

Welcome to CESJ Newsbriefs. Much has happened in our 31 months of existence, so we have initiated this monthly bulletin to keep our world-wide network of friends abreast of major CESJ projects and other important developments in expanded capital ownership. (As you'll also notice, the announcements for our third-Saturday-of-the-month seminar series will be posted in Newsbriefs.) Here is some of the latest progress:

- The **Presidential Task Force on Project Economic Justice**, initiated by CESJ in 1985, is expected to present its report to the President before the end of the year. The report, recently completed, is a detailed study advocating employee stock ownership as a vital means for building a broadened citizen constituency in Central America and the Caribbean for private property and free enterprise policies. The Task Force had earlier received enthusiastic endorsements from various Central American leaders, including former Costa Rican President Luis Alberto Monge and President Oscar Arias, as well as from leadership in the Union Solidarista in Costa Rica and Guatemala. (Single copies of the 108-page report, **High Road to Economic Justice**, are being distributed through CESJ for \$19.95; CESJ members, \$15.95.)

- CESJ is preparing for a major conference to present the recommendations of the Presidential Task Force to policy-makers from around the world. The conference, entitled "**Privatization: A Gateway to Economic Justice**," will be held at the Mayflower Hotel in Washington, D.C. on February 26 and 27. Senator Richard Lugar, one of the co-sponsors of the legislation creating the Task Force, has sent a letter to President Reagan offering to introduce him at the

conference. Among the notable speakers who have agreed to speak before the expected audience of 500 will be Ambassador Alan Keyes, Assistant Secretary of State for the Bureau of International Organization Affairs.

- CESJ President Norman Kurland spoke on "**Privatization: A Gateway to Economic and Social Justice**" at a conference held at Duquesne University October 8 and 9 and sponsored by the Institute for World Concerns. The audience included Duquesne President Rev. Donald S. Nesti, C.S.Sp., who personally invited members of the University's board of directors, deans and faculty members of several schools, and corporate officials. An interview with Kurland was broadcast over the Pittsburgh television and public radio stations.

### Some important breakthroughs in expanded capital ownership:

- The Tax Reform Bill of 1986 has included some major advances for encouraging Employee Stock Ownership Plans (ESOPs), strengthening the legislative incentives passed in 1984. Tax-deductible dividends on ESOP-held stock can now be used to repay business loans through an ESOP. Another important feature: Mutual funds are now eligible for the 50% interest rate subsidy for loans made to ESOPs, previously extended to banks and insurance companies.

- Constance Horner, Director of the U.S. Office of Personnel Management, has proposed that U.S. government-owned operations be "privatized" through the **Federal Employee Direct Corporate Ownership-Opportunity Plan** in which up to 49% of a firm's ownership would be acquired by current federal employees through an ESOP-like mechanism. Employees might also have the option of bidding on a competitive basis for the remaining 51% of the stock.

- The U.S. Agency for International Development is beginning to more actively support the ESOP approach as a new alternative for U.S. economic development efforts in host countries. A recent USAID cable to its foreign mission directors stated that, in particular, "ESOPs are encouraged as a method of transferring parastatals to private ownership."

### Invitation

November meeting of CESJ

When: Saturday, November 15th at 1:00 p.m.  
Where: National Graduate University,  
1101 N. Highland, Arlington, Virginia  
(across from the Clarendon Metro station).

Our guest speaker will be Mr. Fred Twilla of Owens Training of America, whose firm has assisted such companies as Dupont and ITT in implementing systems for enhancing the dignity and creativity of people at the workplace. Mr. Twilla will discuss "**Relationship Building in Industry**" and its implications within an expanding share ownership framework.

For further information, please contact Dawn Kurland at (703) 243-5155.

### ... Closing Thoughts ...

"Could there be a better answer to Karl Marx than millions of workers individually sharing in the ownership of the means of production?"

Ronald Reagan, 1975

