

• We are saddened to report the passing of CESJ director and long-time friend Fr. Andrew F. Morlion, who had been residing in Rome until his death at 83 on Dec. 10 during a visit to New York. Fr. Morlion, a former atheist and Marxist who became a Dominican priest at 21, had devoted his life to ecumenism and democracy. He founded and served as the first President of the International University of Social Studies in Rome which now enrolls over 2,500 students from many countries and faiths. In 1932 he founded the Pro Deo Movement in Rome, and until recently published the "United People's" newsletter circulated in 152 countries, including the Soviet Union. Upon learning of CESJ's work and philosophy of economic and social justice several years ago, Fr. Morlion became convinced that expanded capital ownership represented a unifying system that transcended the moral shortcomings of Communism and Capitalism.

Among his many accomplishments and behind-the-scenes diplomatic initiatives, Fr. Morlion was the go-between for Pope John XXIII, President John F. Kennedy, and Soviet leader Nikita Krushchev during the 1962 Cuban Missile Crisis. Fr. Morlion was described by his friend and Saturday Review publisher Norman Cousins as "a peace broker who helped to widen the opportunities for dialogue between western democracies and east European countries....He was a study in perpetual motion, bringing ideas and projects before political and religious leaders in every land." We will greatly miss him.

• House Speaker James Wright in his Nov. 30 address before the 11th Miami Conference on the Caribbean, praised a proposal of the CESJ-initiated Presidential Task Force on Project Economic Justice calling for ESOP-linked debt-for-equity swaps to help alleviate the debt crisis in Caribbean and Latin American countries. Wright stated: "For too long, people in Spanish America have been given only two choices, neither of them good. They could opt either for government ownership or for a highly concentrated private ownership, held in a few hands, which did not share its blessing with its workers and farmers, who have often felt and too often been exploited." The task

force idea, he said, "could pave a new road to economic growth in which the private citizenry can share."

• The General Accounting Office (GAO) recently released the final of its series of studies on ESOP, under the disastrous title, "*Employee Stock Ownership Plans: Little Evidence of Effects on Corporate Performance.*" While conceding that ESOPs are achieving their objective of broadening capital ownership to more citizens, the study refutes earlier studies showing a link between ESOPs and improved corporate productivity.

In a 12-page rebuttal to the GAO report, Jeff Gates, former Senate aide to ESOP champion Russell Long, points out serious flaws in the study's methodology, including its measure of productivity, its sample of ESOP companies (the average ESOP examined held only 8.5% company stock), and the inadequate time frame which was studied (only 3 years after the ESOP had been installed). The study failed to examine whether the size of a company's annual ESOP contribution and the vested dollar amount in employee-participants' accounts had any positive effect on corporate productivity. The GAO study, however, did find that increased employee participation in corporate decision-making (e.g. through work teams) improved productivity in ESOP companies.

• Kris Ludwiniak's Polish translation of CESJ's *Every Worker an Owner* will include an introductory essay describing the Gazolina oil company story. In 1912 Gazolina, based in the Lwow area of south-eastern Poland, began experimenting with employee stock ownership. By World War II it had grown from a few dozen workers with scant resources to about 1000 unionized worker-owners receiving over 30% greater compensation (including dividends and bonuses) than employees of similar Polish companies. The Gazolina employees eventually owned a 46% stake in the business and controlled 61% of the voting power. Even in the Great Depression, many owned their own homes and cars. In the 1930's Ignacy Moscicki, a research scientist for Gazolina, became president of Poland. Under his direction the government began exploring the

idea of converting a 30,000-worker industrial conglomerate in Silesia to employee ownership. The German-Soviet invasion and partition of Poland in 1939 put a stop to these plans and worker ownership in Gazolina. [Source: *Wspolna Praca Wspolny Plon (Joint Work, Joint Harvest)* by Lech Wiclezynski, London: Veritas Publishers, 1986.]

• According to the Nov. 5 Financial Times of London, South Korean president-elect Roh Tae Woo promised during his campaign to privatize large portions of state-owned businesses by dispersing share ownership broadly among ordinary citizens.

January Meeting of CESJ

When: Saturday, January 16, 1:00 p.m.

Where: National Graduate University

1101 N. Highland St., Arlington, VA

(across from the Clarendon Metro station)

Information: Call Dawn Kurland at (703) 243-5155

Kicking off the 1988 lecture-seminar series, we cordially invite our members and friends to an important presentation by CESJ President Norman Kurland on "The Industrial Homestead Act: An Agenda for Avoiding the Crash." Norm will outline the tax and monetary components of this comprehensive national strategy for stimulating economic growth linked to expanded capital ownership opportunities.

*** Closing Thoughts ***

'The paramount problem is not how to crush, or hawk at, or hamper the corporation, merely because it is a corporation; but how to make this new form of property ownership a workable agent toward repeopleizing the proprietorship of the country's industries.'

Judge Peter S. Grosscup

'How to Save the Corporation,' 1905