeklies echoed the themes that originated with McLean's piece from March 2001.

The stories that appeared in the pages of *Time* and *Newsweek* (as well as others) began adding further layers of anxiety. Again, at the root of all of these jitters was a sense of an overly complex business, or way of doing business, that came with a number of frightening implications. One theme that quickly emerged was contagion. For example, in *Time*'s piece, "Power Failure," Daniel Kadlec wrote:

[83] Because of this, the language and rhetorical references to Watergate began to appear.

[84] Allen Sloan, "Lights out for Enron," *Newsweek*, December 10, 2001, 50-1, 50. This sentiment about the market itself meting out justice to a corrupt company is also reminiscent of Samuelson and others' conception of a market that is inherently moral. Moreover, it is a theme that would crop up repeatedly in cultural production surrounding Enron.

> Only months earlier, Enron was considered one of the most innovative U.S. companies, having brought new-economy tools such as Internet trading and sophisticated hedging strategies to the old business of matching producers and consumers of electricity, oil, natural gas – and eventually some 800 other commodities and services. Its operations directly or indirectly touch almost every American home and business.[85]

The promise of globalization and the information age, the notion of interconnectedness that had been so celebrated earlier, now became something of an existential threat.[86] In January 2002, McLean authored another short piece for *Fortune* titled "The Disease! It's Spreading!"[87] Accompanying this title was an illustration of a man with Enron's logo on his back facing three people in hazmat suits backing away. This sentiment, as well as the *Time* article, belied the profound uneasiness that began to emerge in the Enron story. Though they were not explicitly connected to issues of information, these stories revealed how what had once been a virtue was now being expressed in anxious terms, and how Enron was becoming a vehicle for that expression.

The next wave of print media attention, especially *Newsweek*'s "Digging into the Deal That Broke Enron" on December 11, 2001, also traded on the instabilities of postindustrialism. Early on, this article stated: "The company, which used complexity to its advantage on the way up, became a victim of its own complex dealmaking on the way down. A *Newsweek* examination of Enron's filings shows that the company's fatal

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[85] Daniel Kadlec, "Power Failure," *Time*, December 10, 2001, 68.
[86] Hardt and Negri refer to this threatening sense in *Empire* as the fear of contagion. Of course, these authors mean "contagion" as a symptom of anxieties about globalization and explicitly linked to an imperial conception of a pathologized and diseased colonial body. Still, here, the metaphor was operative, perhaps mingling with the recent fears about anthrax and bioterrorism. Michael Hardt and Antonio Negri, *Empire* (Cambridge: Harvard UP, 2000) 136.
[87] Bethany McLean, "The Disease! It's Spreading!," *Fortune*, January 7, 2001, 24.

mistake was an unintended byproduct of one such deal."[88] Sloan, again writing for *Newsweek*, was surely trafficking in some degree of schadenfreude in reporting how Enron had stumbled (a sentiment that was shared by others, owing largely to the company's arrogant posturing throughout its heyday). Nonetheless, the statement also reflected an uneasiness towards complicated symbolic manipulation (one that would become increasingly pronounced as time moved on). Here, "complexity" itself was the culprit, and the implication was not that Enron was a case of outright fraud, but that the symbolic analysts at Enron were not fully in control of information itself.

Curiously, the tension between materiality and immateriality was manifest in some of Sloan's words. The comparison between sturdy, reliable machines and the fleeting quality of the business that Enron had morphed into (Sloan later referred to it as "financial gymnastics") cropped up repeatedly.[89]

As such articles revealed, when the Enron scandal erupted, it unleashed a long-simmering unease about the informational economy. The scandal was a crisis of meaning and whether or not reality itself had become infinitely malleable. However, in these stories and texts this issue appeared only in traces – often complaints and sarcastic asides about "vague" phrases or a lack of industrial processes. Yet one little-seen article explicitly classified the Enron affair as "postmodern."

Appearing in *The Navigator* - a periodical published by the the Atlas Society, an organization dedicated to Objectivism, Ayn Rand's philosophy – as well as on the

[88] Allen Sloan, "Digging into the Deal That Broke Enron," *Newsweek*, December 17, 2001, 48-9, 48.
[89] Ibid. 49.

society's website in May 2002, Roger Donway's article, "The Collapse of a Postmodern Corporation," blamed the affair on a "failure of postmodern corporate values."[90] Donway defined postmodernism as a system of thought that posited no "external reality" and that the "nature of reality simply is what people believe and say it is."[91] For him, the "goal" of postmodernism was to construct a "shared narrative that supports the group's desires and activities."[92] Donway also chastised Enron – and Fastow in particular – for engaging in "postmodern accounting," retelling the story of a somewhat infamous encounter between Fastow and credit rating agencies where the CFO asserted that: "If the agencies changed Enron's ratings, Enron would be able to strengthen its finances, which would justify the higher rating. In short: if everyone would agree on a narrative that was supportive of Enron, reality would snap into line."[93] Donway even claimed that the Special Purpose Entities at the root of the collapse were "set up principally to affect what Enron could say about itself, and what others—such as investment advisors and bond-rating agencies—would then say in turn."[94] As impoverished as Donway's definition of "postmodernism" was, the article at least named the complaint that had run throughout the real-time response to the collapse. Ultimately, he was concerned with the split between representation and reality. In writing, surely with contempt, "that postmodernists don't

[90] Roger Donway, "The Collapse of a Postmodern Corporation," *The Atlas Society*, May 2002, http://www.tas.org (Accessed March 23, 2009).
[91] Ibid.
[92] Ibid.
[93] Ibid.
[94] Ibid.

use words like 'truth,'" Donway echoed the aggrieved letter writer who worried that American culture placed "very little value on truth."[95]

Though Donway used the term "postmodernism," the writer's concerns bore a closer resemblance to David Harvey's characterization of postmodernity. Identifying the term with a post-Fordist regime of spatially separated and flexible labor, Harvey also sees the "primacy of the sign" in the marketplace as one of postmodernity's hallmarks. However, this "primacy of the sign" introduced a new set of problems. As Nigel Dodd, writing about a "postmodern economy," puts it: "The notion that information is simply 'transmitted' and 'received,' as if its meaning remains constant and unimpaired throughout, is unsustainable."[96] Complaints such as Donway's registered a malleability of value and a prominence of signs that, for Harvey and others, typifies postmodernity.

Still, this disavowal from conservative quarters might have been surprising, since Enron's push for deregulation during good times dovetailed nicely with Ayn Rand's own pronounced antipathy toward government interference with commerce. However, in another way, it was fitting that the Atlas Society should publish this criticism given Rand's philosophical impatience with what she regarded as sloppy, incoherent thinking and use of language. As she wrote in *Atlas Shrugged*, "reality is final, that A is A and that

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[95] Daniel Freedenberg, letter to the editor, *The New York Times*, December 2, 2001, LexisNexis.
[96] Nigel Dodd, *The Sociology of Money: Economics, Reason & Contemporary Society*, (Cambridge: Polity, 1994), 113.

truth is true;" a succinct summary of the primary charge against the company that appeared in the pages of newspapers and magazines.[97]

"AN EXTREMELY COMPLICATED SET OF TRANSACTIONS" - THE POWERS REPORT AND POSTSTRUCTURAL FINANCE

It was no wonder Rand's devotees were so quick to condemn Enron. [98] The logic of language games that Rand categorically rejected was roughly analogous to the convoluted financial logic that Enron had been using. To be sure, on some level, Enron actually trumpeted this logic. The "vague phrase," "the financialization of energy" betrayed this ethos. When business journalists and concerned letter writers, as well as Ayn Rand acolytes, focused on language and Enron, it was because language offered a way for those without training in finance or accounting to offer detailed and specific

[97] Ayn Rand, *Atlas Shrugged*, (New York: Signet, 1957) , 978. There is a rich irony here that has to do with a glaring inconsistency in Rand's thought. Early on in the massive novel, Dagny Taggart, one of the story's heroes, agrees to a financially risky and audacious schedule to build a railroad line. It is a risk that her brother, the head of their company, refuses to take. As a solution, Dagny proposes the following: "I will form a company in my own name. Your Board will turn the Rio Norte Line over to me. I will act as my own contractor. I will get my own financing. I will take full charge and sole responsibility. I will complete the Line on time. After you have seen how the Reardon Metal rails can take it, I will transfer the Line back to Taggart Transcontinental and I'll return to my old job" (186). In other words, she proposes to remove the risk from the parent company, complete the job and then return it to the parent company, allowing it to realize the profits. While this is a relatively minor detail in the novel as a whole, it is striking in the manner in which is resembles the symbolic manipulation that Enron engaged in. In this analogy, Dagny's scheme and role closely mirrors Fastow's involvement with the SPEs, exactly what Donway is critiquing in his article. Even Mimi Schwartz and Sherron Watkins comment that many Enron traders loved *Atlas Shrugged*. So much for clear thinking. (See also, Mimi Schwartz and Sherron Watkins, *Power Failure* (New York: Doubleday, 2003), 80.

[98] Rand's assertions about language and objective reality are diametrically opposed to the poststructural observation that language and writing is more about strategy than substance. Indeed, in an early scene in *Atlas Shrugged*, a philosopher declares: "The purpose of philosophy is not to seek knowledge, but to prove that knowledge is impossible to man" (130).

complaints about the informational economy. By focusing on the lack of meaning in vague phrases that were difficult to understand, American journalists and their readers were using Enron as a way to protest the split between information and physical processes that seemed to accompany economic production at the end of the twentieth century as well as its attendant loss of meaning. Because these writers were using language as a substitute for numbers, such criticism of Enron came to resemble both the logic of and complaints about poststructural views of language.

The British novelist John Lanchester was one figure who explicitly made this connection. Writing about the 2008 financial crisis, Lanchester reasoned that "Finance, like other forms of human behavior, underwent a change in the twentieth century, a shift equivalent to the emergence of modernism in the arts – a break with common sense, a turn toward self-referentiality and abstraction, and notions that couldn't be explained in workaday English."[99] This was not simply a clever metaphor. Rather, Lanchester saw a deep logical affinity between the world of financial derivatives and poststructuralist theory. "Value, in the realm of finance capital," he wrote:

> parallels the elusive nature of meaning in deconstructionism. According to Jacques Derrida, the doyen of the school, meaning can never be precisely located; instead, it is always 'deferred,' moved elsewhere, located in other meanings, which refer and defer to other meanings—a snake permanently and necessarily eating its own tail.[100]

Here, Lanchester referred to the French thinker's idea of differánce.

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[99] John Lanchester, *I.O.U.: Why Everyone Owes Everyone and No One Can Pay* (New York: Simon & Schuster, 2010), 45.
[100] Ibid., 78-9.

In Derrida's conception of differánce, meaning itself is never truly present, but is always deferred, or contingent on particular configurations of signifiers. Writing constitutes a signifying chain where each link pushes the possibility of meaning along to the next link. Yet each individual link is empty of any solid meaning (for semioticians, signification is established through differences from other signifiers).[101] The referent itself never enters into the equation, but is always outside of language. As Derrida contends, "the center of a structure permits the play of its elements inside the total form."[102] In terms of language, however, that center – a referent – can never really be present, but "since the center does not belong to the totality (is not part of the totality), the totality *has its center elsewhere.*"[103] For Derrida, this has profound implications since there is no center, but a "sort of nonlocus in which an infinite number of sign-substitutions came into play. This is the moment when language invaded the universal problematic, the moment when, in the absence of a center or origin, everything became discourse."[104] Writing for Derrida is an interplay between presence and absence with "meaning" as something that was always just beyond grasp – words constantly refer to each other without ever reaching a final meaning. In this light, the preoccupation with language that appeared in complaints about Enron did not seem like some pointless diversion.

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[101] Jaques Derrida, "Différance," *Margins of Philosophy*, (Chicago: U of Chicago P, 1972), 7-14.
[102] Jaques Derrida, "Structure, Sign and Play in the Discourse of the Human Sciences," *Writing in Difference* (Chicago: U of Chicago P, 1978), 279.
[103] Ibid. Emphasis in original.
[104] Ibid. 280.

Of course, I am not suggesting that Enron's employees were combing through the French philosopher's works for business strategies, nor am I suggesting that journalists such as Bethany McLean or Alan Sloan had someone like Derrida in mind when complaining about Enron's language games and business model. Rather, I am suggesting that Derrida's theories of language and meaning provided an apt analogy for Enron's practices and ultimate collapse, and that the traces of an anxiety over a loss of meaning were located in the preoccupation with language in journalistic coverage of the scandal.

Likewise, Enron's "financialization of energy" had entailed removing substance and entering into an endless game – financial products and contracts, such as derivatives, that refer to each other more than they do to anything material. The company's business had more to do with the "play of signification" than it did with the natural gas pipelines and sites of industry. One might say that in its disdain for material assets and processes, Enron's business activity had become poststructural. The "center" was outside – the actual power plants, natural gas and pipelines mattered less than contracts associated with these objects. Since the mid-1990s, symbolic analysts in Houston had been playing with signifiers, with their actual referents receding from view. As the 1999 Letter to Shareholders declared: "What you own is not as important as what you know. Hard-wired businesses, such as energy and communications, have turned into knowledge-based industries that place a premium on creativity."[105] Such thinking had been Enron's triumph, but it was also its downfall.

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[105]Enron, "Enron Annual Report 1999," (1999), 2.

The SPEs that eventually led to the company's collapse followed a similar logic. Karyn Ball is one scholar who has made this connection, referring to "Enron executives' cynical and destructive 'poststructuralization' of its profits, assets, and debts as sliding signifiers that defer referential closure."[106] In writing about this connection, Ball even jokes that "it is as if Jeffrey Skilling and Enron's chief financial officer, Andrew Fastow, along with his collaborators, Michael Kopper and Ben Glisan, strategically mobilized the logic of *differánce* when they orchestrated splinter partnerships to which they sold and resold assets."[107] In this analogy, Fastow's veritable webs of SPEs attempted to defer, redefine or suspend economic realities, such as risk, loss and debt through the logic of language games – complex financial transactions that involved the shuttling back and forth of stocks, derivative options and contracts. Though these practices are sometimes called "structured finance," the whole operation was *post*structural.

On one level, it would be easy to dismiss the SPEs as fraud. Indeed, more than any other business activity, these "vehicles" (as they are sometimes called) were at the center of criminal investigations and congressional hearings. Enron itself, in an effort to regain confidence and trust, created a special committee to investigate the entities that was headed by William Powers (then dean of the law school at the University of Texas at Austin). The committee's findings (commonly referred to as the "Powers Report") were

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[106] Karyn Ball, "Death-Driven Futures, or You Can't Spell *Deconstruction* without Enron," in *Cultural Critique* 65 (Fall 2007), 6-42. 6-7. Although I believe Ball's use of Derrida vis a vie Enron is apt, I find other parts of her argument problematic. Ball does not adequately distinguish among different types of financial accounting techniques Enron used (such as SPEs and mark-to-market accounting). What is more, she also relies too much on Freud in imagining motives for Enron executives.
[107] Ibid., 7.

released in early 2002. The report offered a number of details on the SPEs that Enron had used throughout the late 1990s. However, 1997 had been the pivotal year for Enron, when the company began creating these "vehicles" at an increasing rate. The transactions themselves were extremely complicated. So, too, were the rules. For example, the committee was unable to determine if the illegitimacy of SPEs (since they lacked genuine outside equity at risk) was intentional fraud or an honest mistake.

Testifying before congress, Powers himself described what the committee uncovered as "appalling."[108] Indeed, the document detailed Fastow's swindling (essentially a fraud inside the larger scandal) and faulted Enron for omitting important details in its initial disclosures of the SPEs (which appear to violate SEC regulations).[109] However, the Powers Report also highlighted the poststructural logic that had come to define Enron.[110] As William Powers put it: "Enron purported to enter into certain hedging transactions in order to avoid recognizing losses from these investments. […] These hedges were not real economic hedges. They just affected Enron's earnings statements by allowing Enron to avoid reporting losses on its investments."[111] The point was to defer the meaning and implications of certain transactions and, through the process of financial techniques, endlessly defer other factors such as risk. As the report noted: "The

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[108] Senate Commerce, Science and Transportation Committee, *The Collapse of the Enron Corporation*, 12 February 2002, 29.
[109] William Powers et al., "Report of Investigation by the Special Investigative Committee of the Board of Directors of Enron Corp.," February 1, 2002, 187-203.
[110] Though Fastow was undeniably crooked, I believe it would be a mistake to view these SPEs as somehow aberrant details in Enron's overall history. Rather, they are only the most extreme examples of the impulses Enron had been operating under since the early 1990s.
[111] Senate Commerce, Science and Transportation Committee, *The Collapse of the Enron Corporation*, 12 February 2002.

transactions may have looked superficially like economic hedges," but the reality was different.[112] Enron had become so intertwined with these companies that, "if the value of the investments fell at the same time as the value of Enron stock fell, the SPEs would be unable to meet their obligations and the 'hedges' would fail."[113] In effect, Enron had "hedged" with itself (prompting the financial restatements).[114] The Powers Report offered detailed information on the SPEs, including how they were formed, their structure, and their transactions. The report also offered a full account of Fastow's role in the SPEs.

STRUCTURAL OR POSTSTRUCTUAL FINANCE

A closer look at one SPE, LJM1, demonstrates how closely they resembled poststructuralist logic. Though not the first of these deals, it proved to be the model for many of the subsequent SPEs. The deal's origins dated to 1998, when Enron bought equity (an ownership stake) in a company called Rhythms NetConnections. As with other technology companies in the late 1990s, the stock price rose dramatically upon going public in 1999. However, Skilling was apparently concerned about the volatility of the stock. This was a particular problem, since Enron was contractually bound to hold its stake in the company for a specific amount of time. To minimize any potential loss, Andy Fastow created LJM1 in an attempt to hedge the initial holding. Though there were two genuinely outside investors, LJM1 was "capitalized" primarily with shares of Enron stock

[112] William Powers et al., "Report of Investigation by the Special Investigative Committee of the Board of Directors of Enron Corp.," February 1, 2002, 14.
[113] Ibid.
[114] Ibid., 15.

that it was obligated to hold for four years, but it could use the stock to secure a loan. Then, Enron also created another SPE, LJM Swap Sub. LJM1 transferred cash and Enron stock to LJM Swap Sub (even though *this* SPE was supposed to be an "outside" participant in the hedge). Next, Enron and LJM Swap Sub entered into a derivative contract called a "put option" that gave Enron the power to require LJM Swap Sub to buy the shares of Rhythms NetConnections from Enron at an agreed upon price per share in June, 2004. Theoretically, Enron's initial investment was "hedged," meaning its risk was minimized by limiting the amount of money it stood to lose if Rhythms NetConnections' stock dropped. However, the Powers Report determined that the hedge was not real, since LJM Swap Sub's ability to buy the Rhythms NetConnections shares should Enron exercise its option was dependent on the value of Enron's stock remaining high (since this was LJM Swap Sub's "capital.") As the report concluded, Enron was hedging with itself – the center was outside. Rather than true economic exchange, the entire structure was basically a set of nonexistent companies trafficking in completely immaterial things – stocks, agreements to buy stocks, etc. If the above paragraph seems convoluted, it is because its subject matter was – even with the omission of finer details, such as promissory notes, and special terms and prices of stocks. As immaterial as money itself had become, the stuff moving back and forth in this instance was even less substantial – a "flow of signifiers" (as media studies scholar Mark Poster might put it) resting, essentially, on nothing.[115]

[115] For a detailed description of the LJM1 deal, as well as Enron's other SPEs, see William Powers et al.,

Fastow set up a signifying chain of different (and, for all intents and purposes, nonexistent) companies that kept "transferring" risk. In the end, what he had created was a massive structure (hence the term "structured finance"). Yet as one of the diagrams from the Powers Report demonstrated, any "center" or material process in Fastow's deals had been completely overshadowed by a self-referential system. Here, these companies were engaging in essentially poststructural activity as the inherent meaning or purpose of each entity became tied to a new one that supposedly invested in it. In fact, all the boxes in the image except two (ERNB and Campsie) represented entities that Enron and Andy Fastow created. In this sense, Donway's observation that Fastow's partnerships were basically language games was accurate. Yet even this was not the most complicated SPE and structured finance deal that Enron created. As Enron's problems grew, the SPEs became more and more baroque. Indeed, the words "complex" and "complicated" appeared in the Powers Report with startling frequency.[116]

However, if the problem was unique to Enron, it would have hardly warranted the reaction it got from the press. Rather, some of the news coverage suggested that Enron and the SPEs were not exceptions, but gross exaggerations of something far more basic about the informational economy. As some of the responses to Enron hinted, the company was not unique, just extreme. Such complaints about vague, meaningless phrases were nearly existential reservations and worries about a mode of economic

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"Report of Investigation by the Special Investigative Committee of the Board of Directors of Enron Corp.," February 1, 2002, 41-147.

[116] In fact, as detailed as the Powers Report is, its authors go to great pains to note that even they are presenting simplified explanations of the transactions.

production without ultimate, concrete meaning or finality. In writing about the informational economy, Mark Poster notes: "it becomes increasingly difficult, or even pointless" to "distinguish a 'real' existing 'behind' the flow of signifiers."[117] After all, what is "symbolic manipulation" other than language games and strategy without finality? As the report noted, "the structure was unstable…."[118]

The preoccupation with words and meaningless phrases in the news coverage anxiously conjured up a world devoid of ultimate meaning but filled with signifiers that referred to each other but nothing concrete. Indeed, some of the exasperation these magazine and newspaper articles exhibited towards Enron, its deals and use of language was comparable to the exasperation some experienced when encountering Derrida's work. The "brain-intensive businesses" that had amounted to "business judo" just a few years before now stood as empty sophistry. Lacking the technical knowledge needed to critique the financial instruments themselves, journalists and letter writers went after the same logical structures in a forum that was more readily accessible. Perhaps Enron struck such a nerve because it revealed how tenuous the system had become.

NARRATING THE COLLAPSE

Despite the enormous amount of press and media attention the company's immediate downfall generated, it gradually slowed (to a few brief periods of moderate

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[117] Mark Poster, "Words Without Things: The Mode of Information," *The Humanities as Social Technology*, (Summer, 1990): 62-77, 73.
[118] William Powers et al., "Report of Investigation by the Special Investigative Committee of the Board of Directors of Enron Corp.," February 1, 2002, 85.

coverage around the criminal trials and the stray news story). Though Enron disappeared from the pages of newspapers and magazines, beginning in 2003, a spate of books began to appear authored by a wide range of people, such as "whistleblower" Sherron Watkins, Bethany McLean (writing with Peter Elkind, another *Fortune* reporter), former Enron employee Brian Cruver, and the *Wall Street Journal*'s Emshwiller and Smith. In rushing out books about the company's fall, all of these authors were following an older publishing tradition.

For instance, throughout the 1980s, tell-all books quickly followed business scandals. Titles such as *The Predators' Ball* (1988), *Barbarians at the Gate* (1990) and *Den of Thieves* (1991) chronicled financial misdeeds, like insider trading, and infamous figures like Michael Milken and Ivan Boesky. Still other books, most famously Michael Lewis's *Liar's Poker* (1989), recounted the outrageous behavior of Wall Street traders and salesmen. Similarly, in the 1990s, *When Genius Failed* (1998) and *F.I.A.S.C.O.* (1998) detailed financial disasters like the collapse of Long-Term Capital Management and the misuse of derivatives. These books were so numerous they practically constituted their own genre, complete with its own conventions, such as a simultaneous repulsion from and fascination with their subjects' extravagance and misbehavior, moral condemnation, and plot lines that sometimes borrowed from more familiar stories, such as Horatio Alger-esque tales of rags to riches.

Yet even in this field, Enron was exceptional. There were so many books about the company that *Publishers Weekly* began evaluating each book's chances by the way its author was able to differentiate his or her tome from the others.[119] These books were not intended to stand the test of time. Rather, the speed with which they were written and published suggested a fast attempt to capitalize on the public's fascination with Enron. To a degree, it seems as though publishers' instincts were right. Though several titles did make appearances on the *New York Times* best sellers' list, they were brief compared to the time they spent on *Businessweek*'s book lists. Three Enron narratives, *Power Failure*, *24 Days*, and *The Smartest Guys in the Room*, were all on that publication's best seller list in 2003 and 2004.[120] What is more, *Businessweek* spent a good amount of time reviewing these works. The attention from that magazine suggested that these books were particularly popular among white collar workers, including other symbolic analysts.

Many of these authors expressed the same anxiety over the postindustrial world and informational economy that was present in early news reports. However, with more time having elapsed since the initial revelations, and more space for ruminations, these books, at least in part, extended anxieties about the malleability of information, the location of morality and ethics, and the unclear line between perception and reality. Many of these authors also began to worry about the volume of information in a postindustrial world. This anxiety moved in different directions. While some authors began to worry

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[119] For example, in discussing the appearance of Watkins and Schwartz's *Power Failure,* the publication notes: "Although it's possible that the reading public's interest in Enron has faded, Watkins's name on this book's cover and the timing--a good six months after the rush of Enron books--will help sales." "Forecasts" *Publishers Weekly,* 3/24/2003, Vol. 250, Issue 12 http:// http://web.ebscohost.com/ehost/ Accessed April 8, 2009.

[120] Out of all of these books, *The Smartest Guys in the Room* is considered the best in terms of journalistic reporting (and it was also the basis for Alex Gibney's 2004 documentary film). Though it was published along side *Power Failure* and *24 Days,* I will address it at length in the next chapter.

that the amount of information opened the door to a wave of scandals and conspiracies, others worried that the level of information would simply render the data meaningless. Some of the earliest books to appear were various first-hand accounts from those who had been somehow involved in Enron's collapse or in uncovering the scandal. As to be expected, all of these authors performed a critical job function in the informational economy. The authors of *24 Days*, *Power Failure*, and *Anatomy of Greed* tried to guide readers through what could have been a calamitous collapse of the informational economy and, in two cases, attempted to reassure the audience that the economic order under which they lived was not dysfunctional. Yet each attempt was ultimately unsatisfactory as the text became mired in the subject matter's complexity, calling to mind the instability that Enron sought to create and had celebrated through its cultural production.[121]

24 DAYS

Out of the books that appeared in the years following Enron's collapse, *24 Days* boasted one of the closest connections to the media coverage. Written by Rebecca Smith and John Emshwiller, the two *Wall Street Journal* reporters who covered the corporation's collapse, the book purported to tell the inside story of how the reporters broke the scandal. The book's structure and tropes strongly resembled those in *All The*

[121] It is worth noting that there are a number of books that I am not dealing with here, such as Loren Fox's *Enron: The Rise and Fall*. Instead, I am focusing on the most visible, widely circulated and read Enron books.

President's Men. Taking Woodward and Bernstein as their models, Smith and Emshwiller depicted themselves as beat reporters just on the cusp of uncovering unseemly misdeeds. However, the *Wall Street Journal* reporters found themselves dealing with a scandal much different from Watergate.

In *24 Days,* the protagonists spent an enormous amount of time deciphering documents and uncovering the scandal not by secretly meeting with shady informants, as is the case in *All The President's Men*, but rather by sifting through mountains of mostly public information. For example, when Woodward and Bernstein's legendary source, Deep Throat, first entered that book, he "didn't want to use the phone even to set up the meetings. He suggested that Woodward open the drapes in his apartment as a signal. Deep Throat could check each day; if the drapes were open, the two would meet that night."[122] In this passage, Deep Throat was cloaked in secrecy, and was useful to the two reporters because of the amount of inside information he was able to confirm and provide. Likewise, Rebecca Smith and John Emshwiller, the two *Wall Street Journal* reporters, were also tipped off early by an informant who confirmed their suspicions. Throughout these early pages of *24 Days,* the reporters referred to this informant as "our mutual friend." In both books, the informant offered cryptic confirmations for the reporters, legitimating the importance of the story. In Smith and Emshwiller's case, they wrote that their unnamed informer "knew enough to convince the reporters that they had

[122] Bob Woodward and Carl Bernstein, *All The President's Men* (New York: Simon and Schuster, 1974), 71.

barely scratched the surface in their first story."[123] The presence of a mysterious informant was not the only similarity. Both texts were given over to dramatic scenes in the newsroom, where reporters and editors argued over the precise phrasing of words. In this sense, both books were also meditations over the linguistic and narrative representations of their respective scandals as much as they were concerned with the scandals themselves – a feature other narrative accounts of Enron would not be able to avoid. This was fitting, particularly in the case of *24 Days*. The reporters themselves could be read as symbolic analysts, sifting through mounds of information, searching for the truth. The reporters then had to interpret this information and present it in another forum.

Yet as much as *24 Days* echoed *All The President's Men*, it also deviated from it in interesting ways. In a sharp difference from the dramatic meetings with Deep Throat in *All The President's Men*, Smith and Emshwiller uncovered the Enron scandal primarily "through the magic of computer database search engines."[124] In such passages, Smith and Emshwiller presented readers with an *immaterial* thriller. Tension was built through startling revelations in the footnotes of publically circulated documents and conference calls.

The first example of this preoccupation with documents and information appeared early in the book. In looking into a few documents (again, by going through databases)

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[123] Smith, Rebecca and John R. Emshwiller. *24 Days: How Two Wall Street Journal Reporters Uncovered the Lies That Destroyed Faith in Corporate America*. New York: HarperBusiness, 2003. 51.
[124] Smith, Rebecca and John R. Emshwiller. *24 Days: How Two Wall Street Journal Reporters Uncovered the Lies That Destroyed Faith in Corporate America*. New York: HarperBusiness, 2003. 58.

on the occasion of Skilling's resignation in August of 2001, Emshwiller found a reference to the Special Purpose Entities. The reporter was intrigued, noting that he "couldn't make out exactly what the deals were, cloaked as they were in a bewildering string of words" including phrases like "'share settled costless collar arrangements', 'combined notional value', and the 'contingent nature of existing restricted forward contracts.'"[125] This passage resembled earlier news stories in the way it quickly came to focus on language that did not communicate anything. Yet the passage went on to make an additional statement about the informational economy. Rather than uncovering a conspiracy through discovering secrets, Emshwiller was interpreting information that was available to almost anyone with a computer. Throughout the first part of this book, as the two reporters researched Enron during the summer of 2001, their methods of discovery fell almost entirely within the realm of symbolic analysis. Apart from sifting through databases, when they made phone calls, they were often talking to other symbolic analysts, such as public relations executives and stock analysts.[126]

Whether through disembodied voices on conference calls, two reporters writing news stories, sending and receiving emails and interpreting information, all of the "action" in *24 Days* was the performance of symbolic analysis.[127] Likewise, most of what they uncovered during this section was essentially symbolic manipulation. For example,

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[125] Ibid. 18-19.

[126] I should point out here that what I am outlining is not the only thread that runs through *24 Days*, though it is the predominant one.

[127] This is, however, the predominant – not only – setting for the text. Eventually, Emshwiller does literally follow the story down to Houston. Still, the most "dramatic" events in the story take place in front of computer screens or on the telephone.

in discussing EnronOnline, they wrote that Enron had possibly engaged in "wash" trades, where: "Party A would sell X amount to Party B, who would then sell the same amount back to Party A at the same price. While the two transactions wouldn't produce any profits, they would inflate each party's trading, making them look busier."[128] These "wash" trades are another example of the split between perception and reality that worried many of those who were writing about Enron.

There were also echoes of Reich's observation that symbolic analysts could be engaged in either positive or destructive behavior. This malevolent form of symbolic analysis became most apparent in the book's second section, which detailed the actual series of news stories in October and November of 2001. In a dramatic fashion, this section presented the informational economy as one where the manipulation of information could have profound consequences. The authors pitted different symbolic analysts against each other using various symbols as their tools. This conflict was also apparent in the illustration that opened that section of that book. This illustration charted Enron's declining stock price against the appearance of Smith and Emshwiller's reports. With its jagged lines and exploding bullet points, the image suggested a dynamism and instability at the heart of postindustrial production and symbolic manipulation. As these different pieces of information (e.g. – news stories and stock prices) interacted with one another, what had earlier been a smooth "flow of signifiers" (to borrow Poster's phrase) crashed in a spectacular fashion. Even beyond the two types of information depicted in

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[128] Smith, Rebecca and John R. Emshwiller. *24 Days: How Two Wall Street Journal Reporters Uncovered the Lies That Destroyed Faith in Corporate America*. New York: HarperBusiness, 2003, 81.

the chart, throughout the second section of *24 Days*, different types of information and symbols interacted with one another; not only news stories and stock prices, but also credit ratings and analyst recommendations.

Much like the news stories themselves, in *24 Days* the reporters here focused on Enron's confusing use of language. In the reporters' telling, just after the company released its earnings statement (the one that resulted in its downfall), Smith read over the offending passage and thought to herself: "What the heck was that?"[129] She reread the phrase: "Structured finance arrangements with a previously disclosed entity."[130] Yet the passage still did not clarify anything for the reporter, who wondered, "What did it mean?"[131] As she combed through the document, trying to learn more about the $544 million loss, she only found "gibberish."[132] Again, the text returned to language that failed to produce meaning. Of course, Enron had grappled with the inadequacy of language in representing its businesses throughout the 1990s. Here, however, the failure of language was cause for concern.[133]

As the story erupted in *24 Days*, Smith and Emshwiller offered readers several scenes that dramatized this confusion. One of these moments was a conference call Ken Lay had with analysts and reporters, a prominent episode that found its way into the actual *Journal* reports. The once-suave Lay badly bungled the call – which was intended

[129] Ibid. 107.
[130] Ibid.
[131] Ibid.
[132] Ibid. 108.
[133] Much like *All The President's Men*, in these moments Smith and Emshwiller turned their attention to elaborate and detailed descriptions of the news stories themselves – how much space they had taken up on the page, how many words they are and editorial choices. The focus was always on information.

to clarify and explain. As the reporters wrote: "For years, almost everyone listening on that phone call had been ignorant to one degree or another about the inner workings of Enron. Company officials had used that lack of knowledge" and "played it like a musical instrument."[134] But this time, "bland reassurances and promises of great things to come were no longer enough. Faith was being replaced by doubt. And doubt could be deadly for a company that lived off credit."[135] For the informational economy and a bunch of symbolic analysts connected to one another through telephone wires, this was a tense scene. References to Ken Lay's "verbal calisthenics" (echoing Sloan's description of "financial gymnastics" in *Newsweek*) had to stand in for actual physical activity.[136] Here, the journalists almost inadvertently framed the informational economy as a system that relied on ignorance.

However, the passage also depicted other symbolic analysts springing into action. The call's most significant result was Prudential analyst Carol Coale letting "fly the rarest of Wall Street birds, a 'sell' recommendation, on Enron stock."[137] As Smith and Emshwiller went on to write, "Coale told Emshwiller that her sell recommendation was the final chapter of a long-running drama of ups and downs with Enron. In 1994, she'd dropped her rating on the company to a 'hold' from a 'buy' and held it there for years."[138] The rest of the paragraph similarly detailed years of Coale reclassifying Enron's stock. The "drama" here was little more than the movement of words. Yet in the context of *24*

[134] Ibid. 146.
[135] Ibid.
[136] Ibid. 151.
[137] Ibid. 147.
[138] Ibid. 148.

Days, the downgrade had huge consequences. Enron, the analysts and the reporters were caught up in negotiations over language and signifiers, much as the illustration suggested. Meaning here was relational, but not without consequence.

Strikingly, anxiety was not limited to Enron in *24 Days*. As the reporters wrote: "Smith had encountered concerns that spread beyond Enron. The stocks of other big energy companies were beginning to fall as investors worried […] Some analysts worried that the company could take down a big chunk of the energy markets."[139] In such moments, Smith and Emshwiller offered the same criticisms and reflected the anxieties of the informational economy that emerged in the news coverage of Enron's fall. In the world that *24 Days* presented, the boundary between perception and reality was unclear.[140] If the text presented the two reporters as heroic (or at least protagonists), it is because they revealed a "truth" by sifting through a torrent if information and exposing the poststructural nature of Enron's schemes. Yet the reporters stopped short of a larger critique of late capitalism. Towards the end of the book, Smith, attempting to attach some final meaning to the affair, wrote: "Wall Street, that citadel of a freewheeling capitalism that was often perceived as amoral, had shown a surprising streak of Puritanical outrage about Enron's dishonesty."[141] She even found Enron's collapse "uplifting, in an odd way" because of the stock market's reaction. By Smith's reasoning:

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[139] Ibid. 160.

[140] In some ways, the world that *24 Days* and other Enron books presents is the most extreme version of the postmodern city. In *The City in Literature*, Richard Lehan points to the city in Pynchon's *The Crying of Lot 49*, where Oedipa Mass moves through an environment full of symbols that she must interpret.

[141] Rebecca Smith and John R. Emshwiller, *24 Days: How Two Wall Street Journal Reporters Uncovered the Lies That Destroyed Faith in Corporate America* (New York: HarperBusiness, 2003), 378.

> At every step of the way, as the story had unfolded, the market had reacted and people had stepped forward with information, looking for no more reward than the satisfaction of seeing the truth come out. People's basic sense of integrity had been violated and they wanted the guilty brought to heel.[142]

Though she ruefully speculated that Wall Street would lose its moral outrage the moment stock prices recovered, Smith pointed to the stock market as an instrument of justice and truth. It was the market itself that punished Enron with each new revelation, even though it was the same entity that called forth the world of signifiers and symbols that Enron trafficked in for so long. In pointing to the market as an instrument that would ultimately prove intolerant to falsehoods since it depended on accurate information, Smith demonstrated a yearning for an elusive stability of final meaning in the informational economy.[143]

This reliance on Wall Street to provide morality was only the most extreme and contradictory example of how Smith and Emshwiller ended *24 Days* with attempt after attempt to ascribe some larger significance to the company. Towards the book's final pages, the reporters provided a number of comparisons and references to the American past. As Smith wrote, Enron had "become synonymous with duplicity and avarice, just as the names Tammany Hall and Teapot Dome, in an earlier era, came to mean political

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[142] Ibid.

[143] This reliance on the market as an arbiter of objective truth and morality is not unique to Smith and Emshwiller. Thomas Frank has identified this sentiment as "market populism" throughout the 1990s in his book, *One Market Under God*. However, the idea that markets contain the seeds of objective truth is at least as old as classical economics. Adam Smith's notion of "natural" prices posits that merchants can only keep prices inflated for so long before the truth is revealed and the price of a commodity floats back down to where it properly should be in the first place.

graft."[144] She also quoted Teddy Roosevelt, writing: "Americans only learn from catastrophe and not from experience."[145] Emshwiller, for his part, appeared to take away a very different lesson: "Being honest is usually better than being smart."[146] All of these attempts to attach a meaning to (and thereby contain) Enron – looking to its falling stock price as an ethical or objective barometer, reaching to the American past for analogies and a distrust of intelligence per se – were reflected in other Enron narratives.

As with *24 Days,* these narratives and the tropes that closed the text can be read as anxious attempts to make sense of the informational economy. Rosalie Genova has demonstrated how important narratives were for various audiences in making sense of Enron's collapse. If, as literary critic Peter Brooks and others suggest, narrative is a basic way of ordering and making sense of events, then the books and films that followed Enron's collapse were responses to the anxieties about what was happening to reality and the truth could be found in the media coverage.[147] Indeed, other narratives grabbed hold of the tropes in fictional representations of American business and the market as a way to navigate what had seemingly become a world of unmoored meaning.

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[144] Rebecca Smith and John R. Emshwiller, *24 Days: How Two Wall Street Journal Reporters Uncovered the Lies That Destroyed Faith in Corporate America* (New York: HarperBusiness, 2003), 378.
[145] Ibid.
[146] Ibid. 379.
[147] Peter Brooks, *Reading for the Plot: Design and Intention in Narrative*, (New York: Vintage Books, 1984), 7.

INSIDERS ON THE OUTSIDE

Out of all of these authors, after Emshwiller and Smith, Sherron Watkins, who later became known as the "whistleblower," could claim the closest proximity to the scandal. Her book, *Power Failure*, which was co-authored with the Houston journalist Mimi Schwartz, detailed Watkins' experiences while working for Enron (like Smith and Emshwiller's account, it was also written in the third person). While certainly providing an account of Watkins' own personal narrative, however, the text could hardly claim "insider" status. Much like *24 Days*, the narrative quickly became intertextual, as Watkins and Schwartz commented on public documents and events. Similarly, the account of rank-and-file Enron employee Brian Cruver, *Anatomy of Greed*, also claimed "insider" status but revealed little new information (at least Watkins could lay claim to being a significant part of the larger story). In short, as both Watkins and Cruver navigated their way through the company, they dramatized what it meant to be a symbolic analyst. *Power Failure*, for example, was peppered with tales of in-fighting and backstabbing among Enron executives.

However, much as Smith and Emshwiller insisted on the morality of the market, Schwartz and Watkins in *Power Failure* tried to mark moral boundaries. Of course, Watkins could claim to be on higher ground. After all, it was she who wrote the memo to Ken Lay (that document was more or less the dramatic climax in this text).[148] However, Schwartz (the book's primary author) established Watkins's virtue primarily by

[148] Genova points out that Waktins had motive and investment in claiming the moral high ground. See Rosalie Genova, *Big Business, Democracy, and American Way: Narratives of the Enron Scandal in 2000s Political Culture*, Unpublished dissertation. University of North Carolina, Chapel Hill, 2010, 60.

distancing her from other symbolic analysts and the informational economy as a whole. *Power Failure* began with Watkins's enchantment with Enron. Early on, the two authors wrote that "If you were in the world of finance or the world of energy, you heard about the kinds of things they were doing and wanted to be a part of reinventing the future."[149] Yet soon enough, Watkins found herself bewildered by the way Enron did business, noting that the idea of an "entrepreneurial corporation" was, to an extent, a contradiction.[150]

Belying the same reactionary streak that appeared in Schwartz's 2001 *Texas Monthly* article, *Power Failure* located the boundary between righteousness and moral turpitude along the fault line of materiality and immateriality. As Watkins moved around inside the company, she was shifted from Enron's international wing (which the authors depicted as the victim of Jeff Skilling's personal rivalry with Rebecca Mark, the head of Enron's international development) to Broadband (which was ultimately a failure). Though Broadband was considered to be one of the fashionable units to work for, Watkins expressed apprehension. At a wine and cheese party, she ran into a friend (also new to the division) who lamented that she had originally come to Enron to bring "power to Third World countries" and make a "contribution to society" even though the move would be better for her career.[151]

Throughout, Schwartz and Watkins commented on a style of business that was quickly spinning out of control. The authors even claimed that the 1990s as a whole was

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[149] Mimi Schwartz and Sherron Watkins, *Power Failure*, (New York: Random House, 2003), 51.
[150] Ibid. 133.
[151] Ibid. 184.

a decade characterized by denial. Much like other narratives, their's used Enron to arrive at insights about U.S. culture as a whole, writing: "The mid to late 1990s promised to be the era of the New Paradigm, when people were convinced that the rules of business, and even American life, were being rewritten" and that Bill Clinton was a "master of denial" who presented himself as "the youthful president of new ideas, presiding over the booming economy."[152] Enron, in other words, was not an isolated case. Rather, Watkins's experiences at Enron stood as commentary on all of these themes – the denial and ultimate sham that was the "New Paradigm."

As evidence of that era's moral emptiness, the two authors detailed every excess in the company. Some of the excesses *Power Failure* highlighted were the same litany of sexual misconduct that other authors (and movies) offered. However, such blatantly bad behavior appeared alongside far less scandalous fare. Objects held up for scorn included domestic partner benefits, money towards college text books, and childcare before the authors turned to more extravagant perks, such as an on site gym, and finally asked with a heavy dose of sarcasm: "Didn't have time to pick up your dry cleaning or take your dog to the vet? No problem – the Enron Concierge could do it. If you were smart enough and tough enough to work at Enron, you deserved to live like last year's Oscar winner."[153] In the process of lambasting such perks, the two authors also took a strange turn, writing that Enron was "eerily evocative of many affluent, late-nineties parents who refused to

[152] Ibid. 132.
[153] Ibid. 191.

discipline their children because it crushed their creativity and spontaneity."[154] Here, Schwartz and Watkins equated creativity with sophistry and viewed almost any reference to intellectualism and creativity in general as suspect, much like the curmudgeonly ghost in Cohen's column. For instance, the authors critiqued Andy Fastow's penchant for buying art.[155] Similarly, in the middle of a section listing off various Enron excesses, they complained that Fastow and his wife began collecting art and "loaning pieces to the Menil Museum, long a bastion of the city's most rarefied tastes."[156] Perhaps the two were right in condemning the Fastows' lack of interest in social change, but including their interest in art in this list also hinted at a suspicion regarding most intellectual endeavors that appeared in *Power Failure*.

However, they reserved most of their ire for Fastow and his intricately structured finance deals. As the book told it, after struggling to find her place in the company, Watkins finally came to work for the CFO and was able to examine the SPEs in detail. Schwartz wrote that the deals "made Sherron Watkins nervous. But when those working for him balked at his schemes, Fastow complained that they weren't creative enough. 'You're thinking like an accountant,' he'd say to Sherron Watkins. 'You're thinking like a lawyer,' he'd tell attorney Kristina Mordaunt. 'You have to learn to think outside the

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[154] Ibid. Curiously, Robert Reich pokes fun of this same type of indulgent education of "symbolic analysts" in *The Work of Nations*.
[155] Donway also makes much of Fastow's interest in art, implying that modern and postmodern art are also nothing more than language games – agreed upon definitions – without any aesthetic value.
[156] Mimi Schwartz and Sherron Watkins, *Power Failure*, (New York: Random House, 2003), 194. This section also lists Ken Lay's community and charity work in Houston as one of the excesses.

box.'"[157] Here, again, Schwartz and Watkins revealed a generalized suspicion of knowledge work, pointing to Fastow's schemes as the paradigmatic example of symbolic analysis.

The final break for Watkins came when, worried that the company would collapse, she put her concerns in writing. Much as Smith and Emshwiller dramatized the creation of their news stories, Schwartz and Watkins spent a good deal of time focusing on the three memos she wrote to Ken Lay in an effort to head off Enron's problems. To an extent (much like the book in general), this section lingered on the memos in an attempt to open up a space between Watkins and the rest of the company. Just as Smith and Emshwiller called attention to the process of writing in *24 Days*, Watkins agonized over every word in her memo. Here, Schwartz and Watkins offered up their own interpretation of the original memo, as well as dramatically recounting Watkins's late night editing and handwringing. The accountant found "herself waking up at 2 A.M., revisiting her worries and rehearsing her description of them to Lay. She typed, cut, pasted and inserted short, simpler words."[158] Yet it was during this chapter that *Power Failure* also touched on several images that invoked the stable, material world that Enron had forsaken. After writing her original memo, Watkins attended a company meeting (which Lay presided over) and looked out across the crowd, thinking about "employees with kids to educate, with sick parents or ailing spouses, people with house payments and

[157] Ibid. 156.
[158] Ibid. 287.

bills to pay. Enron made its billions on volatility, but now they wanted stability […]."[159] Though Watkins could hardly be considered an economic leftist, in these lines, she and Schwartz offered a critique of some of the instability that had been ushered in by neoliberal deregulation.

Once Watkins herself entered the story that was playing out on the national stage and news media, *Power Failure* began to mirror the "action" in *24 Days.* In both instances, the wave of *Journal* stories dictated events. During this period (October and November of 2001), Watkins watched in shock (her disillusionment growing, even though Schwartz was quick to describe her as a loyal employee nearly to the end) as Ken Lay fell back on public relations tactics to deal with the issues. Following Skilling's abrupt departure and the looming accounting problems, Schwartz wrote: "Ken Lay's response to Enron's problems – the declining stock price, the expanding spread on bond debt, the departure of major executives – was rooted in his unshakable faith in the power of appearances."[160] As Watkins saw it, these moves failed him as the neat interplay between perception and reality came to a halt. In discussing the financial restatements, Schwartz and Watkins wrote that "The question for Enron, as always, was how to present the news."[161] Here, the immateriality at the root of Enron's "brain intensive businesses" precipitated the company's collapse. Precisely because Enron was overly concerned with

[159] Ibid. 277.
[160] Ibid. 292. This character trait is one that Watkins and Schwartz discuss repeatedly in *Power Failure*. For example, in discussing Lay's response to the California energy crisis in 2000, Watkins and Schwartz note his "unshakable faith in PR" (266).
[161] Ibid. 297.

representation and perception, instead of concrete businesses, it would not be able to recover.

As if to make the connection between public relations smoke and mirrors and Enron's post-1997 businesses, the authors renewed their discussion of Enron's partnerships. This section highlighted the complexity of the deals, as well as the flurry of memos among Enron, the law firm Vinson and Elkins, and Arthur Andersen employees. Again, Schwartz and Watkins turned to the trope of perception versus reality. For example, lawyers at Vinson and Elkins became concerned with "potential bad cosmetics."[162] As Schwartz quoted a memo (and not without some degree of irony), the lawyers were not so much concerned with the legality of the transactions (they apparently thought that Enron's accounting with regards to some of the Special Purpose Entities were *technically* okay), but rather that "the transactions involving Condor/Whitewing and Raptor could be portrayed very poorly if subjected to a *Wall Street Journal* exposé or class action lawsuit."[163] Naturally, what followed in the next pages of *Power Failure* was the series of *Journal* stories themselves. However, *Power Failure* then took a strange turn. Throughout, Schwartz and Watkins had worked to draw distinctions between perception and reality that had begun to blur at Enron, as well as to narrate how Watkins herself became clear about such distinctions (the last line in the book read, "she had no more illusions".)[164] However, large passages toward the end offered commentary on

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[162] Ibid. 304.
[163] Ibid.
[164] Ibid. 360.

media treatment and how representations of Enron (particularly in the *Wall Street Journal*) resulted in the company's collapse.

For example, Schwartz charted an evolution of Enron's media portrayal, claiming that Enron, once it passed into the press in general, became an "all-American morality play."[165] After comparing the media interest to OJ Simpson's trial, the Monica Lewinsky affair and other spectacles, the two noted that Enron offered a gaggle of clear cut "villains," while also claiming (in terms that were perhaps too grandiose) that after Watkins' memos became public, she "made the great American transition from anonymous American to national folk hero."[166] Yet in the middle of this hyperbole, the authors noted:

> As the revelations continued, the only asset Enron had left was its notably fluid identity. In the hands of the media, this identity became a metaphor for all the ills of the last decade – the illusory tech bubble, the silly excesses […] In short, Enron represented the whole sorry devolution of American capitalism at the end of the twentieth century.[167]

Here, as in *24 Days*, Schwartz and Watkins struggled to find a broader meaning for Enron beyond the scandal itself, but arrived at a different set of conclusions. While Smith and Emshwiller found *some* solace in the stock market's punishment for Enron's wrongs, Schwartz and Watkins did not hedge their condemnation for capitalism *as a whole* in the 1990s.

Finally, in an attempt to exonerate herself, Watkins attached the three memos she authored, as well as a diagram of Fastow's deals and, much like *24 Days*, a graph

[165] Ibid. 346.
[166] Ibid. 353.
[167] Ibid. 350.

tracking Enron's declining stock. Here, the documents themselves were offered up in juxtaposition to one another. Next to the deeply confusing and possibly fraudulent financial complexities of the Special Purpose Entities, the relatively plainspoken Watkins memos represented truth to power (or even truth in general).

Similarly, in *Anatomy of Greed,* Brian Cruver charted his initial enthusiasm for and subsequent disillusionment with Enron.[168] Much like Watkins, Cruver attempted to distance himself from the company as a whole throughout the text. Cruver's narrative was interesting in that unlike Smith and Emshwiller, and Sherron Watkins, he was a bit player in Enron's story. His only claim to fame was a brief fifteen minutes when he tried (and failed) to sell internal company documents on eBay (the site apparently became worried about legal ramifications and ended the auction). Later, his book became the basis for a made-for-television movie.

When it was first published, *Anatomy of Greed* was not received well. Unlike *24 Days,* and *Power Failure, Anatomy of Greed* did not appear on either the *New York Times* or *Businessweek* best seller list. *Publisher's Weekly*, for one, gave it a very poor review and was equivocal about sales prospects.[169] Indeed, Cruver's experience with Enron was extremely limited. He worked at the company for less than a year, and a good portion of the text dealt with him after he had been laid off, but was still receiving a paycheck in the midst of internal chaos.

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[168] In truth, Cruver's writing is awful. However, Cruver's tome is the basis for the made-for-television movie, *The Crooked E,* which I will discuss in the next chapter.
[169] Sarah Gold, et al, "Nonfiction: The Unshredded Truth from an Enron Insider," *The Publisher's Weekly*, July, 22, 2002, http://web.ebscohost.com (accessed May 13, 2009).

However, it was his rank and file status that made *Anatomy of Greed* interesting. To an even larger degree than Watkins (for whom the stakes were much higher), Cruver's narrative dramatized daily life for a symbolic analyst. Despite these differences, Cruver still used several tropes that appeared in other narratives, such as the movement of the company's stock price, and, much like Smith and Emshwiller, an informant (Mr. Blue), who periodically met with Cruver and provided him with information he would not otherwise possess. The way Cruver structured the book also operated, on some level, as a parody of business and career advice books such as Tom Peter's *Circle of Innovation* from 1997. Sections are titled "How to Conquer Corporate America, Rule #..." and the text periodically slipped into lists of bullet points.

Throughout, Cruver was the ultimate symbolic analyst, claiming that Enron "was running on a platform of *intellectual capital*."[170] The unit that hired him, bankruptcy derivatives, had nothing to do with energy. As he wrote: "Enron was becoming the model of the new economy. […] the Enron business was no longer about energy; it was all about risk and the control of risk. It was expanding into new markets, it was *commoditizing* everything, and it was starting to move at the speed of electrons."[171] In short, Cruver's unit was one example of the near utopian enthusiasm for immateriality that Enron displayed in the letters to the shareholders in 1999 and 2000. In his telling, Cruver was initially entranced by Enron's bold declarations. For example, as Cruver read the 2000 letter to shareholders, he saw that Enron's "message was about the future. As I

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[170] Brian Cruver, *Anatomy of Greed*, (New York: Carroll & Graff, 2003), 30. Emphasis in original.
[171] Ibid. Emphasis in original.

read it, I sat back in my chair and visualized Enron's blue ink spilling across a map of the world, until every continent was covered."[172] Presumably, such a reaction would have been the letter's desired effect. Cruver's vision was a good summary of Enron's attempts to eradicate spatial difference.

Yet just as Enron's "brain intensive businesses" were ultimately reliant on the transformation of physical spaces (such as downtown Houston), the material world was always present in *Anatomy of Greed*. For all of the immaterial work that Cruver engaged in, his writing suggested a preoccupation with the physical spaces that Enron employees inhabited. For example, in writing about his workspace, he recalled that:

> The desks were in long rows, with a person seated every four feet on either side. The only thing that kept you from staring at the person across from you was the eye-level mounted flat-screen computer monitors. They were like a status symbol. The more flat screens you had, the more critical your need for information. I had two. Waterson [his boss] had three. Some traders had four, five or six.[173]

It was here that Cruver recounted the action that took place throughout the company's actual spaces (the buzz of activity that Cruver described here was exactly the same that Lay and Skilling invited George Bush to come and see when he was governor).

Yet as much as Cruver lingered on these physical spaces, he also commented on the interplay of perception and reality. However, to an even larger degree than other texts, *Anatomy of Greed* could not entirely leave behind the material world. Here, the "perception versus reality" trope was literally embodied in his friend and public relations

[172] Ibid. 25.
[173] Ibid., 30.

executive, Elizabeth Perry.[174] As Cruver wrote during an early meeting with her, "Almost as important as learning the business itself was learning how to talk about it. The reality, as I quickly found, was that perception led the way."[175] As the line between the two ideas rapidly blurred, Perry acted as his guide. However, much in the same way *24 Days* and *Power Failure* stepped back from a generally systemic critique of late capitalism, throughout *Anatomy of Greed,* Cruver's asides betrayed an ultimate faith in that economic system. For example, in his discussion of the California energy crisis, Cruver shied away from a wholesale critique of neoliberalism, writing that "The deregulation Enron believed in was vastly different from the California version" and even proclaimed:

> Everyone at Enron knew that our company would be much better off if California was successfully deregulated. Deregulation was the key to Enron's future across the United States. To have California's effort backfire, while masquerading as deregulation, was actually a massive blow to Enron's national potential.
>
> The free-market theory, the supply-and-demand issues, the benefits of deregulation – all made sense to us.[176]

The political economic ideology that accompanied Enron's cultural work died hard. In these passages, Cruver appeared to uncritically adopt many of the assumptions that Enron operated under.

However, as the scandal erupted, Cruver's writing offered yet another dramatization of the informational economy, and, in particular, the plight of the symbolic analyst. Just as Smith and Emshwiller dramatized their own positions as symbolic analysts, Cruver purported to be befuddled by the amount of information that resulted

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[174] Interestingly, *24 Days* also prominently features a PR executive.
[175] Brian Cruver, *Anatomy of Greed*, (New York: Carroll & Graff, 2003), 40.
[176] Ibid., 109-10.

from Enron's financial disclosures and the *Wall Street Journal* reports. In describing the October 16th conference call, Cruver stated: "As usual, it was information overload. The numbers were spilling across my computer screen, echoing across the trading floor, and popping up on CNBC."[177] In this passage, the author focused on the environment inside Enron – emphasizing the role of information. However, once Enron announced the bad news, Cruver, as well as his friends, found that their roles as symbolic analysts became challenged. Specifically, the author was not entirely sure what to do with the company's stock price (even though, as if to attach some sort of meaning to it, he almost compulsively listed its opening and closing prices, as well as its trading volume throughout the book). One trope that ran throughout the book was an ongoing conversation with his friend, Brian Bickers, a stock analyst in New York (indeed, much of the dialogue in *Anatomy of Greed* took place over the phone). As the *Journal* continued to publish the Enron articles throughout October and November, Cruver and Bickers had a hard time deciding where the "floor" for Enron's stock price would be (apparently this was a game many at Enron played during this period). Much like the authors of *24 Days* and *Power Failure*, Cruver was unable to tell his story without spending a good deal of time discussing issues of representation. Similarly, Cruver's narrative also became intertextual – quoting from public documents, such as Enron press releases and news stories, as well as company memos and emails. Yet even in these

[177] Ibid., 115-6.

moments, Cruver could not help but return to Enron's physical spaces for solace. As he put it:

> It was hard to think that Enron could really just disappear. I couldn't help but think this was a different situation from that dotcom hype-driven drool. We had two enormous towers standing at the leading edge of the world's energy corridor. I saw thousands of employees, futuristic technology, and a history of dominance in the gas and power markets. This wasn't a garage full of Web designers, trying to resuscitate roadkill on the information superhighway.[178]

Cruver was agog at Enron's misfortunes precisely because of its geographic location and its physical manifestations. Finally, of course, Cruver did come to accept Enron's collapse, noting that "the numbers are all related; if one is wrong, they are all wrong."[179] Much like *Power Failure,* Cruver also reproduced one of the deal diagrams from the Powers Report. As Cruver learned for himself, and through conversations with "Mr. Blue," Enron's immaterial business was ultimately untenable. Though the ideas were not nearly as well developed as they were in *24 Days* or *Power Failure,* the similarities *Anatomy of Greed* shared with these two books revealed how all of these authors struggled with the tensions and contradictions of the informational economy that Enron's collapse revealed.

[178] Ibid., 158.
[179] Ibid., 229.

CONCLUSION

Because Enron unfolded in the news media, and because some of these books were authored by people who played key roles in the revelations, there was always the moment in the narrative when the scandal emerged as a news story and the author moved from storyteller to media critic. In order to tell their stories, these authors necessarily ended their accounts in a complex negotiation between the event and the representation of that event. These books were inherently intertextual, constantly referring to other accounts of the same events. As much as many of these authors criticized Enron, business and the entire nation for mistaking or willfully ignoring the line between representation and the real, the final chapters in many of these texts wound up preoccupied with representation. In their failure to move away from smoke and mirrors and locate a moral center and concrete truth, these authors underscored many of the contradictions of the informational economy. As Fredric Jameson puts it, such postmodern products are "realist" in the sense that they deal with the "realism of the image."[180] That the authors of Enron narratives would focus intently on the power of image and representation was a "symptom of the very system it represents in the first place."[181] The inability to move away from questions of representation served to underscore how prominent representation had become in the informational economy.

As Jameson argues:

[180] Fredric Jameson, "The End of Temporality," *Critical Inquiry* 29 (Summer 2003), 695-718, 701.
[181] Ibid.

> The recent business failures like Enron seem to suggest that the value of a given stock cannot long be separated from the profitability of the firm it is supposed to 'represent' or express, but I think they demonstrate the opposite, that semiautonomous status with respect to its nominal company and that, in any case, postmodern "profitability" is a new category, dependent on all kinds of conditions unrelated to the product itself….[182]

These various reactions and articulations hinted at the unease with the informational economy that had been dormant for so long.

It was this decidedly postmodern character that linked these texts to the initial newspaper coverage. At least one former employee vividly recalled his last day, leaving the office with news helicopters overhead and a line of camera crews across the street; the creation of the these images and representations was happening in real time.[183] Both the news stories and the immediate spate of insider accounts that flooded the market were attempts to grapple with some of the anxieties of the informational economy. Enron's collapse revealed a poststructural logic to its business, and the news coverage and outrage that immediately followed revelations of the company's shabby financial condition gave rise to anxiety over this type of logic and an insistence that some moral, objective truth was both possible and necessary. However, the reaction also revealed a darker side to this public anxiety, which later appeared as intolerance for "knowledge work" of any kind (or, at its most extreme, intellectual endeavor of any sort), while at the same time betraying a reliance on the work tools of the symbolic analyst.

[182] Ibid., 703.
[183] Sam Romero, April 30, 2009, interview with author, Austin, TX.

Of course, these attempts to sort through the malleable nature of meaning and significance in search of something concrete were not the only reactions to Enron's collapse. As the early aughts rolled on, Enron, for all its complexity, became a subject for writers and filmmakers who were not business columnists or former employees. The company's connections to political figures such as the Bushes, and the growing popularity of genres such as political documentary, ensured that that the company would be recast in a number of media over the next couple of years.

CHAPTER FOUR

"AN IMMENSE THICKET OF INFORMATION" – ENRON NARRATIVES AND THE PROBLEM OF MEANING, 2003-2005

INTRODUCTION

On December 13, 2005, Ken Lay stood in front of an audience at the Houston Forum, a city organization that arranged talks by prominent figures such as former President George H.W. Bush and Ralph Nader. "Most of what was and is still being said, heard or read," about Enron, Lay declared, "was and still is either grossly exaggerated, distorted, or just flat out false. But a time of political and public hysteria is not a ripe environment for truth."[1] It should come as no surprise that this was a central concern for him. By 2005, Enron executives were already spending time in jail and Lay's own trial was set to begin the following year. Arthur Andersen no longer existed as a direct result of its involvement with Enron, and, as he noted in his address to the Houston Forum, Lay himself was potentially facing a prison sentence of 175 years.[2] Much of the speech, which the embattled executive had originally entitled "Living in the Crosshairs of the U.S. Criminal Justice System" before settling on the slightly less hysterical "Guilty, Until Proven Innocent," was given over to a legal defense of his own involvement in the company, as well as dark warnings about "criminalizing" certain types of "business activities." Despite his dire situation, toward the end of his remarks, Lay professed that

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[1] Ken Lay, "Guilty, Until Proven Innocent," (Speech, The Houston Forum, Houston, TX, December 13, 2005).
[2] Ibid. 6.

"truth is the great rock."[3] Lay may not have been a disinterested subject, but he was not alone in seeking some sort of "truth" about Enron.

Perhaps more than any other year since the firm's collapse, 2005 saw the appearance of substantial attempts to arrive at some "truth" about Enron. However, this was not an easy task; the details of the case were complicated. Lay even mocked the efforts of the government task force investigating him as having the "complicated" task of finding "crimes where they do not exist."[4] In remarks that were self-serving though illuminating nonetheless, Lay noted, "Those with a public voice were telling stories they wanted to tell and the people were reading and hearing the stories that they wanted to hear – stories of powerful, greedy and soulless executives eager to trample on anyone and everyone to achieve their ruthless and immoral goals."[5] The executive clearly had politicians and prosecutors in mind as he spoke these words, though other "public voices," such as those of writers and filmmakers, were also beginning to tell stories about Enron. But what stories were being told about the company? Who was telling them, and for what reasons? And, finally, what, if any, "truths" or meaning could be gleaned from these narratives? The documents themselves did not provide easy answers.

In his Houston Forum speech, Lay had worried about demagoguery aimed at his old company, and, to be sure, there was a great deal of it to go around. This change in tone was a startling contrast to the apprehensiveness that permeated media coverage earlier in the decade. Business narratives like Bethany McLean and Peter Elkind's *The*

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[3] Ibid. 7. The phrase itself is a reference to Winston Churchill.
[4] Ibid. 4.
[5] Ibid. 2.

Smartest Guys in the Room (2003), Kurt Eichenwald's *Conspiracy of Fools* (2005), and, most notably, Alex Gibney's film documentary, *Enron: The Smartest Guys in the Room* (2005), evinced an outrage more than anxiety. Still, contrary to Lay's assertion that the Enron narratives were overly simplistic morality tales that ignored facts, some of the most prominent Enron narratives were almost hopelessly conflicted. Scholar Rosalie Genova points out that in some quarters, (most notably the halls of Congress), Enron was reduced to a simple tale of right and wrong.[6] However, as much as Ken Lay in his Houston Forum address worried over people reading and hearing the stories that they wanted to hear about Enron, the narratives that emerged were far more complex.

If the initial panic surrounding Enron's collapse, as well as the books and TV movies that date from 2002 and 2003, revealed an anxiety about the informational economy, other books and movies (most of which appeared in 2003 and 2005) performed a different type of cultural work. Rather than anxious panic over the informational economy or a rush to give an insider account, these works represented thorough attempts to make sense of the collapse and arrive at some definitive conclusion about its significance.[7] However, these extended treatments of the company and its collapse relied on older cultural and literary tropes to make sense of events. Yet such older cultural referents were not up to the task. Rather, in each instance complexities and ambiguities

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[6] Rosalie Genova, *Big Business, Democracy, and American Way: Narratives of the Enron Scandal in 2000s Political Culture*, Unpublished dissertation. University of North Carolina, Chapel Hill, 2010, 53.

[7] Of course, I would be remiss in not also noting the commercial appeal of these narratives. To be sure, there was a great deal of public interest in the company, in part accounting for the sheer number of Enron books that appeared.

inherent to the informational economy frustrated any final sense of meaning or clear critique.

THE MORAL ARC OF THE INFORMATIONAL ECONOMY AS SEEN ON TV

The simplest narratives attempted to reduce Enron to a simplistic morality play. For instance, in 2003 Cruver's *Anatomy of Greed* found an afterlife when it was adapted for a made-for-TV movie, *The Crooked E: The Unshredded Truth about Enron*. Rather than delve into the particulars of post-Fordism, the made-for-TV movie offered a far more straightforward morality play about what could happen to individuals in the informational economy. As Cruver himself noted, screenwriter Stephen Mazur and director Penelope Spheeris (who was known for directing the music documentary series *The Decline of Western Civilization* and the comedy *Wayne's World*) took many liberties in adapting the book. One notable addition was a running subplot where the character Brian Cruver (played by actor Christian Kane) has marital problems – an element that was almost wholly absent in *Anatomy of Greed*. Because of such embellishments, the film was shot through with the traces of older cultural narratives and ideas already in circulation that were then grafted onto the informational economy.

Indeed, the hastily assembled television movie lifted some of the basic plot points and tropes from earlier Hollywood depictions of high finance, such as *Wall Street* and *The Boiler Room* and superimposed them onto Cruver's narrative. Despite such artistic liberties, some television critics, including Tom Shales of *The Washington Post*, regarded the movies as a faithful rendering of the scandal. Other writers scoffed at *The Crooked E*'s cheap production values and cliché-ridden dialogue. Some former Enron workers also had problems with Spheeris's treatment of the company. Former female employees, for instance, chaffed at the film's implication that most women who worked at Enron were former strippers.[8]

Despite such flaws, the made-for-TV version was notable for its moral coherence, distilling all the ills of late capitalism down to a single, contradictory phrase: "virtual assets." These two words appeared again and again in the film and seemed to suggest that the whole of the informational economy was corrupt. The condemnation of this type of work appeared through the fictional Brian Cruver's seduction by Enron, even as it threatened his engagement to Courtney (played by Shannon Elizabeth), who hailed from rural Texas. In this geography, there were echoes of the ways some Texas writers had blamed Enron on Northeastern influences. Though the fictional Brian Cruver was also from Texas, Courtney's *rural* roots stood in for physical labor, a moral type of work that ultimately helped to ground Brian.

Courtney's wisdom appeared early in the film, when she expressed concern about Cruver's acceptance letter from the company. The actresses's line, "I just want you to be happy," foreshadowed the story's primary narrative arc.[9] As to be expected, Kane's Cruver would not find happiness at Enron, while Shannon Elizabeth's character would

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[8] Bill Murphy, "Ex-Staffers Rip Crooked E to Shreds," *The Houston Chronicle*, January 20, 2003, A17. <www.lexisnexis.com>, (Accessed June 12, 2011).
[9] *The Crooked E: The Unshredded Truth About Enron*, DVD, directed by Penelope Spheeris (Echo Bridge Home Entertainment, 2003).

instead function as the film's moral center. The dichotomy of an immoral, corrupting marketplace that women and the home offered refuge from was nothing new. Indeed, the nineteenth-century ideology of separate spheres was in part predicated on this divided moral world. Such a moral world even informed treatments of business in American fiction as early as the late nineteenth century. In William Dean Howell's novel from 1885, *The Rise of Silas Lapham*, for instance, Silas's wife remained grounded by traditional values even as Silas forsook them in the pursuit of expanding his fortune. Likewise, at the end of Sloan Wilson's 1950s novel, *The Man in the Grey Flannel Suit*, the protagonist, Tom Rath, ultimately found happiness at home with his wife rather than in the business world. Indeed, even if the ideology of separate spheres had (arguably) faded, it remained a perennial trope in American fiction about the world of business.

The made-for-TV movie built off this older framework, introducing an element that was specific to the informational economy. In dividing up the film according to the separate spheres ideology, Spheeris also placed the material world within the domestic sphere, giving it a moral force that, by contrast, symbolic analysis lacked. In this symbolic universe, Shannon Elizabeth's character stood in synecdochally for the physical world that was more moral, though less sophisticated, than the world of knowledge work that her fiancé dealt with at Enron. Because of these correspondences, a scene where Courtney expressed shock and horror upon learning that Brian had dined out on sushi with coworkers instead of coming home at a reasonable hour to her and her pot of chili functioned as a critique of cosmopolitanism and the informational economy. Likewise, when the camera revealed Courtney glowering when Brian sold the battered, muddy Jeep in exchange for a flashy new Lexus, a moral judgment of the informational economy was being offered. These symbols of morality and materiality – a muddy Jeep and a bowl of chili – were also at play in Brian's redemption. Arriving at Courtney's rural family home, he did so in the Jeep (having somehow gotten it back). That his fiancé was working in a garden was significant, too. In these moments, Shannon Elizabeth's character stood in as a reminder of a traditional – and culturally conservative - world that stood both above and apart from the informational economy and symbolic analysis.

The informational marketplace (represented by Enron) was the other, more immoral sphere that threatened to seduce and corrupt Brian throughout most of *The Crooked E*. Brian's moral drift began early in the story. For instance, when the fictional Cruver ditched his tie after noticing the casual attire of the symbolic analysts moving around him, it signaled the beginning of his decline. Indeed, it was not too long after that point in the narrative that the term "virtual assets" made its first appearance. In these first moments, the term flummoxed the naïve, uncorrupted symbolic analyst. Yet as the story unfolded, Brian himself began to use the term.

As the scene where Brian took off his necktie signified, the character was in for an education of sorts about the world he was entering. Early scenes in the movie showed Brian striking out in a series of cold calls (unsolicited sales calls), recalling early scenes in Oliver Stone's 1987 movie *Wall Street*. Of course, the audience was meant to take his lack of business success as evidence of his good nature.

Though early scenes in the movie depicted Brian as dealing with some sort of inner turmoil, he ultimately shed his sense of ethics, becoming “Enronized.” Ironically, the business unit the character worked for in the movie was “Bankruptcy Protection.” The real-world Enron did have plans for such a unit that would have offered derivatives that allowed businesses to hedge against the possibility of bankruptcy, though such intricate details did not appear in *The Crooked E*. In the movie, the fictional Cruver more or less operated as a slick salesman, peddling an insurance policy to an unsuspecting executive, Alan Flemming, who was working for a decidedly old, industrial corporation. However, as viewers quickly became aware, if Enron were to go bankrupt, the policy would have been worthless. Though the deal itself was worthless, it advanced the character’s career (being the biggest deal – on paper – that the unit had to date).

The hapless executive on the other end of the phone was practically the polar opposite of the fictional Cruver. That executive was roughly Brian’s age and both characters were drenched in signifiers that played off one another. While the fictional Brian Cruver was surrounded by the intoxicating chaos of Enron’s trading floor (though the film’s low budget only allowed for a sparse set decorations), the rube on the other end of the telephone sat alone in a quiet office. Likewise, Cruver’s hair was rakishly tousled while the other man’s hair was combed in a neat part. Sans tie, Brian’s attire was also hip (in the preferred style of symbolic analysts) while his opposite wore a traditional business suit. Even the technology surrounding the two was different. Cruver wore a (modern-ish) headset while the other executive held a cordless phone that was laughably out of date for

2003. True to many of the photographs and journalistic descriptions of Enron's offices and desks, the set of the Enron trading floor was filled with computer screens. While these details were not terribly subtle, Spheeris and company apparently did not want to leave matters open to interpretation. Exterior shots of Enron's fictional client, Walderson Industries, clearly implied that the company actually produced something. The sequence that opened the scene revealed a large truck slowly approaching a building that had stacks and ramps. This was not the informational economy.

The interaction between the two men, and its consequences, also highlighted the dangers of the informational economy. Swayed by the recently "Enronized" Brian, Alan's decision to buy the insurance policy was ultimately revealed as folly. In what was meant to be one of the film's most exciting sequences, Brian saved Walderson Industries by shredding a contract (that if enforced would have bankrupted Walderson Industries). This plot should not have been new to some viewers. In fact, it closely mirrored the corruption (and ultimate salvation) of the main character in the 2000 film, *The Boiler Room*. Of course, *The Crooked E* was sure to end with Brian's (and Walderson Industries') salvation, but the movie was still clear in the way that it juxtaposed Brian and Allen. In the differences between these two characters, Spheeris depicted the informational economy as both corrupt and corrupting while the world of traditional business was at least built on honest work. The contrast between the two characters was not the only way that Spheeris and the other creators of *The Crooked E* condemned the informational economy. Rather, the script's repetition of the phrase "virtual assets" made clear the film's moral universe.

In one particularly telling moment, Brian became annoyed and dismissive as his decidedly blue collar future brother-in-law failed to grasp the concept of "virtual assets." In trying to explain what he did at Enron, Brian became increasingly annoyed with Courtney's brother while they were getting ready for a hunting trip. The brother's question "What does that mean: virtual assets?" was a reflection of the plain spoken retorts to Enron's language games that had appeared in earlier complaints about the company.[10] Similarly, Brian's answer: "It's an asset that's not tied into any physical plant or product" failed to satisfy his audience.[11] The brother-in-law's response - "Yeah, but what does it mean?" - once again highlighted how language failed in the informational economy.[12] Amidst the rural backdrop and among his future in-laws (his father-in-law in a full ten gallon hat), Brian failed to communicate what it was he did, finally offering a flustered "it's really complicated to explain if you're not in business."[13] In these scenes, the sophistry of the informational economy was meant to be laid bare. In an albeit clichéd scene, the exchange echoed many early complaints about the role of language in the informational economy. By contrast, the domestic sphere and Courtney's emphasis on home and family offered Brian a moral refuge from the informational economy's ills.

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[10] *The Crooked E: The Unshredded Truth About Enron*.
[11] Ibid.
[12] Ibid.
[13] Ibid.

However, while *The Crooked E* arranged the events of Enron's collapse into a coherent moral tale, such clarity did little to advance a true and sophisticated critique of the informational economy. More nuanced and detailed treatments of the company did not fare much better. Many of these later attempts to use Enron as a way to comment on the informational economy yielded a confusion of sympathies and ideas that made it difficult to determine where to place the blame. Through a variety of works, authors and filmmakers who took up Enron as a subject often ended up in a morass of seemingly contradictory political and cultural sentiments.

"INTELLECTUALLY PURE" - ANTI-INTELLECTUALISM AND CONFUSED POLITICS IN *ENRON: THE SMARTEST GUYS IN THE ROOM*

Such confusion could be found in the shift in tone was evident in Bethany McLean's writing. By the time of her book's publication in 2003, Enron's collapse no longer constituted an existential threat where meaning and reality itself seemed malleable. [14] As the two reporters wrote of the infamous October 16, 2001, earnings report in *The Smartest Guys in the Room*, it was "an attempt to hide what was really going on by stretching the rules, twisting the language, and playing games."[15] A scandal had been uncovered and its potential fallout had been contained. The "games" and

[14] Though I am primarily concerned with 2005 as a signal year for Enron narratives, McLean and Elkind's book was published in 2003. However, I look at it here for two reasons. First, in both form and content, it is markedly different from the narrower first person accounts of 2003. Second, as *Publisher's Weekly* would note, it sold far better than those other works, and, finally, it constitutes the source material for Alex Gibney's film documentary.
[15] Ibid. 369.

“twisted language” that Enron played were recast here as a sham – plain and simple. This sentiment extended to McLean and Elkind’s treatment of Andy Fastow’s Special Purpose Entities. As they wrote, the structures “which seemed so clever – so elegant – not long before, now stood revealed as rickety contraptions, lashed to one another and rigged to explode.”[16] The statement, replete with schadenfreude and ironic undertones, was largely devoid of the trepidation that swirled around Enron’s revelations in late 2001 or even the worry just below the surface in McLean’s March 2001 article.

McLean and Elkind’s tone in that passage seemed to have more in common with some of the earliest cartoon depictions, or late-night jokes.[17] The sarcasm in titles like *The Smartest Guys in the Room* and *Conspiracy of Fools* was obvious. Still, it would be a mistake to overlook the moral seriousness at the root of these works. Whereas the initial media coverage gave voice to an anxiety about a world where meaning and value seemed indeterminate, these works attempted to fix meaning, insisting on absolute truths and values. Much like *The Crooked E*, these works suggested that the informational economy had not completely done away with definition and meaning.

However, telling Enron’s story was no easy task. Despite the number of Enron narratives that had emerged in the wake of the scandal, the company’s history did not really lend itself to a straight narrative. Indeed, there was no single scandal or fraud, but rather years of different departments, projects and people that were mismanaged, covered up, honestly incompetent or plainly fraudulent. Jeff Skilling, perhaps the man most

[16] Ibid. 380.
[17] Though this humorous tradition is coexistensive with the anxious reporting I have already described, it was not as pervasive as the tone in those news stories.

synonymous with Enron and the collapse, did not even join the company until 1990. As a result, to retell Enron's story was to shift among different actors and events. Lou Pai, for example, became a favorite subject in part because of his now-well-documented love of strip clubs. Of course, the division Pai ran, Enron Energy Services (EES), was a disaster; but Pai himself had nothing to do with Andrew Fastow and the complicated finance vehicles that ultimately felled the company (even if some of Fastow's SPEs may have been used to cover up EES losses). Given this problem, in *The Smartest Guys in the Room*, McLean and Elkind focused on the symbolic analysts and the havoc they wrought at Enron. Beyond simply recounting the seedier details of the entire affair, the writing nudged the reader towards interpreting each episode as a moment of confrontation with and moral condemnation of symbolic analysts and the informational economy. In this way, *The Smartest Guys in the Room* seemed to have a clear progressive political sensibility. Cecelia Tichi is one scholar who has noted the preponderance of muckraking in the late twentieth and early twenty-first centuries. As she puts it: "the movement is enjoying a renaissance in this, the Second Gilded Age. A c2000 generation of muckrakers has taken center stage on best-seller lists."[18]

Yet it would be wrong to claim that these Enron narratives were examples of muckraking "c.2000." After all, the books that Tichi singles out, Eric Schlosser's *Fast*

[18] Cecelia Tichi, *Exposés and Excess: Muckraking in America, 1900/2000* (Philadelphia: U of Pennsylvania P, 2004), 4-5. Tichi is not the only one who has compared the golden age of progressive reform to our own historical moment. In the preface to the 2007 edition of *The Incorporation of America*, Alan Trachtenberg , like Tichi, explicitly argues that we are in a "new Gilded Age," where corporations have unprecedented power.

Food Nation: The Dark Side of the All-American Meal and Barbara Ehrenreich's *Nickel and Dimed: On (Not) Getting By in America*, were markedly different from the most prominent Enron narratives. Both Schlosser and Ehrenreich sought to expose formerly hidden conditions and speak out against systemic injustice in the United States. By contrast, works like *The Smartest Guys in the Room* and *A Conspiracy of Fools* were narrative accounts of what had *already been exposed*. Still, as Tichi would argue, these Enron narratives appeared in a context favorable to a muckraking ethos where all sorts of media – magazines, newspapers, television, documentary films and fictional films provided a "muckraker function."[19] As she puts it, these outlets "create the environment for public understanding of – and engagement with – issues crystallized in muckraker narratives."[20] Certainly, traces of this ethos were present in these texts and films, even if it would be folly to read books such as *The Smartest Guys in the Room* or its movie adaptation as exposé journalism. Perhaps what is even more important is that the environment was ripe for public reception of these texts and movies as examples of muckraking. However, while these works, and Gibney's film in particular, seemed like progressive muckraking to reviewers and audience members, they revealed a mix of clashing sensibilities. As a result, these books and movies were shot through with contradiction - alternating between outrage and sympathy, admiration and mockery, wonder and disgust. Much like the made-for-tv movie, neither work could locate any determinative resolution.

[19] Ibid. 109.
[20] Ibid. 108.

A comparison of the book and movie versions of *The Smartest Guys in the Room* reveals how these paradoxical sympathies could be found in the same work. This comparison is doubly important since the film is by far the most prominent account of Enron to date. Gibney's film ultimately earned over four million dollars through its theatrical release and played in 146 theaters - not bad for an unrated documentary about a business scandal.[21] Still, the politics of the two works were distant. McLean and Elkind's book was a piece of business journalism, not the work of two firebrand liberals, while Gibney's documentary was firmly grounded in the semi-craze for liberal (largely anti-Bush) documentaries during the decade, such as Michael Moore's *Fahrenheit 9/11*. Despite these disparate viewpoints, the interconnectedness of the book and film versions of *The Smartest Guys in the Room* was undeniable. In using McLean and Elkind as the film's source, Gibney unwittingly drew on an anti-intellectualism inherent in the book. Still, this disdain for Enron's "intellectuals" was not a new phenomenon. Rather, the anti-intellectualism that appeared as brief flashes and asides in 2001 and 2002 became far more explicit in these Enron exposés.[22]

[21] Statistics for *Enron: The Smartest Guys in the Room*, Box Office Mojo, http://boxofficemojo.com/movies/?page=weekend&id=enron.htm, (Accessed October 24, 2009).
[22] Here, I am referring to examples I have discussed at length in a previous chapter, including Op-ed columnists and Ayn Rand devotees. See Richard Cohen, "Enron's 'Con'," *The Washington Post*, December 4, 2001, http://lexisnexis.com (accessed February 22, 2009) and Roger Donway, "The Collapse of a Postmodern Corporation," *The Atlas Society*, May 2002, http://www.tas.org (Accessed March 23, 2009).

ANTI-INTELLECTUALISM AS LEIT MOTIF

Richard Hofstadter was one historian who regarded anti-intellectualism as a long tradition in American culture.[23] Writing in 1964, he described the stereotype of an intellectual as:

> pretentious, conceited, effeminate, and snobbish; and very likely immoral, dangerous, and subversive. The plain sense of the common man, especially if tested by success in some demanding line of practical work, is an altogether adequate substitute for, if not actually much superior to, formal knowledge and expertise acquired in the schools.[24]

Almost implicitly, Hofstadter set up an oppositional relationship between intellectuals and business, seeing them as having different goals. As he put it, "The values of business and the intellect are seen as eternally and inevitably at odds."[25] For Hofstadter, this was because American business had always relished a "devotion to practicality."[26] In Hofstadter's telling, the American businessman abhorred new ideas, or, really, anything that was not a direct outgrowth of knowledge gained from years of business experience. This opposition of ideas and practicality was at the root of criticism of Enron figures like Jeff Skilling and the symbolic analysts. However, this opposition was not as paradoxical as it may have first seemed. In modeling Enron after a Wall Street investment bank, many in the firm had acquired Wall Street's arrogance. As Karen Ho notes in her ethnographic study of Wall Street, "investment bankers, by virtue of their smartness, believe that they cannot help but outwit, outmaneuver, and in short, run circles around

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[23] Richard Hofstadter, *Anti-intellectualism in American Life*, (New York: Alfred A. Knopf, 1970), 6.
[24] Ibid. 19.
[25] Ibid. 234.
[26] Ibid. 236.

most corporations."[27] In adopting many of these same pretensions and disdain for other corporations, Enron offered critics a way to condemn the company in a manner that was similar to Hofstadter's observation about a pre-informational economy business disdain for intellectuals.

This is not to say that Enron's energy traders were "intellectuals" in any traditional sense (far from it). Indeed, the types of intellectuals Hofstadter had in mind were completely absent from the Enron narrative; the company's energy traders were hardly espresso-swilling Marxist poets. Still, Skilling-era Enron, marked by ad campaigns that boldly implored viewers to "Ask Why" and staffed with young MBAs from elite schools, clearly aspired to some sort of "life of the mind." Enron was not alone in adopting this sensibility. Andrew Ross has noted the conflation of some traditionally intellectual categories, such as creative artists, with New Economy "knowledge work."[28] This is to say that by the end of the twentieth century, newer, younger white collar workers (like those employed by Enron) shared at least some of the sensibilities of figures more traditionally associated with intellectualism. Because of this, the anti-intellectual tradition Hofstadter identified grafted easily onto Enron narratives. That Gibney could use the political documentary and muckraking as a form to lambast faux-intellectuals at Enron did not so much reveal an inconsistency with his work as demonstrate how scrambled such categories had become by the mid aughts.

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[27] Karen Ho, *Liquidated: An Ethnography of Wall Street* (Durham: Duke UP, 2009), 105.
[28] Andrew Ross, *Nice Work If You Can Get It: Life and Labor in Precarious Times* (New York: New York UP, 2009), 21.

This confusion was in some measure attributable to some of the assumptions and attitudes in Gibney's source material. The book, *The Smartest Guys in the Room,* fit squarely within the genre of financial thriller, or what I am labeling here "business narratives" (much like *Power Failure* and *24 Days*). Some of the blurbs on the back of the cover also placed the book within this genre. Financial commentator James Cramer's blurb read: "This book is right up there with *Den of Thieves* and *Barbarians at the Gate*…."[29] Another blurb from a *BusinessWeek* review declared it "One of the top ten business books of the year."[30] The publisher, Portfolio, was Penguin's imprint for business and management books. As all of this might suggest, *The Smartest Guys in the Room* was written for and marketed to an audience that had a great deal of interest in U.S. business.

While it was full of focused outrage (the text was littered with details of outlandish greed and excess), McLean and Elkind's book was a "business narrative" that primarily critiqued one type of work while favoring another. However, the type of work Enron had entered did have some affinity with the intellectuals Hofstadter described. As historian Fred Turner has noted, many "new economy" figures saw the informational economy as fulfilling the counterculture's project of the 1960s. As Turner writes, the "digital generation" aspired to "tear down hierarchies, undermine the sorts of corporations and governments that spawned them, and in the hierarchies' place, create a peer-to-peer, collaborative society interlinked by invisible currents of energy and

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[29] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003).
[30] Ibid.

information."[31] It was precisely this attitude that McLean and Elkind were suspicious of when it came to Enron. In other words, this was not muckraking, but writing with a sensibility closer to the anti-intellectualism that had concerned Hofstadter nearly forty years earlier. The authors faulted Enron for dismissing traditional business structures in favor of a more chaotic and ultimately corrupt type of work. This critique emerged as the book's unifying leit motif. As they recounted Enron's history, McLean and Elkind moved through a series of scandals and crises that caused problems either for the company or the outside world. At the center of each of these was a figure that more or less typified the symbolic analyst.[32] Throughout, each symbolic analyst the reader encountered was unscrupulous, greedy, arrogant and ultimately foolish. The schemes they hatched almost never paid off. Try as they might, these symbolic analysts were ultimately unable to transcend the material world.[33] Simultaneously, McLean and Elkind provided many examples of older, more practically minded business people – ones without elite credentials and big ideas - who were pushed out of the company. In this scheme, these older, maligned businessmen were the same that Hofstadter wrote about in 1964, disdaining of brainy intellectuals. In *The Smartest Guys in the Room*, they were usually

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[31] Fred Turner, *From Counterculture to Cyberculture: Stewart Brand, the Whole Earth Network, and the Rise of Digital Utopianism*, (Chicago: U of Chicago P, 2006), 209.

[32] In interviews, McLean has insisted that she was not after Enron workers in general and has said that she has come to be friends with many former Enron employees. Indeed, in these comments, as well as other Enron narratives, the "rank and file" workers are portrayed as victims who lost their jobs and life savings. Still, in the film version, some symbolic analysts, such as energy traders, are depicted as villains.

[33] I should note here that I do not intend my reading of *The Smartest Guys in the Room* to be exhaustive or comprehensive. Indeed, in the section below, I will skip over entire chapters (for example, the chapter on John Wing, a retired military officer who started Enron's international development division). Rather, I am interested in the ways this book attempts to work through and resolve some of the contradictory feelings about the informational economy.

casualties of the New Economy ethos of both newness in and of itself and, more to the point, symbolic analysis. In effect, McLean and Elkind's book operated as an internal critique within the business community. They did not dwell on the plight of the poor or middle class worker here; nor did the authors deal with squalid working conditions. Rather, they exposed the manipulation of symbols and language as the scandal and sham behind the informational economy.

Still, there was more than enough in this book that did register as muckraking and exposé, which is probably why, in part, it became the basis for Alex Gibney's 2005 documentary, *Enron: The Smartest Guys in the Room*.[34] Indeed, Gibney hewed fairly close to the text of the book, giving its authors a great deal of screen time and even using some of the book's chapter titles. Yet despite the ways in which Gibney remained true to the book, there were significant differences in the director's treatment of Enron. More than McLean and Elkind's book, Gibney's documentary was largely intended to be an affective, emotional experience. In this endeavor, the movie seems to have been a success. After all, one could not say that reading McLean and Elkind's book wanted to make someone vomit. But this is exactly the reaction that Michael O'Sullivan allegedly had while writing his review of Gibney's film for *The Washington Post*. O'Sullivan

[34] In commenting on the resurgence of muckraking, Tichi even points to the 1998 Roger Lowenstein book about the collapse of Long-Term Capital Management, *When Genius Failed*, as a modern day example of muckraking. She cites Lowenstein as an example of the relationship between magazine and newspaper journalists who go on to write whole books on a subject. However, these books, are part of a different literary tradition of business journalists producing book-length accounts of recent business scandals, sensations or personalities. As such, these even carry their specific generic conventions and assumptions about their audience. Still, one can see how these two works might be related.

dutifully reported that: "just reviewing my notes […] is making me physically ill."[35] Though it was hyperbolic, the reviewer suggested that *Enron: The Smartest Guys in the Room* was intended to be a visceral experience. Other, less evocative reviews noted the "dark humor" of Gibney's treatment and highlighted its righteous indignation. Several reviewers focused on what they deemed the "arrogance" and "greed" of Enron executives. One reviewer noted that a clip of Jeff Skilling getting hit in the face with a pie won cheers from a Houston audience filled with former Enron workers.[36]

The timing was right for Gibney's film, and the early press accounts attest to the popularity of this type of work in 2005. The mid-aughts were a period when political documentary flourished in theaters, and many articles and reviews of Gibney's movie inevitably worked their way around to a comparison to Michael Moore's films.[37] Amateur reviews from bloggers and the like also imply that the film was, in large part, received as a liberal-progressive indictment of American capitalism. For example, a review posted on one political blog, "The Baggage Room," declared: "The film is a penetrating look at a microcosm of criminal capitalism American style."[38] Another blogger similarly referenced "Ken 'Kenny Boy' Lay's embrace of deregulation and his

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[35] Michael O'Sullivan, "Where Enron Went Wrong," *The Washington Post*, April 29, 2005, Lexisnexis.com. (Accessed September 24, 2009).

[36] Bruce Westbrook, "Enron film praised by a tough crowd: ex-workers," *The Houston Chronicle*, 20 Apr. 2005, www.lexisnexis.com (Accessed October 10, 2009).

[37] Joe Leydon, "Enron: The Smartest Guys in the Room," *Daily Variety*, 9 Feb. 2005, www.lexisnexis.com. (Accessed October 10, 2009).

[38] "Enron: The Smartest Guys in the Room," *The Baggage Room*, 16 May 2005, http://thebaggageroom.blogspot.com/2005/05/enron-smartest-guys-in-room.html (Accessed November 22, 2009).

close ties to the Bush administration."[39] Even some conservative voices, including decidedly pro-business bloggers, appear to have approved of the movie on some level. That these divergent voices could find at least some consensus with regards to Gibney's work pointed to the conflicted message at the heart of the film.[40] When the movie premiered at the Sundance Festival several months before the general release, at least one reporter described it as a "hot ticket."[41]

Indeed, the film itself could be entertaining. Certainly, Gibney's treatment was far more caustic than most of the business narratives, and some of his source material, including C-Span clips of Skilling avoiding questions, audiotapes of California energy traders swearing, lent itself to such a treatment. More than a few reviewers regarded the movie as rendering the scandal understandable and intelligible, though Gibney primarily highlighted the emotional content latent in the source material.

Enron: The Smartest Guys in the Room performed this cultural work through both form and content. The film was far less comprehensive than many of the book-length

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[39] "Enron: The Smartest Guys in the Room," *The Chutry Experiment*, 30 Apr. 2005, http://chutry.wordherders.net/archives/004066.html (Accessed November 22, 2009).
[40] Take for example, the post by Tom Kirkendall, a lawyer who wrote the pro-business blog, *Houston's Clear Thinkers*. He appears to give at least a partial approval of *Enron: The Smartest Guys in the Room* and is unreserved about his endorsement of McLean and Elkind's book. See Tom Kirkendall, "Enron: The Documentary," *Houston's Clear Thinkers*, 19 Jan. 2005, http://blog.kir.com/archives/001615.asp (Accessed November 22, 2009). Still, I do not mean to imply that conservative voices were unanimous in their approval of *Enron: The Smartest Guys in the Room*. The *National Review*, for instance, took a dim view of Gibney's film, seeing it as too much in the tradition of Michael Moore-style political documentaries. See Cheryl Felicia Rhoads, "Traverse City Showdown," *The National Review Online*, 27 July 2005, http://article.nationalreview.com/?q=MjA1YmIyMjM0NzcyZDk3YTRkZDBhY2UxYTQxNTVjYzY=#more (Accessed November 22, 2009). Ultimately, there is no denying that Gibney's position is decidedly liberal and anti-business.
[41] Mary Flood, "Reel Exposure: Enron Caught on Film," *The Houston Chronicle* 24 Jan 2005. <http://www.Lexisnexis.com>, (Accessed October 10, 2009).

accounts. For instance, no one in the movie even mentioned Rebecca Mark, though she played an extraordinarily large role in Enron during the 1990s.[42] Even Ken Lay, who did play a prominent role in Gibney's film, was not the sole focus of this documentary. Instead, Gibney focused on symbolic analysts like Skilling and Fastow. Of course, in condensing an over 400 page book into just under two hours, Gibney could not avoid editorial decisions. These omissions actually added to the film's power, providing it with a focus that was, on some level, lacking in the book. Much more so than many of the accounts, the documentary squarely focused on the informational economy and symbolic analysts. While the film did not attempt to explain some of the more complicated financial and business details, it was more notable for the specific "characters" it followed and added an element of class conflict that was largely absent from some of the business narratives.

In these ways, *Enron: The Smartest Guys in the Room* was markedly different from McLean and Elkind's book. However, the filmmaker was unable to escape the underlying antipathy toward intellectuals that was latent in the book. By building off of McLean and Elkind's work, *Enron: The Smartest Guys in the Room* tried – but ultimately failed – to find some sort of resolution. What remained was a tangled mix of populism, anti-intellectualism, progressive disdain for capitalism's excesses, and a lament for the material, mental and even spiritual decline of some of the business executives.

[42] There is, however, a brief section on her failed Dhabol, India power plant project.

DANGEROUS INTELLECTUALS

The slippages, transformations and continuities between these two works were readily apparent in the way both McLean and Elkind, as well as Gibney, treated the symbolic analyst. While the two *Fortune* reporters focused on the symbolic analyst as the hubristic, impractical perversion of a white collar worker, Gibney heightened the sense of injustice and conflated what had been essentially a business-minded critique of intellectualism with a populist rage that was constitutionally foreign to business interests.

Though Skilling emerged as the most prominent symbolic analyst in McLean and Elkind's book, he was not the first to appear. Indeed, the second chapter, entitled "Please Keep Making Us Millions," focused on an early episode in the company's history – fraudulent trading by two "rogue traders" in Valhalla, New York, in 1987. The two energy traders, Louis Borget and Tom Mastroeni, nearly ruined the company through reckless gambling and speculation while at the same time hiding earnings from the company. In the context of the wider story, this was a minor episode, completely unconnected with Enron's later troubles, and Borget and Mastroeni quickly faded from the narrative. Still, McLean and Elkind used the event as an opportunity to foreshadow several themes. For example, the authors took Lay's failure to fire the two even after they had been exposed as evidence of the CEO's own moral flexibility. The chapter was also thematically significant in that it established the trope of the corrupt symbolic analyst.

Early in the chapter, McLean and Elkind juxtaposed trading with the sort of large industrial processes that still typified Enron's business in 1987. As they wrote: "Enron

Oil [the trading division that housed the two] as it was renamed, wasn't anything like the rest of the company's gritty industrial operations. It was the 'flashy' part of the business…."[43] This dichotomy, with "flashy" symbolic manipulation on one side and boring or even unappealing work on the other was one of the book's constants.

The depiction of the trading operation was also reminiscent of other descriptions of work in the informational economy. As McLean and Elkind wrote: "In more than location, the oil traders were closer to the freewheeling world of Wall Street than to the slow-moving, capital-intensive, risk-averse world of natural gas pipelines. Oil trading was about *trading*, not about oil."[44] Much like the various symbolic analysts that Enron had attempted to cultivate in the 1990s, Borget and Mastroeni specifically did not deal with anything material.[45] Instead of producing anything tangible, they were interested only in "making" money through various trading operations. Notably, Borget characterized his own work as being able to "generate substantial earnings with virtually no fixed investment and relatively low risk," a characterization that directly paralleled later Enron schemes.[46] Of course, the authors intended these moments to stand in stark contrast to the supposedly "real" world of traditional pipeline operations. They described

[43] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 15.
[44] Ibid.
[45] McLean and Elkind are quick to explore the moral dimensions as well as the internal contradictions of the informational economy. In what seems an echo of issues that emerged in the press coverage of the company's downfall, here the function of the trader operation is one of "appearance," helping to make the then-struggling company seem as if it was doing well.
[46] Ibid. 17. (Emphasis in original).

Enron Oil's offices as "sleek and modern and sheathed in glass, a far cry from the more modest quarters favored by energy industry executives."[47]

Borget himself seemed to mirror these same traits. The reporters quoted a source who said of Borget: "He was very intelligent, very imposing, sophisticated and slick."[48] In other words, both the man and his environs were typical of the symbolic analyst. Of course, Borget and Mastroeni were engaged in out-right fraud. Not only did they exceed their allowed trading limits (a move which threatened to destroy the company), they also siphoned profits from the company and hid them in personal bank accounts. Interestingly, the hero in this episode was Rich Kinder, a rough, tough-talking executive who was Skilling's predecessor as President and CEO.[49] Though Kinder was a corporate lawyer by training, he was the antithesis of the symbolic analyst – unpolished, rude, plain-spoken and commonsensical.

However fleeting the Valhalla incident may have been in terms of the company's history, Gibney incorporated the episode into his movie. The film's narrator, Peter Coyote, recounted many of the same details that McLean and Elkind did. Gibney even interviewed Mike Muckleroy, a gruff, older executive who was instrumental in saving the company from imploding during the '87 Valhalla crisis. However, while he quickly disappeared from view in McLean and Elkind's account, throughout the movie Gibney prominently featured Muckleroy as a plain-spoken, commonsense commentator on

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[47] Ibid.

[48] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 17. As anyone who has seen the image of Borget featured in Alex Gibney's adaptation of McLean and Elkind's book realizes, Borget's physical appearance was anything but "slick."

[49] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 25.

increasingly outlandish events with an unmistakable Texan drawl and his blunt, folksy manner. For example, when the film turned to a consideration of the peer evaluation process that Skilling introduced, Gibney chose to show a close up on Muckleroy, who had gray hair and wore an open blue button-down shirt and no tie, as he scoffed, "I've never heard of any company yet that would be successful terminating fifteen percent of their people every year, just to satisfy the fact that the other employees have to vote on 'em."[50] The comment could hardly be said to pass for folk wisdom, but in the context of the film Muckleroy did, on some level, function in this manner. When compared to Skilling's decidedly modern appearance and "New Economy" intellectual pretensions, Muckleroy came across as reassuringly old-fashioned. Perhaps this was why Muckleroy was such an attractive interview subject for the director. The executive was one more way to throw Skilling into sharp relief.[51]

SKILLING AND HIS SYMBOLIC ANALYSTS

Indeed, more than any other figure in the Enron story, both versions placed Jeff Skilling at the center of their narratives. In their book, McLean and Elkind focused on Jeff Skilling as the consummate symbolic analyst. It bears noting that the authors' treatment of Skilling was far more nuanced than their treatment of Borget. Muted though it maybe, there were instances where the authors, despite themselves, displayed an odd admiration for Skilling. In a move akin to other business narratives, they ascribed to him

[50] *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (2005; Magnolia Pictures).
[51] Skilling himself declined to participate in the film, leaving the director to rely on C-Span clips of an alternately defiant and contrite figure testifying before Congress.

almost messianic powers.[52] It is worth quoting the book at length here. Of Skilling, they wrote:

> When Skilling looked at the natural-gas industry, he didn't see natural gas. Instead, he saw the needs of customers on one side and the needs of suppliers on the other – and the gaps in between where, he believed, serious money could be made. To put it another way, he saw the ways in which the natural-gas industry resembled commodity businesses like wheat and pork bellies and especially financial services, where money itself is a commodity. That no natural-gas executives shared his vision didn't bother Skilling in the least; other energy executives, he believed, were hidebound, unimaginative, and hemmed in by the past.[53]

This passage offered up a near-perfect confluence of the different strains of the informational economy. First, Skilling's idea was intended to overcome the material world with information and the manipulation of symbols. Second, his strategy as described by McLean and Elkind was closely related to the way financial derivatives had been used since the 1970s. Finally, Skilling, in this characterization, viewed older ways of doing business as uncreative. This was an important distinction. Skilling's goal was not to replace manual labor with automation. Rather, he was a *thinker,* chafing against what he (apparently) regarded as dull managerial work. Of course, Skilling was again mirroring investment banker pretensions. As Karen Ho argues, many investment bankers during the 1990s and 2000s possessed a sense of "moral superiority" over what they regarded as "inefficient corporate America."[54]

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[52] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 27. One example is the way journalist Connie Bruck described 1980s Junk Bond King Michael Milken in her 1988 book, *The Predators' Ball*.
[53] Ibid.
[54] Karen Ho, *Liquidated: An Ethnography of Wall Street* (Durham: Duke UP, 2009), 104.

However, McLean and Elkind took a dim view of Skilling's brand of symbolic analyst. As they wrote: "What thrilled Skilling, always, was the intellectual purity of an idea, not the translation of that idea into reality."[55] While that comment alone was not a negative, the authors immediately followed with the criticism: "he was often too slow – even unwilling – to recognize when the reality didn't match the theory."[56] These statements were direct rebukes to the "world making" ethos of the informational economy. In a trope that the reporters repeatedly called upon, any attempt by symbolic analysts to control the world through manipulating information was ultimately a fool's errand. Nonetheless, the executive did get his chance to create his own division (Enron Gas Services) that allowed Skilling to "create a place where raw brains and creativity mattered more than management skills and real world experience."[57] Here, the reporters framed it as an absurd project. As if directly addressing Skilling himself, they retorted: "You can't build a company on brilliance alone. […] You also need people who can implement those ideas."[58] Indeed, McLean and Elkind seemed to pin Enron's eventual downfall on Skilling's almost blind commitment to symbolic analysis, noting that in the end his division would turn into a "chaotic destructive free-for-all."[59]

The authors also frowned upon Skilling's recruitment practices. In their telling, once given the opportunity, Skilling chose to compete with investment banks for the

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[55] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 28.
[56] Ibid.
[57] Ibid. 55.
[58] Ibid. 56
[59] Ibid.

same employees. In doing so, Enron's hiring policies began to mirror Wall Street's. As McLean and Elkind wrote with considerable disapproval:

> Everyone got Wall Street-style titles, such as managing director. Traditional offices were torn out, replaced with cubicles and glass walls. Instead of pursuing engineers from the University of Nebraska and Texas A&M, Skilling recruited MBAs from Wharton, the University of Texas, and Harvard. Over time, people from less prestigious schools were made to feel as if they didn't measure up.[60]

It was in passages such as the one above where Hofstadter's essay resonated the most. The reporters mapped a moral schemata onto the two groups – the engineers from state schools and the MBAs from (mostly) elite private ones. Here, the reader was meant to feel sympathy for the downtrodden engineers and was encouraged to harbor suspicion toward the Harvard MBAs. It is also worth taking note of the geography here. Echoing the moral geography that Bryce and Fraser mapped in their treatments of Enron, Texas A&M and Nebraska practically stood in as places of honest work (they yielded engineers – workers who dealt directly with the material world). Rather, the symbolic analysts that Skilling went out of his way to collect generally hailed from the East Coast. Little wonder, then, that McLean and Elkind reported that Skilling duplicated Wall Street's office environment at Enron.

Significantly, even when McLean and Elkind's book did not directly address Skilling, the text nonetheless slipped back towards him and his commitment to symbolic analysts. The book's chapters on Rebecca Mark were telling. Mark's Enron story was scandalous in its own right. After all, it was Mark who helmed Enron's failed foray into

[60] Ibid. 57

building a power plant in India, and her time as the head of Azurix, Enron's water utility spin-off, was also disastrous. While McLean and Elkind discussed these misadventures, in large part, Mark served to highlight Skilling's growing disdain for "physical assets" and the materiality of the non-informational economy. The authors framed the rivalry between Rebecca Mark and Skilling as that of materiality versus immateriality, and also claimed that Skilling went on (after various promotions) to "refashion" Enron "in his image," writing, "He would emphasize intellectual capital and promote risk taking."[61] This put him at odds with Mark, who, as head of Enron's international development efforts, spent her time trying to build large scale projects, such as power plants.[62] In other words, even as the reporters tried to cover the entire scope and span of Enron's history, Skilling and symbolic analysts were never far from the center.

NOT JUST SKILLING, BUT THE WHOLE LOT OF THEM

Though the authors clearly saw Skilling as the fountainhead of Enron's growing contempt for the material world and the work associated with it, they expanded their scope to include others, particularly his protégés. In these sections, the book simultaneously resembled the sort of exposé that Tichi had in mind as well as Hofstadter's point about business antipathy for intellectuals. This strain was apparent in Chapter Nine, "The Klieg-Light Syndrome." It was, on some level, difficult to work

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[61] Ibid. 105.

[62] However, McLean and Elkind are quick to note that the split between the two was, in some ways, false. They write: "Physical assets were always the foundation for Skilling's own business success. […] During his tenure at the top of Enron, the company spent billions on physical assets." Ibid. 110

through at least some of the conflicted sentiments. The authors walked a fine in their treatment of terms like “innovative” and “creative.”[63] Here, McLean and Elkind did not so much outright condemn these values as imply that dedication to them would lead to chaos. As they wrote:

> Skilling created a freewheeling culture that he touted as innovative – but didn’t reign in the excesses that came with it. He preached the gospel of intellectual capital, claiming that it was critically important to give smart people the resources and freedom to let creativity flourish, but looked the other way when this became a license for wastefulness and self-indulgence.[64]

As a result, McLean and Elkind presented an image of the symbolic analyst and the informational environment as chaotic. Yet another theme emerged in their characterization of Skilling’s symbolic analysts’ contempt for “honest” work.

The co-authors consistently portrayed the typical symbolic analyst as contemptuous of other classes of workers. By valuing what they termed “intellectually pure” ideas, the symbolic analysts engaged in destructive behavior. Throughout, specific profiles of certain Enron figures worked to simultaneously define them as symbolic analysts and paint them as unscrupulous. Here, intelligence was almost synonymous with arrogance. This slippage was most apparent in the authors’ discussion of the energy traders.[65] Their portrait of Greg Whalley, for instance, was particularly unflattering. They painted him as a bully who considered his intelligence a license to treat the people around

[63] As I have mentioned earlier, these terms are central values for the symbolic analysts – and “innovation” has a prominent place in neoliberal rhetoric.
[64] Ibid. 114.
[65] In oral histories with other Enron executives, this same sentiment appeared. Traders became an object of both scorn and fear within the company.

him badly. Connecting these two points, boorish personalities with intellectual ability and snobbery, was a persistent theme in *The Smartest Guys in the Room*.

Yet even beyond this class snobbery, the authors came close to warning that symbolic analysts were dangerous figures. They noted that Enron had created a specific environment for their symbolic analysts and that, ultimately, the traders tried to remake the world in their image.[66] Yet the world that had been tailor-made for the symbolic analysts was constitutionally unstable. McLean and Elkind connected symbolic analysts to the idea of risk and volatility when they wrote that “toward the end of the 1990s came unprecedented volatility, and for traders, volatility is one of the necessary ingredients for making outsize profits. And as trading profits soared, the traders became convinced of their own invincibility.”[67] In effect, the two reporters offered a sophisticated critique of the informational economy.

The idea of the symbolic analysts as both socially unpalatable and threatening came into sharpest relief when McLean and Elkind turned their attention to Andy Fastow. Not coincidentally, such passages were also the moments when *The Smartest Guys in the Room* veered closest to a populist sense of outrage. This should not have been surprising. After all, it was Fastow who became the focus of Enron coverage when reporters began to question Enron’s earnings statements and though his schemes were clever, they were ultimately foolhardy and destroyed the company. With his “creative forms of financial

[66] Karen Ho makes a similar point about Wall Street workers.
[67] Ibid. 212.

chicanery" he represented the most extreme example of the symbolic analyst.[68] Significantly, the two reporters took one of the core values of the informational economy and symbolic analysis, "creativity," and linked it to "chicanery." Ultimately, Andy Fastow's case allowed the authors to frame the work of symbolic analysts as a con – nothing more.

However, in a more direct throwback to older forms of muckraking and exposé, McLean and Elkind also called attention to Fastow's material excesses. In focusing on a vacation that Fastow and the entire staff of LJM took – a four-day retreat to Los Cabos – they wrote that the lot of them (potentially guilty of defrauding the company) had a "glorious time in the sun."[69] The passage represented a moment when the reporters dropped any pretension of objectivity and commented on the vacation (a minor detail in the grand scheme of things), writing: "And why not? LJM picked up the $52,000 tab. And most of them had just made a fortune."[70] Further down the page, they described Andy Fastow's "giddy, smug delight."[71] Sprinkled throughout *The Smartest Guys in the Room*, these little asides encouraged indignation, representing moral judgments of the informational economy.

Elsewhere, the reporters offered other, similar details that depicted Enron's symbolic analysts as boorish and arrogant. For example, and in a comment layered with class issues, they reported that some of the members of Enron Energy Services referred to

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[68] Ibid. 189.
[69] Ibid. 197.
[70] Ibid.
[71] Ibid. 199.

certain businesses that they purchased (and that involved manual labor) as "butt-crack businesses."[72] At other moments, McLean and Elkind's reporting was almost entirely given over to muckraking. For example, they singled out a particular episode when Enron Energy Services, headed by Lou Pai, hustled random workers onto an empty floor to *pretend* that they were busy in an attempt to impress a visiting cadre of stock analysts – which they described as a "veritable sham" and a "Potemkin Village."[73]

However, the book's major theme was not class conflict, but rather the problem of impractical knowledge and too much of an emphasis on ideas that ruined a business built by solid, steady businessmen. This disdain for symbolic analysts and creative work also applied to the reporters' treatment of Arthur Andersen consultants. They set up a contrast between "sleek, self-satisfied consultants" and "downtrodden auditors."[74] Indeed, for McLean and Elkind, the tragedy of Arthur Andersen and accounting was that, much like the natural gas business, the company was no longer "boring." Tellingly (and in another nod towards the preoccupation with language in the informational economy), the reporters lamented the demise of the accounting firm's old slogan, "Think straight, talk straight."[75] While these white collar jobs may have lacked the flash of creative, symbolic manipulation, they were straightforward and honest ways of doing business.

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[72] Ibid. 183.
[73] Ibid. 180. I am not faulting the reporters here. After all, Enron gave them the material. I merely point to this episode as an example of how the reporters are picking up on the most salacious details in the story.
[74] Ibid. 145.
[75] Ibid.

Similarly, in his film, Alex Gibney established a dichotomy between solid business executives and the creative chicanery of the informational economy. However, in an attempt to broaden the scope of his treatment of the scandal, the director confused and conflated a range of categories. Whereas the book version of *The Smartest Guys in the Room* championed older ways of doing business with traces of a traditional brand of anti-intellectualism, Gibney mixed this theme with an overtly liberal, populist sentiment. For instance, just as Mike Muckleroy appeared as a commonsense rejoinder to the informational economy, the director also highlighted the plight of Al Kaseweter, an electricity lineman from Portland General Electric (the power company Enron purchased in 1996 in order to gain entry into West Coast power trading) who suddenly became an Enron employee. Gibney followed the lineman through his workday – driving a company van and wearing a hardhat. In these segments, Kasewater was often behind the wheel of his vehicle or just outside of it (an electricity pole usually in the background). All of these details coded him as blue collar, providing a striking contrast to the younger, sharply dressed employees walking the halls of Enron's sleek, modern towers in Houston. Gibney tracked the hard-working Kasewater as he invested as much money in Enron as possible only to see his savings disappear when the stock collapsed. The lineman's fate was also another example of how the informational economy invariably produced material effects. Moments such as these were packed with emotion. Kasewater operated synecdochally for the "everyman" who was duped by corporate greed, much in the same way Muckleroy operated as a marker for the sage, practical businessman pointing out the folly of big ideas.

Gibney's use of the two men as stand-ins for larger groups was striking in several respects. Though a white collar worker, Muckleroy was figured here as something closer to the PGE lineman. Both acted as rejoinders to the sophistry of Skilling and the other symbolic analysts. Here, the two appeared as sympathetic, no-nonsense voices. Muckleroy may not have been working with his hands, but his roots and attitudes were unmistakable. The two reflected the same position – the lineman and old-line executive united as two causalities of Enron's essentially false way of doing business.[76] Though presumably these two men would have had clashing economic interests, here they were aligned as common victims of the informational economy. The move had the effect of making the differences and distance between the two men shrink. There was no sense of irony in this conflation. Muckleroy might as well have been blue collar, while the lineman might have favored business-minded conservatism. In these ways, Gibney took up the anti-intellectual attitude in *The Smartest Guys in the Room* and collapsed it into a liberal condemnation of businessmen in general. To be sure, these works were critiquing the informational economy, but both film and book lacked a degree of clarity.

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[76] Interestingly, these are some of the ways in which Gibney's film, for all of its outrage fails to challenge capitalism on any systemic level. Rather, here, and much like some of the early press accounts, Gibney sees – on some level – Enron and the informational economy as an aberration and even a threat to capitalism.

CALIFORNIA

Perhaps unsurprisingly, the company's involvement in the deregulation of California's electricity and the subsequent crisis in that state figured prominently in both the book and movie. If any segment of the company's story called for muckraking, then it was surely Enron's manipulation of the state's electricity market, and both authors and the filmmaker used the state's problems to advance another withering critique of symbolic analysts as a group. However, the book and film offered different approaches to doing so. In the case of McLean and Elkind's book this was the section where muckraking sat most easily with the book's anti-intellectualism.

The authors explicitly connected this episode to the informational economy and its attendant values. Interestingly, the chapter also marked a point where the implicit anti-intellectualism in their work threatened to become explicit. For instance, in describing West Coast energy trader Tim Belden, they wrote: "He was, as they liked to say at Enron, intellectually pure – a trader who believed in the beauty of free markets and had no scruples when it came to exploiting inefficiencies to make money."[77] Even the way the chapter opened, with a description of Belden, brought the book's latent anti-intellectualism to the fore. As they put it, the trader did not "fit the typical profile" for an Enron trader, but "favored the rumpled look of the academic researcher he'd once been."[78] This parallel with anti-intellectualism extended to the authors' discussion of Belden's work process, where instead of laboring to create something of lasting and

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[77] Ibid. 264.
[78] Ibid.

material value, he led “the effort to find exploitable loopholes” and worked “14-hour days learning the arcane rules of California deregulation.”[79] Ultimately, Belden found a “flaw” in the rules and conducted an “experiment” (scheduling a particular power routing schedule across inadequate power lines) to see if his ideas were correct. Here, in the authors’ telling, Belden was simply and dispassionately playing around with complex and abstract ideas that he then decided to test, almost like a scientist, in the physical world. It was, in other words, an intellectual exercise, devoid of moral and ethical consideration.

The “experiment,” of course, was ultimately disastrous for California. Once Belden proved that the state’s energy rules could be exploited, he and the other traders rushed in, causing huge fluctuations in rates, rolling blackouts and energy crises. The implication was that the state’s woes were the direct result of the symbolic analysts’ “creative” play and dedication to “intellectually pure” ideas. In effect, the reporters were critiquing the “world making” capabilities of models and markets – the reigning ethos of the informational economy. Here, symbolic analysts appeared as malevolent forces and targets of outrage. McLean and Elkind were commenting (albeit not explicitly) on Robert Reich’s initial point about symbolic analysts – they wielded a great deal of power over the lives of people whom they would never meet, but were not charged with behaving ethically. Rather than being public servants, they were in it for profit.[80] Here McLean and Elkind added a sense of moral outrage to Reich’s observation.[81] This levying of a moral

[79] Ibid. 268.
[80] Robert B. Reich, *The Work of Nations* (New York: Vintage Books, 1991), 185.
[81] This, of course, comes after the initial sense of anxiety that Enron’s collapse unleashed. It is as though Enron provided a vehicle for expressing long-held worries about the informational economy.

judgment became clear when they quoted a former trader who said of California: "It was the school yard we lived in. The energy markets were new, immature, unsupervised. We took pride in getting around the rules. *It was a game*."[82] Indeed, the California episode in particular offered McLean and Elkind the greatest opportunity for critiquing the symbolic analyst as a class of worker. They did this by contrasting the function of a public utility worker against that of Enron's trading operations. However, the authors stopped short of condemning the system that supports symbolic analysts. Rather, they wrote, "from Ken Lay on down, Enron executives simply refused to see that their best interest lay in helping the state succeed."[83] This was an important distinction. McLean and Elkind were not challenging the deregulation of California's energy market. Instead, the two authors faulted Enron's traders for their allegiance to "intellectually pure" ideas instead of being practical.

While the California episode received a good dose of moral indignation in McLean and Elkind's book, the film documentary format provided a unique vehicle for investing these moments with even more emotion. However, whereas in McLean and Elkind's book, the symbolic analysts were usually painted as dispassionate "intellectuals," in Gibney's treatment, they were thoroughly contemptible boors. To be sure, the California debacle was the most inflammatory segment in the film. Here, the symbolic analysts literally played with risk without any regard for the Californians who were dependent on them. To further emphasize this point, Gibney used a snippet of an

[82] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room*, 275. (Emphasis in original).
[83] Ibid. 267.

interview with Colin Whitehead, a young West Coast energy trader (who, in the context of the film, seemed to be a rara avis – a thoughtful and ethical Enron employee). Whitehead revealed that as a trader his marching orders were to seek out "arbitrage opportunities," explaining that "an arbitrage opportunity has been defined to me as an opportunity to make abnormal profits. So an abnormal profit would be returns above and beyond the norm. I was told that a good trader is a creative trader; and a creative trader is one who can find arbitrage opportunities."[84] Here, just as in McLean and Elkind's narrative, the term "creative" was a euphemism for deceptiveness. It was this denigration of the very word "creative" – a term so central to symbolic analysis and manipulation – that worked to frame the California chapter as a particularly damming indictment of the informational economy.

The California episode also found Gibney reworking some of the basic iconography of the symbolic analyst at work in an informational environment. Rather than the triumphant positioning of these moments in Enron's marketing literature, or even the ambivalent captions in the March 2001 *Fortune* article, Gibney invested these scenes with menacing undertones. The camera moved over footage of Enron's energy trading floor, zooming in and out on details like telephones, headsets, and row upon row of computer monitors, many of them flashing symbols and charts in an array of electric colors. The people in these shots were invariably on the phone and staring at computer screens.

[84] *Enron: The Smartest Guys in the Room,* DVD, directed by Alex Gibney (2005; Magnolia Pictures).

Gibney employed these images as the visual accompaniment to the coarse banter between energy traders. Amid all of the movement in the office, the narrator, Peter Coyote, intoned: "In the midst of the energy shortages, Enron energy traders began to export power out of the state. When prices soared, they brought it back in."[85] This statement was immediately followed by audio clips of two traders, one snorting, "So we fuckin' export like a motherfucker," before the other asked, "Getting' rich?" Coming from telephone lines, the voices sounded slightly mechanical and compressed, lending even more of a sinister quality to them.[86] A little later, Gibney cut to another audio clip of a trader saying, "We're getting' pretty spoiled with all this money."[87] The other trader's reply: "You said you're a little scared we're makin' a little too much. And I tend to agree with you," was punctuated by maniacal laughter.[88] To maximize the effect, Gibney also used subtitles, often lobbing the "g" off of words, perhaps to emphasize that these were Texans, in Houston, toying with California. The recordings hardly needed Coyote's commentary, though his statement, "The tapes reveal Enron's contempt for any values except one: money," ensured Gibney's point would not be lost.[89] Here, Gibney framed the symbolic analyst – crass, unethical, possibly criminal – at play, exploiting California and contemptuous of its residents.

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[85] Ibid.
[86] There is also an odd play with space here – just where are the traders located? In different offices? Desks apart on the same trading floor? As Gibney's visual suggests, it hardly matters.
[87] *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (2005; Magnolia Pictures).
[88] Ibid.
[89] Ibid.

However, Gibney did not stop here, but also used the California episode to connect the immaterial play of the symbolic analysts to the material world (again highlighting the false split between the two). Gibney left these images of the informational environment behind, but stayed with the traders' tapes, pairing them instead with news clips of wild fires raging, power outages leaving people trapped in elevators, and cars crashing into each other because the traffic lights no longer worked. Far more immediate than the tone that McLean and Elkind struck in their book, the trajectory Gibney presented was that of symbolic analysts shaping the world to disastrous effect. It should come as no surprise, then, that many initial reviews singled out this portion of the film as the most powerful.

DIFFERING OPINIONS ON DEREGULATION

However connected the book and film might be, there were also moments where the authors and Gibney arrived at wildly different interpretations of the same issue. This cleavage was most apparent in the two works' divergent interpretations of deregulation. In keeping with the largely pro-business disposition of McLean and Elkind, they did not interrogate deregulation in principle. Rather, the *Fortune* authors were more inclined to fault Enron for unethical behavior that potentially threatened deregulation. Perhaps predictably, Gibney was far more willing to condemn the idea of deregulation. This basic disconnect periodically surfaced in Gibney's film.

For example, the California chapter in the film also juxtaposed images, commentary and sound to achieve a decidedly visceral effect. For certain segments in this section, Gibney chose the image of a dice tumbling down a casino craps table, fading into an eagle's eye view of a spinning roulette wheel as a rock song blasted: "There's nothing wrong with the capitalism/ There's nothing wrong with the free enterprise."[90] These moments highlighted the role risk played in the informational economy. Interestingly, it was in these moments that Gibney broke from McLean and Elkind, offering a stinging critique of deregulation.

This tension could, at other points, produce contradictory passages. For instance, in a moment echoing the point that McLean and Elkind made in their book, Gibney cut to Bethany McLean as the camera stayed with an image of the trading floor, even while McLean commented:

> The Enron traders never seemed to step back and say: "Wait, is what we're doing ethical? Is it in our best long-term interests? Does it help us if we totally rape California? Does that advance our goals of nationwide deregulation?" Instead, they sought out every loophole they could to profit from California's misery.[91]

While McLean heaped scorn on Enron traders, she stepped back from a systemic critique of deregulation, even as Gibney was offering one. These dissonant notes revealed an equivocation at the heart of *Enron: The Smartest Guys in the Room*.

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[90] Ibid. Karyn Ball is one scholar who has noted how pervasive these images are in Gibney's film, writing that the "documentary zealously provides images for every referent, even the nearly dead metaphoric ones." See Karyn Ball, "Death-Driven Futures, or You Can't Spell *Deconstruction* without Enron," *Cultural Critique* (Winter 2007):65, 6-42, 6.

[91] *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (Magnolia Pictures, 2005).

McLean's statement was particularly awkward, coming amid Gibney's use of California to attack neoliberal ideology. Gibney's interviews with state utility regulators, citizens' action groups, and even governor Gray Davis indicted Enron for "selecting California" for its deregulation experiment. Again, Gibney's treatment of this philosophy stood in sharp relief to Ken Lay's vision of it throughout the 1990s. While Lay repeatedly tried to frame neoliberal rollbacks of regulatory approaches as promoting "consumer choice," here Gibney highlighted the absence of the consumers' voices in the way California deregulated. Rather, deregulation was the end result of "pressure from the energy companies."[92] Here again, Gibney deployed the traders' tapes to great effect, as one voice confided to another, "There would be ample supply [of electricity] available at the right fuckin' price."[93]

Even aside from the California episode, deregulation was a prominent thread in the film, particularly the connection between Republican politicians and Enron executives such as Ken Lay. The film's first extended treatment of the executive noted (as many Enron narratives did) that he took his father's Baptist preaching and applied it to stumping for deregulation. In a section rich with symbolism, Gibney superimposed an old, black and white photograph of Lay over various images of Washington, DC's landscape. Lay stood at what could be a lectern or pulpit, in the middle of speaking, one arm declaratively flung into the air. Lay might have been testifying; a suggestion aided by Peter Elkind calling him an "apostle for deregulation" and Peter Coyote noting that

[92] Ibid.
[93] Ibid.

Lay became "part of a new crusade to liberate businessmen from the rules and regulation of government."[94] Of course, the use of terms with such religious connotations only strengthened the connection that Gibney was implying. From there, the documentary moved to a clip of Reagan speaking in the 1980s, declaring that "government is not the solution to our problem, government is the problem." In another clip, Reagan waxed rhapsodic about the "magic of the marketplace" as the film cut to an image of East Texas refineries before the jazz standard "That Old Black Magic" began to play.[95] Peter Coyote then elaborated on the point, explaining that, "the magic power of deregulation pushed Ken Lay to found Enron in 1985."[96] These moments dramatized a common critique about deregulation – that it is more a matter of faith than of logic.

Still, though Gibney intended to assail deregulation as a sham, he could not entirely escape his source material. Specifically, comments from Peter Elkind that appeared just before the filmmaker launched into a critique of deregulation undercut Gibney's point. Not without some admiration, Elkind noted that Ken Lay was "way ahead of the curve" on deregulation, and that he "was thinking about energy markets that would be deregulated."[97] Elkind even singled out the natural gas industry which, he

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[94] *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (2005; Magnolia Pictures).
[95] Indeed, Reagan is only the first in a string of Republican politicians who appear in Gibney's documentary. Of course, the film spends most of the time discussing Enron's various connections with both Bushes. In particular, the Bushes are depicted throughout this documentary as providing a range of political favors for Enron. In effect, they operate as further rejoinders to Reagan's proclamation, revealing the hypocrisy and contradiction of laissez faire economic policy. It is, of course, fitting that Gibney would spend so much time on the Bushes. Indeed, as he lingers on this relationship, Gibney again falls back on "reenactments," such as a briefcase opening to reveal stacks of money.
[96] *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (2005; Magnolia Pictures).
[97] Ibid.

declared, was "shackled by regulation."[98] To a large extent, the *Fortune* reporter was echoing what many have said about natural gas deregulation. Still, it is noteworthy that Elkind was not condemning deregulation as a principle, even though this was Gibney's intention. This slippage complicated what would have otherwise been a forceful condemnation of neoliberalism.

Between the two sources, and the number of voices weighing in, there was a failure to reach consensus. Much like the dissonance in the way the two sources approached the role of intellectuals and class, these disparate takes on deregulation (even as they appeared in the same work) revealed both the multiple opportunities for interpretation that Enron opened up, as well as the fraught and tangled set of ideas at play in the informational economy.

BUT NOT ALL BAD

However, there were even more overt signs that cultural workers, rather than arriving at some final judgment, were far more uneasy about symbolic analysts and the informational economy.[99] The odd conflations and confusions present in Gibney's film were further complicated by a lingering admiration of and sympathy for symbolic

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[98] Ibid.

[99] By "cultural workers," I am referring to Michael Denning's term. However, while Denning lists animators, writers and so on, as examples, I am expanding this to include figures such as journalists and bloggers. Denning himself is playing off C. Wright Mills's notion of the "cultural workman." While both terms have Marxian undertones that I do not intend here, I find these terms useful in that they emphasize the idea of culture as something that is constantly made, as opposed to Daniel Bell's notion of a "cultural mass" (which would certainly include journalists) of "transmitters" of culture since this idea implies a superorganic view of culture. See Michael Denning, *The Cultural Front:The Laboring of American Culture in the Twentieth Century*, (New York: Verso, 1997), 49, 113.

analysts. In part, this was because the same sympathy could be found in McLean and Elkind's book. Despite the condemnation (moral and otherwise) of Enron figures in both works, there were also ripples of tragedy and sympathy just below the surface, working against strict characterizations of Enron figures as villains. Even if they were ultimately corrupted by arrogance and greed, both the film and the book suggested that Lay and Skilling were at the very least complex human beings. Such details and passages were disruptive moments of equivocation and confused sentiments.

Often, when McLean and Elkind delved into the early lives of their subjects, they generally described Horatio Alger or rags-to-riches type narratives, a convention typical of business narratives.[100] For example, even in the middle of the Valhalla, New York, scandal, McLean and Elkind mentioned Louis Borget's humble beginnings, shining shoes as a young boy and putting himself through college.[101] This was a crucial detail, complicating their treatment of Borget and other symbolic analysts. The sophisticated but potentially fraudulent and certainly corrupting work of the informational economy stood in stark contrast to the "honest" labor of shining shoes or working nights to put oneself through college.

This treatment even extended to other infamous Enron figures. Even though the authors fixed most of the blame for Enron's failure on Jeff Skilling, the book could also turn to deeply sympathetic moments. The reporters were practically elegiac in describing Skilling's early desires to transcend the ugliness of industrialism. This notion was

[100] This trope predates *The Smartest Guys in the Room* by years. Connie Bruck, for example, describes Michael Milken in similar terms in 1988's *The Predators' Ball*.
[101] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 16.

dramatized by a visit to Bethlehem, Pennsylvania, where as a young man Skilling stared out over "acre after acre of aging, decrepit steel mills, many of them boarded up and abandoned."[102] This tragic air lingered even as the executive wreaked havoc on the company and economy. On the contrary, McLean and Elkind increasingly treated Skilling as a tragic figure as the narrative unfolded. The reporters even devoted two whole chapters towards the end of their book detailing Skilling's mental decline. In these moments, he often appeared with "tears in his eyes" and muttered things "darkly."[103] The *Fortune* writers reported that Amanda Martin, a former Enron executive who knew Skilling well, could "see that he was falling apart."[104] Even the last few pages of their book dwelled on an episode where Skilling was found drunk and confused in a New York City street after the company had collapsed.[105]

Gibney's film took up many of these same themes. Amanda Martin, for instance, appeared in the film, recounting the same episode that she had in McLean and Elkind's book. Even as Gibney interviewed other people talking about Skilling, the visuals were often close ups of the executive looking haggard and worried, soft music murmuring in the background. In interviews with figures like stock analyst Carol Coale, words such as "distraught" described Skilling's emotional and mental state. The message here was clear, even if it clashed with the rest of the film.

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[102] Ibid. 29.
[103] Bethany McLean and Peter Elkind, *The Smartest Guys in the Room* (New York: Portfolio, 2003), 335.
[104] Ibid. 337.
[105] Ibid. 418-9.

Ken Lay, too, was cast as a somewhat complex figure in Gibney's film. After an interview clip where Elkind acknowledged Lay's humble beginnings, the director moved through a series of images before finally settling on an old black and white photo of a young boy atop a tractor with Elkind's voice narrating: "He [Lay] told a story later about sitting on a tractor dreaming about the world of business and how different it could be from the way things were for him and his family."[106] The photograph itself offered a stark contrast to the slick offices the audience would see later in the film. Like some of the images preceding the fading picture, it almost seemed yanked out of a different time, some indistinct but remote past. The moment was filled with sentiment. For all of Lay's faults, the way Gibney introduced his back story prevented a full throated condemnation. Yet even if Gibney's treatment of specific executives was ultimately nuanced, a similar tension even applied to his treatment of symbolic analysts as a group.

Indeed, Gibney's film established a tragic air from the film's outset that periodically reappeared. After a slow pan of Enron's towers and Houston, Gibney cut to the movie's sole extended reenactment. Early on, a luxury sedan drove into a parking lot in the middle of the night. As Billie Holiday's "God Bless the Child" played, the camera revealed a lit cigarette in the car's ashtray. From there, the camera moved to an exterior view, the black car's outline barely discernable against the night sky. Over the music, audiences heard a strange, metallic sound that was followed by a large bang and bright flash inside the car. From there, Gibney cut to a clip of a Houston police officer at a news

[106] *Enron: The Smartest Guys in the Room*.

briefing; Cliff Baxter, he told reporters, a former Enron executive, had committed suicide. Of course, this was also how McLean and Elkind open their book, but in the written document, it was a brief episode. Gibney, by contrast, lingered on it, establishing the film's emotional timbre.[107]

Because of this element of tragedy, it became even more difficult to discern what the director's thoughts were towards the symbolic analysts. While the film appeared to open in a sarcastic manner, with a campy Tom Waits song playing in the background, the first visual Gibney provided was a close up on a banner that read "Jesus Saves."[108] From there, the camera pulled out to reveal a church in the foreground, literally overshadowed by a gleaming, glassy skyscraper that dominated the frame. The incongruities between the image and the sound could hardly have been more striking. What was the viewer to make of this scene? The answer seemed unclear, as if Gibney himself was unsure.

Even if, as many reviewers noted, the movie's predominant tone was one of dark humor and righteous indignation, the lack of clarity was pervasive. For example, Gibney provided a quote from Pastor James Nutter, a Baptist minister in Houston, early in the film, introducing an air of gravitas. The minister was featured more prominently at the end of the film as the company collapsed. The pastor, in these moments, did not express concern for figures such as the Portland lineman who lost his lifesavings, or even Mike

[107] It is worth noting that several reviewers felt this scene was in poor taste.

[108] The vocal from the Waits song featured a suspicious voice asking "What's he building in there?," perhaps intentionally ironic, since, towards the end of its existence, Enron executives crowed about *not* building anything. *Enron: The Smartest Guys in the Room*, DVD, directed by Alex Gibney (2005; Magnolia Pictures).

Muckleroy. Rather, the minister seemed to worry about the souls of the symbolic analysts. As he remembered in one interview,

> We could just hear rumbles up and down Main Street and … all throughout the city that things were…were very difficult at Enron. One guy who – a year before had come to me and said "I'm working for Enron,'" and was very excited, but within a year, was waking up every night with nightmares – "I've got no life left, and I feel like I'm being consumed by this company."[109]

From time to time during this segment, Gibney cut away from Nutter and moved to images of Enron Tower's glassy façade, as well as forlorn Enron employees exiting and milling around the building. Throughout, Gibney chose understated, mournful music to play in the background. Nutter's presence in the film should not be regarded as some minor detail, either. In fact, Gibney elected to give him some of the final words in his movie. As the film closed, after going through the details of the company's collapse, testimonials from former white collar workers, as well as Al Kaseweter, the PGE lineman, Nutter's voice was once again audible: "There's still to this city a layer of anger and upset," he pontificated. Yet the pastor did not stop there, but expanded on this point, saying: "you can gain the whole world, and all the trinkets and all the trophies of the world; the corner office, and all the perks – and you really can lose your soul in the midst of this."[110] Nutter's comments implied that the symbolic analysts were not the rapacious fiends from the California debacle, but *causalities* of the informational economy. Gibney even cut to an image of Cliff Baxter during Nutter's statements. For a documentary that

[109] Ibid.
[110] Ibid.

was supposedly full of progressive muckraking, worrying over the damage done to symbolic analysts was an odd way to end.[111]

Yet if the anti-intellectualism latent in valuing practical old-line business and liberal-progressive critiques *of* business could coexist in the same work (and make for engaging reading and viewing), it was a reflection of the complicated nature of the informational economy. And indeed, Enron was not the only example of this confusion. Both scholars and public intellectuals had worried about the confluence of certain academic trends and large corporate interests. Thomas Frank in particular has long taken note of the odd inversions around business rhetoric in the late 1990s – where essentially right-wing ideas, such as neoliberal ideology, were recast as hip and revolutionary. "The grand umbrella of the Market," he wrote in *One Market Under God*, "united right-wing libertarian think-tankers and left-wing academic literary scholars; former Communists and management theorists."[112] More recently, Fred Turner has convincingly framed the 1990s as period when conservative economic ideals became linked to a countercultural anti-statism, sometimes called "California ideology."[113] Because of such strange conflations, it was not entirely unusual to regard the symbolic analyst as some form of

[111] I am not at all arguing that the fate of many of the Enron employees isn't regrettable. On the contrary, long-time employees have been singled out as some of the primary victims in the scandal. However, what is interesting about this undercurrent, and Nutter's presence in the film, the concern flows (in some ways) towards the very people Gibney has been attacking throughout the film.
[112] Thomas Frank, *One Market Under God: Extreme Capitalism, Market Populism, and the End of Economic Democracy*, (New York: Anchor Books, 2000), 19.
[113] See Fred Turner, *From Counterculture to Cyberculture: Stewart Brand, the Whole Earth Network, and the Rise of Digital Utopianism*, (Chicago: U of Chicago P, 2006), 208, 222.

intellectual. Likewise, in this context, a critique coming from both a business outlet and a progressive filmmaker became conceptually possible.

A similar tangle of ideas and cultural representations were manifest in both the book and film versions of *The Smartest Guys in the Room*. However, rather than resolving these contradictions or even advancing a clear critique, the primary cultural work these books and movies could perform was to articulate this confusion. Just as relying on the nineteenth-century ideology of separate spheres in the case of *The Crooked E* or twentieth-century progressive muckraking in the case of *Enron: The Smartest Guys in the Room* both proved inadequate, other works that drew on earlier depictions of business in American literature and culture to help make sense of Enron and the informational economy did not meet with much success.

CONSPIRACY OF FOOLS AND THE INTERIOR LIFE OF THE INFORMATIONAL ECONOMY

While *Enron: The Smartest Guys in the Room* was the most prominent Enron narrative of 2005, *New York Times* business reporter Kurt Eichenwald's massive tome, *Conspiracy of Fools*, appeared the same year to some notoriety. Like McLean and Elkind, Eichenwald was a business reporter who had covered Enron as the crisis unfolded.[114] However, Eichenwald's work was far more emotional in character than McLean and Elkind's book. The distance between *Conspiracy of Fools* and *The Smartest*

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[114] Indeed, the two *Fortune* reporters referenced his reporting in the acknowledgements to *The Smartest Guys in the Room*.

Guys in the Room was reflected in the publisher's decision to market Eichenwald's book as a crime thriller. This marketing strategy was partly based on the fear that, much like some of the other Enron books, it would not be a profitable venture.[115] Even the book's cover featured the provocative teaser: "Behind thick corporate walls, in the shadows of Wall Street, along the corridors of political power, a scandal is brewing…" The decision was apparently the correct one. In just a few short months, *Publisher's Weekly* noted that Eichenwald's book had sold 175,000 copies.[116] *The New York Times* also excerpted portions of the text that same year, making it one of the most prominent versions of the Enron story to appear.

However, it would be wrong to suggest that Eichenwald's book was intended as mere entertainment. Literary scholar Celia Tichi, for one, has noted the serious endeavor of the detective novel and its relation to muckraking. She sees both muckraking and detective narratives (which have more than a little in common with "true-crime thrillers") as "fact-based."[117] For Tichi, muckraking narratives and detective novels adopt a "traditional" (and, hence, uncomplicated) approach to narrative.

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[115] As *Publisher's Weekly* put it, "The larger question is whether positioning the book as a true-crime thriller can help it outperform the string of major Enron books that failed to earn back their large advances, including *Power Failure* by journalist Mimi Schwartz and whistleblower Sherron Watkins (Doubleday, 2003) and *The Smartest Guys in the Room* by *Fortune* reporters Bethany McLean and Peter Elkind (Portfolio, 2003)." "Broadway's 'Fool's' Gambit," *Publisher's Weekly*, February 7, 2005. Academic OneFile. http://find.galegroup.com (Accessed November 4, 2009). This is not to say that *The Smartest Guys in the Room* was ignored. On the contrary, *Publisher's Weekly* pointed out that the book sold well, even if it did not recoup the hefty advance.
[116] "Enron is on," *Publisher's Weekly* March 28, 2005. Academic OneFile. http://find.galegroup.com (Accessed November 4, 2009).
[117] Ceclia Tichi, *Exposes and Excess* (Philadelphia: U of Pennsylvania P, 2004), 112.

Ken Lay even referred to Eichenwald twice during his speech before the Houston Forum, at one point noting, "As Kurt Eichenwald, author of *Conspiracy of Fools,* shared with this same Houston Forum a few weeks ago, most of the seven charges against me could not even be brought in a civil case because they would be dismissed by the court before trial as being immaterial."[118] Similarly, other conservative writers referenced Eichenwald, even borrowing phrases such as "Enron Myths" to protest the "criminalization" of the company.[119] It would be hard to imagine Ken Lay, or any disgraced Enron executive, pointing to Gibney's film as an exonerating document, but this was precisely what Ken Lay did with *Conspiracy of Fools* in December of 2005. At first glance, Eichenwald's book might have seemed an odd reading recommendation from Lay. On one level, Eichenwald's work was clearly a condemnation of the corporation and its executives, but the book's form worked against this condemnation. If both versions of *The Smartest Guys in the Room* unwittingly traded on a sense of anti-intellectualism, then *Conspiracy of Fools*, through its form, stylistic conventions and reliance on older themes in American fiction, reaffirmed some Enron executives as tragic heroes.

Stylistically, *Conspiracy of Fools* was far removed from the relatively sober account and "straight" business reporting McLean and Elkind's 2003 book offered. Eichenwald's narrative was filled with dialogue and even interior monologue. However,

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[118] Ken Lay, "Guilty, Until Proven Innocent" (speech, The Houston Forum, Houston, TX, December 13, 2005).

[119] Tom Kirkendall, for example felt so moved as to write on his blog: "I am about halfway through *Conspiracy of Fools* and it is excellent. With more information and the benefit of more hindsight, Mr. Eichenwald's book will likely replace the earlier *Smartest Guys in the Room* as the best book on the Enron scandal." See Tom Kirkendall, "More on 'Conspiracy of Fools,'" *Houston's Clear Thinkers*, 20 Mar. 2005, http://blog.kir.com/archives/2005/03/more_on_conspir.asp (Accessed November 23, 2009).

despite Eichenwald's obvious use of literary conventions, he did not see them as detracting from the book's basic truth claims. In defense of his decision, the author included an appendix, in which he announced that while some of the dialogue was taken from transcripts, the majority of dialogue was "reconstructed with the help of participants or witnesses to conversations, or documents that describe the discussion." After offering several such caveats, Eichenwald insisted that while the dialogue was not "a perfect transcript of events dating back some twenty years," it was "the best recollection of these events and conversations by participants, and more accurately reflects reality than mere paraphrase would." Even though the reporter clearly felt this technique was in need of a defense, this was not the only liberty Eichenwald took with reality in the name of "truth."[120]

In addition to the author's statements regarding the use of dialogue, the appendix also addressed the issue of continuity. As Eichenwald explained: "For ease of reading, if a scene was moved a few days out of order to allow for a theme in one chapter to be completed, the next chapter moved back in time to an unrelated event, launching a new story line. Such instances are described in the notes."[121] To be sure, that decision at least in part reflected the difficulty the writer faced in turning Enron into a coherent narrative. Complicating matters even further was the author's justification of his use of interior monologue. As he put it in the appendix, "When a person is described as having thought or felt something, it comes either directly from that individual, from a document written

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[120] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 682.
[121] Ibid.

by that individual, from notes or other records of that individual's comments to a third party, or from others to whom the individuals in question directly described their experiences."[122] Far from removing doubt about the narrative's truth claims, the appendix hinted at how shaky the concept of "truth" could be as far as Enron was concerned. Indeed, perhaps more than anything, Eichenwald's appendix laid bare the amount of agency the author had in fashioning the narrative.[123]

COMPLEX INTERIORS: LAY, SKILLING AND THE LEGACY OF AMERICAN FICTION

Despite the author's stated intentions and best attempts, what emerged was a conflicted account of the company. Indeed, when one considers the way Eichenwald approached Ken Lay as a subject, there is little wonder that Lay would turn to this author and narrative out of all the others to use in his defense. In sketching out descriptions of some (though not all) Enron executives, the author fell back on earlier U.S. literary traditions. Often, these intermittent passages provided sympathy for these figures, or at the very least made them seem like complex human beings. For instance, Eichenwald depicted Ken Lay as someone who was both more like the older type of executive,

[122] Ibid.
[123] After all, individual memories fade and people do not necessarily accurately perceive the thoughts and feelings of others. Finally, as some of the interviews with former Enron employees demonstrates, the role of the media and Enron narratives themselves proved to be powerful influences on the way these former workers thought about Enron after they had left the company.

syncedochally represented by Mike Muckleroy in *Enron: The Smartest Guys in the Room*, and who was duped by symbolic analysts like Jeff Skilling and Andy Fastow.

Though there were sentimental traces present in the way both versions of *The Smartest Guys in the Room* treated the executive, Eichenwald's portrayal of Lay was particularly romantic. For instance, rather than simply relate the humble beginnings of the CEO, Eichenwald provided a rich description of the family's fortunes. In first introducing the Lay family, the author pointed to a fateful episode, writing:

> The dilapidated black truck rumbled over the rural Missouri road, veering ever closer to the edge. In the flatbed, dozens of crated-up chickens squawked, scratched, and clucked as the truck headed out of speck of a town called Raymondville. It was 1948, and Ken Lay's father, Omer, was struggling for the second time to keep a general store afloat.[124]

This description preceded a car wreck that destroyed the Lay family's financial stability. The romantic, somewhat downtrodden, somewhat admirably stoic portrait of the Lay family Eichenwald painted here should not be wholly unfamiliar to students of U.S. literature. The paragraph bore more than a passing resemblance to forthrightly proletarian literature. In many ways, this scene recalled the trials of the Joads in the *The Grapes of Wrath*. When the Joads abandon their land and start out for California in that novel, Steinbeck writes: "In the late afternoon the truck came back, bumping and rattling through the dust, and there was a layer of dust in the bed, and the hood was covered with dust, and the headlights were obscured with a red flour."[125] These similarities between the two and suggest that Eichenwald was, at least in part, drawing from a longer tradition

[124] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 20.
[125] John Steinbeck, *The Grapes of Wrath*, (1939; New York: Penguin Books, 2002), 95.

in U.S. literature.[126] What is most striking about Eichenwald's passage was that it worked to fix Lay as one of the downtrodden. It was one of several instances where the author betrayed sympathy for the executive.

From there, even as Eichenwald, in far more detail than other Enron narratives, dwelled on Ken Lay's background, noting his personal life (including his first failed marriage, his academic acumen, etc.), Lay emerged as a somewhat admirable figure. Surely, the reader was meant to feel sorry for the gray, bald and (by this point) thoroughly bewildered man when Eichenwald, in describing a plane ride after it had become clear that the company could not be saved, writes: "As the plane took off, Lay heard a crack in his ear. The changing cabin pressure, combined with his cold, had caused some damage. He had just lost not only his company, but his full hearing as well."[127] If other cultural workers had savaged and demonized Lay, Eichenwald's prominent narrative, on some level, operated as a corrective of sorts.

The author closed his book with Lay addressing a crowd immediately after pleading "not guilty" in court. The last lines of the narrative read: "He [Lay] thanked everyone and walked over to Linda [his wife]. As the couple headed off the stage, a group of supporters on one side of the room stood and applauded, cheering on Lay as he entered into his last and most desperate battle."[128] Hardly the greedy, cunning, rapacious corporate villain here, Lay seemed a stoic and complex figure, if not entirely noble. Still,

[126] Of course, this comparison is not exact, nor am I suggesting that Eichenwald intends his description of the truck to be an allusion of sorts to Steinbeck's novel.
[127] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 625.
[128] Ibid. 675.

this end was striking since Eichenwald spent so much of his narrative framing Enron as a fateful intersection of greed, arrogance, immorality and incompetence, providing a counterpoint to, if not a complication of, the preceding narratives.

In reviewing *Conspiracy of Fools* for *The New York Times*, Charles R. Morris (in a mostly positive review) griped that Eichenwald had written Lay "as a kind of amiable simpleton, glad-handing his way through Houston's moneyed upper crust" even though "Mr. Lay is a Ph.D. economist and a former deputy under secretary of the interior, who had transformed the natural gas industry."[129] Throughout the review, Morris remained skeptical, wondering, "Does Mr. Eichenwald believe that he really had no clue? That he never noticed the mad scramble to manufacture profits at the end of each reporting period? That he never wondered about the plausibility of a tenfold jump in revenues in just five years?"[130]

Eichenwald's treatment of Skilling was equally fraught. Much like McLean and Elkind, as well as Alex Gibney, Eichenwald addressed Skilling's mental (and physical) decline, though in far more detail than either the director or the two *Fortune* reporters. For instance, in one passage, right after Skilling was promoted to CEO. Eichenwald wrote: "The next night, Skilling was in Dallas, alone on a business trip and consumed by depression. *Wow*, he thought. *I just made CEO*. He was exhausted. Feeling lousy, sorry for himself. […] He wandered into the hotel bar. He needed a drink."[131] There was a

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[129] Charles R. Morris, "Untangling the Threads of the Enron Fraud", *The New York Times*, 24, Mar. 2005, LexisNexis, http://www.lexisnexis.com, (Accessed November 23, 2009).
[130] Ibid.
[131] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 396. (Italics in original).

good deal of foreshadowing here. The captain of industry would eventually resign abruptly and fall into alcoholism. However, what was most notable about this passage was how it began: Skilling was alone. The episode was basically unverifiable.[132] Rather than simply noting others' observations about Skilling as many accounts did, here Eichenwald imagined the executive's interior.

The author returned to this technique and theme later in the book. His retelling of Skilling's decline became even more dramatic later when, in a private moment between the executive and his fiancé, he described "billows of cigarette smoke waft[ing]" in the air as the man slipped "deeper into depression."[133] In the middle of this scene, Eichenwald's Skilling thought to himself that the market did not "like him."[134] The passage was dense with meaning and, much like the book's earlier characterizations of Ken Lay, bore the imprint of an earlier tradition of American literature. Here, Skilling's behavior was beginning to affect his home life ("Carter [his fiancé] felt terrible," the author confided to his readers).[135] The man's physical and mental health were also feeling the effects of the market – or at the very least, the world of business. This connection to an unhappy personal life and business success (after all, it was supposedly Skilling's big promotion that precipitated his misery) can be found in numerous fictional treatments of business executives in American literature.

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[132] Even in his notes, Eichenwald makes no attempt to provide evidence for this moment's actual existence. For all the endnotes he provides, there is nothing about Skilling's lonely moment in Dallas.
[133] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 447.
[134] Ibid.
[135] Ibid.

One prominent example is Frank Norris's *The Pit*, when the protagonist, Curtis Jadwin, almost loses his wife – ignoring both her and domestic life in general – as he becomes "addicted" to the market. However, Norris also connects Jadwin's involvement in the market to his health. As Norris writes,

> …it seemed to be a slow, tense crisping of every tiniest nerve in his body. It would begin as he lay in bed – counting interminably to get himself to sleep – between his knees and ankles, and thence slowly spread to every part of him, creeping upward, from loin to shoulder, in a gradual wave of torture that was not pain, yet infinitely worse.[136]

Similarly, in William Dean Howells's novel *The Rise of Silas Lapham*, the titular character becomes miserable even as his worldly fortune grows. These two novels were prominent examples of a perennial trope in American fiction that was also present in Eichenwald's book. This is not to suggest that Eichenwald consciously used the models provided by earlier pieces of American fiction to craft his narrative. Rather, the traces of these models attest to how pervasive they had become for making sense of business and businessmen. Surely, in Eichenwald's hands these tropes and stock conventions rendered the company more "understandable," but these also deemphasized many of the hard facts around the case and provided a check against any meaningful critique of the system that had allowed the company to flourish.

Lamentably, matters did not improve for the beleaguered executive. A while later, Eichenwald provided yet another tragic moment where, in Dallas, Skilling drank himself into a stupor and in the middle of his "bleary-eyed" hangover, turned his fiancé Carter

[136] Frank Norris, *The Pit*, (Doubleday, Dorian & Co., 1903; New York: The Sun Dial Press, 1937), 334. However, this passage should be read with a degree of historical context; what Norris seems to be describing here is neurasthenia.

away. His deterioration, the reader was left to assume, was near complete. This lent *Conspiracy of Fools* a narrative coherence; a brooding, drunken Skilling even appeared in the book's prologue.[137] These characterizations of the two top Enron figures gave *Conspiracy of Fools* a pathos that was also present, though less overt, in *The Smartest Guys in the Room*. Far from muckraking, Eichenwald seemed to view both Lay and Skilling as tragic figures (a sentiment that in interviews McLean has also expressed with regards to Skilling).

In this way, *Conspiracy of Fools* sat alongside both the book and film versions of *The Smartest Guys in the Room* as expressions of unease and equivocation when it came to the character and fate of these business executives. These hesitations also extended to other aspects of the informational economy.

THE INFORMATIONAL ECONOMY AS HALL OF MIRRORS

At other points in the narrative, the reporter revealed contradictory attitudes toward the informational economy and symbolic analysts. For instance, at first blush, *Conspiracy of Fools* appeared to have the same stance towards symbolic analysts that McLean and Elkind did. Much like McLean and Elkind, Eichenwald held up certain figures and schemes, including Andy Fastow and his veritable labyrinth of "structured finance" deals, as typically vapid and dangerous, symbolic analysts. The book also

[137] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 7.

dramatized a clash among symbolic analysts through figures like Vince Kaminski and Jim Chanos.

However, Eichenwald seemed less concerned with what McLean and Elkind characterized as pervasive at Enron. Rather, Eichenwald focused much of his energy on Fastow and Kopper, just as *The Smartest Guys in the Room* also singled out Fastow and his team for particularly harsh treatment. Still, Eichenwald's account provided far more detail and, in keeping with the text's overall tone, was far more sensational. For instance, in an early scene where Kopper and Fastow revealed some of their ultimately foolhardy plans, Eichenwald wrote:

> The diagram in Michal Kopper's hand was one of hundreds churned out, month after month, by Fastow's finance group. Boxes and names, lines and numbers. All depicting structured deals that juggled around assets – power plants, cash, whatever – so Enron could present its prettiest financial face to the world.[138]

The rest of this passage was, likewise, skeptical of Enron's Special Purpose Entities. However, Eichenwald framed them as nonsense from the outset. In this passage, bits of interior monologue undercut what elsewhere was framed as Fastow's dazzling financial schemes. "It didn't make sense," characters thought to themselves.[139] Again through the use of interior monologue, Eichenwald depicted Fastow as a vain fool.[140]

At other points (and in some ways echoing the intermittently incensed tone in *The Smartest Guys in the Room*) the author described a moment when Fastow and Rick Causey dreamed up the first Raptor SPE (ultimately among the most disastrous in the

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[138] Ibid. 121.
[139] Ibid.
[140] Ibid. 211.

end) while the two were golfing (they even named the deal "in honor of this glorious golf course").[141] Of course, later, the author reported that Raptor I had become an absurd circle because (through all the complicated deal making) "Enron, by any definition, was hedging with itself."[142] To be sure, Eichenwald could hardly be faulted for condemning Fastow's various deals – and he was hardly the first to do so. Still, rather than clarify the issue (as the book's appendix claimed), the various bits of interior monologue operated as tiny emotional cues for the reader – pushing a specific feeling about what was happening.

In other ways, these passages of interior monologue dramatized the book's internal conflicts. This sense was best captured by figures such as Vince Kaminski. Though he appeared as a very minor character in McLean and Elkind's book (and was nonexistent in Gibney's film), Eichenwald employed Kaminski as a persistent rejoinder to Fastow and his schemes. For example, towards the end of the narrative, as Fastow's deals began to fall apart, Kaminski thought to himself:

> *This couldn't be*. Enron had sold stock at a discount to the Raptors because they were restricted from hedging. *But then the company turned around and agreed to hedge the shares for the Raptors?* The Raptors would pay Enron for losses in its merchant investments only after Enron paid the Raptors for losses in its Enron stock.[143]

Here, again, in explaining the function of some of the stranger Fastow deals in a dramatic way, the thoughts of the players took precedence over factual detail. After Eichenwald wrote that the terms of the deal were "meaningless" because "it did nothing," Kaminski's

[141] Ibid. 304.
[142] Ibid. 385.
[143] Ibid. 522.

"world" and "career" "f[e]ll away."[144] "*This company…is criminal*," Eichenwald's Kaminski thought to himself, adding, "They were lying to investors. They were playing a shell game, hiding losses to make themselves look successful."[145] In these moments, the line between interior monologue and the author's own commentary blurred, rendering it impossible to discern if Eichenwald was "reporting" or if these were his extended thoughts. Again, in attempting to arrive at some sort of finality or truth, Eichenwald failed to clarify anything other than to highlight the tangle of feelings and essentially emotional experience that the Enron scandal had become.

Perhaps, though, Eichenwald could not be faulted for looking at fundamentally emotional experiences and thoughts, since the exterior world he presented was one where truth itself had become difficult to locate among language games, cons and legal hair-splitting. In this way, *Conspiracy of Fools* looked back to some of the earliest coverage of and commentary on the fall of the company, as well as the intertextuality of some of the earlier books, like *24 Days, Power Failure,* and *Anatomy of Greed*. Just as those narratives were ultimately consumed and mired in various other texts that the author/protagonists had to navigate and react to, here, in a similar move, new pieces of information repeatedly appeared.

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[144] Ibid. 523.
[145] Ibid. Emphasis in original.

SOME KIND OF "DOCUMENTARY EXPRESSION"

The earliest of these document-centered episodes came (in a scene found in other Enron narratives), when Jim Chanos, an intrepid, shrewd "short seller," noticed a *Wall Street Journal* article about accounting among energy companies, including Enron, and began looking closely at Enron's public documents.[146] A while later, Chanos had a conversation with Bethany McLean that would eventually result in her March 2001 *Fortune* article.[147] Naturally, in Eichenwald's telling, McLean's article was signally important. So, too, did Emshwiller and Smith's *Wall Street Journal* reports assume a prominent role in the narrative. Much as in other Enron books, and *24 Days* in particular, in *Conspiracy of Fools* the news stories began to take on an active force. Of course, this also meant that Eichenwald's narrative ended adrift in a sea of indeterminacy – unable to comment on Enron without referencing other narratives, news stories and media coverage. In a way, Eichenwald's inability to avoid other Enron texts was a testament to how prominent issues of representation factored into Enron's story.

Eichenwald was quick to note that the emerging narrative had enough (including shady White House connections) to become a sensational news story. However, in a comment on the informational economy, he wrote: "Still, the chronicle of events

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[146] The article Chanos reads is Jonathan Weil's "Energy Traders Cite Gains, But Some Math is Missing," which ran in the Southwest edition of *The Wall Street Journal* on September, 20, 2000.
[147] The wording in this section is particularly bizarre. Other Enron narratives figure McLean as the intrepid, skeptical reporter who becomes interested in the company following her conversation with Chanos. Here, though, all the agency belongs to Chanos who "was planning to lay out his case against Enron." (418). Later, he selects McLean as the "perfect choice" to get the word out. Ultimately, Chanos pitches the story to McLean. Eichenwald's account has the effect of relegating McLean to a mere vessel for Chanos's insights and actions.

remained dense, creating an immense thicket of information too convoluted to capture the public imagination."[148] Eichenwald's choice of words, a "thicket of information," was quite telling. There were no real actions to grab onto, but simply pieces of information such as contracts, stock prices, earnings statements and so forth. In describing the scandal this way, Eichenwald pointed to the difficulty of representation when *everything* is representation, as well as how easily information could actually cloud the issue in the informational economy (a theme that *New Yorker* writer Malcolm Gladwell would take up later). Yet Eichenwald did locate the detail that "capture[d] the public imagination" – document destruction. To be sure, the images (many of which were shown in *Enron: The Smartest Guys in the Room*) of hundreds of pounds of shredded paper was striking, but so, too, was the subtext – the menace of documents, pieces of information, disappearing. Suddenly, the documents themselves had become important. Every time another document surfaced, it dramatically altered events, changing characters' understanding of the events and situation they found themselves in.[149] One striking example came when

> Boxes of documents were piled high around the offices of the Energy and Commerce investigation subcommittee. The records had been shipped over by Enron in response to a document request, and now staffers were digging through the paper, searching for anything that might be useful at a hearing.[150]

[148] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 648. This is also a moment where the author points to the difficulty that he himself has taken on.
[149] Because of this *active* quality to the documents in *Conspiracy of Fools*, I regard treatment of paper shredding not as garden variety destruction of evidence, but a point where the ephemeral nature of information in the information economy actually is.
[150] Kurt Eichenwald, *Conspiracy of Fools*, (New York: Broadway Books, 2005), 651.

It is in one of these piles that a staffer found the Watkins memo. "Oh, my God!" the staffer thought to himself, "It's a smoking gun."[151] It was a turn of events that did not auger well for Lay and Enron. Not a little hyperbolically, Eichenwald wrote:

> It was as if the world had exploded. Within minutes of the letter's release, Watkins's name was being reported as the Enron whistle-blower. The story now had a full cast of characters, including a heroine who appeared to have tipped off Lay to problems months before Enron's collapse.[152]

The author, again, may as well have been commenting on his own work. Indeed, in another moment of meta-commentary, Eichenwald also noted how the revelation of the Watkins memo affected Enron as a narrative.

Interestingly, Eichenwald gave similar treatment to the discovery of another document: a contract that changed the terms of a debt payment schedule for Enron, ultimately destroying a near-complete merger with Dynegy.[153] Again, it was a piece of information that drastically altered the landscape in *Conspiracy of Fools*.

These moments, where new pieces of information changed the situation that people found themselves in, dramatized the fraught nature of "reality" in the informational economy that had worried people at the time of the company's initial collapse. "Perception is reality," Skilling told Fastow earlier in the book.[154] The comment also helped explain why Enron narratives eventually ran aground, split between describing "events" (usually the creation or emergence of documents) and coverage of those events. These authors had the unenviable task of separating out "perception" from

[151] Ibid.
[152] Ibid. 654.
[153] Ibid. 616.
[154] Ibid. 454.

“reality” in the informational economy. Even if, as Tichi explains, detective novels were about sniffing out the truth, Eichenwald himself became disoriented in the “thicket” of information.[155] For Eichenwald, the external world proved unreliable for determining “truth” about Enron. Perhaps because of this, Eichenwald, much like Gibney, relied on emotional truths instead.

The imagined interiors of people who appeared in *Conspiracy of Fools* were cast as more reliable sources of the “truth” than “piles of documents” and news reports that surrounded Enron. Indeed, the reporter ultimately seemed unsure about some of the “truth” about Enron.[156] However, in the end, *Conspiracy of Fools* was hardly more edifying than *The Smartest Guys in the Room*. Likewise, filmic treatments of Enron’s collapse in the final instance could not make clear sense of Enron and what it represented. While all of these works either directly employed, or at the very least bore the traces of, a long tradition of cultural representations of business, they also contained bizarre and contradictory slippages and conflations. Though they were all massive efforts to contain Enron in all its complexity and messiness, the books and films could not resolve core ambiguities about the informational economy that attached themselves to Enron. Perhaps in the end, the totality of Enron documents after the collapse – news reports, magazine

[155] Admittedly, *Conspiracy of Fools* is not a detective novel, but it is the closest any Enron narrative gets to it. In a brief “interview” section included in the back of the book, Eichenwald specifically mentions John Grisham as the guiding literary model for his project.

[156] For example, he describes as “myth” the idea that employees were barred from selling stock even as Lay, Skilling and others began to sell their own shares in the company. The scene, which figures prominently in Gibney’s telling, is cast here as an unfortunate bit of timing as Enron locked account holders from accessing 401(k)s while making changing to the retirement accounts. Such disagreements with Gibney’s version led some conservative voices to point to *Conspiracy of Fools* as the most accurate version of events regarding the company.

articles, books, movies and the like – could be taken together as a document of how confusing the political economic landscape had become in the late twentieth and early twenty-first centuries.

A MOMENT OF PAUSE FOR SYMBOLIC ANALYSTS

For their part, some symbolic analysts also used Enron to comment on and distance themselves from the type of work they had been doing. With Enron's collapse, these symbolic analysts appeared to align themselves with the company's critics. However, much like the journalists and filmmakers, the symbolic analysts could not find suitable forms for making sense of the informational economy. An early instance came in 2002, when Tim Barry, who had worked in the computer industry since the mid-1970s, compiled a number of jokes about Enron that had begun to circulate on the Internet into a short book, *The Totally Unauthorized Enron Joke Book*.[157] While Barry himself did not contribute any material, as a symbolic analyst collecting satirical material about people who worked in the informational economy, Barry was making his sympathies known. However, the vast majority of the jokes Barry collected were gags and comic tropes much older than Enron's collapse. Often, the names Enron, Ken Lay, or Jeff Skilling were simply added to a punchline that did little to skewer the particulars of the informational economy.[158]

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[157] Tim Barry, *The Totally Unauthorized Enron Joke Book*, (Vancouver, WA: IT Press, 2002), 96.
[158] Of course, several jokes did lampoon the particular details of Enron's business schemes and subsequent collapse.

Other examples of such cultural production came from symbolic analysts with more direct connections to the company. The author of *The Kingdom of Norne*, a satirical treatment of Enron that was framed as a children's book, was an electrical engineer whose wife had worked for Enron. Though an engineer by training, the author used the scandal to explore his "lifelong interest in doodling and sketching."[159] Writing with the nom de plume Busta Scam in 2006, the author dedicated his book to "all the hardworking Nornians."[160] The most extensive rebuke from a symbolic analyst, though, had appeared in 2003.

That year, David Tonsall, a former Enron employee, took the stage name N-Run and recorded a hardcore hip hop album attacking "corporate America." Tonsall self-financed and released the hip hop album, *Corporate America*, on the two-year anniversary of the company's bankruptcy. In his lyrics, Tonsall did not betray any sense of lingering loyalty to his former employer. Much like McLean and Elkind, as well as Alex Gibney and Kurt Eichenwald, in his guise as N-Run Tonsall, who had been an energy efficiency manager, distanced himself from the world of symbolic analysis. What is more, filled as it was with direct jabs at Ken Lay and Jeff Skilling, the album was an angry salvo lobbed in a spirit that echoed earlier articulations of worker unrest in America.

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159 Busta Scam, *The Kingdom of Norne*, (Rockville, MD: Castle Keep Press, 2006).
160 Ibid.

Shortly after the music faded in on his CD's first track, "The Entrance," Tonsall intoned: "Give me your tired/ I am he that she speaks of."[161] However, the "tiredness" that Tonsall referred to here was a sense of weariness with the Enron scandal – something Tonsall saw as representative of a widespread corrupt corporate culture. Later in the track, Tonsall equated himself with the "bottom dwellers" of the corporate ladder and asserted that the "bottom dwellers are the 'we' in 'we the people.'"[162] With these words, Tonsall figured the "the people" as America and the corporation and the business elite as somehow different. The rapper's schema was not the first time in the United States such a juxtaposition had appeared. In the preface to 2007's 25th anniversary edition of *The Incorporation of America*, Alan Trachtenberg insisted that the opening decade of the twenty first century was a distressing "replay of Gilded Age scheming and cheating." [163] As if to confirm Trachtenberg's assessment, Tonsall's rap album echoed the labor militancy of the late nineteenth century.

In that earlier period of upheaval, the labor movement and groups like the Knights of Labor "opposed the various forms of inequality" and presented themselves as "the most authentic voice of America itself."[164] Indeed, in the various symbols and tropes that Tonsall deployed, his vision of America was similar to that of the Gilded Age labor movement. Trachtenberg sets up two competing ideas of America that emerged during the Gilded Age – "union" and "corporation." He writes, "In the antithesis between

[161] N-Run, *Corporate America*, compact disc, N-Run Wreckords, © 2003 by N-Run Wreckords.
[162] Ibid.
[163] Alan Trachtenberg, *The Incorporation of America*, (New York: Hill and Wang, 2007), xii.
[164] Ibid., 96.

'union' and 'corporation,' the age indeed witnessed an impassable gulf of troubling proportions, for it remained unsettled on which side lay the true America."[165] With song titles like "Vendetta" and "Take the S off Skilling," N-Run employed many of the tropes typically associated with "gangsta" rap, such as revenge narratives and violent imagery. However, in these songs, former rank-and-file Enron workers exacted vengeance on Ken Lay and Jeff Skilling. In effect, Tonsall used gangsta rap as a vehicle to communicate labor militancy. The violence here was not exacted by outlaws, but by laborers.

However, N-Run's album added another element to this mix, figuring the "people" he was aligning himself with the sort of industrial workers who dealt in the material world. In his lyrics, Tonsall proclaimed himself to be one of the "pipeline boys" "who gave their life."[166] The images on Tonsall's website also played with these conceits.

In some of these, Tonsall was wearing a blue workers' outfit as well as a hardhat while standing over a gas pipeline – and in one case holding a wrench. Taken as a whole, these images worked to frame the material world and – pre-informational production – as far more noble than the immaterial sophistry of Enron executives. However, in other ways, Tonsall's project undercut his intended critique. The burgeoning rapper's website also included images of Tonsall wearing a suit and tie in an elegant and stately office. Such representations were indebted to an undercurrent of decidedly pro-business rhetoric in hip hop that was at odds with Tonsall's political agenda.[167] Eithne Quinn has noted the

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[165] Ibid., 99.
[166] N-Run, *Corporate America*, compact disc, N-Run Wreckords, © 2003 by N-Run Wreckords.

[167] For instance, the rapper Jay-Z's has proclaimed himself the "CEO of Hip Hop."

entrepreneurial overtones that have always been a part of gangsta rap, writing that "political empowerment" tended to be "submerged by economic empowerment in the narratives of commercial hip-hop."[168] As a genre, mainstream and gangsta rap was ill-suited for communicating an anti-capitalist critique.

All of these instances revealed symbolic analysts trying to distance themselves from the company in some way. Enron had spent much of the latter half of the 1990s working to turn the symbolic analyst into a cultural hero. Now, symbolic analysts themselves were experiencing a crisis of identity. In both their sentiments and failings, these humorous and artistic outpourings from symbolic analysts mirrored the spate of books that former employees and business journalists rushed to the market in 2003. White collar workers appeared to linger over Enron long after the rest of the country moved on, perhaps because Enron's collapse had called their work practices, cultural habits and assumptions, and political and economic ideology into question. However, their experiences working with Enron left them no more prepared than other observers to make sense of the informational economy.

CONCLUSION

Enron collapsed almost thirty years after the informational economy began to take shape, but older cultural narratives and tropes failed to help make sense of events. The seeming irrelevancy of such models hinted at the fundamental change in economic life

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[168] Eithne Quinn, *Nuthin' But a "G" Thang: The Culture and Commerce of Gangsta Rap*, (New York: Columbia Up, 2005), 189.

that late capitalism represented. Likewise, perhaps the speed with which extended critiques of Enron disappeared was also indicative of the some of the informational economy's dynamic and unstable characteristics.

As Rosalie Genova observes, 2005 was the last year that a substantial number of Enron narratives appeared.[169] Enron eventually faded from headlines, but the word "Enron" itself circulated in subsequent years in off hand jokes in sitcoms, crossword puzzle clues and so on. Such casual references would appear to suggest that, for many, the "meaning" of Enron had been settled. As Jon Stewart, host of *The Daily Show* remarked while interviewing Bethany McLean in 2009, "Enron, that's fraud."[170] Yet evidence suggests that Stewart's analysis was too simplistic. Though the ensuing years saw Enron become the subject of April Fool's jokes, ruminative *New Yorker* essays, and stage plays, many of these same tensions of the informational economy reemerged. Even the legal status of Enron was hard to determine. In 2010, the United States Supreme Court ruled that prosecutors should not have used the "honest services" statute in Jeff Skilling's criminal trial, complicating what some regarded as a simple case of right and wrong.[171] The ruling was just one more way the complicated nature of the informational economy made it difficult to use Enron as a vehicle for a systemic critique of late capitalism.

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[169] Rosalie Genova, *Big Business, Democracy, and American Way: Narratives of the Enron Scandal in 2000s Political Culture*, Unpublished dissertation. University of North Carolina, Chapel Hill, 2010, 207.
[170] Jon Stewart, interview with Bethany McLean. *The Daily Show* January 15, 2009.
[171] Mary Flood, "Skilling Ruling Leaves Much Undecided," in *The Houston Chronicle,* 24 Jan. 2010, <http://www.chron.com/disp/story.mpl/special/enron/skilling/7077853.html> (Accessed March 30, 2011).

CONCLUSION

Though Enron faded as a significant media story after 2005, the corporation's name sometimes reappeared in subsequent years. Most notably, the criminal trials of Ken Lay and Jeff Skilling occasioned some coverage, though as Rosalie Genova notes, by 2006, many in the U.S. had lost interest in the scandal.[1] Still, the fact that Skilling received a harsh sentence (Lay died of a heart attack before beginning his prison term), and the way lawyers for the prosecution framed their argument, was enough for Malcolm Gladwell to write an essay for *The New Yorker*. As he was often inclined to do, Gladwell adopted a contrarian point of view, using the prosecution's arguments as a foil to make a larger point about the information age. The article's title, "Open Secrets: Enron, Intelligence and the Perils of Too Much Information," underscored Gladwell's larger concerns. While the prosecutor stated that the Enron case was a "simple" matter of "truth and lies," the essayist contended that Enron was a "mystery" instead of a "puzzle."

This was a crucial distinction for Gladwell. "Puzzles" indicated a dearth of information, while "mysteries" were "a lot murkier: sometimes the information we've been given is inadequate, and sometimes we aren't very smart about making sense of what we've been given, and sometimes the question itself cannot be answered."[2] For Gladwell, Enron was a mystery because the company did not so much withhold

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[1] Rosalie Genova, "Big Business, Democracy, and the American Way: Narratives of the Enron Scandal in 2000s Political Culture," (PhD Diss, The University of North Carolina at Chapel Hill, 2010), 258.
[2] Malcolm Gladwell, "Open Secrets: Enron, Intelligence, and the Perils of Too Much Information," in *What the Dog Saw and Other Adventures*, (New York: Little, Brown and Co, 2009), 151-176, 154.

information from the public as it presented so much data that the information itself became incomprehensible. As Gladwell pointed out, Jonathan Weil, the first journalist to question Enron, arrived at his conclusions by looking at “a series of public documents that had been prepared and distributed by Enron itself.”[3] Rather than clarify Enron’s business for Weill, the documents were filled with “noise.” Gladwell even went so far as to measure the magnitude of this noise, writing that “Enron had some three thousand SPEs, and the paperwork for each one probably ran in excess of a thousand pages. It scarcely would have helped investors if Enron had made all three million pages public.”[4] Here, it was the deluge of words and numbers that made Enron a paradigmatic informational economy scandal.

The writer, as well as a law professor he interviewed, dismissed the idea of more information as intrinsically good as “an anachronism.” Enron was the financial equivalent to the changes in intelligence gathering in the post-Cold War era. Just as intelligence professionals now had to sift through mountains of public data (“chatter”) and identify and interpret the relevant items, Gladwell reasoned that the financial community had to become better interpreters of the increased quantity and complexity of the information that was already available. At the beginning of the twenty-first century, Gladwell implied, Americans did not need to worry about another Watergate, but rather a catastrophe suddenly erupting from a pile of complicated information that was already in the public realm.

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[3] Ibid., 160.
[4] Ibid., 164.

However, rather than see the company's collapse as an instance of the "perils of too much information," some in the business community took a measure of comfort in Enron's collapse. Though numerous Wall Street banks had been complicit in creating the company's ultimately fraudulent financial schemes while singing its praises, some of these same banks also bought credit default swaps on Enron.[5] At the time, a credit default swap was a relatively new type of unregulated derivative contract that was supposed to act like an insurance policy. Throughout the 1990s and 2000s, the use of credit default swaps had grown substantially. In the immediate aftermath of the company's failure, Alan Greenspan, who was then Chairman of the Federal Reserve, proclaimed the use of credit default swaps in Enron's case had worked to spread the financial fallout from the company's collapse.[6] As he put it in a November 2002 speech:

> instruments that are more complex and less transparent--such as credit default swaps, collateralized debt obligations, and credit-linked notes--have been developed and their use has grown very rapidly in recent years. The result? Improved credit-risk management together with more and better risk-management tools appear to have significantly reduced loan concentrations in telecommunications and, indeed, other areas and the associated stress on banks and other financial institutions.[7]

The Enron debacle, Greenspan's reasoning went, could have been far worse, if not for derivatives like collateralized debt obligations (CDOs) and credit default swaps. Greenspan (and others at the Federal Reserve) interpreted the relatively mild economic fallout caused by Enron as evidence of the financial system's "unprecedented stability

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[5] Financial Crisis Inquiry Commission, *The Financial Crisis Inquiry Report*, (New York: PublicAffairs, 2011), 60.
[6] Ibid.
[7] Alan Greenspan, "International Financial Risk Management," (Speech, The Council of Foreign Relations, Washington, DC, November 19, 2002).

and strong risk management."[8] In fact, for some at the Federal Reserve the use of these derivatives in the wake of Enron's collapse demonstrated that the market was "self-regulating."[9]

Greenspan and his colleagues were not alone in this opinion. It was a sentiment that the business journalist Nelson D. Schwartz had also expressed in December 2001. Much in the way Smith and Emshwiller ended *24 Days* with an expression of faith in the market ultimately punishing Enron, in writing about the scandal, Schwartz noted that "not a single light flickered after Enron's implosion."[10] Schwartz marveled at how smaller companies had stepped in to fill the void left by Enron's collapse. As he put it, the turn of events was "a show of creative destruction that would make philosopher Joseph Schumpeter proud."[11] Schwartz was not the only *Fortune* writer to take some comfort in the market's response to Enron's collapse.

In that same issue of *Fortune,* Bethany McLean used Enron's collapse to show how important credit rating agencies had become to the nation's financial system. McLean noted that Enron's fall was hastened by credit rating downgrades from credit rating agencies Standard & Poor's and Moody's. As the journalist noted: "the rating agencies – private, for-profit companies that are privy to insider information – have come to play a quasi-regulatory role in the market."[12] Though in Enron's case, the credit-rating

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[8] Financial Crisis Inquiry Commission, *The Financial Crisis Inquiry Report,* (New York: PublicAffairs, 2011), 60.
[9] Ibid.
[10] Nelson D. Schwartz, "Enron Fallout: Wide, But Not Deep," *Fortune,* December 24, 2001, 72.
[11] Ibid., 71.
[12] Bethany McLean, "The Geeks Who Rule the World," December 24, 2001, 93-4.

agencies had not acted fast enough (the company's stock had already been declining when its credit rating was downgraded), McLean wrote that the agencies had “done a remarkable job of keeping pace with innovations in the capital markets.”[13] Tellingly, the journalist's evidence was:

> the explosion of a new type of debt known as 'structured finance' – a bond, for instance, backed by the cash flow from residential mortgages. Here the rating is everything: It measures the level of risk in an extremely complicated security and determines the yield that must be paid to attract investors.[14]

Just a bit later in the article, McLean noted that structured finance had become Moody's largest business, necessitating a more aggressive approach to credit ratings. As then-CEO of Moody's John Rutherfurd was quoted as saying: “If a credit is deteriorating, we want to be the first to spot it.”[15] For Rutherford, this meant “incorporating the judgment of the equity market into ratings” since “the equity market [was] forward-looking, whereas accounting data [were] reflective of the past.”[16] As McLean noted as she closed her piece, “barring a few more Enron-caliber events, the credit-rating system” would probably not change; if only the next event had been “Enron-caliber,” instead of the much more devastating crash in 2007 and 2008.

As the Federal Financial Crisis Inquiry Commission put it in their report, the global financial meltdown in 2007 and 2008 was years in the making, with “an explosion in risky subprime lending and securitization, an unsustainable rise in housing prices,” as well as “widespread reports of egregious and predatory lending practices, dramatic

[13] Ibid., 94.
[14] Ibid., 94-96.
[15] Ibid., 96.
[16] Ibid.

increases in household mortgage debt, and exponential growth in financial firms' trading activities, unregulated derivatives" and other factors.[17] Interestingly, despite the basic connections between Enron and the financial meltdown that closed out the first decade of the twenty-first century, the federal report hinted that Enron's limited economic damage may have spurred the spread of risk in the latter case.

Both the credit default swaps that Greenspan saw as mitigating the financial damage Enron caused, as well as the credit-rating agencies that the Enron debacle called attention to in McLean's article, played huge roles in the global financial meltdown. As the Federal Commission later concluded, "credit default swaps, sold to provide protection against default to purchasers of the top-rated tranches [slices of structured finance deals that can be traded as securities] of CDOs, facilitated the sale of those tranches by convincing investors of their low risk, but greatly increased the exposure of the sellers of the credit default protection to the housing bubble's collapse."[18] Likewise, the commission concluded that "high ratings erroneously given CDOs by credit rating agencies encouraged investors and financial institutions to purchase them and enabled the continuing securitization of nonprime mortgages."[19] In other words, even as the *Fortune* reporters and Greenspan (as well as others at the Federal Reserve) were expressing confidence in a modern system that appeared to have weathered Enron's collapse, the

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[17] Financial Crisis Inquiry Commission, *The Financial Crisis Inquiry Report*, (New York: PublicAffairs, 2011), xvii.
[18] Ibid., 155.
[19] Ibid.

same elements they were praising were quietly magnifying what would be a far greater crisis.

Much like Enron's transformation, the financial crisis towards the end of the decade was fueled by the use of complicated derivatives. The financial crisis also used a good deal of "securitized" mortgages. As was the case with Enron, these banks had used a variety of financial instruments to divide up risk associated with the material world – in this case, the risk that came with lending to home buyers who might not have been able to pay their mortgages. As the report determined, financial instruments and securitized mortgages with "strange-sounding names" like "Alt-A, subprime, I-O (interest only)" and so on had virtually bound the entire globe together in a network of debt obligations.[20] Much like the strategy Enron had followed from the mid-1990s onward, these financial products that banks, mortgage lenders, and insurance companies were introducing throughout the 2000s became increasingly separated from the material world they were meant to service. Similar to the SPEs that Andy Fastow created, these instruments became too complicated to even comprehend. As the report noted: "because of the growth of securitization, it wasn't even clear anymore who the lender was. The mortgages would be packaged, sliced, repackaged, insured, and sold as incomprehensibly complicated debt securities."[21]

That subprime mortgage crisis was, of course, far more severe than Enron's collapse. The crisis, unlike Enron's swift fall, slowly unfurled as a succession of

[20] Ibid., 6.
[21] Ibid., 7.

increasingly ominous events, such as the failure of the investment bank Bear Sterns, as well as mortgage lenders Fannie Mae and Freddie Mac. Banks filing for Chapter 11 bankruptcy threatened to become ordinary events. In September, 2008, Lehman Brothers became the largest bankruptcy in U.S. history, far surpassing Enron's. The effects of the investment bank's collapse were both immediate and severe. As the Federal Financial Crisis Inquiry Commission's report put it, "On the day that Lehman filed for bankruptcy, the Dow plummeted more than 500 points, $700 billion in value from retirement plans, government pension funds, and other investment portfolios disappeared."[22] As the financial panic continued, it "plunged the nation into the longest and deepest recession in generations."[23]

Curiously, despite the magnitude of the 2007 – 2008 crisis, it did not inspire a wave of cultural production, though some books and films did begin to trickle out after a few years. As Daniel Gross, wrote in the May 3, 2010, edition of *Newsweek*:

> It's particularly tough to turn the most recent crisis into good entertainment. Blogs, in-depth newspaper reports, CNBC's wall-to-wall coverage, and several dozen nonfiction books have turned the players into too-familiar characters. Also, it's still too soon. The best and most enduring Wall Street entertainment hasn't been post-bull-market autopsies, but ripping bubble-era tales.[24]

Indeed, for Gross the wounds were too recent and raw.

However, the writer did call attention to a Broadway show that was opening that week: *Enron.* Though new to U.S. audiences, British playwright Lucy Prebble's drama

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[22] Financial Crisis Inquiry Commission, *The Financial Crisis Inquiry Report*, (New York: PublicAffairs, 2011), 339.
[23] Ibid., 389.
[24] Daniel Gross, "Enron on Broadway," *Newsweek*, May 3, 2010, www.lexisnexis.com, (Accessed May 23, 2011).

about the company had actually been playing in England for nearly a year. In an interview in London, Prebble acknowledged she was attracted to Enron as a subject because its style of business was "that most theatrical of entities, just a game, an illusion, a system of belief."[25] Prebble's script took a good measure of artistic license. Real life figures, such as Ken Lay, Andy Fastow, and Jeff Skilling, coexisted with fictitious characters, such as Claudia Roe, Skilling's nemesis and sometimes lover, who was based, in part, on Rebecca Mark, the head of Enron International and later Azurix in the 1990s. The script itself also blended well-known public statements from the executives with fictitious dialogue. More so than other works, the playwright tried to cast Skilling as a tragic figure – with his ambition as both his best and worst quality. However, the play's true thematic tension was between materiality and immateriality, embodied in the characters Claudia Roe and Jeff Skilling, respectively. Throughout the first half of the play, the characters vied for Lay's ear.[26] Here, however, the rivalry was distilled into a running debate about large industrial processes versus the symbolic analysis that Enron ultimately triumphed. One early scene found both Skilling and Roe describing their vision for the company. While Skilling favored a style of business "without ever having to deliver the gas or maintain the pipeline," a business that could be "just dealing in the

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25 Lucy Prebble, qtd. In Tim Adams, "'I hate to be told somewhere is out of bounds for women.' Enter Enron ..." *The Guardian*, July 5, 2009, http://www.guardian.co.uk/stage/2009/jul/05/lucy-prebble-playwright-interview-enron Accessed January 26, 2011.

26 In this detail, there was at least some basis in reality. Throughout the 1990s, the real-life Jeff Skilling and Rebecca Mark were professional rivals and both were heirs-apparent to succeed Lay as Enron's Chief Executive Officer.

numbers," Roe firmly asserted that the company "should be focusing on building more plants."[27]

Early on, Skilling explained to Roe his vision for the company, declaring: "[i]t's time to evolve again. We *have to*. *America doesn't have the natural resources anymore*. Not really. And that's good, that's fine. We have intellectual capital, and the best of it in the world."[28] In lines such as this, the actual phrases Skilling used such as "intellectual capital" helped establish the dichotomy between the two characters. During this piece of dialogue, Skilling even stated: "We should be coming up with new ideas. About everything. Employ the smartest people we can find. And have 'em free to look at whatever they want, free from the old assumptions about what a company is."[29] Here, the character Skilling perfectly described his fetishization of "smartness" and symbolic analysts. Claudia Roe's rejoinder, "Sounds like hippy talk to me," was cutting and to the point. In such moments, the playwright was unambiguous about postindustrial production – it was nonsense, though hardly without consequences. As the stage directions instructed one of the Raptors – monstrous creatures that stood as corporeal manifestations of virtual corporations that ultimately ruined Enron – to menacingly toy with Skilling, Claudia Roe worried that "something is happening to business. At the beginning of this century. Things have started to get divorced from the underlying realities."[30]

[27] Lucy Prebble, *Enron* (London: Methuen Drama, 2009), 17.
[28] Ibid. Emphasis in original.
[29] Ibid. 18.
[30] Ibid. 63.

In the play, this unreality of twenty-first century business had a direct effect on Skilling. One running motif throughout the play was Andy Fastow as sorcerer, creating new and ever more fantastical financial schemes that ultimately turn on their creator. In one particularly telling scene, one of the Raptors – the SPEs that Enron used to deal with exploding debt and failing assets – actually attacked Jeff Skilling. This metaphor may have been a bit heavy handed. On the stage, Fastow's "lair" was presented as a chaotic and mystical place where he created the structured finance vehicle LJM, which, in the language of the stage directions, "*has been designed literally and metaphorically to 'support' the level above it, Enron*."[31] Of course, the audience knew that this arrangement could only work for so long. The immaterial world of symbolic analysis would, by the play's end, come up against physical limits. At one point, as a panicked Skilling demanded that Fastow produce four billion dollars to shore up the suddenly cash-strapped company, Fastow complained: "This is all…this is *structured finance*. This is how it *looks*…I can't make real money just *appear*."[32] In Prebble's play, it was moments such as these that were meant to reveal the sophistry at the heart of postindustrial production – the remove from the "underlying realities" that Claudia Roe invoked. It was a point that Prebble returned to again later in the play. After the company has collapsed, and Skilling, Lay and Fastow were disgraced, Claudia Roe reappeared, and in an exchange with

[31] Ibid. 54. Emphasis in original.
[32] Ibid. 73. Emphasis in original.

Skilling, demanded to know: "Is it true, after it fell – the only part of the business with any worth at all was my division? The things you could hold?"[33]

Significantly, Prebble, as well as the original production's director, Rupert Goold, and English reviewers, took the subject to be distinctly American. As Goold was quoted in the London *Times* in early 2010, around the time a Broadway production was being developed, the United States was "built on liberty and avarice - or at least competition - and that is peculiarly American. A frontier kind of go getting attitude."[34] In Goold's telling, it was this national character trait that made an American company the only real choice for such a dramatic subject. The implication, of course, was that Enron's disaster was also an *American* disaster. In London, the play was a hit that seemed eerie in its timeliness.

In the United Kingdom, the context of the subprime mortgage crisis heightened interest in *Enron*. However, the play's reception once it came to New York was markedly different. In an early review for *The New York Times*, Ben Brantley savaged Prebble's creation. The reviewer noted that "British and American tastes don't always coincide," particularly "when the subject is American."[35] Yet Brantley did not stop at the idea that Americans simply preferred a different type of theater. Rather, the reviewer felt the play

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[33] Ibid. 108. Like much in Prebble's play, this was as removed from the truth as the business models the playwright mocked. If Claudia Roe was based on Rebecca Mark, her development project in Dhabol, India was a notorious disaster, as was her time as the head of Azurix, the water utilities company that was spun off from Enron.
[34] Dominic Maxwell, "The Smartest Play in the Room," *The Times* (London), January 7, 2010, www.lexisnexis.com, (Accessed May 23, 2011).
[35] Ben Brantley, "Titans of Tangled Finances Kick Up Their Heels Again," *The New York Times*, April 28, 2010, www.lexisnexis.com, (Accessed May 23, 2011).

failed to accurately dramatize the informational economy. The play's stagecraft, Brantley complained, owed too much to a vaudevillian tradition. In the play, money didn't "just talk. It s[a]ng[]. It dance[d]. It [put] on funny animal costumes. And of course it [blew] bubbles."[36] It was as if the production was struggling to find suitable visual metaphors for the informational economy. For Brantley, much like Enron itself, "the energy generated" by the play felt "factitious, all show (or show and tell) and little substance."[37] By his account, *Enron*'s theatrics did not articulate a critique of the informational economy's inconsistencies, but mirrored them. The subject matter was too complicated, which was the reason for Brantley's other main problem with the production. If the vaudevillian stagecraft failed, it was because the techniques themselves were overly complex parallels of the informational economy. On the other hand, Prebble's writing was "lucid to the point of simple-mindedness."[38] If Prebble's script ultimately looked back to "classical tragedy," that familiar schema was inappropriate for the sort of postmodern finance that Enron was involved in.[39] Though other outlets, such as *USA Today*, regarded the play as a morally serious treatment of "American excess," the play did not do well on Broadway, closing in less than three weeks.[40]

[36] Ibid.
[37] Ibid.
[38] Ibid.
[39] "Enron Dazzles as a Corporate Macbeth for the Modern Age," *The Evening Standard* (London), July 23, 2009, www.lexisnexis.com, (Accessed May 23, 2011).
[40] Elysa Gardner, "Exhilarating 'Enron' is Anything but Old News," *USA Today*, April 30, 201, www.lexisnexis.com, (accessed May 23, 2011).

Back in England, at least one reviewer described *Enron*'s ill-fated stint on Broadway as "shocking."[41] Michael Billington, writing in *The Guardian*, laid a large portion of the blame on what he saw as Brantley's "obtuse and hostile" review.[42] Billington reasoned that "a lingering suspicion of a young British dramatist's right to tackle a profoundly American subject" was partly to blame.[43] Tellingly, Billington characterized Prebble's play as a satire of "American capitalism."[44] Rather than being a global, international business that the company aspired to be, in this review Billington specifically saw Enron's business as an American one – much like Prebble and Goold had. The reviewer also disagreed with Brantley's dismissal of the play's vaudeville. For Billington, "the play's vaudevillian style" was a "visual embodiment of the dream-like illusion to which the Texan energy giant, and similar corporations, surrendered."[45] The English reviewer clearly saw the play's failure as a shame. At a time when Americans were "gripped by the story of alleged misdeeds at Goldman Sachs," Prebble's play called attention to the public's "complicity in financial bubbles."[46] For Billington, Enron offered the starkest example of the dangers embedded in late capitalism.

Perhaps it was inevitable that Enron would resurface as a referent in the midst of a much broader crisis. Indeed, in 2011 the liberal writer Thomas Frank declared that Americans were living in an "Age of Enron." The company's collapse, he wrote, was "the

[41] Michael Billington, "The Second Enron Scandal," *The Guardian*, May 6, 2010, www.lexisnexis.com, (Accessed May 23, 2011).
[42] Ibid.
[43] Ibid.
[44] Ibid.
[45] Ibid.
[46] Ibid.

starting gun for the modern age neoliberal scandal" - a list that included the shenanigans of convicted felons Bernie Madoff and Jack Abramoff, the BP oil spill in 2010, and, of course, the 2008 financial collapse.[47] For Frank, what united all of the scandals was deregulation as a general principle and the writer lamented the probability that there were more (and more spectacular) scandals to come in the Age of Enron. Frank was not hopeful about this new age. Summing up what he took to be the national mood, Frank wrote: "So let the next scandal ruin our neighbor, let it black out entire regions of the country, let it throw millions out of work – as long as we get a chance for our turn at the trough."[48]

However, Enron's collapse did not inaugurate a new era in global or even American capitalism. Rather, Enron's history neatly encapsulated the entire trajectory of the informational economy. Since the early 1970s, the geography of industrial production began to shift away from the U.S. and sectors that trafficked in information (such financial services) assumed a more prominent role in economic life. Likewise, a renewed faith in free markets and deregulation that worried Frank had begun decades before Enron's collapse. Still, in an era when all of these changes served to make capitalism more abstract and difficult to understand while simultaneously demanding an increased trust in its processes, Enron emerged as a rare concrete example of late capitalism's most troubling qualities. Because of its visibility in an otherwise abstract realm, the company became a vehicle for cultural expressions of outrage over undemocratic economic change

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[47] Thomas Frank, "Easy Chair: The Age of Enron," *Harper's*, August 2011, 7-11, 7.
[48] Ibid., 11

and injustice. Yet the confused politics in the public outcry over the company and its failure to produce easy answers revealed the ways in which corporations have assumed a large and ambiguous role in public life. Older cultural ways of understanding proved inadequate when trying to navigate through the informational economy. The cultural materials we need in this task may not have existed when Enron collapsed, but this does not mean that Enron was a lost opportunity.

Even as Enron is now synonymous with corporate deception, its history can be credited with revealing at least one truth – that economic and commercial activities are intimately bound to wider cultural currents. From the moment its business began to resemble many of characteristics of the informational economy, Enron entered the cultural realm. Enron's cultural production was intended to help it establish and sustain a political economic environment that would give the company every advantage it needed to amass a staggering amount of money. The message embedded in the company's cultural production was clear – that the Market would be good for everyone as long as it was left to proceed without any oversight or constraints. In Enron's telling, even the turbulence that would accompany this market was a desirable effect. Yet such a cultural element challenges the orthodox view of a self-regulating economic system that is somehow separate from other facets of social and political life. Rather, political-economic systems cannot be established or function without a great deal of cultural work. It is also through this cultural work that formerly abstract or invisible processes reveal themselves and can be challenged and protested. Perhaps this rediscovery – that the

Market is just as cultural, social and political as it is economic - will be the true legacy of the "Age of Enron."

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