

# the Economic Justice Monitor

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UDC Institute Organizing Meeting ..... 5  
 Debate on Role of Private Property ..... 6  
 Building Support for Capital Homesteading ..... 11  
 Milestones and Weathervanes ..... 12  
 The Empowerment Network Recommends Capital Homesteading ..... 12  
 News from the Network ..... 13

## CESJ's *Curing World Poverty* to Be Published in China

As we enter the first year of the new millennium, here's a good sign for the "new paradigm." On December 28<sup>th</sup> CESJ received a fax from **Dr. Victor T.H. Tsuan**, who reports: "I have just received a letter from **Prof. Zhang Long-gao** who informed me that the translated book of [CESJ's] "*Curing World Poverty*" will definitely be published by the People's University Press in Beijing, and the publisher will send me two copies....and will send you several copies simultaneously." The publication of a revised Chinese edition of *Curing World Poverty* caps an almost four-year effort following a meeting with Dr. Tsuan and a number of other Chinese leaders that was arranged by **Antonio Betancourt** of the World Institute for Development and Peace. ▲

## CESJ Conference Marks New Millennium

In an historic moment, scholars, ESOP executives, politicians, lawyers, bankers, activists, writers, musicians and concerned citizens came together as a new community to explore and promote an alternative to traditional capitalism and socialism—the "Third Way." On April 7-9, CESJ hosted a unique conference at the Coolfont Resort in Berkeley Springs, West Virginia. Participants gathered from across the U.S. as well as

continued on page 7

## UDC Holds Conference on Capital Homesteading

Students, faculty, and administrators of the **University of the District of Columbia (UDC)** joined social architects, design scientists and activists from the D.C. community and from across the U.S., Canada, Africa and Latin America, for a conference on "**Capital Homesteading: Teaching and Applying Economic Justice in the Nation's Capital.**" At the full-day conference held at the University of the District of Columbia on November 18, 2000, participants heard presentations on new concepts and strategies for addressing the widening global gap in wealth and income.

The focus of the conference, which CESJ organized in collaboration with the university, was on developing in the Nation's Capital the New Birth Project as a local demonstration of "capital homesteading." This strategy is aimed at converting D.C. from a mini-Welfare State, import economy dependent on shaky support from outside taxpayers, to a high-technology, export-oriented economy, distributing profits and economic power among all citizens as co-owners, from the bottom-up.

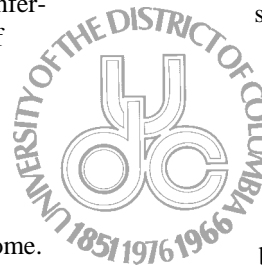
### Educating the Educators

The "Capital Homesteading" conference was part of a two-week series of events at UDC. The conference was preceded by a university-wide colloquium with representatives of CESJ and the World Institute for Development and Peace, which was presided over by UDC's **President Dr. Julius**

**Nimmons, Jr., Provost Dr. Vernon Clark** and **Associate Provost Dr. Alford Ottley**, and a televised interview of capital homesteading advocates **Rev. Walter Fauntroy** and **Norman Kurland** by UDC's Dr. Ottley.

These forums, held between October 30 and November 20, were designed primarily to introduce to faculty, students and administrators the theories and practical applications of expanded capital ownership as a new economic paradigm and system of moral philosophy. A major objective highlighted by the speakers at the conference was the establishment of a **university-based Institute on Economic and Social Justice** to promote scholarly inquiry into, and community understanding of, capital homesteading and the various technologies and financing mechanisms to be introduced in a D.C. demonstration project. The new Institute, CESJ's Norman Kurland envisions, could become for Kelsonian economics what the London School of Economics is for Keynesian economics.

In his opening remarks UDC President Julius F. Nimmons, Jr. noted that UDC must stay "in the vanguard and the forefront of the exploration of ideas and implementation of those ideas which can



continued on page 2

## UDC Holds Conference on Capital Homesteading

... serve our best interests and can promote the best interests of the people of the District of Columbia.” President Nimmons stressed the importance of “providing a discourse, a colloquium and opportunity for a thorough investigation of a concept and a possibility.”

### Conference Presentations

Designed primarily to “educate educators” on the basic principles, theories, practical applications, and geopolitical implications of the “Third Way” espoused by Louis Kelso and other “post-scarcity” thinkers, the conference featured six presentations, each followed by a question-and-answer session.



(l to r) Rev. Walter Fauntroy, Dr. Norman Bailey and Norman Kurland offer a capital homestead approach for the nation’s capital.

CESJ President **Norman G. Kurland** led the presentations by examining *“How Future Leaders Can Apply Economic and Social Justice for Closing the Wealth and Economic Power Gap.”*

Turning to one of the major themes of the conference, he highlighted the crucial role of education, particularly as it relates to the new paradigm that CESJ calls the “moral” or “just” third way. Norm pointed out: “The purpose of education under capitalism is to train people for jobs. The purpose of education under socialism is to train people for jobs. The purpose of education under CESJ’s third way is to enable people to become lifelong learners and creators of civilization, with the capacity to adapt to change.”

Academia, Norm observed, is today a major source of the problem. It is the institution most responsible for perpetuating in our laws and cultural values outmoded socio-economic ideas which help to widen the wealth, income, power and opportunity gap between rich and poor. In opening up the marketplace of ideas to a new vi-

sion and new paradigm for economically empowering every person, UDC could become a source of the solution and a model for other academic institutions. By understanding the principles, logic and applications of a system based on shared abundance, rather than inevitable scarcity, Norm stated, people can begin to see that “we don’t have to pull down the haves to lift up the have-nots.”

**The Honorable Rev. Walter E. Fauntroy** (President of the National Black Leadership Roundtable, former D.C. Delegate to the U.S. Congress, and a compatriot of Rev. Dr. Martin Luther King, Jr.), spoke on *“The New Birth Project.”* UDC, Rev. Fauntroy declared, would be remembered “as the place where the new paradigm for the 21<sup>st</sup> century was given content.” He outlined the historical precedent of the Homestead Act of 1862, where “self-liquidating capital” in the form of land was made available to citizens if they made it productive. This policy was based on an assumption that if access to capital was made available to more citizens, the

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## Our Core Values

Successful organizations start with people firmly committed to a set of core values, which cannot be compromised without weakening the organization. CESJ’s strength, unity and programs flow from our founding principles, agreed upon by consensus from our first meeting in April 7, 1984. Our core values were developed to guide us in our work, to attract others sharing these values and to serve as the very basis of CESJ’s existence.

We think that our core values, once understood, are universally appealing. We see this reflected in the broad diversity of the backgrounds of those who come together because of these shared values. The essence of our founding principles has not changed from the founding of CESJ. But, as we discuss them together and with others, we will continue to refine and clarify our values by consensus. The following are CESJ’s core values:

- ▶ There is an Absolute Source of all creation and of all absolute values such as Truth, Love and Justice, which represent the ultimate ends of human actions. Most people call this Absolute Source, God.
- ▶ Nothing should stand between God and the human person.

- ▶ There is a hierarchy of human work: The highest form of work is perfecting the social order to elevate each person in his or her relationship to God. The lowest but most urgent form of work is for sheer personal survival.
- ▶ In interacting with nature to promote one’s own perfection, every person must respect the rest of creation. Each human being, a steward of nature, remains responsible for conserving natural forms of existence, each of which is interdependent and shares the same divine origin with humanity.
- ▶ Under the highest sovereignty of God, all sovereignty begins with the human person—not social institutions such as the State, the business corporation or the labor union.
- ▶ The essential means to achieve the sovereignty of the person include such inalienable human rights as the right to life, liberty, and access to productive property and free markets, equality of opportunity, and the secret ballot. These rights—including the rights of property—are not ultimate ends in themselves, but they are intermediate ends or fundamental means to enable each person to pursue Truth, Love and Justice.

- ▶ People create tools, shaped from the resources and energies of nature, to support the economic and social sovereignty of the person. Through private property ownership, each person can become master of the technology needed to realize his or her fullest human potential and dignity.
- ▶ People also create social institutions—including the State, the business corporation and the labor union—each as a highly specialized “invisible tool” designed to serve a highly specialized social function within a just social order. Institutions, as organized expressions of society’s values and goals, largely determine the quality of each person’s individual and social life. As historical creations of humanity carrying within themselves the wounds of history, institutions are continually in need of healing and perfecting.
- ▶ The highest responsibility of each person is to pursue absolute values and to promote economic and social justice in his or her personal life and all associations with others.

economy would expand. Now, asserted Rev. Fauntroy, we have to “move from homesteading land to homesteading capital.” He described the basic elements of the New Birth Project, which he contended would “concretize capital homesteading by addressing a specific need felt by citizens of D.C. (In addition to poverty, pollution, and the lack of an export economy, D.C., with a population that is 40% African-American, has one of the highest incarceration rates in the world and a 70% recidivism rate.)

The New Birth Project would transfer underutilized government-owned land to all D.C. citizens through a professionally managed **community investment corporation (CIC)**. Development on the land would include new industrial parks to commercialize waste-to-energy technologies developed in U.S. space and energy programs with taxpayer dollars. Through a city-wide CIC, D.C. citizens would share as owners in equity growth and profits. The New Birth facility would incorporate waste-to-energy technologies, comprising a 250 megawatt power plant. It would also house a correctional facility aimed at transforming up to 12,500 prisoners into productive citizens who would gain not only high tech skills in the new industries, but ownership opportunities as well. This would enable prisoners to pay off some of their debt to their victims and society, and re-enter the community with a capital homestead and high-tech skills.

The prison/power plant would generate benefits for D.C. citizens in the form of profits from land leasing fees paid to the CIC, the reduction of prisoner incarceration costs, employment opportunities in the high-tech industries which would produce technologies needed by the power plant, and ownership opportunities through ESOPs for citizens employed in the new industries.

**Dean Price**, Chairman of Equitech International, Inc. and former *architect emeritus* of Georgetown University, gave

the second part of the presentation on “*The New Birth Project*.” He described how the idea for the New Birth Project arose out of a NASA-JPL (Jet Propulsion Lab) program commissioned to build a self-sufficient, full life support station on the moon. While that program was shelved at NASA, some of the technologies were reborn at Georgetown University where Dean served as master planner for GU’s physical plant. Georgetown’s fuel cell bus (one of the spin-off products slated for commercial-



Dean Price presents the energy technologies proposed for “The New Birth Project.”

ization in the New Birth industries), incorporates some of the fuel cell technologies used in NASA’s moon buggy, designed by the same scientist.

After conceiving of a way to use NASA’s technology to create a completely energy self-sufficient campus at Georgetown University, Dean later helped form a consortium of leading scientists and engineers interested in energy self-sufficiency. Dean’s design would eventually integrate hydrogen fuel cells, solar regeneration, and advanced steam reforming to create a non-polluting power generation system, which could convert virtually all forms of waste into pure water, oxygen, and electricity with minute amounts of non-toxic residue which itself could be used in building materials.

Dean then explained some detailed schematics of the New Birth correctional facility. For the prisoners living in it, the facility is designed to provide a human-scale yet secure environment that encourages responsibility, education, and

spiritual development. It would not merely “warehouse” prisoners, which has become a profitable growth industry on Wall Street. The New Birth facility (as part of a larger capital homesteading strategy) would address directly and comprehensively the root causes of recidivism. The question, however, remains: “Why should D.C. citizens be interested in the New Birth “transformation center””? As Dean put it: “It’s more than just a prison. It’s a wealth-producing enterprise.”

**Dr. Norman A. Bailey**, consulting economist and former Special Assistant to President Reagan for International Economic Affairs, examined the question, “*Where Will the Money Come From?*” and outlined the roles of the Federal Reserve and capital credit insurance in financing capital homesteading. Dr. Bailey characterized expanded capital ownership as “the new emancipation” for the 21<sup>st</sup> Century, freeing people from “the chains of wage slavery.” “This university and the capital city must be the crucible in which the new emancipation is formed,” Dr. Bailey declared. He stressed the importance of sound monetary and fiscal policy for fostering a healthy economy, and widespread citizen access to capital credit for acquiring income-producing assets. “In philosophical theory, access to income-producing property is not as important as life and liberty. In practice, it is a condition antecedent which, if allowed to diminish, will lead to the decay of all the rest.”

Dr. Bailey pointed out that a recent U.S. economic development—the use of budget surpluses to pay down of the national debt—is, paradoxically, creating a monetary crisis. Because the U.S. dollar is backed by federal debt, and not private sector assets, Dr. Bailey observed, the shrinking of the national debt could lead to “the *reductio ad absurdum* that if the quantum of treasury debt reached zero, there would be no money supply.” However, such a crisis, he noted, could provide an opportunity

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## UDC Holds Conference on Capital Homesteading

for monetary reforms proposed under capital homesteading. By discounting capital homesteading loans, the Federal Reserve System would not only provide a commercially insured asset for backing the money supply, but would serve as an engine for private sector growth while helping to create new owners of that growth.



Prof. Robert Ashford

**Prof. Robert Ashford** (Syracuse University College of Law) examined the economic theory underlying capital homesteading in his presentation,

*“Binary Economics: A New Frontier for Academia.”* The first tenured professor to offer a course in binary economics, Robert Ashford commented that the creation of an Institute on Economic and Social Justice at UDC offers a “singular opportunity” for introducing into a university’s basic academic curriculum this new economic paradigm first articulated by the late Louis Kelso.

“We have to question the assumptions of the present paradigm and offer alternatives.” He pointed out that under the present paradigms (capitalism, socialism, and mixed centrism), access to private property as a fundamental human right is “not in the mix.” Prof. Ashford commented that traditional schools of economics have not been able to solve the paradox of excess productive capacity and insufficient widespread purchasing power.

As a paradigm, Prof. Ashford said, binary economics posits certain unique assumptions. First, binary economics holds that “capital and labor are independently productive.” (This differs from all other economic systems which effectively treat capital as merely enhancing the “productivity” of labor.) While labor (all human inputs) and capital (all non-human inputs) work together in an interdependent way, binary economics

holds that each factor is a distinct/independent contributor to production. Furthermore, according to binary economics, the relative contributions of each factor to the productive process—the value each adds—can be most justly measured and rewarded in a free and open market.

Second, Ashford noted, “capital has a potent distributive relationship to growth.” Binary economics asserts that the widespread distribution of capital ownership produces growth. (After capital has paid for itself, the capital starts yielding income for owners, who spend it; as the number of people with capital incomes grows, the greater and broader the purchasing power throughout the economy, which stimulates further production to meet the increased demand.) Conversely, growth is suppressed if capital ownership remains concentrated.

Binary economics also must be understood as requiring a truly free market, as opposed to today’s “unfree” marketplace. To operate so that “supply creates its own demand and demand its own supply,” binary economy requires that there be: open access to markets with most people participating as owners of capital, voluntary exchange between sellers and buyers, no monopolies, no redistribution of wealth, and that all people have access to the means to acquire and enjoy the full rights of property.

Thus, binary economics offers a logical system for balancing supply with consumer demand, without requiring redistribution (except as a temporary expedient), while institutionalizing and universalizing private property rights.

**Dr. Mark P. Barry** of the World Institute for Development and Peace (WIDP) discussed *“Capital Homesteading: Pros-*

*pects for Global Hotspots.”* In his presentation, Dr. Barry told about a meeting CESJ and WIDP had held with Kenneth Kaunda, former president of Zambia. President Kaunda had become excited about CESJ’s “Third Way” proposals and offered to get CESJ’s book *Curing World Poverty: The New Role of Property* to South Africa’s president Nelson Mandela.



Dr. Mark P. Barry

Dr. Barry recounted how, in the formative years of the Summit Council for World Peace (a sister organization which brings together former heads of state), they discovered that the old paradigms weren’t solving the problem of poverty. After SCWP’s president Antonio Betancourt met Norm Kurland, he realized the answer lay in the Third Way, and in Louis Kelso’s ideas of binary economics. Dr. Barry discussed how the privatization experience in the former Soviet Union revealed the failure of both socialism and capitalism to bring about economic

empowerment for all citizens. He then described how expanded ownership solutions are being introduced in various crisis areas around the world, including Colombia, Africa and the Middle East, and in the reconciliation efforts between North and South Korea.

Closing the conference, **Dr. Vernon Clark**, UDC Provost and Vice President for Academic Affairs, commented that this event highlighted the need to develop “the viable requisite roadwork of a viable democracy.” Characterizing the conference as “the first in a series of



UDC President Julius F. Nimmons, Jr. (left) with Walter Fautroy, Norman Bailey and Norman Kurland

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events,” Dr. Clark thanked the speakers and CESJ, emphasizing, “we cannot be afraid to look at controversial and new ideas.” He concluded, “the Center has a place here at UDC.”

## Questions and Comments from the Participants

Each of the presentations was followed by an enthusiastic give-and-take with the conference audience. One key question raised was “**What will it take to make the New Birth vision a reality?**” Norman Kurland and Walter Fauntroy pointed out that there are

three things needed to get the New Birth project off the ground. **First**, the project needs \$10 million to conduct engineering, legal and feasibility studies to establish commercial viability for the integration of the various, already proven technologies. **Second**, the massive complex needs about 1,500 acres (ideally the now unused land near the Blue Plains waste treatment plant). **Third**, as Rev. Fauntroy pointed out, “we need to get people in D.C. fired up!” in order to convince Congress and the Federal Reserve to use the Fed’s discounting powers to enable local banks to finance the \$3.5 billion project. Through the proposed Institute, UDC could play a vital role in informing and mobilizing people in the D.C. community behind the New Birth project, and bring technical expertise within the University to assist in the project.

Copies of the UDC Conference compendium are available for \$10 (price includes postage).

## UDC Institute Organizing Meeting

Immediately following the Capital Homesteading Conference, 35 people met as an initial organizing committee to discuss the launching of the UDC Insti-

tute on Economic and Social Justice and to plan future its activities.

A number of participants raised the importance of developing an organizational plan. **Dr. Bill Perk**, an associate of the late Buckminster Fuller who taught

design science at Southern Illinois University at Carbondale, recommended using the “syntegration” protocol to ensure a systematic and participatory planning process. **Chinedum Ile**, president of the UDC Graduate Students Association, emphasized that it was important for students to begin seeing “third way” concepts as academically relevant. He

recommended that a 4-6 week certificate program with a lecture series and specific course requirements be offered through the Institute. This would begin grounding students in the basics of the new paradigm so they could begin spreading the ideas.

Among its decisions, the group agreed that the **CESJ Core Values and Code of Ethics** would be accepted as a working document to provide the basis for the Institute to develop its own statement. With UDC faculty and students forming an ad hoc UDC Institute committee, and outside friends serving on an advisory board, the group designated the second Saturday in each month for its organizing meetings. After the meeting, at a splendid dinner hosted by the Univer-



UDC Professor Brenda Brown poses questions to speakers.

sity, the Institute organizers celebrated their historic step forward.

## Special Thanks

Following the conference, we received many compliments on the quality of the presentations, the professionalism and hospitality of the volunteer conference staff, the conference materials, and the delicious food! We owe a debt of thanks to the **University of District of Columbia** for its generous donations of conference space, meals, printing and signage. The conference would not have happened without the leadership support of **President Dr. Julius Nimmons, Jr., Provost Dr. Vernon Clark, and Associate Provost Dr. Alford Ottley**, and the personal attention of UDC Marketing Director **Dr. Nalinkant Bhatt**, and herculean work of Marketing Manager **Tammy McCants**. Thanks to UDC photographer **Clif Young** for his many photos of the historic events at UDC.

Our thanks also to faculty members **Prof. Brenda Brown** (President of the Faculty Association), **Prof. Barbara Harvey**, and **Prof. Joseph Elam**, and student leaders **Darrell Williams** (past President of the Undergraduate Students Association), **Chinedum Ile** (President of the Graduate Students Association) for their work with CESJ conference organizers **Norm Kurland** and **Dawn Brohawn** to make this event happen.

Special appreciation goes to our CESJ volunteers who served on the day of the

Launching the UDC Institute (l to r): Norman Bailey, Prof. Barbara Harvey, Rev. Walter Fauntroy, Prof. Brenda Brown, Norman Kurland, Prof. Joseph Elam ▶

Meeting to organize the UDC Institute on Economic and Social Justice ▼



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continued from page 3

## UDC Holds Conference on Capital Homesteading

conference—the always witty and punctual **Dr. Norman Bailey** for opening the conference as Master of Ceremonies; **Michael Greaney** for assuming the unenviable job of time-keeper; **Harriet Barton, Jean Fry, Marie Kurland, and Barbara Olson** (who traveled by train from California to attend the conference) for their gracious handling of registration and publication sales; **Rowland Brohawn** and **Dr. Charles Cargille** for video-taping the conference.

Finally, our thanks to CESJ’s members and friends who traveled to Washington, D.C. to participate in the conference, contributing their unique perspectives, provocative questions and varied experiences to the discussions: **Dr. Cleveland Chandler** (Hanover, MD), **Garry Davis** (Burlington, VT), **Dolf Droge** (Alexandria, VA), **Harriet Epstein** (Vienna, VA), **Olaf Klasen** (Vancouver, Canada), **Rev. John Kobza** (Brookeville, MD), **Ken Krogh** (Alexandria, VA), **Daniel Kurland** (Springfield, VA), **Dr. Alenna Leonard** (Toronto, Canada), **Law Professor Mária Rosón de Pérez Lozano** and husband and her daughter, (Buenos Aires, Argentina), **Bill McCrary, Sr.** (Flint, MI), **John Médaille** (Irving, TX), **Bill Nicholson** (Milwaukee, WI), **Dr. Bill Perk** (Carbondale, IL), **Lynda Sampson** (Mitchellville, MD), **Robert Scarlett, Winifred Scheffler** (Arlington, VA), **Charlie Setlow** (Shoreham, NY), **Tom Simon** (Arlington, VA), **Rev. Cleveland Sparrow** (Silver Spring, MD), **Richard Stutsman** (Atlanta, GA). ▲



(l to r) Richard Stutsman, Robert Ashford, Charles Cargille and Chinedum Ile discuss binary economics.

## UDC Debate Highlights Role of Private Property

On November 20, CESJ and the UDC Graduate Students Association co-sponsored a 3-hour debate between **Norman Kurland** and **Shann Turnbull** on “**Democratizing the Wealth of Nations: Does Economic Justice Require Changes in Traditional Private Property?**” The debate was held at UDC’s School of Law, and attracted about 100 faculty and law students.

The debate was unusual, as both debaters are respected advocates of expanded capital ownership, and both support the democratization of capital credit: Norm Kurland, a lawyer from the

Norm Kurland contended that the traditional rights of private property, as an individual’s connection to personal power and means of economic autonomy, should not be abridged, but made universally accessible to every person as a fundamental human right. Drawing the analogy between property (in the economic process) and the ballot (in the political process), Norm asserted



Shann Turnbull



Norman Kurland



(l to r) UDC debate panelists Dr. Maurice Iwu of the Imo Forum, UDC law professor James Gray, and Georgetown University law professor Anthony Cook.

University of Chicago, has been a pioneer of Kelsonian economic reforms and expanded ownership legislation in the U.S. and internationally for over 35 years. Shann Turnbull, who received his M.B.A. from Harvard, has been a driving force for employee ownership in Australia for many years and authored a book in 1975, *Democratizing the Wealth of Nations*.

After introductions by CESJ Director **Dawn Brohawn** and welcoming comments by **President Julius Nimmons, Jr.** and **Provost Vernon Clark**, moderator **Rev. Walter Fauntroy** opened the debate with a coin toss, to determine which debater would go first. Norm Kurland won the toss, but allowed Shann Turnbull (who had traveled from Australia) to go second, as he preferred. Shann later gave Norm some of his allotted time during the response period.

that truncating or eliminating private property (as Karl Marx advocated), was the equivalent of giving someone 3/5 of a vote (a point not lost on the mostly African-American audience).

Norm asserted that Louis Kelso’s Third Way institutionalizes the right to, as well as the rights of, private property, as a way for people to legitimate their incomes from capital in a free market economy. Furthermore, the systematic democratization of access to the full rights of property, Norm noted, is the most potent safeguard against the concentration of power in a wealthy elite or in those who run the state or collective.

Shann Turnbull argued that in order to democratize capital ownership, property rights should be time-limited, with owners “voluntarily” (through tax incentives) turning over their equity holdings to “stakeholders.” He asserted that Norm Kurland “wanted to retain the existing system of static, exclusive, perpetual property that allows the rich to get richer without limit,” while he himself sought “to change the system to adopt dynamic,

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inclusive and time-limited property rights to limit the overpayment of investors and the ability of the rich to get richer.” (Norm, in fact, had pointed out Louis Kelso’s principle of limitation and the simple fact that death places a inescapable time limit on a person’s property rights.) Shann advocated the principle of “if you don’t use it, you lose it.” Past the “expected investment time horizon,” under Shann’s approach, a shareholder’s property would be transferred to “stakeholders” such as customers, workers and local citizens.

Following the formal portion of the debate, an expert panel and members of the audience addressed questions to the



(l to r) Rev. Walter Fauntroy, Dawn Brohawn, UDC Provost Vernon Clark, and Darrell Williams at UDC debate.

debaters. Sitting on the panel were **UDC law professor James Gray**, **Georgetown University law professor Anthony Cook**, and **Dr. Maurice Iwu** of the Imo Forum. One particular area of interest for the questioners was how the two approaches would handle the question of reparations to descendants of slaves. Norm Kurland explained how capital homesteading would provide the most just and politically feasible way to deal with this complex issue.

The audience came away with enthusiastic comments, with many people expressing interest in holding more such debates.

Our special thanks to **Darrell Williams** for his tremendous work in making arrangements for the debate and for helping get such a good turnout, and to **Chinedum Ile** and the **UDC Graduate Students Association** for their generous support. ▲

continued from page 1

## CESJ Conference Marks New Millennium

the United Kingdom, Guatemala and Canada, for free-wheeling discussions, strategic planning, social action, celebration and fun.

The new paradigm they explored, in the words of CESJ President Norman Kurland, “synthesizes the post-scarcity, systems thinking” of Louis Kelso (binary economics and economic justice), Pius XI and Fr. William Ferree (social justice and social morality), and Buckminster Fuller (world design science).”

Sharing their creativity, diverse backgrounds, and years of experience, participants exchanged ideas and formulated actions to address the mega-question of the conference: “How can we, as supporters of a new paradigm of economic justice for the next millennium, capture the hearts and minds of people all around the world?”

### Historic Convergence

As the participants spoke, it was as if four historical movements were converging. People who had worked closely with the architects of the Third Way—Louis Kelso, Fr. William Ferree, and Buckminster Fuller—were joining together with veterans of the civil rights movement who had struggled shoulder-to-shoulder with the Rev. Dr. Martin Luther King, Jr. and other leaders. Joining CESJ’s **Norman and Marie Kurland** were:

- **Katie Kelso Balestreri**, daughter of Louis Kelso and bank executive for Bank of America; binary economists and co-authors of the book *Binary Economics: The New Paradigm*,
- **Prof. Robert Ashford** and **Rodney Shakespeare** (Robert, who served as general counsel for Kelso’s firm, is a law professor at Syracuse University Law School and the only tenured

professor to teach binary economics. Rodney, a former barrister from the United Kingdom, was the co-author of a 1977 book, *The Two-Factor Nation*, which promoted a Kelsonian economic agenda for the UK.); **retired U.S. Senator Mike Gravel**, a champion of direct democracy who had sponsored the General Stock Ownership Plan legislation for Alaska’s citizens and who worked closely on Capitol Hill with legendary ESOP champion Senator Russell Long; **Dr. Norman A. Bailey**, who had written an article in 1964 for *The Yale Review* on the geopolitical implications of Kelso’s ideas, and as President Reagan’s Chief Economist for International Economic Affairs had asked CESJ’s Norman Kurland to develop the strategy papers on “Project Economic Justice” and the “Capital Homestead Act”; **retired D.C. Delegate to the U.S. Congress Rev. Walter Fauntroy**, former



chairman of the Congressional Black Caucus and the House Subcommittee on Monetary Policy, and one of the chief organizers of the March on Washington who had first learned of Louis Kelso’s *Capitalist Manifesto* through legendary civil rights leader A. Philip Randolph; **Dr. Virgil Wood**, who had arranged a meeting between Louis Kelso and Martin Luther King, Jr.; **Dr. Robert Crane**,

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## CESJ Conference Marks New Millennium

a co-founder of the Center for Strategic and International Studies, now president of the Center for Policy Research and an Islamic scholar who had promoted Kelsonian concepts as part of U.S. geopolitical strategy since the late 1960s); **Joseph Recinos**, who had worked with Norman Kurland and Louis Kelso since 1968 to introduce Kelsonian economics in Latin America; **Humberto Rodriguez**, a long-time Kelsonian and founder of the Free People Foundation in Dallas, who had introduced ideas of broadened ownership for Cuba's economic development to Fidel Castro and Ché Guevara, only to be forced into exile for opposing Castro's communist agenda; former Kelso associate and San Francisco banker **John Jones**; lawyer, Freedom Bus rider and former San Francisco council member **Carol Ruth Silver**; retired civil servant **Ken Krogh**, who had taken part in the 1979 Ownership Campaign to get Kelsonian Republican and Democratic candidates on the ballot in New Hampshire; **Harold Channer**, who has produced since December 1972 over 1,600 televised interviews with many of the world's leading thinkers and public figures, including Louis Kelso, Bucky Fuller, and Russell Long; and singer-musician-composer **Prof. Victoria Grof**, who is producing the world's first musical introducing the ideas of Louis Kelso and Buckminster Fuller; and her partner, lawyer **Peter Feuerstein**.

- **Professor Bill Perk**, a protégé and colleague of Bucky Fuller, traveled from Carbondale, IL with **John Linehan**, executive director of the Carbondale Business Development Corporation, and **Cornelius Crane**. (The three are involved in the

Carbondale Millennium Project that will apply Kelsonian financing and a community investment corporation, for producing space-age technologies in the Southern Illinois region.)

- Participants concerned with expanded ownership approaches to community development included **Robert Moore** and **Pam Gary** from the Center for Economic Development at Mississippi Valley State University, who came seeking ideas for revitalizing the impoverished Mississippi Delta region; and professional sports and entertainment promoter **Bill McCrary**, who is



◀ Civil rights veterans (l to r) Dr. Virgil Wood and Rev. Walter Fauntroy

Dr. Bill Perk (left) and fan ownership promoter Bill McCrary ▼



▲ (l to r) Western Building Supply's CEO Bill Nicholson and wife Jan, Ken Krogh, and Allied Plywood Corporation's Tom Simon



▲ Norbert Hermes and Katie Kelso Balestreri

working to develop a fan- and employee-owned basketball league and community-owned sports and entertainment complex in Flint, Michigan.

- Educators attending the conference included: **Dr. Larry Hufford**, chairman of the International Studies Department at St. Mary's University in San Antonio who along with **Mike Greaney** (CESJ's Director of Research) is working to re-introduce the seminal thinking of Pius XI and Rev. William Ferree in the area of Social Justice; **Prof. Barbara Harvey**, who

is working with Norm Kurland, Walter Fauntroy and Antonio Betancourt to establish an academic base of support for Kelsonian concepts at the University of the District of Columbia; and retired Salina, Kansas teacher **Norbert Hermes**, who has been writing a weekly series of newspaper columns mentioning the ideas of CESJ and Fr. Ferree.

- Relating their "real life" experiences in building an ownership culture were executives from two model 100% employee-owned companies: **Bill Nicholson**, President of Western Building Supply accompanied from Wisconsin by his wife **Jan Nicholson**, and **Tom Simon**, Director for Corporate Culture at Allied Plywood Corp., Alexandria, VA).
- CESJ volunteers **Rowland and Dawn Brohawn**, and **Michael Greaney** provided logistical support for the conference. Board members

**Kemp Harshman**, President of the Clarendon Foundation, and **Dr. Charles Cargille, M.D.** (a New Orleans advocate for the mentally chal-

lenged who is introducing Kelsonian ownership programs for the mentally challenged), videotaped the conference proceedings.

## Open Space Process

Conference topics were designed, led and reported on by the participants, using a process called "open space" that was facilitated by **Monica Stewart**, an educator and professional facilitator from Toronto, Canada. The process began on Saturday morning with an "opening circle" where participants raised focus issues, questions, or concerns to be addressed by working groups. In a "marketplace of ideas" participants selected the breakout sessions of most interest to them. The discussion groups met and reported



Kemp Harshman (left) and Charles Cargille prepare to record conference sessions.

back to the full group, and from these discussion groups, four focus topics were

selected for action planning by breakout groups. Group objectives, next steps and final comments were shared at Sunday's "closing circle."

Working sessions included:

- **"Replacing the Full Employment Act with the Full Production Act/ Capital Homesteading as a National Strategy"**
- **"Funding the Revolution"** (raising money for communicating and implementing the Third Way)
- **"The 'Act' of Social Charity"** (how the concept of "social charity" relates to the act of organizing to reform social institutions)
- **"The Federal Reserve and the Revolution/The Capital Homestead Bank"** (creating a "virtual bank" to communicate binary economics and Federal Reserve financing)
- **"How to Create a Beloved Economy"** (the role of education in nurturing healthy moral consciences and healing poor communities)
- **"Value-Based Management"** (how 100% employee-owned Western Building Supply used an ESOP and participatory management to create the opportunity for all members of the company to share in ownership and power, assume responsibility at the workplace, and sustain the company's ownership culture)
- **"Purposes and Principles"** (the moral origin and impact of economic and social justice)

- **"Introducing Binary Economics to the Third World"**
- **"Teaching Binary Economics (at the University and Grassroots Level)"**
- **"Meta-Priority: Getting Right With Mother Nature"** (using Dr. Howard Odum's "emergy" analysis to measure environmental impact and energy consumption for an alternative accounting of costs to production)
- **"Direct Democracy: Economic and Political Empowerment"** (how direct citizen access to the process of law-making can help in the success of binary economics as new national policy)

To allow for participants to discuss topics not included in the working sessions, blocks of "free time" were designated in which anyone could offer mini-seminars on their area of interest. Two well-attended sessions were offered on "Binary Economics" (Prof. Robert Ashford) and on "The Federal Reserve System" (Dr. Norman Bailey).

### Celebrating Our Community

Saturday evening was a time for rest, relaxation and celebration. A special moment in the evening was the presentation of the **Year 2000 Soldier of Justice Award** to CESJ member **Antonio Betancourt**, President of the World Institute for Development and Peace in Washington,



Antonio Betancourt receives CESJ's Soldier of Justice Award for 2000 from President Norman Kurland.

D.C. Antonio has been instrumental in arranging meetings and speaking engagements for CESJ representatives with various world leaders and has been an eloquent spokesman for binary economics and the Third Way.

It was also a time for showcasing the varied talents of people in the movement. Composer-singer **Victoria Grof** led the group in a selection from her

musical-in-development, *River City*. Based on the Old Man River City vision of Rep. Wyvetter Younge (who had worked with Bucky Fuller and Louis Kelso more than 25 years ago, and is now working with CESJ to bring realize that vision in East St. Louis), the musical envisions the transformation of the poverty-impacted community of East St. Louis into a model city for the 21st century.

The group also enjoyed the recordings of binary economist **Robert Ashford**, a successful composer whose music introduces the classical forms of Mozart and Beethoven to 21st century music.

**Antonio Betancourt** serenaded the group, **Walter Fauntroy** sung his inspirational rendition of "To Dream the Impossible Dream," and CESJ member **Bill McCrary** led all the celebrants in a heartfelt round of "We Shall Overcome."

### Outcomes and Decisions

- The group made a commitment to **get binary economics into academia**, establish a university chair in binary economics, and arrange speaking engagements for Robert Ashford and Rodney Shakespeare to promote their book on binary economics.
- A **prototype Capital Homestead bank** (conceived of by John Jones) will be formed as a for-profit, employee-owned corporation, with a business plan and seed capital. Designed as an interactive "virtual bank," it will provide a model for large and small commercial banks when the Federal Reserve adds capital homesteading to its current monetary objectives. This model will demonstrate the process of Fed financing through ESOPs, CSOPs, CICs and other expanded ownership vehicles, and show people how to apply for capital homestead loans.
- A **Strategic Policy Committee** was formed to examine how ESOP legis-

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## CESJ Conference Marks New Millennium



Participants at CESJ conference chart strategy and plan next steps.

lation could be strengthened and “universalized” to establish ownership vehicles for other constituencies beyond workers, pinpoint specific elements where capital homesteading could help solve major problems, and identify prime movers to champion the Capital Homestead Act.

By the end of the conference, the “mega-question” was itself transformed. The objective, people agreed, was not to capture, but to “enflame”, the hearts and minds of people everywhere to a genuine Third Way. Norman Bailey observed that in the past century Vladimir Lenin sparked the revolutionary fires of socialism that “consumed tens of millions of people in the charnel house of history.” In the new century, he said, “We’re going to set a fire that will empower millions of people in a great future.”

### Follow-up to the April Conference

- On April 11, 2000 Syracuse Law School professor **Robert Ashford** spoke at Georgetown University Law Center on “Teaching Binary Economics in Universities and Professional Schools.” Giving an overview of binary theory, Prof. Ashford laid out the practical as well as pedagogical reasons why binary economics should be taught as part of university curricula. Among those attending his presentation were the dean of the University of the District of Columbia’s School of Business and a UDC management professor.

Both were given copies of Robert Ashford and Rodney Shakespeare’s book, *Binary Economics: The New Paradigm*. (An outline of Robert Ashford’s presentation on binary economics is available on the CESJ web site, at <http://www.cesj.org/binaryeconomics/teachingBE-outline-RA.htm>)

- Through **Antonio Betancourt**, CESJ board members **Norman Bailey**, **Norm Kurland** and **Joe Recinos** met on April 10 with the **Hon. Luis Alberto Lacalle**, former president of Uruguay, who promised to promote CESJ’s central bank and capital credit insurance proposals. Norman Bailey and Antonio later traveled to Uruguay to present these ideas to Uruguayan central bank officials.
- Norm Kurland, Robert Ashford, Norman Bailey, and Antonio Betancourt met on April 13 at the University Club (Washington, D.C.) with the editor-in-chief and publisher, vice president, and two reporters from *Tiempos del Mundo*, which is distributed in 20 Spanish-speaking countries throughout Latin America. Their four-part interview appeared in an article published later in April.
- On June 1, Antonio arranged for **Rev. Walter Fauntroy**, **Norm Kurland** and **Norman Bailey**, and Antonio’s associate **Dr. Frank Kaufmann**, to meet with **Catholic Archbishop Emanuel Milingo**, one of Zambia’s leading scholars and an African spiritual leader who has a personal relationship with Pope John Paul II. The Archbishop, who heads the Pontifical Commission for Pastoral Care of Migrants and Displaced Persons, was very moved by the Third Way ideas and asked how they might be applied in Zambia. The archbishop was interested to learn of CESJ’s discussions with **Kenneth Kaunda**, former President

of Zambia, and felt that CESJ’s ideas should be presented to the Bishop of Lukasa.

- On June 6, Norm, Norman Bailey, and Walter Fauntroy met with former **U.S. Congressman Bill Frenzel**, who is now at the Brookings Institution and serves as the co-chair of the Bretton Woods Committee, which is re-examining the impact of global monetary and financial institutions on economic globalization. Frenzel, principal sponsor of the 1975 “Accelerated Capital Formation Act” (the legislative forerunner to the “Capital Homestead Act”), expressed interest in our progress. He agreed that he would meet with CESJ’s Strategic Policy Committee from time-to-time and would accompany a delegation to meet with Federal Reserve officials.
- Following the April conference, CESJ board member **Dr. Charles Cargille** developed a proposal for an interdisciplinary Binary Economics Scholars Roundtable. The aims of the roundtable would include: researching and advancing the science of binary economics, publishing materials on binary economics in scholarly journals, raising funds for economic chairs in binary economics, and developing an academic/professional society to enhance the credibility of binary economics. In presentations to the American Association for Mental Retardation, Charles has proposed **Capital Homestead Accounts at local banks** (funded by bank loans discounted with regional Federal Reserve Banks) for enabling mentally handicapped children to gain an independent income to meet their subsistence needs. This would provide priority access to the power of Capital Homesteading for our most economically dependent Americans.

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## Establishing an Academic Beachhead for the Third Way

Since 1995, representatives of the **Center for Economic and Social Justice** and associates in the **World Institute for Development and Peace**, **Equitech International**, and other organizations have been working to implement a capital homesteading model in the Nation's Capital, called the "**New Birth Project**." Following the April conference it was agreed that, for practical and political reasons, we should continue to focus our efforts on developing the first demonstration in Washington, D.C. The group also decided that a key step in selling the idea to the Federal Reserve and Congress, as well as overcoming roadblocks, will be to build a series of strategic alliances to mobilize D.C. grassroots, economic development, business, labor, finance and faith-based organizations.

One of the root sources of resistance to the new paradigm of binary economics and capital homesteading has been in academia. Thus, building a base of academic support for "the Third Way" was targeted as a critical objective.

The group identified the **University of the District of Columbia (UDC)** as the best place to start. Several presentations on the New Birth Project have already been made to UDC faculty and student leaders, who responded enthusiastically. Furthermore, UDC's leadership has been seeking new ideas to raise UDC's profile in the academic community. UDC also has a multidisciplinary faculty which could lend support to all aspects of the New Birth project (engineering, business, law, journalism, etc.), as well as an institutional mandate to provide educational outreach services to the DC community.

Norm Kurland, Norman Bailey, Walter Fauntroy and Antonio Betancourt met in June with **UDC's President Dr. Julius Nimmons, Jr.** who expressed interest in the New Birth project and

openness to teaching binary economics, expanded ownership financing, and value-based management in the university's curriculum. President Nimmons later stated his support for forming a multi-disciplinary Institute on Economic and Social Justice at UDC, which would be jointly chartered by UDC and CESJ. He insisted, however, that such an initiative must be "faculty-driven."

In a subsequent meetings with CESJ representatives, **Dr. Vernon Clark** (UDC Provost and Vice President for Academic Affairs) and **Dr. Alford Ottley** (Associate Provost) committed themselves personally to creating a multi-disciplinary research institute at UDC. Dr. Clark agreed to arrange meetings in September with key deans at the university, as well as faculty and student leaders, to introduce them to the Third Way concepts. It was decided that a conference for the full university would be held in late Fall 2000.

## Building Support for a Capital Homesteading Demonstration

Interest in the capital homesteading approach has been quietly growing. In a letter to CESJ board member Dr. Norman Bailey dated July 10, 2000, **Mayor Anthony Williams** commented that he found CESJ's proposals for capital homesteading "promising," and requested that CESJ meet with his Director of Policy and Evaluation. (CESJ representatives later met with top advisors to the Mayor, and received a generally positive response, although no further action has come out of the Williams Administration.)

A joint UDC/CESJ core group met for 1-1/2 hours with the President and Vice President of the Richmond Federal Reserve who reacted positively to the broad goals of the capital homestead proposal, particularly to CESJ's idea of a community investment corporation (CIC). **Richmond Fed President Alfred Broadus** acknowledged that the

present system does nothing to close the widening wealth and income gap, and appreciated that CESJ's solutions address this problem in the context of free markets and private property. **Vice President Kemper Baker** mentioned that he had been very impressed with CESJ's web site, and was reading our "Capital Homestead" paper.

Although they raised no technical objections to using the Fed's discounting powers to finance capital homesteading, the Richmond Fed officials stressed that they would not act on the proposal without support from the Fed's Board of Governors and a mandate from Congress. A friendly follow-up letter sent by Mr. Broadus to Norm Kurland on June 30 lauded CESJ's objectives and described our CIC proposal as "a unique approach to helping local communities," but declined to take action.

As Norm Kurland put it, "We'll just have to keep building our alliances and go back from a position of strength. Establishing an academic base of support for capital homesteading remains a crucial step in our strategy."

## CESJ's Website

Thanks to the tremendous work of CESJ board member and volunteer web designer-web master **Rowland Brohawn**, our web site ([www.cesj.org](http://www.cesj.org)) is attracting praise, inquiries, and membership and publications requests from every part of the globe. If you haven't seen it yet (or visited it recently), check out CESJ's web site, which we're constantly expanding and improving. Our web site is a treasure trove of free information on the Third Way, capital homesteading, expanded capital ownership, value-based management, economic and social justice, and related topics. You can also find the full text of many recent articles mentioned in the newsletter, as well as periodic reports on special events. ▲



## Fuel for Terrorism

Even with the recent downturn, the U.S. economy continues to enjoy record rates of prosperity. It's not surprising that neither of the two major presidential candidates mentioned the growing disparity in wealth and income between the rich and poor. However, recent statistics paint a sobering picture, particularly if we look globally:

— *Business Week* magazine (11/6/00) reported that in 1960, the 20 richest countries had 30 times more wealth than the remainder of the world. Today the gap has expanded to 74 times.

— According to the *Washington Post* (7/13/99), the 260-page "Human Development Report" released in 1999 by the United Nations, found that the world's 200 richest people have doubled their wealth to \$1 trillion in just four years, and the assets of the three richest families now exceed the combined gross national products of all the least-developed countries. Meanwhile, more than 1.3 billion people in the developing world eke out a living of less than one dollar a day.

— New York University economist Edward Wolff found that in the U.S., 90% of all shares were held by the wealthiest 10% of households. The top 10% hold 73.2% of total U.S. net worth, up from 68.2% in 1983. Reporting on Wolff's findings, the *Wall Street Journal* (9/13/99) concluded, "the stock market has remained the privilege of a relatively elite group."

## Leading Economists Recognize Binary Economics

Louis Kelso's binary economics has found its greatest resistance coming from academic economists, who have often refused even to debate its premises or to acknowledge its value as a theory. So it is newsworthy when two distinguished Ph.D. economists deem binary economics worthy of study. New York University's **Dr. Edward Wolff**, author of "Top Heavy: A Study

of the Increasing Inequality of Wealth in America" and a protégé of famed Harvard economist Vassily Leontieff, stated on two televised interviews:

"I think binary economics has raised a lot of fundamental issues which should be addressed by the economics profession. The mainstream economists really haven't dealt with this issue. [N]o attention is being paid to ... the 'ownership question'." (4/17/00, "Conversations with Harold Channer," Manhattan Neighborhood Network, Channel 34)

"Nowhere in our legislation or in our conventional view of the economy do people think of providing ownership of capital to a vast segment of the population. This is where I think that binary economics has made a very important contribution to putting the emphasis on both providing labor services as well as providing an avenue to receive some of the income from capital as well." (5/15/00, "Conversations with Harold Channer")

In his review (published on the Barnes and Noble web site) of Robert Ashford and Rodney Shakespeare's book, *Binary Economics: The New Paradigm*, economist **Dr. Robert Solo** of Michigan State University observed:

"Whether the voluntary operation of the binary economy will produce the growth, distributive justice, and other benefits predicted by binary economists remains to be seen; but the binary proposals and predictions cannot be

responsibly dismissed on the strength of conventional economic theory, which itself has yet to solve, let alone explain, the problem that Ashford and Shakespeare address. Theirs is a noble goal, and the new discourse they seek to initiate, focused on achieving a more equitable distribution of wealth by way of voluntary transactions and without redistribution, is of the utmost importance. Readers concerned about economic justice and efficiency cannot credibly claim to be open to new solutions and yet ignore this book."

## The Empowerment Network Recommends Capital Homesteading

Among its recommendations to presidential candidates, **The Empowerment Network** (TEN), headed by CESJ friend **David Caprara**, advocated capital homesteading as one strategy for renewing and economically empowering families and communities in the 21<sup>st</sup> century (page 59). In its "**Empowerment 2001 Blueprint**," TEN also acknowledged CESJ (page 70). The Empowerment Network's congressional caucus network is a bipartisan organization with co-chairs Sen. Rick Santorum (R-PA), Rep. Mark Souder (R-IN), Sen. Joseph Lieberman (D-CT), and Rep. Rob Andrews (D-NJ). David is now a major player in linking the George W. Bush White House with America's faith-based community. ▲

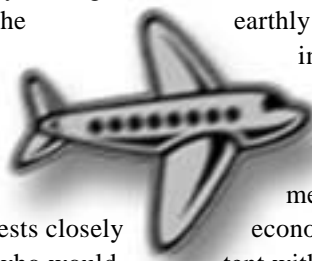
## Donations Advance CESJ's Projects

CESJ would like to thank all its members and friends who have supported with their donated time and dollars our continuing operation and special projects. While we function as an all-volunteer organization, we have many expenses associated with spreading the "third way", implementing our various projects, and running the operation. CESJ couldn't exist without you.

One anonymous donation deserves special mention. Following the CESJ conference at UDC, a CESJ member donated a **\$5,000 matching grant** to attract funding for an endowment to establish the UDC Institute on Economic and Social Justice.

Please remember CESJ in your charitable donations and estate planning. You get a tax deduction and you "plant a tree," by investing in economic and social justice for generations to come.

► **Steve Nieman**, a pilot with Horizon Air and a CESJ member, is leading a bold initiative to reorganize both Horizon Air and Alaska Air through a combination employee stock ownership plan (ESOP)-customer stock ownership plan (CSOP). Steve realized that in order for employees to gain a majority presence on the board of directors, they would need the extra financial help from “a partner(s) that has money, influence, yet with interests closely aligned with workers who would also benefit by a significant equity stake in the company.” In other words, the customers. His idea is to reward frequent flyers with a real bonus—stock—based on their relative patronage.



Working closely with CESJ on this strategy, Steve is stressing the need for “value-based management” in the restructuring of an employee-customer buyout. Management and employees have shown some support (the president of Horizon made a financial contribution to help in the buyout process). However, Steve is encountering significant resistance from a few of the airline’s unions, some of which are downright hostile to the idea of employee ownership (others have expressed their support of the idea, as it is one way for members to protect their jobs). To keep employees and customers abreast of developments in the ESOP-CSOP buyout, Steve publishes an excellent newsletter (*EAHSOP’s Cables*), which can be viewed on the web site [www.eahsop.org](http://www.eahsop.org).

► Through CESJ member **Dr. Robert Crane**, Norm Kurland met on March 23<sup>rd</sup> with **Dr. Ahmed Yousef**, editor-in-chief of the *Middle East Affairs Journal*. Dr. Yousef liked the CESJ core values and code of ethics. While

Dr. Yousef is proposing a bi-national solution to the conflicts over the West Bank and Jerusalem, he listened with great interest to Norm’s presentation on the “**Abraham Federation**” proposal. This approach would unify Israelis and Palestinians within a new kind of nation state founded on the earthly sovereignty of each human being and the economics of shared abundance, rather than endlessly fighting over “holy” land. Dr. Yousef commented that CESJ’s ideas of economic participation were consistent with Islam. (*Norm Kurland’s Abraham Federation proposal appears on CESJ’s web site.*)

► CESJ member **Norbert Hermes** (Salina, KS) wrote a series of articles for the “Family Treasures” column of the *Kansas Register*, offering a CESJ perspective for understanding and addressing the economic and social problems facing families in America and the global community. In his articles Norbert references CESJ and its intellectual roots, core values/code of ethics, and achievements.

Helping spread the message through other media, Norbert arranged for **CESJ President Norm Kurland** to be interviewed on two Kansas radio shows. The first radio show, which aired on February 27<sup>th</sup>, was an hour-long interview by pro-life lawyer **Rebecca Messall** (Kansas City, KS). Her interview covered a wide range of topics including CESJ’s concepts of economic and social justice, and how capital homesteading could address the crisis facing U.S. farmers. The second show, which aired on May 22<sup>nd</sup>, was a one-hour Kansas radio show with co-hosts **George Pyle** (representing the liberal viewpoint) and **Clarke Sanders** (presenting the conservative position). Norm discussed the Capital Homestead Act as a non-redistributive national economic strategy for closing the

growing wealth and income gap between the rich and poor.

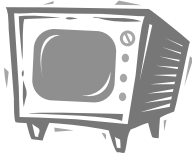
► Making your presence known on the World Wide Web is a continuing challenge. **John Pimenta** has shown how “virtual volunteers” can help CESJ get our message out globally and identify useful sources of information. He has been publicizing CESJ on the Internet by e-mailing CESJ’s articles and web address to people and organizations in his network. He has also let us know about web sites relevant to our work. John recently launched his own web site at [http://members.aol.com/\\_ht\\_a/netgrowth/myhomepage/profile.html](http://members.aol.com/_ht_a/netgrowth/myhomepage/profile.html) which includes facts and statistics on the growing wealth and income gap between rich and poor.

► CESJ’s **Norm Kurland, Dawn Brohawn and Rowland Brohawn** met early Spring in Bridgeport, Connecticut with **Hamid Malakpour**, Vice President of People’s Bank, and two bank associates, **Gustavo Fayad** and **Maya Attanasova**, who are also graduate students at the University of Bridgeport where Mr. Malakpour teaches business management. (Through Antonio Betancourt, Mr. Malakpour had met previously with Norm Kurland, who presented the concept of the community investment corporation.) They discussed the group’s “**Bridgeport Economic Empowerment Plan**,” which would incorporate a CIC and ESOPs to help rebuild Bridgeport’s economy and broaden the base of capital ownership. Like Washington, D.C., Bridgeport is beset with economic problems and a high incarceration rate, as well as the heavy influence of organized crime. The group agreed that, given these enormous challenges, it was critical to locate a “prime mover” and form a “mastermind alliance” in order to move forward on their bold strategy.

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## Cable Show Features "Third Way"

For nearly 30 years, long-time Kelsonian and CESJ friend **Harold**



**Channer** has interviewed some of the world's leading thinkers, scientists, political leaders, and artists on his New York cable TV show, "**Conversations with Harold Channer.**" In his eclectic show, Harold has compiled a historic series of interviews with some of the leading voices in the "Third Way," including "founding fathers" Louis Kelso, Buckminster Fuller, and Senator Russell Long. Over the past year, Harold has produced an excellent series of interviews with binary economists **Rodney Shakespeare, Robert Ashford, Norman Kurland, Norman Bailey, Antonio Betancourt** and musician-composer **Victoria Grof** (who described her current project with CESJ, weaving expanded ownership ideas into a musical, "River City"), as well as expanded ownership author **Jeff Gates.**

Harold's interviews of New York University's **Dr. Edward Wolff** (America's leading scholar on the wealth and income gap), included combined interviews with, respectively, **Rodney Shakespeare** and **Robert Ashford.** These interviews marked some historic statements by economist Wolff acknowledging the contributions of binary economics, particularly in addressing the wealth and income gap. (See his quotes in "*Milestones and Weathervanes*" on page 12.) Harold's show "Conversations with Harold Channer, airs on Manhattan Neighborhood Network (Channel 34), and also airs in "real time" on the Internet every Monday, 1-2:00 p.m. EST, by clicking on the Channel 34 button which appears on the web site [www.mnn.org](http://www.mnn.org).

## CESJ Bangladesh Reports Progress

Our congratulations to **CESJ Bangladesh** and the **Economic Empowerment Board** for their persistence and accomplishments during the past year. According to reports from **Fr. Bill Christensen**, consultant/treasurer of the **Institute for Integrated Rural Development** (and CESJ's 1999 Soldier of Justice), CESJ Bangladesh continues to hold meetings to educate its members on the Third Way and binary economics. Their impressive group includes government, business and labor leaders, as well as leading economists and lawyers.

In one important CESJ initiative, **Dr. Muhiuddin Khan Alamgir** (Bangladesh's State Minister of Planning) sent a letter and copy of the Ashford/Shakespeare book, *Binary Economics*, to Nobel Prize winning economist **Dr. Amartya Sen.** Dr. Sen responded: "This looks like a very unconventional and challenging book. I look forward to reading it."

**Fr. Richard W. Timm**, President of the Bangladesh Human Rights Commission and a member of CESJ Bangladesh, wrote an in-depth review of CESJ's *Curing World Poverty.* He concludes: "Here is a practical way of giving a good measure of ownership to workers and hence giving them a sense of responsibility for their own contribution. Since the Third Way fits in beautifully with the social teaching of the Church, leading Church organisations should be in the forefront of promoting it."

A major setback was the Bangladesh government's decision to offer nine closed-down textile mills to workers in exchange for their assuming the companies' significant debt burden, rather than adopt the leveraged ESOP strategy (with the government taking back paper) that the Economic Empowerment Board had proposed.

Finally, kudos to Fr. Bill for his superb handbook on the Third Way. While written specifically for workers in Bangladesh, the pamphlet speaks clearly and eloquently to workers in developing countries. This pamphlet will soon be available on CESJ's web site.

## Conferences and Presentations

► CESJ's **Norman Kurland** and **Dr. Jerry Afuh** (President of the Pan-African Party of Cameroon) led two workshops on economic development at the **Carbondale Summit on Africa**, December 3-4, 1999, held at Southern Illinois University at Carbondale, IL. The purpose of the conference, leading to the **National Summit on Africa** (Feb. 2000), was to educate people at SIU and the Southern Illinois region on the importance of U.S. relations with Africa in the new millennium. Norm was asked to recommend Third Way policy changes to the draft action plan being developed for the National Summit. His seven recommendations focused on the democratization of capital through access to capital credit. Dr. Afuh suggested that African countries consider the expanded ownership model as a just alternative to the exploitative systems of capitalism and socialism, declaring "the Third Way is the African way."

► CESJ member **The Hon. Rev. Walter E. Fautroy** spoke on the relevance of capital homesteading to the civil rights movement, at the 18<sup>th</sup> Annual Luncheon of the Philadelphia Martin Luther King, Jr. Association for Non-Violence (1/17/00). Rev. Fautroy declared: "I believe that [Capital Homesteading] is destined to become the Economic Paradigm for the 21<sup>st</sup> Century....[I] believe that Dr. King would have been so convinced of the urgency of action upon this paradigm that he would be leading the charge for its implementation. I recommend this challenge to you as a framework for *action* by those of us who revere his memory and remain committed to his dream."

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► At the conference of the Ohio Employee Ownership Center (OEOC) held in Akron, Ohio on April 27-29, Norm Kurland spoke on a panel with **Lynn Williams** (former President of the United Steelworkers) and **Dr. John Logue** (Director of the OEOC and a member of CESJ). Norm discussed practical applications of economic and social justice, including capital homesteading as part of national policy, and value-based management as a philosophy and system for building a sustainable ownership culture. Lynn Williams expressed interest in the New Birth Project and CESJ's initiatives at the University of the District of Columbia.

► CESJ members **Rev. Walter Fauntroy** and **Dr. Norman Bailey** spread the Third Way message among a host of international leaders, including former presidents, prime ministers, and U.N. ambassadors, at a conference held in August 2000 in New York on "**Renewing the United Nations and Building a Culture of Peace.**" The two spoke on a panel, "The UN and Freedom from Poverty," that included former Costa Rican President and Nobel Peace Laureate **Oscar Arias**. Dr. Bailey (former Special Assistant on International Economic Affairs to President Reagan) was cheered during his presentation on "The New Emancipation: Economic Justice in the Twenty-first Century." He asserted that liberation of most of humanity from today's system of "wage slavery" lies in universalizing access to capital ownership by restructuring our credit, monetary and fiscal institutions. Rev. Fauntroy, (one of the chief organizers of the historic March on Washington, and 10-term D.C. delegate to the U.S. Congress) gave a stirring speech on "Economic Empowerment for a Culture of Peace," highlighting capital homesteading and the New Birth Project. The event was hosted by the Interreligious and International Federation for World Peace. (*Copies of these speeches are available on the CESJ web site.*)

► At the conference on "Renewing the United Nations," Norm Kurland was honored to meet **Alvaro Magaña**, former President of El Salvador. President Magaña (a fellow alumnus with Norm from the University of Chicago) was so impressed with the Third Way concepts and proposals that he offered to translate personally into Spanish two articles on the Third Way that Norm had distributed at the conference. President Magaña's excellent translation of "**Closing the Wealth Gap: A Just Third Way**" (co-authored by Norman Kurland, Michael Greaney and Dawn Brohawn) was published in the October 2000 issue of *Entorno*, a publication of the Universidad Tecnológica de El Salvador. President Magaña wrote Norm that he is presently working on the Spanish translation of CESJ's response to the Draft U.N. Document on Social Development.

► **Rodney Shakespeare** (co-author of *Binary Economics: The New Paradigm* and a member of CESJ) spoke on behalf of CESJ at an international panel on "The Third Way," featured at a conference held at the University of Bergen (Norway) on August 14-18. Traveling from the UK, Rodney delivered his paper on "**Binary Economics: The New Paradigm,**" speaking in place of Norman Kurland who had been invited to speak on the panel but was unable to attend. Rodney opened with the observation: "[T]here is no true Third Way or new thinking coming from [Tony]Blair/[Bill]Clinton; ... there is a new paradigm in existence; and ..., when the new paradigm is applied in practice, it provides a remarkably effective solution to the impending pensions crisis." His presentation on binary economics was followed by a half-hour question-and-answer session.

Rodney reported that the two "Blairite" academics who attended "were completely flummoxed by binary economics." A "conventional economist" there kept insisting "But capitalism

beat communism!" Fortunately by the end of the session, according to Rodney, she gradually "came to understand." (*Rodney Shakespeare's presentation in Bergen is available on CESJ's web site.*)

► CESJ board members **Dr. Charles Cargille** and **Norman Kurland** spoke at an international conference on wealth distribution, July 10-14, in Puebla, Mexico. The conference, organized by **Prof. Michael Naughton** (professor of management at St. Thomas University in St. Paul, Minnesota and a member of CESJ), addressed Catholic business executives and professors of business management concerned with the education of future business leaders. Norm and Charles used the occasion to do some "seed-dropping." The luncheon speaker, expanded ownership advocate and author **Jeff Gates**, gave an impassioned presentation on the growing wealth and income gap, but pointedly distanced himself from binary economics as a theoretical basis for expanded capital ownership. When asked for comments on the value of binary economics and Louis Kelso's contributions to the concept of economic justice, Jeff merely responded, "I'm eclectic," without offering specific objections or an alternative economic theory.

► At the invitation of founding CESJ member **Geoff Gneuchs**, former associate editor of the *Catholic Worker* (a group founded by activists Dorothy Day and Peter Maurin), Norm Kurland traveled to New York on October 27th to speak on the Third Way before about 45 people. Geoff reported back that Norm's presentation "received *volunteered* high praise the following days." Following the presentation, Geoff contacted George Horton, the Director of Social Development for the Archdiocese of New York, requesting that he arrange a meeting between Norm and Archbishop Egan of New York to discuss the Third Way alternative. As Geoff commented in his

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## News From the Network

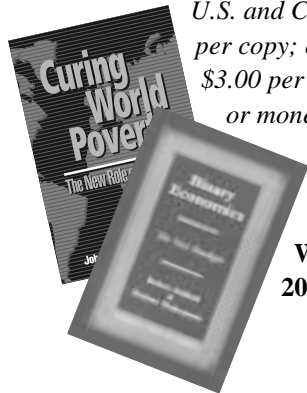
November 20<sup>th</sup> letter to Horton, "It's the Catholic principle of subsidiarity."

► On October 12-13, Norm Kurland gave two 3-hour seminars on the Kelsonian paradigm for faculty and graduate students at **St. Mary's College** in San Antonio, Texas. The lecture trip, which focused on the Kelso-Adler principles of economic justice, and the concept of social justice as articulated by the late CESJ cofounder Fr. William Ferree, was arranged by CESJ member **Prof. Larry Hufford**. Dr. Hufford, Chairman of the Department of International Studies, came to CESJ through Fr. Bill Christensen, a student of Fr. Ferree. ▲

**Curing World Poverty: The New Role of Property:** \$12.00 for CESJ members; \$15.00 for non-members.

**Binary Economics: The New Paradigm:** \$20.00 for CESJ members; \$24.50 for non-members.

*Please mention member discount when ordering. Postage (book rate) in U.S. and Canada: \$U.S. 2.50 per copy; other countries, \$3.00 per copy. Send check or money order (in U.S. funds) payable to CESJ and mail to P.O. Box 40711, Washington, D.C. 20016.▲*



### ▲ Closing Thoughts ▼

“Our problem today is not how to expropriate the expropriators, but, rather how to arrange matters so that the masses, dispossessed by industrial society in capitalist and socialist systems, can regain property.”

**Hannah Arendt,**  
*Crisis of the Republic*

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