

• Employee ownership is increasingly viewed as a way to win votes. Bryan Gould, the British Labor Party spokesman for Trade and Industry, wrote in the Jan. 6 Financial Times of London that the Left should outdo the Right in the area of employee stock ownership. He suggested that Thatcher's privatization of British firms to citizens and employees has not gone far enough in terms of significant worker ownership and a voice in management: "The Left can call her bluff by using employee share ownership as a means of providing workers with a real stake in the enterprises for which they work." Competition among political opposites in providing the best ownership program is a powerful sign that the issue is being taken seriously.

• Expanded share ownership is becoming a more visible theme in the 1988 presidential campaign. So far, some form of it has been endorsed by Kemp, Robertson, Du Pont, Babbitt, Gore, Dukakis, and recently, Gephardt. One of his campaign releases states: "The Gephardt Administration supports employee ownership and participation as a means of enhancing the competitive position of the United States in foreign trade, increasing productivity, and fostering management/employee cooperation...."

• A group of key foreign and American officials recently got a first-hand look at Allied Plywood, a 100% ESOP company in the Washington, D.C. area, considered to be one of the nation's models of ownership sharing. The visitors included the ambassadors from Senegal, Guinea, Liberia, Malawi, and Congo; four officials from the World Bank; a representative from the Center for Privatization; and three representatives from AID, including the Agency's African Bureau chief and his deputy.

After a presentation by Allied Plywood President Bob Shaw and ESOP designer Norman Kurland explaining the Employee Stock Ownership Plan and how it worked at Allied Plywood, the officials toured the company and spoke with a number of worker-owners. The visitors learned that Allied's drivers and warehouse workers receive 30% to 100% greater income than employees of competing companies. Since inception of the ESOP in 1977, Allied's

workforce has grown from 19 to 66 employees, company net worth has increased from \$7.3 mill. to \$28 mill., and sales per worker have grown from an incredible \$315,789 to \$490,635--a productivity increase of over 50%.

The officials are now considering a possible follow-up meeting in West Africa, where they can discuss the potential of expanded capital ownership in that region. Many thanks to AID officer and CESJ member Helen Soos for coordinating the Allied Plywood tour.

• CESJ member Bruce Mazzie, an official in AID's privatization program in Egypt, reports that approval has been granted for the conversion to employee ownership of a large truck tire firm through an \$18 million leveraged ESOP. Bruce says that interest in expanded capital ownership is growing rapidly in Egyptian government and business circles; four more ESOPs are already being planned.

• CESJ member Frances Johnson, an official in AID's African Bureau, recently submitted an important proposal to the Regional Conflict Working Group of the Commission on Integrated Long-Term Strategy. She recommends that the government encourage countries receiving U.S. military assistance to privatize some of the businesses connected with supply and support of that country's military. She notes that "Privatization can help stabilize the country through broadening the distribution of wealth, particularly when employee stock ownership plans are used."

• Pres. Reagan has been mentioning the recommendations of the CESJ-initiated Presidential Task Force on Project Economic Justice. At a Sep. 29, 1987 meeting of the World Bank and the International Monetary Fund, he endorsed the task force's proposed ESOP-linked debt-equity swaps as an alternative for addressing the world debt crisis.

• In recent correspondence, former Transportation Secretary Drew Lewis praised CESJ's work: "Your organization...is to be saluted for its contributions, especially in the key areas of social and economic justice in Central America and the Caribbean."

• Fire has destroyed one of the world's outstanding collections of writings on Kelsonian economics. Jim O'Dell, a Canadian pioneer of expanded capital ownership in Barrhead, Alberta (and currently working to establish a CESJ chapter there) lost his entire home and with it, several decades worth of valuable material that he had painstakingly gathered. CESJ will try to replace as many of the lost documents as possible. Anyone wishing to contribute articles or books on expanded capital ownership, please send your gift to Mr. O'Dell at: Box 801, Barrhead, Alberta, Canada T0G 0E0. Any cash donation to CESJ to help defray copying costs will also be greatly appreciated.

February Meeting of CESJ

When: Saturday, February 20, 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

We are honored this month with a presentation by Phineas Sithole, a founder and leader in the trade union movements of Zimbabwe and South Africa. Mr. Sithole entitles his lecture-seminar, "The History of African Trade Unions Before and After Independence." He will focus particularly on the ESOP approach as part of his vision of a new role for the African trade unions.

Brainstorming session: 9:30 a.m., Sat. 20, NGU.

*** Closing Thoughts ***

"Profit sharing without power sharing is paternalism, in contradiction of the laws of the free market. And power sharing without profit sharing is exploitation."

Mark Lamberti, Jazz Stores

Reported in the Weekly Mail, Johannesburg
10/9-15/87, p. 17 (from a paper delivered to the
Inst. of Personnel Managers Convention, 10/87)