On the rise and fall of Martha Stewart

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The thinking and humane observer of American life will take no particular glee in the downfall of Martha Stewart, the American businesswoman and multi-media advisor on everything for the home and garden. Her conviction March 5 on four charges of lying to the government, conspiracy and obstruction of justice over a stock transaction in December 2001 will probably earn her a short prison term and may very well bring about the dismantling of her media empire (books, television program, magazines), once worth more than one billion dollars.

Stewart's crime itself, by American corporate standards, was a petty one. Informed by a stockbroker that her friend Samuel Waksal was dumping stock in his own company, ImClone Systems (because the Food and Drug Administration was refusing to approve the company's cancer drug, Erbitux), Stewart apparently ordered the sale of her own ImClone stock. The government claimed that she then lied to federal prosecutors about the circumstances of the trade, which had saved her some $50,000.

It is difficult to see how social progress has been served or the world made a better place by her prosecution and conviction. Government officials are boasting that the case has proven that "no one is above the law," while the media suggest, in the pious words of a *New York Times* editorial, that the case will help ensure "the transparency of financial markets."

One is obliged to laugh out loud sometimes. As the *Times* itself reported on its news pages, Stewart was convicted on the basis of "a little-known law that has become a crucial weapon for prosecutors." The law, known as "1001" (due to the pertinent section of the US code) prohibits lying to any federal agent, even by a person not under oath and accused of any other crime. Stewart allegedly lied to FBI agents and investigators from the Securities and Exchange Commission. Commentators note that had she admitted knowing about Waksal's decision to sell, she might very well have gotten off with only a fine.

In reality, Stewart's conviction has implications for basic democratic rights that go well beyond her individual fate. The *Times* article continued: "'This 1001 law is really a remarkable trap,' said Harvey Silverglate, a criminal defense lawyer in Boston. People lie all the time to colleagues, friends and family, Mr. Silverglate said, and unless they are legal experts they probably do not know that lying to any federal investigator is illegal even if they are not under oath. And F.B.I. agents and other investigators usually do not tape-record their conversations, so people can be convicted of making false statements based only on an investigator's notes, which may not exactly reflect what was said."

As for lying to the FBI, under certain conditions such an action would not only be meritorious, but obligatory. The federal police agency, under the direction of that arch-enemy of democracy, J. Edgar Hoover, and his successors, has an unbroken record of provocations, illegal spying, frame-ups, anticommunist witch-hunting and outright murder (in the case of the assassinations of leading Black Panther leaders in the late 1960s).

Lying to officials of the Bush administration in particular? Really one would feel a little sheepish, an amateur in the company of such practiced and professional liars. The falsehoods repeated by Bush, Cheney, Rumsfeld and Co., however, are genuinely serious ones that have led already to the deaths of tens of thousands in Iraq and Afghanistan.

Nor will the Stewart conviction do anything to protect the virginal purity of US financial markets. Such an undertaking, one might suggest mildly, is a little late in coming. The US economy has been looted to the tune of trillions of dollars, much of it through insider trading, by corporate executives at Enron, WorldCom, Tyco, Halliburton and the rest, many of whom have the closest links to the present administration in Washington.

Stewart by all accounts is a fierce businesswoman, who has cut more than one corner in her career. One feels no need to vouch for the spotlessness of her record, but there have been no suggestions as of yet of criminal wrongdoing in the operations of her company, Martha Stewart Living Omnimedia (which unlike Enron did actually produce something, even if it was kitsch), nor did the case even involve that firm.

Given the present state of American economic and moral life it should come as no surprise that a certain section of the general population has greeted Stewart's "comeuppance" with pleasure. Increased economic insecurity has produced a politically amorphous but acute bitterness among such layers. "Someone ... anyone has to pay for this!" is the response of more than a few toward their own deteriorating or threatened conditions. At present this anger and resentment can be fairly easily manipulated by the media and directed against a host of targets. Stewart may be a multi-millionaire many times over, but one senses that some of those who would like to see "the book" thrown at her, would be equally elated to see some far less financially fortunate individual—perhaps an alleged sex offender or "welfare cheat" or "illegal alien"—suffer the same unhappy fate.

Vindictiveness of this sort is unlikely to contain any socially critical element. On the contrary, it is generally an extension of the same brutal, "dog-eat-dog" world and outlook that helped nourish Martha Stewart's least admirable traits as an executive. There is a cruelty in some of the responses to her case that is neither edifying nor attractive. Those calling for her blood, whether they know it or nor, are thereby affirming the ruthlessness of a system that routinely and inexorably grinds people to pieces as the by-product of the drive for profits. Such attitudes also contain more than a little envy and simply display the obverse side of the continuing fixation with celebrity in American life.

The notion that her punishment will serve as "a lesson to the bigwigs," as one juror apparently suggested, or that it represents a "payback" delivered by the "little guy" against the corporate elite in America, is an exercise in self-delusion. Rather Stewart is being thrown to the dogs precisely to create the illusion that authorities are "doing something" about corporate corruption so that better-connected thieves and parasites can carry on with their activities undisturbed. Anyone who imagines the Stewart case to be the start of a "clean-up" of corporate America ought not hold his or her breath.

In any event, the principal issue is not taking sides for or against Martha Stewart, but considering the social and moral forces that produced her and also brought about her undoing.

Stewart is something of a "Dreiseresque" figure, by which one means an individual, usually of humble origins, who pursues the American Dream conscientiously and relentlessly with almost inevitably tragic results.

Martha Stewart as a public personality self-consciously conjured up

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images of Connecticut “gentility” and gracious living. How appropriate then, how American, that she was born into a lower middle class Polish Catholic family in Jersey City and that her married name Stewart resulted from her husband’s non-practicing Jewish father having changed his last name in the 1930s. But the “Martha Stewart” image was not so much an attempt to defraud the public as it was a *collaboration* between Stewart and her admirers, in which the former was permitted to play the part of the perfect all-American hostess and homemaker, albeit with cozy, “ethnic” roots, while the latter were allowed to live vicariously through their idol and perhaps deceive themselves about their own possibilities.

By all accounts Stewart’s upbringing, as Martha Kostyra (born 1941), was not a particularly happy one. Her father, Eddie Kostyra, the son of Polish immigrants, was a frustrated, angry man, occasionally physically abusive, and her mother, also Martha, a rather sullen, backward woman. Eddie worked as a pharmaceutical salesman, always convinced apparently that he was destined for greater things and being cheated by life. A devout Catholic and American patriot (although he managed to avoid serving in World War II), he was strict and demanding with his six children.

Childhood friends of Martha’s describe the Kostyra household as stern and unwelcoming. Christopher Byron, in his *Martha Inc.*, points out that even in Stewart’s latter-day reminiscences of her father, sanitized though they are, there is “a subtext of aggression and control—authority and submission—in almost every ... scene and remembrance.” Byron writes, with some apparent basis in fact, that Martha Stewart learned behavior from a father who maintained control “by yelling and oppressing the most harshly, while insisting on undifferentiated and blind obedience as the expression of true love.”

Martha was apparently focused, determined and ambitious from an early age, with her eye set on leaving far behind the pinched, troubled existence in her family’s home in Nutley, New Jersey (to which they had moved from Jersey City). She told interviewer Oprah Winfrey years later, “I can almost bend steel with my mind. I can bend anything if I try hard enough. I can make myself do almost anything.” One has that sense of an individual propelling herself forward, grimly, toward a horizon that perpetually recedes from her.

Reportedly pushed by her father, Martha worked as a model in New York City while still in high school, and enjoyed some success. A conscientious rather than a brilliant student, she attended Barnard College in Manhattan, meeting her future husband, Andy Stewart, as a freshman. Her only child, a daughter Alexis, was born in 1965. Three years later she went to work on Wall Street, where she had some success as a “go-getting” stockbroker for a small firm. During her years as a broker she and her husband moved from New York to Westport, Connecticut, purchasing an abandoned six-room farmhouse which was later to loom large in her legend, as the setting for her adventures in elegant living.

Stewart began a catering firm a few years after moving to Connecticut in 1972. After six months she had a falling out with her partner—a recurring theme throughout her business life—who accused Stewart of booking jobs behind her back and hoarding the profits. Stewart also opened a retail store, which also produced its share of controversy, and wrote a column for *House Beautiful*. The first of her enormously successful books, *Entertaining*, appeared in 1982. Critics griped that some of her recipes had been stolen from other cookbooks, but, as Byron notes, *Entertaining* “wasn’t actually a cookbook at all, but a celebration of a certain kind of tinselly, nouveau-grandeur that was seeping into American life as the 1980s began.”

These were the Reagan years. Sections of the middle class, having discarded their social activism of the previous decades, settled comfortably into self-involvement. Stewart’s audience came less from these layers, however, than from those immediately beneath them, lower middle class and working class women, who “picked up a copy of *Entertaining* and were instantly transported into the make-believe world where they’d always wanted to be—where the sun shone brightly through the panes of streak-free windows ... where fresh fruits and flowers sat next to pitchers of iced tea ... where men came to lawn parties dressed in suits and ties, and the women could prepare a lobster dinner for fifty and never break a sweat.” (*Martha Inc.*)

Catering to this fantasy, indeed its congealed human expression, Martha Stewart became an industry. In 1987 she signed a deal with retailer Kmart that ended up netting her a great deal of money. Her regular appearances on the *Today* show on NBC made Stewart a household name. *Martha Stewart Living*, the magazine, appeared in 1990, to a remarkable reception. Her personal life, however, deteriorated. Her quarter-century marriage came to an unhappy and public end in 1987; she has never remarried

In 1993 Stewart broke into television. When television executive Richard Sheingold saw her first proposed pilot, he was aghast. Here was the hostess going on about the best time of day to cut roses! Confronting Stewart, Sheingold told her, “The people in the cities where we have to sell this show are in urban environments. They’re working class people. These people don’t even *have* gardens.” Stewart replied coolly, “Yes, but they want them.”

By 1996 *Martha Stewart Living*, the syndicated television program, was carried by 182 stations, covering 97 percent of the US. During that spring Stewart’s show was the most popular women’s program on morning television, with one in ten television sets in the country tuned to it. Stewart’s name appeared in the news more frequently than any other woman’s except the wife of the president, Hillary Clinton, and talk-show host Oprah Winfrey. By 2001 she was only second to Queen Elizabeth of England as the most written about woman in the world.

Highly focused, obviously skilled at marketing, Stewart was also one of the wealthiest businesswomen in America. When she took her new corporation, Martha Stewart Living Omnimedia, public in October 1999 she commanded a net worth of more than one billion dollars. By this time Stewart, who claims to need only a few hours of sleep a night, was maintaining a hectic worldwide schedule. No one has ever accused her of sloth.

Stewart’s will of steel proved defenseless in the end, however, against the objective vicissitudes of capitalist economic life. Byron suggests in his book that the collapse of the dot.com stocks and the subsequent decline in the stock market that began in the spring of 2000 changed the atmosphere on Wall Street and Washington and helped launch “the hunt for a scapegoat.”

Stewart somehow fit the bill perfectly. Although individually powerful and wealthy, she was still something of an outsider in the financial and political world. She had made more than her share of enemies “on the way up.” While a tough negotiator and organizer, now dealing with projects worth tens of millions of dollars, she retained more than a little bit of the small shopkeeper mentality, unable to part with any money already in her grasp.

Without stretching the point, perhaps economic realities took their toll in another fashion. The sharp increase in social inequality and the general harshening of life in America may have meant that the Stewart persona and social role—always quasi-fictitious at any rate—as the interpreter, the mediator of gracious living for the masses, had run their course. She was a leftover in many ways from the Clinton years.

The incident that brought about Stewart’s downfall had its own “Dreiseresque” quality.

Warned that the value of Waksal’s company shares would tumble, Stewart made a thoughtless, stupid decision, eventually risking her billion-dollar empire for a paltry $50,000. Then, in keeping with the tragic and ridiculous character of the act, she first asked her assistant to change the message in her computer phone log—to conceal the fact that a stockbroker had alerted her to the impending plunge of ImClone shares—and

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subsequently asked her to change it back.

One thinks of Hurstwood in Dreiser's *Sister Carrie* in front of the open safe containing $10,000 in cash. The author writes:

"'Why don't I shut the safe?' his [Hurstwood's] mind said to itself, lingering. 'What makes me pause here?'" Hurstwood walks away, comes back, takes the boxes of money out of the safe, then puts them back again. "He took out the drawer again and lifted the bills. They were so smooth, so compact, so portable. How little they made, after all. He decided he would take them. Yes, he would." But Hurstwood suddenly considers the consequences. "Think of what a scandal it would make. The police!" He tries to put the money back into their two boxes, but mixes up the amounts. He takes the boxes out again. "While the money was in his hand the lock [of the safe] clicked. It had sprung! Did he do it? He grabbed at the knob and pulled vigorously. It had closed. Heavens! he was in for it now, sure enough."

The character is doomed at this instant. In the final analysis, it is the brutality and ferocity of social relations in America that makes these thoughtless moments so irrevocable.

Stewart has become the latest victim of her own system, the one she believes in so fervently. The same dehumanizing social order that smiled on her at one moment frowned on and discarded her the next. There is a tragic dimension to her downfall.

One's objective hostility to the ruling elite and their social role is not lessened one whit by acknowledging that the rich are generally not made happy by their wealth. It may not come as earthshaking news, but recent research conducted by University of Rochester professor of psychology Richard Ryan and colleague Tim Kasser, among others, reveals that Americans who place financial success at the center of their lives score high on scales of depression and anxiety, and lower on measures of vitality and well-being.

In his brilliant *The Soul of Man Under Socialism*, Oscar Wilde took note of the fact that the system of "Private Property" had a crushing effect on those it financially rewarded. He observed that "The industry necessary for the making of money is also very demoralising." Wilde continued: "One's regret is that society should be constructed on such a basis that man has been forced into a groove in which he cannot freely develop what is wonderful, and fascinating, and delightful in him—in which, in fact, he misses the true pleasure and joy of living. He is also, under existing conditions, very insecure. An enormously wealthy merchant may be—often is—at every moment of his life at the mercy of things that are not under his control. If the wind blows an extra point or so, or the weather suddenly changes, or some trivial thing happens, his ship may go down, his speculations may go wrong, and he finds himself a poor man, with his social position quite gone."

Such a man or woman is slave to his or her social position and wealth. A remarkable episode, worthy of Dreiser or Orson Welles's *Citizen Kane*, seems to sum up Stewart's situation. The day that Stewart's company made its entry onto the stock market, she was invited to the home of magazine editor Tina Brown. At the door Brown greeted the new billionaire, "How are you doing?" Stewart replied simply, "I'm rich," and walked in. Now, one suspects, in much of America's eyes and probably in her own, she is nothing.

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