

MEN, MONEY AND MORALITY

– a creative approach

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Caux Industrial Conference

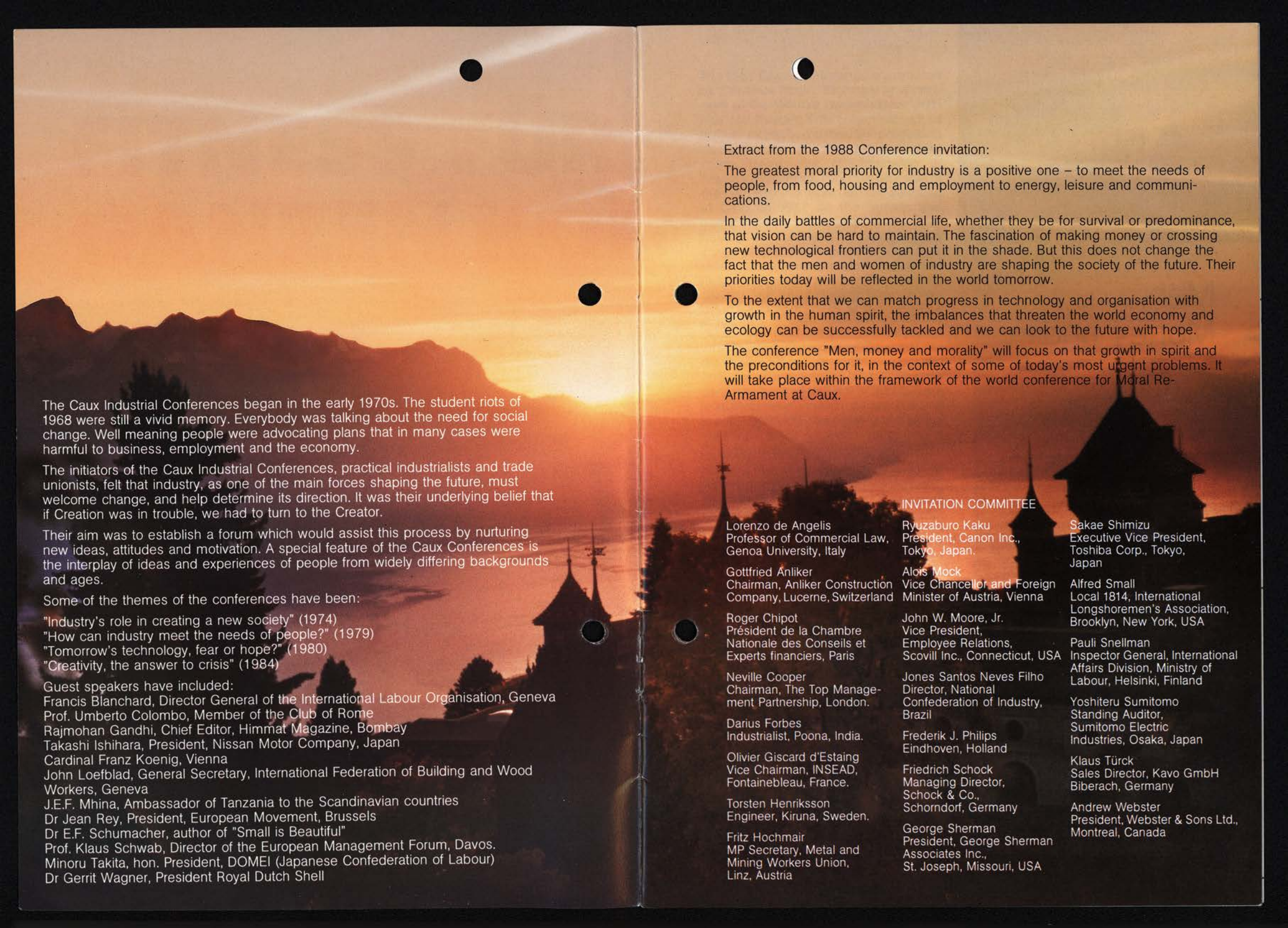
24–28 August, 1988

REPORT



CAUX

14th Industrial Conference at Mountain House
Conference Centre for Moral Re-Armament
Caux, Switzerland



The Caux Industrial Conferences began in the early 1970s. The student riots of 1968 were still a vivid memory. Everybody was talking about the need for social change. Well meaning people were advocating plans that in many cases were harmful to business, employment and the economy.

The initiators of the Caux Industrial Conferences, practical industrialists and trade unionists, felt that industry, as one of the main forces shaping the future, must welcome change, and help determine its direction. It was their underlying belief that if Creation was in trouble, we had to turn to the Creator.

Their aim was to establish a forum which would assist this process by nurturing new ideas, attitudes and motivation. A special feature of the Caux Conferences is the interplay of ideas and experiences of people from widely differing backgrounds and ages.

Some of the themes of the conferences have been:

- "Industry's role in creating a new society" (1974)
- "How can industry meet the needs of people?" (1979)
- "Tomorrow's technology, fear or hope?" (1980)
- "Creativity, the answer to crisis" (1984)

Guest speakers have included:

- Francis Blanchard, Director General of the International Labour Organisation, Geneva
- Prof. Umberto Colombo, Member of the Club of Rome
- Rajmohan Gandhi, Chief Editor, Himmat Magazine, Bombay
- Takashi Ishihara, President, Nissan Motor Company, Japan
- Cardinal Franz Koenig, Vienna
- John Loeffblad, General Secretary, International Federation of Building and Wood Workers, Geneva
- J.E.F. Mhina, Ambassador of Tanzania to the Scandinavian countries
- Dr Jean Rey, President, European Movement, Brussels
- Dr E.F. Schumacher, author of "Small is Beautiful"
- Prof. Klaus Schwab, Director of the European Management Forum, Davos.
- Minoru Takita, hon. President, DOMEI (Japanese Confederation of Labour)
- Dr Gerrit Wagner, President Royal Dutch Shell

Extract from the 1988 Conference invitation:

The greatest moral priority for industry is a positive one – to meet the needs of people, from food, housing and employment to energy, leisure and communications.

In the daily battles of commercial life, whether they be for survival or predominance, that vision can be hard to maintain. The fascination of making money or crossing new technological frontiers can put it in the shade. But this does not change the fact that the men and women of industry are shaping the society of the future. Their priorities today will be reflected in the world tomorrow.

To the extent that we can match progress in technology and organisation with growth in the human spirit, the imbalances that threaten the world economy and ecology can be successfully tackled and we can look to the future with hope.

The conference "Men, money and morality" will focus on that growth in spirit and the preconditions for it, in the context of some of today's most urgent problems. It will take place within the framework of the world conference for Moral Re-Armament at Caux.

INVITATION COMMITTEE

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Chairman, Anliker Construction
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André Tobler

Men, Money and Morality

Opening session

André Tobler, Industrialist, Lausanne, speaking on behalf of the Caux Industrial Committee.*

"The US Secretary for Education, Bennett, a Harvard graduate, criticised in a message to his Alma Mater on occasion of its 350th anniversary, the over-emphasis in education of material efficiency and the absence of spiritual and moral awareness. He chided the overriding interest in cash. His message has led to a review of educational programmes.

"Love of money is at the root of corruption. A Mexican with whom I discussed this problem, told me, 'Do not worry: the money for this road has been appropriated. There will be a road. Perhaps of poor quality, but that is better than in Cuba where money is voted, but the road does not happen.' In the West we criticise Third World corruption. But our recent history of public and business scandals is not encouraging.

"The indigenous bearers of a scientific research expedition in the virgin Amazon forest showed different values. To the bewilderment of their employers they refused one day to work after 12 days of excellent service saying, 'Today we cannot work: our souls have not caught up with us.'

"Even if practical life is not so simple, the moral standards which are central in Caux can be useful, even necessary. Without a firm and clear moral basis there can be no politically and economically healthy society."



Bishop Jorge Mejia greets his compatriots in Caux, the architects Jorge and Eulalia Saraco from Buenos Aires

The 1987 Caux Conference was visited by Cardinal Roger Etchegaray, President of the Vatican Commission "Justice and Peace". This commission had in 1986 published a thought provoking document on the international debt crisis. Under the chairmanship of Francis Blanchard, Director General of the ILO, a round table debate was held at Caux in 1987 on the human and moral aspects of this debt crisis. Continuing this dialogue in Caux, Bishop Jorge Mejia, the Argentine Vice President of the Commission "Justice and Peace", attended this year's industrial conference. The following is an extract from his contribution at the opening session:

"The time is past when the terms 'economics' and 'ethics' denoted worlds apart and met only to collide. There is in business circles a search for a wider social and moral responsibility. Proof of that is the way our document on the international debt has been received there. In the Church there is also greater understanding of the special demands of industry and an awareness that business people sometimes do their work with an amazing sense of Christian calling.

"The human ideal is to seek unlimited wealth. The Christian ideal is to limit oneself to need in order to have a freer heart to follow Jesus Christ.

"The Bible seems to reject money, using the Aramaic word 'Mammon' which means 'money' or 'profit', as an iniquity. We are asked to choose between God and the Mammon. But when we study the context, it becomes clear that the evil is not in the money, but in the use men make of it. Money is an instrument, a means.

"It also says that it is easier for a camel to go through a needle's eye than for a wealthy person to enter the Kingdom of God. Does that mean that not only wealth, but also the rich themselves are condemned, that we have to choose between Christ and worldly possessions? No, there are disciples who were and are rich and

others that have renounced all. Wealth becomes a problem if it blinds and binds and makes indifferent. We will be judged according to our response to other people's suffering.

"I believe that the Christian attitude can help give real meaning to business life. Technology has handed business the means to ever greater efficiency. It is good as long as the ultimate standard remains one of humanity. We need, therefore, to apply objective standards which go beyond business rationality, profit and business sense.

"And of course, moral standards cannot exist separate from the religious reality stemming from Faith."



Isamu Sakamoto (Sumitomo Elect. Co), H. E. Susumu Matsubara, Japan's ambassador in Bern and Olivier Giscard d'Estaing, Vice-Chairman INSEAD, Fontainebleau

* Throughout this report direct quotations are used when presenting the actual words spoken or an accurate translation or abbreviation of them.

Japan - USA - Europe

When in 1986 Japan's overwhelming export success began to produce hostile headlines in the European and American press, Dr Frederik Philips of Eindhoven, Holland and Olivier Giscard d'Estaing, Vice Chairman of INSEAD at Fontainebleau, France initiated a round table dialogue at Caux of top business executives from Japan, America and Europe. "The purpose of the round table," reported The Japan Times, "was to begin working as a catalyst in a conflict-ridden world." The Caux Round Table has met three times in Caux and also in Japan and in the USA. The sessions have been private, involving 20-30 business leaders.

Several participants stayed on at Caux to lead a meeting of the Industrial Conference 'Men, Money and Morality'. It was chaired by Dr Gerrit Wagner.

Dr Gerrit Wagner, former Chairman of Royal Dutch Shell:

"We believe that the beginning of any improvement should start with people. If you want to change the world, you should start with yourself. And we have to live

what we preach. We have been talking about the US-European-Japan relations and about '1992'. Our three 'blocks' are not alone on this planet. The largest part of humanity was not present at our Round Table. This faces us with a common responsibility.

"We are not politicians. Our job is economic. It is to create wealth and welfare. We want more people to enjoy this. And our contribution is being a catalyst. We can give a message of improvement and change. We can give a vision. Others will carry it out. We want to inspire. Perhaps this is presumptuous, but without ideals there is no hope."

Dr Rita Ricardo-Campbell, economist at the Hoover Institution at Stanford, California:

"The theme of this conference 'Men, Money and Morality' would suggest that it is a men's conference. Perhaps a more inclusive title might have been: 'Women, Work and Wonderment'. If companies do not employ women on an equal footing with men, they lose money, because it is a waste of available resources.

"The businessman is the organiser of



The Caux Round Table panel addressing the Industrial Conference. From left to right: Dr Gerrit Wagner (NL), Dr Rita Ricardo-Campbell (USA), Isamu Sakamoto (J), Sakae Shimizu (J) and Rinaldo Brutoco (USA)

scarce resources. He aims at the best return for the best effort. Unethical business, including misleading advertising, is in the long run bad business.

"I prefer taxation to legislation to get business to act rightly, for instance regarding the ecology. If they have to pay, they will take heed."

Isamu Sakamoto, Senior Adviser and Former President of Sumitomo Electric Company, Osaka.

"The key to Japan's export success is her quality. 'Made in Japan' used to stand for shoddy quality. Now this has changed. How? It is because the hidden treasure in man has been discovered. As pupils of the American efficiency expert Taylor, and others, Japanese industry considered her workers just extensions of machines. Then, after the war, the remarkable innate creativity and capacity of innovation of the ordinary Japanese worker was discovered and mobilised."

Sakae Shimizu, Senior Executive Vice President of Toshiba, Tokyo:

"Toshiba has a long standing relationship with Caux. It is 38 years ago that the first delegation came to Caux. It was never forgotten that, after the war, Japanese were warmly accepted here.

"For twelve years we have been sending annually labour-management delegations.

"Japan is industrially successful, but our social infrastructure (housing, distance

home-work) remains poor.

"We have realised that we should not only export, but also conduct direct investments in other countries.

"During their long history, the Japanese developed an ethical code rooted in empathy. My concern is that, in the process of transforming Japan into an advanced industrial society, we may, to some extent, have been distracted from this code, and become more self-centred and less devoted to achieving a true community."

"At Toshiba, our new in-house slogan, 'Committed to People, Committed to the Future', expresses our resolve to re-focus on ethics and the value of community. This means, as Frank Buchman has said, starting with ourselves."

Rinaldo Brutoco, Chief Executive, Dorson Corporation, San Francisco, California:

"Bishop Mejia referred in the opening address to the parable of the needle's eye. It is my favourite, because it reminds me of what I saw in the city of Medina in Morocco: a gate, called in fact Needle's Eye, leading to the market place. It was so low that loaded camels, as I saw myself, had to stoop to their knees and waddle through. So, unless one, involved in the world of material things, is humble enough to go down on one's knees and be very humble about our task, one will not be a rich man that can enter the gates of heaven. (continued on page 12)



The Caux Round Table during its third session (1988)

The Heart of the Matter

Plenary sessions were preceded by informal meetings where people discussed personal beliefs, attitudes and experiences. Themes like "People can change", "Balancing personal and professional life" and "Inner resources" were dealt with, focussing wherever possible on practical experience.

Because of the personal nature of these contributions, we will not use names.

An American graduate:

"I wanted to look up to my three year older brother, but I could not because in the eyes of the family he was a failure. I resented this. And I radiated to him my bad view of him. Our relationship changed completely when I began to appreciate him. Suddenly I saw that I was a conformist, whereas he had the guts to be independent. This change of attitude in me, which was at least 50 pct. of the trouble, has changed my brother too. He is now engaged, completing his training and finding a job."

A Central American Lawyer:

"I barely escaped an attempt on my life. With my family I moved into exile. We hated the military, the people that had done this to us. At an MRA conference I saw that hate was not going to bring a solution. God gave me the strength to forgive. Now I am trying to understand the other side. We can change ourselves and build bridges of understanding."

Senior Naval Officer:

"It was here in Caux that I discovered, many years ago, the value of listening for God's guidance as a basis for our lives. Some time later, friends who were staying with us, asked me whether I had ever been completely honest with my wife. After some struggle, I decided to do this. It has introduced a new element into our relationship.

My wife has a job. I have one. It needs working out to find the balance between our work and our family which consists of three adolescent sons.

We have discovered that educating children is more giving an example than saying words. We have learned that

neither I nor my wife, but God is the boss at home. One of our children told us this."

An executive:

"What has kept our marriage going all these years is our agreement that we would listen to God when we did not want to listen to each other.

"We had also agreed to be honest about everything. But I told only things that I considered important. I kept some things from my husband that I thought would



Volunteer help, often with considerable professional experience, runs the restaurant and hotel side of the Caux centre

hurt him or that I was particularly ashamed of.

"Recently I have begun to go through my life and assess the cost to my husband and step-children. As soon as I did this God showed me more truth about myself. The most difficult part was to face my own basic character. I was afraid my husband would not love me if I told him these things. The opposite has proved true. Now, after nine years of marriage, I have

experienced what real freedom is. I had expected too little from married life!"

A Japanese executive:

"When somebody asked me about how I was balancing business and home life, I had to admit that my life was very unbalanced. What has, however, brought change to my home, has been this discovery: My daughter is now grown-up and this started me thinking about what kind of husband I wished for her. The thought struck me: Never one like you who neglects wife and family so much. This realisation has made me act very differently."

A French manager:

"I had been doing very well and was promoted to another plant. Due to circumstances completely outside my control, that new plant was closed down and I had to work under people who had been my subordinates. It took a lot to overcome my sense of humiliation and bitterness. What helped me was to accept this reverse as if it had been God's will. The fellowship of others has also helped me a great deal."

An industrialist:

"I lived on my own inner resources. When I was almost fifty they ran out. In my work I was confronted with the drama of international debt. I felt inwardly disturbed. It is a terrible sensation, but it is the road to true happiness. Like the shell of a lobster, my shell of self sufficiency had to be broken in order to allow growth. I said to God, 'I am not sure you are there, but if you are, show yourself'.

"He has taken hold of me and of the things I was doing. My personal and my family life changed.

"There is for everybody a little corner where we are called, in our job and elsewhere. It is not always obvious. Each of us has a calling just as Mother Teresa of Calcutta has.

"Of course we have to continue changing. The lobster is always building up a new shell. The secret is prayer. Not just looking at ourselves, but to the Lord who is the true inner resource."



Kiran Gandhi, Indian executive, in conversation with Steven Sibare from Zimbabwe who runs a training centre in his country

Economic and human development

"Development" has long been a fashionable word. We talk of developed and less developed countries. But what is development really?

Darius Forbes, General Manager of J.N. Marshall, a machine tool factory in Pune, India:

"We have in Pune one of the fastest growing slum cities in Asia. Visitors come and visit that slum. Many of them share with us their amazement as to how happy the people in that slum appear to be. How do material development and human happiness relate?"

"India with her 800 million people is not a welfare state, so a company like ours assumes part of that responsibility. We care for our employees and their dependants, and do what we can for the slum dwellers in the community near our factory. That means about 55,000 people. Many of the 7,000 other companies in our area provide the same facilities."



"Development requires money. But if people believe in something they put their money in it. So money rarely is the real impediment to development."

Kiran Gandhi, Human resources specialist from Pune, India

"What is true development? I have a car, a house, a good job and status. But am I happier than when I had a one bedroom flat and motor cycle? My wife often says that she wishes I would be a clerk; I then would have more time for her and the kids."

"I feel what impedes our fullest development is the human factor. Take addiction: habits, alcohol, gambling, drugs. When these are tackled, it yields amazing results. For example, two workers who attended the MRA Industrial seminars in Panchgani, gave up alcohol. As a result, their job availability and productivity went up."

"They influenced a lot of their colleagues. Among them some of what we call harijans, untouchables. Many of them were in deep trouble with alcohol. They changed. It improved living conditions in their settlements. Family relations improved. They

Arnold Smith, former Canadian cabinet minister who was Secretary-General of the Commonwealth



started helping others of their community to get jobs. All this started with giving up compulsive habits."

"Poor relationships also get in the way of development. I have known a village that was divided in two rival camps. The tussle between the two made all aid agencies shy away. One man changed, first putting things right with his wife, then with his political opponent. When the two camps started working together, they achieved in one year more than in 30 preceding years."



Luiz Pereira, construction worker, Rio de Janeiro:

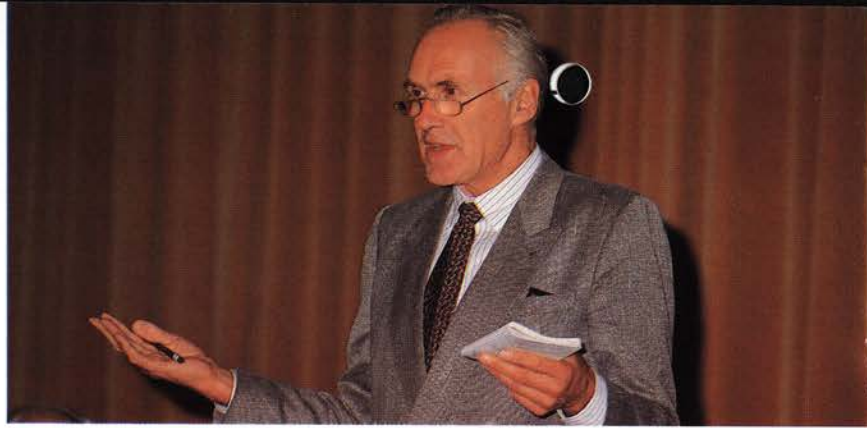
"My family and I migrated, in search of work, from the North East of Brazil to Rio de Janeiro. There the only place to stay for us was a favela (slum). Soon I became leader there. The authorities considered me a radical. Portworkers put us in touch with new ideas, ideas of Moral Re-Armament: that real change starts with oneself."

"I had to face that I was a democrat outside the home and a dictator inside. After I put this straight with my wife, I became a radical and effective man. We went through lots of hardships. Armed gangs tried to evict us. One day an idea struck me. I consider it to be guidance from God. When we acted upon it, it led to resettling our community in proper housing blocks."

"But though I myself have moved out, I still feel responsible for the favelado communities. We are keeping in touch with their leaders, sharing our experiences and helping them in the solution of the many problems that confront them, like eviction, mafia, drugs and crime."

American economist Chris Barrett with Luiz Pereira, construction worker and slum town leader from Brazil. Barrett described how ethical standards are having an effect on banking attitudes.

Pauli Snellman,
Ministry of
Labour official,
Helsinki



Employment

Pauli Snellman, Chief Inspector International Affairs in the Ministry of Labour of Finland and Chairman of an OECD subcommittee on local employment initiatives:

"The OECD countries have an unemployment rate of 8,5%, meaning 31 million unemployed, but there are substantial differences within this. The USA have created 30 million new jobs since 1970. The EC has lost one million. The US secret is mobility and flexibility.

"Japan has only 3% unemployment. What is their secret? Japan is not flexible in the way the US is; workers stay with the same employer. There the worker is flexible in what work he accepts and what he is willing to earn. Industry is flexible in responding rapidly to a changing market, adjusting production to fit the workforce. Also the workers are generally better educated than their western colleagues.

"The socialist countries that constitutionally guarantee jobs to their citizens are in grave economic trouble. They have to restructure, which will substantially reduce employment levels.

"Sweden has done well too, with only 1,7% unemployed. She has a powerful private sector, and the government is tackling unemployment. There are devoted people working on it and they are producing tailor-made solutions.

"Our solutions have often unintentionally turned out to be harmful for the Third World. Their debt burden is growing tremendously.

"How to rekindle enthusiasm to tackle this problem of unemployment? Individual attitudes will have to change. Things start moving where there is initiative and drive. I have decided not just to leave it to my minister. I should speak out when I have a conviction. Here I have to overcome hesitation – speaking out can harm your career. Some of my colleagues have called me stupid. But I have done it."

Brutoco (continued from page 7)

"I believe that ethics are not perceived by faith, but by intelligence. Ethics are smart business.

"The Japanese postwar success is due to the fact they have been good learners, selecting the best available in the way of knowledge and information. That is humbling. To be a good learner you have to be willing to get down on your knees, like a good camel. Most of my problems derive from my inability to get down on my knees.

"More and more businessmen are asking themselves questions: What do we do in order to make profits? How do we do it? What is the balance between profits and human values?"

Technology

Dr K. Teer, lecturer at the Technical University in Delft, Holland; formerly head of the Philips Physics Laboratory:

"Technology surprises, is unpredictable and irreversible. Technological and social changes start with thinkers like Owen, Rousseau and Luther. Their ideas take shape through organisations and movements.

"If they are realised, they mean on the one hand more comfort and emancipation for people. Consequently, the happy few have become the happy many.

"On the other hand, they produce frictions. They also have adverse effects like pollution or reallocations in industry, leading – at any rate temporarily – to loss of jobs.

"Only 2–3% of the GNP of industrialised

countries goes to Research and Development. Six million people work in this branch. Seeing the close collaboration between them, their influence is considerable.

"In the early seventies technology was reaching the ecological limits of growth. Now we are facing new limits in education, public health, employment, welfare and crime. There are no panaceas.

"Something can be done: There can be a reassessment of government control, work and education.

"There is scope for 'inter-institutionalisation'. That is to say better communication between science, sociology, politics, big and small enterprises. Just as individuals have had to learn to 'communicate' better in order to work things out, so do institutions."



Dr. K. Teer, lecturer at the university of Delft, the Netherlands and former head of the Philips Physics Research Laboratory in Eindhoven

Elements of a creative approach

Introducing the final session of the Industrial Conference, **Paul Gundersen**, Industrial Consultant from Finland, said:

"There is a lot of talk about morality today. People appear to say: How moral must I be to ensure success?"

"But there is a deeper level of morality than only the question of right or wrong. It is the kind that springs from a new driving force. It comes from the initiating spark that grows in a pure heart. It results, I believe, in three forces that can shape our approach, in an aim that many can share, in motives that can be freely exposed and in a heart with enough space to think for the maximum contribution of the other person.

"In order to deal with the real world you have to deal with the real forces that run people. Cynicism is the number one killer of creative initiative. A community leader faced with closure of a mine and mass unemployment whom I said this to, answered: 'I had not thought of that. That is where we need to start.'

In the afternoon discussion groups in English, French and German gave participants a chance of debating further the themes raised at the plenaries. There was a special discussion group on the international debt around Bishop Jorge Mejia in which bankers and Third World participants took part

"To build on a solid foundation, we have to start with reality. First about ourselves. Like others from industry I discovered here in Caux the secret of listening in the early morning to the source of ultimate wisdom. It brings inner peace. That is half of the victory. Every businessman confronted with conflicting interests, knows how much that means. It also helps to clarify priorities and motives, to reject what needs to be rejected and gives the courage to stand up for our convictions.

"There is the temptation to take the easier road. Man is past master at fooling himself. Therefore unchangeable standards are essential in professional life. When you are inwardly free, you begin drawing on God's infinite sources and your vision expands. The needs of the world, including the suffering part of it, become reality and a personal concern. When you step out, accepting a task that is beyond your own strength, it is then that faith is born."



The evening programme included theatre. Here a scene from the play "Liberation" by Hugh Steadman Williams

Nigerian women sang and danced during an evening to which different nations contributed



A chorus adds melody to the programme

Olivier Giscard d'Estaing addresses, as one of the initiators, the closing banquet of the Caux Round Table



Informal talk is an important component of the day's programme



A jazz band from Schorndorf in South Germany brightened everyone's spirits



Jean-Loup Dherse





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