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EAGLE FEATHER RESEARCH NEWSLETTER

VOL II, NO. 5, MAY, 2009

Welcome, Willkommen, Bienvenue, Bienvenidos, Benvenuto. Welcome to our May edition of our newsletter. Here we focus on the two approaches to free market capitalism from the two top economies of the world: U.S. and Japan. The remarks by Kazuo Inamori, founder of Kyocera, a Japanese maker of products ranging from cell phones to ceramics with an annual income of \$13 billion are well worth noting. While agreeing that capitalism was able to bring unknown levels of prosperity to humankind, it is the same that brought an unprecedented world wide recession. What were the main causes? It was the unlimited desire to earn more profits and live more affluent lifestyles. Financial institutions launched new instruments, such as derivatives, using advanced mathematics and statistics. They created enormous profits by leveraging funds that were 10 times larger than their assets. The resulting recession thus was caused by the excesses of capitalism brought about by greed.

Kazuo Inamori thinks that companies must be maintained so that it can grow for the long term and not short term profits as is the case with U.S. capitalism. It does not mean an abandoning of a laissez-faire roots but temporary government intervention that is needed to level out the mistakes. However, if the desire for excessive profits becomes an incorrigible habit of corporate America, then government is the only instrument to bring about correction and balance. Inamori thinks we must use the wisdom of humankind to modify the current form of capitalism into a more moderate version. He believes that we need to seek profits supported by sound ethics and a strong sense of morality. From the Eastern viewpoint, profits should be pursued for the good of society and not only for one's self. There is the principle of "enough is enough", that one's greed should be contained. He thinks that the free-market economy will move in a better direction if people were to share such values. Inamori has a management school called *Seiwajyuku* that teaches altruistic capitalism. Altruism will bring a company the right profit and long term growth. Business leaders must keep their own compensation reasonable and manage business with altruism, i.e. earning reasonable profits through modesty, not arrogance and taking care of employees, customers, business partners and all other stakeholders with a caring heart. He believes that it is time to question corporate CEOs of the capitalist society; they need to be seriously questioned on whether they have these necessary qualities of leadership.

While Americans use the rationale of deserving high compensation because they brought in enormous revenue for the team, Inamori states categorically that profits are created not by the top echelon of the

company but many levels of management. He thinks that we should possess the consideration and humility to provide all employees who work for the company with appropriate shares of the gains. That is lacking in today's capitalism or free market economy and its absence is responsible for the growing disparity, discrimination and injustice in society. Finally, he believes that this limitless expansion of human desire brought about capitalism and materialism is the greatest threat to the environment. There is a limit to the amount of food and energy on the planet. It is impossible for humankind to prosper on this planet indefinitely under the current form of capitalism. The time has come to fundamentally rethink how nature and living beings can coexist and live symbiotically within the limited space of our planet.

This recalls some lines from the poetry of Abelardo (Lalo Delgado) also seen as the grandfather of Chicano literature: work entitled *Uncles Die* "...perhaps uncle Sam/ having lived almost two hundred years/ is ready to lay down and die.../ will it be suicide?/ drowning?/ ptomaine?/ indigestion from too much profit / or too much government / or the inability to grow / its own blood?/ Will the cycle of life and death / be historically fulfilled/ once more/ where out of / uncle Sam's worms and dust/ a flower will grow?/ Yes, uncles die/ while I fly through a cloudy sky."

In "The Republic," Plato's brother Glaucon tells the story of a poor shepherd Gyges who found a ring that had the power to make its wearer invisible. Gyges is able to penetrate the palace, seduce the queen, kill the king and ascend to the throne. While Socrates had stated that all men ultimately strive for the good, Gyges, Glaucon claims, is a more realistic depiction of men who only adhere to the standards of justice because they can be seen and controlled. Here we have two traditions that are at odds with one another. Socrates response is that power must serve justice is one tradition. A counter tradition, stretching from Glaucon to Hobbes claims that justice is whatever pleases the powers that be. The typical Western way of thinking about politics is usually in terms of an ideal (utopia), a mythical beginning (the social contract) or an empirical process (the objective study of history to trace the rise and fall of nations.) The empiricists and pessimists (Machiavelli, Hobbes and even Locke) all proceeded from the less sophisticated notion that the individual is purely a selfish agent. All of this brings us to the present. With the abuses of power and legal corruption, Presidentialism and Congress' catering to the pockets of lobbyists, what good has the Madisonian belief in checks and balances been? The evolving scenario is uncomfortably too close to the Glaucon and Gyges tradition. While early colonists learned of the decentralized and democratic ways of government of Native American Confederations, it was not to be as effective in the long term. It was the philosophical and non materialistic values of Native Americans that were the driving forces for balance, ethics and justice; these were the foundation that made checks and balances work. The problem is clear: too much emphasis in the self instead of the all and too much focus on materialism and money. The worst in human characteristics spring from the wrong foundation. (see my work *Two Worlds in Collision*). The insights of our Chicano poet Abelardo and Industrial giant Inamori brings us closer to the idea of a new beginning, how we deal with one another, what we value, our views toward Nature and how we see our community vis a vis the world.

Happy and Insightful Reading,

Arnoldo Carlos Vento, Ph.D