

# ECAAR NEWS NETWORK

The Newsletter of Economists Against the Arms Race

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## Dear Members

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ECAAR feels a responsibility to keep its members informed about our progress and activity. We have postponed any decision about a journal, recognizing some important pros and cons. For now at least, we will be content with a periodic newsletter of which this is the first. A summary of our "going public" on December 30 at the Allied Social Science Associations meetings is a part of this newsletter.

Our meeting at the end of December and our announcement in the AEA Journal at that time has brought a continued slow flow of new members, reaching about 100 at this time. This includes applications and checks from a number of foreign countries including Germany, Canada, Japan and Korea. While accepting these, we continue to point out our objective for parallel organizations of economists to be formed separately in each country. Then we would come together in an international organization.

We have a feeling from the number of inquiries and suggestions that a role of an information clearinghouse for disarmament and peace economists will be a part of our activities. One inquiry we were particularly pleased to help with was to furnish information for establishing a masters degree in Peace Studies at the University of Hawaii at Manoa.

Some five research projects have been suggested and when we have the funds, it will be satisfying to support selected research by graduate students and young faculty. A business group, for example, has urged that we prepare a report on the implication of the Department of Defense establishing an Industrial Policy Council. A report recommending this has been made public by an "independent advisory panel" to the DoD.

We have already structured some panels for the Allied Social Science Associations December meeting. A number of our Nobel Laureate Trustees will have prepared papers and we expect very interesting and provocative presentations.

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## ECAAR Goes Public

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Economists Against the Arms Race "went public" at an 8 o'clock breakfast on Friday, Dec. 30, the final day of the AEA annual meetings. Eighty people gathered and overfilled the room. While those on hand ate breakfast, there was animated discussion of economics, disarmament, peace and friendly exchanges between those who have been involved in these issues.

The meeting was called together by Professor Lawrence Klein, Co-chair of ECAAR. He introduced the morning's panel: ECAAR Trustee Robert Solow, Treasurer and founder Robert Schwartz, Robert Eisner, Joseph Pechman, Dietrich Fischer (Pace University) and Lloyd Dumas (U. Texas-Dallas).

Professor Klein's opening remarks welcomed those present and noted his encouragement by the attendance. He said that recent gains in the US-USSR arms negotiations should not lull anyone into the belief that the world is firmly on the road to peace.

To reinforce his point, Prof. Klein introduced Walter Isard of Cornell who for many years has been concerned with the economic and social aspects of the arms race, including conflict management, economic impact of disarmament and the economics of military conversion. Other points he stressed, echoed later by panelists and discussants, were the need to bring Political Scientists and economists together, the difficulty economists have in getting peace oriented research published and the professional obligation for rigorous analysis and substantive exploration of the issues.

Joseph Pechman, the newly elected President of the AEA supported the notion that ECAAR's strength lies in its ability as a group of economists, not merely concerned citizens, nor as a purely political pressure group. Robert Schwartz pointed out that our 501C3 status limits our "political" activity but that the process of getting work published and the facts to people would be efficacious in changing public opinion and policy. He also referred to the many opportunities for being "expert witnesses" on legislative and related matters. Providing testimony to Congress on pending legislation is permitted for tax-exempt institutions provided they receive an invitation to do so, which can often be obtained.

At this point the focus shifted to ECAAR specifically and Robert Eisner, outgoing President of the AEA, recapped the history, beginning with discussions by Robert Schwartz upon his return from the 7th Congress of the International Physicians for the Prevention of Nuclear War in the Soviet Union in 1987 on the need for a parallel organization for economists. Robert Eisner encouraged all those present to

show their support through their checkbooks and by informing their colleagues not present, thus helping to build the organization.

Then followed two substantive presentations by panelists Dietrich Fischer and Lloyd Dumas on the specific areas of contribution economists can make toward peace; and the real problems to address when we speak of conversion from military to civilian production, respectively.

Dietrich Fischer, recent beneficiary of a MacArthur Foundation 2 year grant and author of Preventing War in the Nuclear Age and Warfare and Welfare (with Jan Tinbergen) made comments on topics such as: estimating the actual costs of military spending (in dollars and resources), analyzing the questions of strategic stability, the effects of military R&D on the civilian economy and how economic cooperation can contribute toward peace. He made note that the trillion dollars spent annually, globally, for military purposes represents an enormous burden on the world economy. He commented on what sort of defense systems contribute to security, ie. observation satellites, and which ones undermine it, such as first strike missiles.

Lloyd Dumas, former colleague of Seymour Melman at Columbia University, leading scholar on conversion and author of The Overburdened Economy, directed his comments to the problems facing communities whose economies are heavily dependent on military-oriented activity. People in such communities--even those who have serious doubts about the wisdom of pursuing the ongoing arms race--often feel compelled to support it on grounds of their personal economic security. They do not wish to be sacrificed on the altar of disarmament, and thus stand as a continuing internal obstacle to the effective pursuit of national policies aimed at reversing the arms race. It is not enough to educate about the economically burdensome character of the arms race, it is vital to demonstrate that there are viable economic alternatives for the use of the labor and capital resources that are currently locked in the military-serving sector of the economy. And that there are sound transitional strategies for getting from here to there Here economists have a vital role to play.

One of the problems in involving economists at the university (especially young economists) in this work is that research in this area has not been considered serious in the past, and has been very difficult to publish in mainstream economic journals. ECAAR can make a real contribution by legitimizing and emphasizing the importance of these areas of research and writing.

Robert Solow made the final comments, reiterating that ECAAR should do what it knows best--economics and let the

work be the lever for policy change. He also stressed the need to look at specific areas, as Lloyd Dumas described, where local economies are enormously effected by military production and expenditure.

Those in attendance were asked for their comments on the formation and direction of ECAAR. The suggestions were numerous but a few came up repeatedly. One of the first comments was geared toward our historical perspective. Michael Intriligator pointed out that ECAAR certainly was not the first group of economists working in the area of peace. There was indeed a long tradition including current organizations both national and international like the Peace Science Society International, the Union of Radical Political Economy, the Center for International and Strategic Affairs, the National Commission for Economic Conversion and Disarmament and the International Defense Economists' Association. Lawrence Klein and Robert Schwartz promptly noted that it was not ECAAR's intention to imply we were the first economists publicly concerned with peace and disarmament. The flyer will be corrected in this regard at its next printing.

There was some discussion supporting a journal which would encourage younger economists and give them an outlet for publication. In keeping with this notion it was also hoped that the organization could help in the area of dissertation support in the field.

There was interest in greater participation and higher visibility at future AEA meetings, other public gatherings, perhaps a conference completely on Peace Economics. Two views will need balancing, one to be scholastically rigorous and the other, not to be too ivory towered. Whether through public meetings, editorials, Op Ed pieces, testimony on legislation or collaborative work and participation with other peace organizations; it is fundamental to do the research and analysis and then dispense the findings to the public and those in policy making positions.

Left for further decisions were whether to have an ECAAR journal or to start with a newsletter, fundraising for a small staff and future meetings. At the meeting 25 signed to be members and with a continuing flow of applications the membership is now over 80 with many prominent economists.

The two hour meeting was called to a close by Lawrence Klein though it seemed the discussion had only begun.

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## Brief Notes

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The number of Trustees is being increased, new members include Barbara Bergman, Robert Eisner, Dietrich Fischer, John Kenneth Galbraith, Walter Isard and Isabel Sawhill.

We are very excited to announce our first international affiliate. A group of Norwegian economists held a meeting on March 15 to form "Okonomer For Nedrustning (Economists for Disarmament)--Norwegian section of ECAAR". Professor Olav Bjerkholt attended the December 1988 AEA meetings at which time we had a discussion of ECAAR's goals. His letter indicates that they have chosen a chairman and a board of six directors. They are now in the process of announcing the organization, recruiting members and preparing a research program. We hope that other of our foreign colleagues will soon follow the Norwegian initiative.

ECAAR is seeking foundation grants or contributions from those who want to support our efforts. We have tax exemption. There is much to do but our staff consists of our Secretary Margaret Hartnett, working part time.

We have had requests from three journals to help inform authors of manuscript requests. These journals are all directed toward the economic aspects of disarmament and peace. The publications are: Conflict Management and Peace Science, Editors, 180 Uris Hall, Cornell University, Ithaca, NY 14853. Defence Economics, Prof. Todd Sandler, editor, Dept. of Economics, Iowa State University, Ames, Iowa 50011-1070. Bulletin of Municipal Foreign Policy, Will Swain, editor, 17931-F Sky Park Circle, Irvine, CA 92714.

We welcome comments and the formation of local ECAAR chapters. Please let us know if you need more flyers to distribute and help swell the ranks. Contact ECAAR at 30 West 95th Stret, New York, NY 10025, (212) 663-3852, attention Margaret Hartnett.

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