

ECAAR NEWS NETWORK

The Newsletter of Economists Against the Arms Race

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Dear Members

Since the Spring Newsletter, we have been very busy here at ECAAR. The decision to publish this issue kept being postponed as we forged ahead with fundraising proposals, trips by board members, creation of new foreign chapters and planning for the AEA meetings and other conference participation.

When we are not planning and following the many trails that ECAAR is traveling, we correspond with our Trustees and Board Members, people wanting to know more about us, and members, for ideas and suggestions pertaining to programs, projects and articles that ECAAR might initiate. We would like to develop chapters in universities and believe that our present members could organize them. We now have 130 US members and while we debate the merits of a mass membership, we have no doubt about the need for a larger membership. We will have a full page ad in the December AEA Journal and plan a letter to all AEA members. Included in grant proposals are requests for travel funds to send speakers out to bring ECAAR's message to a wider community.

This is an historic time for disarmament, at least by the major powers. It can also be a time for international cooperation and mutual assistance. In some quarters we have been chided about being late on the scene but others believe we are very timely and economists have a most significant contribution and leadership role for world reorganization. Examination of the problems is for political economists and not for the military.

Grants Awarded & Fund Raising Events

We have undertaken a fund raising campaign while operating on limited funds from some of our Board members, a loan and dues. We have now received some modest grants from the Save The Earth Trust, a member of the Rockefeller Family Fund and \$50,000.00 from the John D. and Catherine T. MacArthur Foundation for 18 months for specific program development.

The first public meeting and fund raising by ECAAR was on September 10th at the home of Robert and Evie Wechsler in

East Hampton, NY. Friends and supporters gathered for an afternoon cocktail party to meet and listen to the ever salient and urbane comments of John Kenneth Galbraith. The audience, intelligent, influential and affluent, was most responsive. Questions focused on the problems of shifting the economy from military dominance and the orderly transfer of jobs for those in the military-industrial complex to a civilian economy. Support for a conversion program must be developed.

We have been operating on a minimum budget with only one part time paid staff and without an office. Now with some funds available and increasing responsibilities and program, we will become more public.

Soviet Union Visits --- ---

This summer two of our Board members, Lloyd Dumas and Dietrich Fischer, visited the Soviet Union on two separate occasions. We were aware of their trips in advance and suggested contacts on ECAAR's behalf. Other Board members have traveled and engaged in numerous projects but we had not asked for reports and therefore are unable to write about them. Because of working closely with Co-chair Lawrence Klein we know of his trips to western Europe, the Middle East, Japan and Canada. We now suggest that future ECAAR newsletters are available for reporting your activities of a nature of interest to ECAAR.

Dietrich Fischer visited Moscow June 1-16 at the invitation of Dr. Viktor Gelovani and Dr. Andrei Piontkowsky at the Institute of Systems Studies of the National Academy of Sciences. He gave a series of seminars on models of arms races, questions of strategic stability, non-offensive defense, and components of an active peace policy. He also participated in a conference on the history of the cold war at the Institute for USA & Canada Studies. Economists from two institutes in particular expressed an interest in forming an organization that could work with ECAAR: a group based at the Institute for World Economy and International Relations that works on problems of economic conversion; and another group at the Computing Center of the National Academy of Sciences.

On his trip to Moscow in mid-July, Lloyd Dumas met with a number of Soviet economists who expressed interest in the goals of the organization. They were pleased that such an organization was now active in the US and thought that an effective Soviet chapter could and should be established. Dumas had brief discussion with economists at both the Institute for US & Canada Studies of the Soviet Academy of Sciences and the Institute of World Economics. Robert Schwartz has also been discussing formation of an ECAAR

affiliate with Georgi Arbatov and Yuri Babrokov of US and Canada Institute.

It is clear that there are many opportunities for interchange on issues related to the economics of the arms race and the broader problems of the extraordinary economic restructuring now taking place in the USSR. They were both engaged in discussion of the problems of changing from a planned to a more market-oriented economy, price controls and production quotas vs. a "free market", and how to make the ruble convertible. Interest and involvement in the issues facing Soviet economists and the offering of ideas and help in a tactful way could be to our mutual benefit.

Organization of a Soviet chapter should help to facilitate interactions with members of ECAAR in the US and perhaps eventually lead to joint research and public education projects. Both Dumas and Fischer returned with lengthy contact lists. Anyone who plans to visit the Soviet Union is encouraged to help maintain and expand these relationships.

Other Board members have worked with Soviet economists as well. J. Kenneth Galbraith and Stanislaw Menshikov held discussions last year which were published simultaneously in the USSR and the US with the title Capitalism, Communism and Coexistence. Lawrence Klein is the chair of an AEA Committee on US-Soviet Relations and has worked with Soviet economists.

We are attempting to have one or more Soviet economist participate on some of our panels at the forthcoming AEA meetings.

AEA Meetings

Some members of the ECAAR Board of Directors, particularly Walter Isard have been very involved in planning panels for the December meetings of the American Economic Association this year in Atlanta. We are co-sponsoring and well represented on 6 panels. In addition, we will hold our annual General Membership meeting on Dec. 28th, 4:45-7pm in the Strasbourg & Milan Rooms at the Atlanta Hilton. The panel topics for the meetings are as follows, please consult the AEA program for room assignment.

1. Conflict & Peace Economics I: Diverse Topics
2. Conflict & Peace Economics II: Models for the Study of the Impact of Arms Reduction
3. Conflict & Peace Economics III: Conversion in the US Economy in Light of the Changing International Climate

4. Conflict & Peace Economics IV: Common Security
5. Conflict & Peace Economics V: Arms Burdens and Impacts
6. Economic Aspects of National Security

Nine members of the Board of ECAAR, including 4 of the Nobel Laureates are participating in one of more of these panels.

Foreign Chapters

We are pleased to announce that the first formal meeting of the Japanese arm of ECAAR was on September 1. Professor Akira Hattori of the Faculty of Commerce at Fukuoka University joined ECAAR at our inception and then organized a Japanese affiliate. ECAAR Japan will coordinate with the newly organized International Center for the Study of East Asian Development (ICEAD) at Kitakyusyu.

Professor Hattori and Professor Sawa will represent ECAAR at the Congress of the International Physicians for the Prevention of Nuclear War (IPPNW), held in Hiroshima October 6-9. ECAAR will participate with an information table and "open house" on Oct 8.

We have had continuing requests from colleagues in Bulgaria, Canada, England, Germany, Italy and The Netherlands for information on ECAAR activities and for assistance in forming an affiliate in their country.

Brief Notes

ECAAR has grown so that the home mailbox won't handle the mail. Please address correspondence to ECAAR, P.O. Box 20365, New York, NY 10025.

We are in the process of planning a conference to be held at the University of Notre Dame, November 29 to December 1, 1990. It will be co-sponsored by the Institute for International Peace Studies and the next newsletter will report on its progress.

We are beginning to receive requests for representatives to visit other countries and spark affiliate development or participate in conferences. Board members will accept some invitations and if you are active in ECAAR work (chapter development) and interested, let us know.

Two of our members Michael Intriligator (Board) and Betty Lall delivered papers at the July Pugwash meeting in Cambridge.

We have under consideration an open contest for the suggested economics of conversion from a military to civilian economy. Suggestions are welcome. A part of ECAAR's mission is to help develop and publicize such thinking.

We plan a quarterly newsletter and appropriate comments or news items may be sent to us.

We note with sorrow the death of Joseph Pechman, President of AEA and a speaker at our founding meeting at the Allied Social Science meeting last December in New York.

One of our correspondents has suggested the development of a Future's Index to measure periodically factors for a livable world. Some items suggested are: levels of pollution; world illiteracy; doctors per capita; a measure of health care; children without schools; homicides in the 25 largest cities; annual military expenditures, etc. Is anyone interested in undertaking this? It would lead to developing relations with other professional groups.

We noted a recent reference to our Board member Wassily Leontief together with economist Abel Aganbegyan from the Soviet Union as judges in an essay contest for the best proposal in 25 pages or less on establishing convertability of the ruble.

September 14, 1989



JOHN KENNETH GALBRAITH was the guest of honor at a benefit for Economists Against the Arms Race given by Robert and Evie Wechsler of East Hampton on Sunday.
Morgan McGovern Photos

Dove Economists

John Kenneth Galbraith, author, teacher, and former Ambassador to India, was in East Hampton Sunday to speak at the first public event of a newly-formed group, Economists Against the Arms Race.

The organizer of the group, Robert Schwartz of Springs said in introducing Dr. Galbraith that physicians had done a "magnificent job" in opposing the build-up of nuclear weapons and that "economists were long overdue" for involvement in the issue. Dr. Galbraith said, "You're right, it should be done — and I'll do all I can to help."

International Effort

The group, formed with a board of directors of Nobel Prize-winners, now has branches starting in several nations, including Great Britain, Japan, and the Soviet Union, and "I think we're going to play an important role in switching" nations from having "a military to a civilian economy," Dr. Schwartz said.

Today, he said, 1.3 billion people "are illiterate," 100 million children "have no schools," 40,000 infants die each day for "lack of medical care," and, meanwhile, the world's nations spend collectively \$2 billion each day for the military. The figures are enough to show that something very wrong is going on."



ROBERT J. SCHWARTZ was another speaker at the Wechsler's party for Economists Against the Arms Race.

Dr. Galbraith, speaking on the lawn at the house of Robert and Evie Wechsler in East Hampton, said that indeed "members of my profession have lagged behind the doctors." Now, he said, "is a really extraordi-

nary opportunity" to end what has been, for many years, a spiraling arms race. The "fear and distrust" between the two principal protagonists in global affairs for more than 40 years — the US and the Soviet Union — has in the past two years nearly "totally dissolved."

Sift The Ashes

Now, he said, it should be realized that "nuclear weapons would equally destroy capitalism and communism" — although, he added, "no doubt, there are still a few people in Washington who think they would be able to tell," after a nuclear war, "the ashes of communism from the ashes of capitalism."

The situation in this country, he said, is that as individual freedoms strengthen in the Soviet Union, there is a great "loss of liberty and personal expression from not having any money at all," a product of poverty here.

"We come to the urgency," Dr. Galbraith continued, of transforming economies from feeding "military technology" to meeting "social and economic" needs.

As one example of wasteful military expenditures, he cited the program to build B-2 bombers at \$530 million each. Japan, said Dr. Galbraith, had shown the economic strides a country can make by expressing economic rather than military activity.

Make The Switch

The situation in this country, he said, demands an "immediate alteration of economies." This will cause, he acknowledged, "dislocation" in places in the US which have become dependent on military expenditures. There should be efforts to "minimize" the dislocation. But most important, he stressed, is that the switch must be made.

Phillip Bourrett, a Jesuit priest among the 60 persons in attendance, asked Dr. Galbraith how the power of the "lobbies for the defense companies" could be countered in Washington.

"More powerful" than the lobbies, said Dr. Galbraith, is the "institutional belief" reflected in the US psyche over the many-decades-long arms race. This military ethos, he said, must be challenged.

John Tepper Marlin of Springs, an economist, asked Dr. Galbraith whether he thought US military leaders were moving to substitute Columbian "drug lords as a new evil empire to get us off the Soviet Union as the evil empire," thus still having a threat to justify a military buildup. Dr. Galbraith said he was "not persuaded" that the military is "that sophisticated" nor would US military involvement in Colombia win "support in Congress."

KARL GROSSMAN