

ECAAR NEWS NETWORK

The Newsletter of Economists Against the Arms Race

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Economic Consequences of Disarmament Conference at University of Notre Dame Nov 30-Dec 1

The ECAAR - Institute for International Peace Studies (IIPS) joint conference "Economic Consequences of Disarmament" will be held at the University of Notre Dame, November 30-December 1. Brochures which include the program of panels and registration information were mailed out to all ECAAR members.

The conference co-chairs, Lawrence Klein, ECAAR Co-chair and Jurgen Brauer of IIPS and ECAAR member, have organized 7 panels which will bring together outstanding economists and will cover topics ranging from economic conversion, disarmament in Eastern Europe, environmental issues, Third World Development and macroeconomic issues.

Along with the panels, the conference agenda includes a Friday evening public keynote address by ECAAR Co-chair Kenneth Arrow on "The Special Economics of War and Peace" and by Victor W. Sidel M.D., Distinguished Professor of Social Medicine Montefiore Medical Center, on "Perspective: The Impact of Arms Spending on Health and Health Care in Industrialized and Developing Countries".

Four of the papers from the conference will be included in a forthcoming volume to be edited by ECAAR Trustee Walter Isard and Charles Anderton (see below for details).

The Friday luncheon address will be chaired by John Gilligan, Director of IIPS. John Keane, Dean of the College of Business Administration, will speak on "Global Business and Global Peace". Rev. Theodore Hesburgh, CSC, President Emeritus of the University of Notre Dame, will welcome the conference attendants. Saturday's luncheon will be chaired by Robert Schwartz, Trustee and founder of ECAAR, who will speak on "From the Dismal Science to the Science of Global Harmony". Walter Isard and Charles Anderton will give a progress report on their survey of the current state of peace economics.

Registration fee is \$50, \$25 for full-time students. Further information (including housing) and registration forms can be obtained by contacting the Center for Continuing Education, Box 1008, Notre Dame, IN 46556, telephone (219) 239-6691, Fax number (219) 239-8083. All inquiries should refer to the ECAAR-IIPS conference. Deadline for housing requests is November 8.

Panels and meetings for AEA set

Robert Schwartz and Walter Isard have finalized the five panels which ECAAR will jointly sponsor with the Peace Science Society International and the AEA for this year's meetings of the American Economic Association to be held December 28-30 in Washington, D.C.

The panels, participants and papers are:

1. Conflict & Peace Economics I (Joint with PSSI)
Presiding: Manas Chatterji, (SUNY-Binghamton)
Papers: Jurgen Brauer - "The Political Economy of Arms Production in Developing Nations & Prospects for Conventional Arms Control"
Dietrich Fischer - "The World Economy as a Cybernetic System"
Donald N. Baum - "The Economic Effects of Reduced Defense Expenditures: An Applied General Equilibrium Analysis"
2. Peace Economics: Scope, Nature & Future Directions (Joint with AEA)
Presiding: Sol Polachek, (SUNY-Binghamton)
Papers: Walter Isard and Charles H. Anderton - "A Survey of Peace Economics & Its Future"
Discussants: Martin C. McGuire, Jack Hirschleifer, Murray Wolfson, Mancur Olson
3. Problems of Transition to a Peace Economy (Joint with PSSI)
Presiding: Robert Roosa, (Brown Bros., Harriman, New York)
Papers: Stanislav Menshikov - "The Defense Budget of the USSR & Potential for Resource Reallocation"
John Kenneth Galbraith - "The Institutional Factors in Moving from a Military Economy"
Kenneth J. Arrow - "Analysis of Problems in Resource Reallocations"
Discussants: Lloyd J. Dumas, Eric Stubbs
4. Economics & Demilitarization: Local, National and International Dimensions (Joint with PSSI)
Presiding: Lloyd J. Dumas, (Univ. of Texas - Dallas)
Papers: Wim Wiewel & Joseph Persky - "Economic Development Policy Implications of Conversion from Military to Civilian Activities"
David Alexander - "Economic Conversion & Organizational Flexibility in Military Industry"
Murray Wolfson & Homa Shabahang - "Economic Causation in the Breakdown of Military Equilibrium"
Discussants: Lloyd J. Dumas

5. Transitions Toward a Free Market (Joint with PSSI)
Presiding: Robert J. Schwartz, (ECAAR)
Papers: Eric Stubbs - "The Free Market & Domestic
Reconstruction"
Miroslav Gronicki - "Trade Implications of a
Free Market"
Ambassador Rita Klimova - "Free Market
Developments in Czechoslovakia"
Akira Hattori - "Transition Toward a Market
Oriented Economy in the WTO from a Japanese
Point of View"
Discussants: Stanislav Menshikov

In addition to the panels, ECAAR will conduct its annual general membership meeting, this year to be held from 4:45-6:30 p.m. on December 28 in the Cotillion North at the Sheraton Hotel. Co-chair Kenneth Arrow will preside and a report on ECAAR's activities during the past year will be delivered by Robert Schwartz. Discussion on future activities, development of foreign chapters and membership growth in the US will be on the agenda. This meeting is open to the public and members' comments and participation are encouraged. This meeting will be followed by the Board of Trustees dinner meeting.

North-Holland to publish Peace Economics volume

At ECAAR's 1989 Board of Director's meeting, it was recognized that to appeal to a broad range of economists it is necessary to supplement our conferences and other activities with publications of very high quality in the area of peace economics. Walter Isard volunteered and was authorized to begin this task. After several months of negotiations, he arranged a contract with North-Holland to publish a book containing the best papers presented at ECAAR and Peace Science Society International PSS(I) conferences. The volume editors, Walter Isard and Charles Anderton (Holy Cross), are working on an extensive survey of the current peace economics literature.

Other contributors include Lawrence Klein and Kenneth Arrow, whose keynote address from the ECAAR-IIPS will be included. Robert Kueene (Princeton) is developing one of the best models of mature leadership (political and economics) in conflict situations. Sol Polachek (SUNY Binghamton) is analyzing the interdependence of economics trade and political conflict. Jeffrey Bergstrand (U of Notre Dame) is further developing a paper initially presented at the 1989 AEA meetings in Atlanta on modeling the impact of arms reduction on world trade. John Labelet (Univ. of Lausanne), a leading European peace economist, will contribute work from his empirical studies of arms races as they evolve. Gerald Adams and his colleagues at the University of Pennsylvania are conducting basic research on the interrelations of military expenditures and economic growth and developing economics. Martin McGuire (Univ. of Maryland) will probably write on strategic analysis. Work by other distinguished scholars is likely to be included.

Professor Lawrence Klein addresses 2nd Annual East Hampton meeting

On August 25th, a little before the scheduled 3 o'clock meeting, Professor Lawrence Klein sat on one of East Hampton, New York's pleasant lawns, fielding the questions posed by early arrivers for ECAAR's second annual meeting. The meeting was jointly sponsored with the Council on Economic Priorities (CEP) at the home of Council President Alice Tepper Marlin and her husband John.

Professor Klein's well structured and thoughtful presentation addressed several areas of interest, the end of the Cold War, the need for a reconstruction of the economies in the Soviet Union, Eastern Europe and the U.S. Professor Klein read a most appropriate and astute analysis by Adam Smith on the economic and social effects of wars between England and France, highlighting the damage to the domestic economies. There were interesting philosophical comparisons made with the current world.

Difficulty in obtaining the Peace Dividend was discussed in light of developments such as the economic slow down and the Middle East crisis. Professor Klein summarized a number of models on reductions in various amounts of military expenditures reflecting their impact on the economy. Generally speaking for a 5% reduction in military expenditures there would be a 3% increase in the non-military economy.

There were a great number of questions about the Middle East. Professor Klein, who had been an advisor to President Carter with regard to the Carter Energy Program, cited shortcomings in the US energy program, or lack thereof, during the last 10 years. He gave an analysis of the effect upon the economy of various prices per barrel of petroleum.

The audience which included the chairman of a university, professors, professional people, business executives and retirees were keenly interested in the presentation. Questions were thoughtful and provocative. A meeting of ECAAR in East Hampton is planned for each Summer with hope that it will become financially successful and an important public forum. If any ECAAR members would arrange local meetings or discussions at universities, some of our Board members and Trustees will be available.

United Nations Report

ECAAR's United Nations NGO representative Dorrie Weiss has been attending the regular weekly briefings. She has been joined at special NGO sponsored conferences by Robert Schwartz, also an NGO. As a prelude to this September's World Summit for Children, a Department of Public Information (DPI)/NGO conference "A World Safe for Children: Meeting the Challenge in the 1990s" was held September 12-14

at United Nations Headquarters in New York. Issues ranging from Third World economic development, immunization, clean water and literacy (particularly among mothers) were discussed by senior officials of governments, NGOs, the United Nations system and the academic and medical community.

The October 4 Briefing concerned "Political Issues before the 45th General Assembly". The keynote speaker was Mr. Vasily Safronchuk, Under Secretary General for Political Security Council Affairs. Mr. Safronchuk prefaced his remarks by noting that peacemaking and peacekeeping were most important at the U.N., and that there had been seven peacekeeping operations during the last three years in contrast to the fourteen missions necessitated in the previous forty years. Along with the assistance they have provided in the cases of Namibia, Nicaragua and Haiti, peacekeeping forces will be actively involved in the administration of Cambodia during the interim period prior to elections.

There are seventy political issues now on the agenda, although the current crisis in the Persian Gulf has taken precedence because of the possibility of global confrontation. It is hoped that a resolution of this crisis may pave the way to the resolution of other Middle East issues. There are many other 'hot spots' identified by the Security Council, including Afganistan, where no comprehensive solution has yet been achieved; Central America; South Africa. While cognizant of progress in South Africa, the U.N. is unwilling to remove sanctions until evidence of "irreversible changes", such as the release of all political prisoners and the indemnification promised by Pretoria is apparent.

Mr. Safronchuk stressed the importance of the NGOs in their support of peace and security.

Notes from our roving members' itineraries

We have notes from conferences attended by some of ECAAR's Board of Trustees and members. Dietrich Fischer prepared a report on "Non-military Aspects of Security" for the United Nations Institute for Disarmament Research (UNIDIR) in Geneva this summer. He also presented papers at a series of conferences in Austria, Hungary, the Netherlands, the Soviet Union, and Switzerland. In the Hague he met with Trustee Jan Tinbergen, and in Moscow with Xenia Gonchar, who is working to establish a Soviet chapter of ECAAR.

Manas Chatterji (SUNY-Binghamton) travelled to Japan where he lectured at the University of Tokyo. While in Tokyo he met with ECAAR-Japan founder and officer Akira Hattori. They discussed a joint application for funding of an international conference in Japan in 1991 and how ECAAR could help in the further development of the Japanese affiliate. He went on to India where he met with economists regarding organizing an Indian chapter. He is confident that such a section can be developed in the near future.