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Leadership Needed for American Business NOW!

1. If Sam Walton had run for President and had been successfully elected, the world would see the USA, not just as a military super power, but as an equally economic super power. We would be the world's benchmark for human rights, worker's rights, and productivity. I have never worked for Wal-Mart, owned any Wal-Mart stock or had any connection with Wal-Mart other than as a customer, but I honestly think Sam had the right business model, at least as it related to employees and promoting products made in the USA. Having said that, I don't believe the Wal-Mart of today embraces the same concepts Sam envisioned for Wal-Mart's future. Sam knew that employees who had a vested interest (stock share) in the company would be vastly more dedicated, loyal and productive than if they were just hourly workers. Sam's vision slowly fell apart due to his having no control over employee stock retention. When employees had a need for funds, Sam had no way to prevent the employee from selling

his or her stock; thus employee owners were reverting back in fact, and more importantly in mind-set, to being just an hourly worker. Like social security, employee retirement accounts will need regulated protection to prevent access to the funds prior to retirement or disability. Sam's idea, had it worked as well for the employees as it has for the overall Wal-Mart Corporation, would have moved thousands of workers well up into the middle class, as was the case of the first employees who did not sell their stock. They became firmly established in the upper middle class, if not wealthy. This is the type of leadership we need NOW.

2. Social Security is facing a deadline for providing future retirement income now that the baby boomers are entering the picture. Our resources are not going to be able to meet these demands without just printing more and more paper debt. If the government can guarantee certain savings in bank accounts through the F.D.I.C., why not establish a program that would require that every employee own a regulated block of stock (Retirement Account) made up of stock in the company the employee works for and, so the employee will not have all his retirement eggs in one basket, include in this retirement basket high rated bonds and stocks from other non-competing employee owned companies. It seems to me the government could guarantee these programs as they do through the F.D.I.C regulated plans. This surely would be less expensive to taxpayers than trying to overhaul and fund social security. Most young people I talk with NOW, state they don't think Social Security will be available when they retire.

Just as we provide student loans to help provide a college education, once the student graduates we should consider providing employment loans that would start the employee ownership package rolling. The corporations themselves could enact scholarship type programs to provide a start-up stock package to attract needed employees. I believe the psychological factor alone, of the increase in self-esteem a worker will have just by working for an employee owned company will go a long way in terms of increasing both the company's product quality as well as quantity of production and sales. These concepts would unlock, reestablish and promote the ideals and ingenuity for which the American work force is renowned.

The employee could consolidate any existing student loans with the employee stock ownership package, paying for both through a regulated payroll deduction plan. When the startup package is paid for, it would be mandatory that a systematic rate of payroll deductions continue to allow the employees retirement package to continue to grow until retirement. If the employee is terminated prior to retirement, the government could establish policy for an escrow holding account pending re-establishing or transferring the fund with a new employer, including cases of no employment available or disability. Provisions could also be made in the G I Bill program earmarking a part of the package to provide the funds for the purchase of the employee's start up stock package for those leaving the military in search of employment. Think about the effect this would have on startup businesses, where each employee hired is bringing not just his or her skills, but also bringing investment capital.

Think how customers would be treated by employee owners, and the respect customers would have for employees when they know this person actually does own the company. When you THINK about it, why would anyone given a choice want to work for a corporation that has over 51% of its stock owned by outside investors? They could even be outside of this country. These investors are electing CEOs and board members? How can we stop them from taking over our corporations, selling all the assets (equipment, buildings, and land. etc?) The only way I see is to legislate that all corporations must have at least 51% employee ownership.

3. The Peter Principle is the principle that "In a Hierarchy Every Employee Tends to Rise to His Level of Incompetence." This now seems to apply to Corporations more so than employees. The bigger the Corporation the harder they fall. One way to reduce the devastating effects of a giant corporate failure would be to break it down into smaller component production facilities. In the automotive field, this would be the perfect time. Rethinking the industry is ongoing due to the high cost of energy. More fuel efficient vehicles, alternative power source and hybrids are the future. Retooling will be required whether the production facilities are the same central mega factories or smaller compact units spread out across the country. Why not construct and locate mini assembly and fabrication units close to the local Dealerships. Engine production could be spread out all across the country in units such as

piston plants, crankshaft plants, every part a mini production facility. I believe the reduction in labor cost alone could cover the cost of constructing the mini facilities. The technology is available to monitor and supervise each facility remotely from a central location. If the treasury is going to bail-out these corporations anyway, I say attach the funds to employee loans and let the employee owners bring in investment capital to help put it all together. This way we are putting people to work, not just paying out to professional investors. (gamblers)

4. Vegas & Wall Street

Wall Street is the BIG APPLE CASINO. Vegas has been ahead of Wall Street gamblers (Traders) for a long time. For instance, if you're a card counter (a system that gives the player an advantage over the house) playing Black Jack in a Vegas casino, even though card counting is legal (like selling short or certain other stock and option trading is legal), when the pit boss catches onto you, the casino has the right to ask you to leave and even ban you from coming back. Why can't Wall Street take the same position with their trading (gambling)? When it is determined that any specific type of trading action, legal or illegal, is detrimental to the overall health of the stock market, it could and should be banished.

5. Fiduciary responsibility & Golden parachutes,

It's a well known fact that institutional and private fund investors, by virtue of the scale of their collective investments, have enormous influence over financial markets and the global economy as a whole. In 1999 United States public pension funds alone had assets representing 46 percent of the gross domestic product and 33 percent of the New York Stock Exchange's capitalization. Additional holdings by religious, educational and public institutions, unions and foundations further increase these numbers. As a result, these institutions' financial decisions have a huge impact on society. The collective power of these institutions could be limited to 10 to 30% holding in any one corporation thus reducing their power to control the election of CEOs and board members along with their outrageous contracts that include multi-million dollar bonuses and golden parachutes. This action would tend to secure the short and long term interests of employee owners, beneficiaries, and other shareholders and stakeholders alike.

The realities of the 21st century require fiduciaries to be concerned with the impact of financial, social and environmental factors on the performance of their company to fulfill their legal obligations and maximize shareholder value. In addition, as employee owners, fiduciaries have the duty and the opportunity to promote good corporate governance to protect the assets under their care, and because the corporation is at least 51% employee owned the focus of the CEO and board is not just the bottom line.

The employee owner concept asserts that the integration of prudent financial management practices with principles of environmental stewardship, concern for community, labor and human rights, and corporate accountability to employee shareholders and stakeholders, which presently are not considered relevant by the financial decision-making process of the bottom lined focused professional investors. These outside investors with no other relationship to the company or employee, other than ownership of its stock, tends to constitute in-fact a single bottom line concept. In order to guarantee long term sustainability, to minimize long and short term financial risk, the definition of fiduciary responsibility has to evolve to a more comprehensive view of all aspects concerning the true value of a corporation and its employees. NOT JUST THE BOTTOM LINE.

6. Make no mistake, IT WILL NOT BE EASY!

Nothing worthwhile ever is, especially when it will require such a complete change in the way people think about such things as their work ethic, corporate social security (in-house retirement accounts) instead of federal social security, in-house corporate healthcare both during working years and retirement, involvement with unions, Worker's Compensation issues, and last but not least, the Golden Rule. Those who have the gold make the rules, and you can bet, if the employee 51% ownership ball starts rolling, money will be no object when they (professional outside investors) put their best lawyers and lobbyists in high gear to protect the status-quo of the elite.

If we as a people continue to take our future for granted, we will continue to be victims of economic oppression (working for the man). Unless checked, economic power will continue to cause more death and destruction than atomic power. Click on the site below and see what happens when people don't speak out, won't speak out, or sadly, just have no way to be heard.

<http://www.globalissues.org/article/26/poverty-facts-and-stats>

7. This is my way of trying to do something. I hope people just THINK. The world is watching, whether it's my view of Sam's idea, your idea, or any combination of ideas, doesn't matter. Just because we think an idea is sound and would work, but think we know it will never happen, doesn't

matter. What does matter is, will we get our ideas into the hands and minds of those leaders who can and will effect productive change?

Thank you for your time.

All comments are welcome and may be sent to

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