

pressure had been able to stop. And indeed, it needed to stop: in 1976 the average CEO was paid 36 times as much as the average worker. By 1993, the average CEO was paid 131 times as much.

But guess what happened. Once salaries became public information, the media regularly ran special stories ranking CEOs by pay. Rather than suppressing the executive perks, the publicity had CEOs in America comparing their pay with that of everyone else. In response, executives' salaries skyrocketed. The trend was further "helped" by compensation consulting firms (scathingly dubbed "Ratchet, Ratchet, and Bingo" by the investor Warren Buffett) that advised their CEO clients to demand outrageous raises. The result? Now the average CEO makes about 369 times as much as the average worker—about three times the salary before executive compensation went public.

Keeping that in mind, I had a few questions for the executive I met with.

"What would happen," I ventured, "if the information in your salary database became known throughout the company?"

The executive looked at me with alarm. "We could get over a lot of things here—insider trading, financial scandals, and the like—but if everyone knew everyone else's salary, it would be a true catastrophe. All but the highest-paid individual would feel underpaid—and I wouldn't be surprised if they went out and looked for another job."

Isn't this odd? It has been shown repeatedly that the link between amount of salary and happiness is not as strong as one would expect it to be (in fact, it is rather weak). Studies even find that countries with the "happiest" people are not among those with the highest personal income. Yet we keep