

Judgment case



1. In your judgment, were the possible utilitarian benefits of building the Caltex plant in 1977 more important than the possible violations of moral rights and of justice that may be involved? Justify your answer fully by identifying the possible benefits and the possible violations of rights and justice that you believe may be associated with the building of the plant, and explaining which you think are more important.

Yes. The utilitarian benefits that will be given to the African people in the construction of the Caltex plant is more important than the possible violations of moral rights and justice of the people. This is because the people there only have little rights when it talks about moral rights. The government is not giving the moral rights to the black races. Here are some of moral rights and justices that the Caltex Corporation are going to go against.

The first thing is that, it is stated in the law of the government of Africa that “the basic rights to the people should not be given to them”. The Africans have no rights in the place where they are born. They don’t also have legal rights especially in the white areas. They don’t own land, have no right to select their leader, and the worst, the bread winner may not leave with his family unless he has the permission from their government. These are the basic rights that the Africans could not avail.

These civil rights of there are less important than the utilitarian benefits that the Caltex corporations can offer to the black people. “Caltex corporation is committed to improve the economic working conditions of its black employees” which is a violation to the legal rights that is set up by the African government for the black people.

The corporation is also committed to give equal salary to all the employees, it may be to the whites or to the blacks. They are treated fairly in the corporation which is also a big violation to their civil rights. The blacks are not given their rights as a human being in the world. They are just treated as slaves in the world. The whites are above them as always.

So, the utilitarian benefits are really more important than the civil rights of the black people because they are given the rights in the corporation than their government.

1. If you were a stockholder in Texaco or Standard Oil (now named Chevron), how do you believe you ought to vote on the three kinds of stockholders resolutions that were proposed (the first asking Caltex to terminate its operations, the second asking Caltex not to sell to the military or police of South Africa, and the third asking Caltex to implement the Tutu principles)? Justify each of your answers fully.

If I am a stockholder of Caltex, I would not ought to vote for the first two resolutions that was being raised. It is because it will have an adverse effect to the company. The investment that I will invest will just be wasted. If the company will terminate its operation in Africa, the company's profit will become lesser because of the termination of the business on the said place. For the second resolution, it is not good that you will disobey the rules of their country.

Caltex is just a visitor their. It is not in the US. They must obey their existing rules. I will vote for the next resolution because aside from the company will be benefited by this principle, the company also can help the black in establishing their dreams and to improve their skills as a worker.

1. What kind of responses should the managers of Texaco and SoCal have made to each of the three resolutions? Justify your answer fully.

The managers should not agree with these resolutions because this will decrease the company's earnings and may put a stain on the name of the company. The first resolution is that Caltex should terminate its operation. The things that will be affected by this are the profit of the company. This is a branch by them where in they could establish their name. The second is that they are asking Caltex not to sell to the military or police of south Africa their products. But as the managers said, " that this new resolution asked them to violate the laws of South Africa.

It is clearly stated in the in South Africas National Supplies Procurement act that " the African government is given the authority to require any business to supply it with goods. So if the corporation will not sell their product to the government, it is a big violation to the law of their land. The third resolution that they proposed was to implement the Tutu principle. The manager should agree with this because this principles are for the good of their company and for the blacks.

1. In your judgment, does the management of a company have any responsibilities (i. e., duties) beyond ensuring a high return for its stockholders? Should the management of a company look primarily to the law and to the rate of return on its investment as the ultimate criteria for deciding what investments it should make? Why or why not?

Yes. Other than thinking of profit, the management must also think of the welfare of its employees. It is important because the employees are one
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important factor in an organization. If have no workers, then there is a small possibility that your business will not gain much profit as you expected. Looking in the law and to the rate of return on its investment is also important.

As businessman says, profit is the blood of the business. Your business is nothing if you will not gain profit. If you will always have losses, that is a great signal to better look at your employees. You must provide them their benefits. You must able to pay them with the exact amount when it comes to the salary. If you will be having a great concern in their welfare, then, they will work hard because they know that it worthy to work well.

So, it is not just profit or gain in the business that the management should think but also for the welfare of their employees.