



ECAAR NewsNetwork

The Newsletter of Economists Against the Arms Race

Volume 4 Number 1

Spring 1992

The deficit

By Robert Heilbroner

The American economy is in serious trouble. Why? Because of the deficit. I write it as one word, like a term from an incomprehensible language, because not one American in a hundred can tell you what the deficit is or does. But they can tell you what it means. It means that nothing can be done to cure the present trouble.

What can be done if we didn't have the deficit?

Right away, we might cut payroll taxes, which would immediately increase the public's spending power. We might start up a quick program to employ the unemployed. We might transfer funds to the states to reopen libraries, rehire teachers, expand social services to the wretched homeless and the drug addicts.

For the longer run, we might begin to rebuild our decaying infrastructure. Infrastructure is to the private sector what a railroad embankment is to a railroad. Our economy is limping because our infrastructure is holding it back.

The fact is, however, that we cannot do any of those things. Why? Because they would run up the deficit.

Only three courses of action are possible in the face of this paralyzing problem. First, we can pray for a turnaround. That's the course we have been taking for some time. Unhappily, there is no reason to think our prayers will have any more effect on the economy in the future than they have had in the past.

Second, we can take whatever fiscal measures will not worsen the deficit. We can cut some taxes and increase others: Democrats would like to cut taxes on lower-income families and raise them for rich families; Republicans would like to do the opposite, by lowering capital gains taxes and putting taxes on gasoline or whatever. Those remedies are not likely to turn around a \$6 trillion economy dead in the water.

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Think Globally -- Act Locally to Develop Alternatives to Continued Nuclear Arms Production

BY William Weida

If ECAAR and its members are to have any direct influence on disarmament issues during a time of force reductions, this influence will have to be exercised on the regional level in specific discussions of individual weapons constructed in particular locations. The reason for this is that the national defense budget is, at any point in time, merely a compilation of a set of individual programs, each of which has specific regional components. These regional components often define the nature and extent of the arms race because they determine the types and quantities of weapons constructed. Further, cuts in specific weapons are, by definition, cuts directed at specific regions -- regions that can and will use political pressure to prevent the reductions or to secure new programs.

Political pressure for continued weapon production is built by state, local and union officials who usually overstate the employment and economic impacts of weapon production programs and who understate the likely benefits of non-defense production and environmental cleanup activities. This creates a sense of panic in the local community and it increases demands that threatened programs be spared. During this discussion, reference is almost never made to the need for, or purpose of, the weapon being constructed. Further, reference is also never made to alternative jobs that could be gained if weapon production was stopped and if the production site was cleaned up or used for other purposes.

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A Call for Contacts: ECAAR -- Ford Foundation Project World Register of Peace/Defense Economists with Special Emphasis on Eastern Europe and Developing Nations

As announced in an earlier newsletter, the Ford Foundation has awarded ECAAR a grant to develop a base register of peace/defense economists and practitioners which is being directed by ECAAR Board members, Jurgen Brauer and Betty Lall. In the first stage of the project, Lall and Brauer will employ a two-step process to develop a "base-register." They need your help.

First, we are asking you to take some time to provide us (in as much detail as you have available and in any format you choose) with the

- names
- addresses
- phone no./fax no. and
- present position

of people that you personally know (colleagues, former students, acquaintances, etc.) in Eastern Europe and Developing Nations who in the past have worked and presently do work on any and all issues relating to economic aspects of war and peace.

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The deficit

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Third, we can rid ourselves of the impossible obstacle itself. By this I do not mean dismissing the deficit or finding a magic way around it. I mean understanding what it means.

Understanding begins with definition. A deficit is the amount of money the government borrows during a year. That's all it means. In the year ending June 30, 1992, the government expects to borrow about \$350 billion.

Is this a disaster? That depends on what the borrowing is for. If we borrow \$350 billion to build a high-speed rail network, to bolster education, to underwrite research and development, to restore ailing Americans to working health, I would call that anything but a disaster. It might, in fact, be the way to get a becalmed economy moving again. Studies have shown that public investment would be even more effective in increasing our productivity than the same amount spent for private investment, because private investment today is robbed of much of its effectiveness by the very lack of a supportive infrastructure.

Good Borrowing Finances New Wealth

On the other hand, it would be a disaster if we borrowed the \$350 billion to build more Stealth bombers, to pay interest on the national debt or to cover the costs of normal everyday government. In exactly the same way, it would be a disaster if corporations borrowed large sums in order to expand production of a line they knew was obsolete, or to pay interest to their bondholders or to meet the payroll. In the private sector as in the public sector, there is good borrowing and bad borrowing. Good borrowing finances new wealth, which will bring more income to corporations and more tax revenues to government. Bad borrowing adds nothing but additional obligations and nothing to meet them with.

Now for the key question. How much of the \$350 billion of borrowing for fiscal 1992 will be good borrowing, and how much bad? The answer is that we do not know. There is no separation of our government deficit into borrowing for growth-promoting purposes and borrowing for "household" purposes. All spending is lumped together into one meaningless and frightening figure

called the deficit. Is there any wonder that the word strikes terror in the hearts of all?

Why doesn't the government break down its spending into investment and regular expenses, the way businesses do? Why doesn't Congress establish a capital budget with an explicit borrowing authorization, the way boards of directors do? Why doesn't the Administration urge a budget that would enable voters to understand clearly what we are borrowing for?

No doubt there are "answers" to these questions. A capital budget would tempt many in Congress to put their favorite projects into the capital hopper. Great battles would be fought to classify all manner of projects as "capital," so that we could cover their costs by borrowing and not by taxes. But there are also ways around those problems. A nonpartisan, nonpolitical committee of oversight could have the power to reject poorly chosen projects from the capital budget. Total capital spending could be limited to some fixed proportion of public expenditure. A proportion of one-quarter for the coming fiscal year would authorize us to borrow roughly \$350 billion to spend on infrastructure, including education. The deficit would be the same, but we would know that all of it was used to promote growth.

Not a Proposal for Indiscriminate Spending

So this is not a proposal to open the floodgates of indiscriminate government spending. On the contrary, it is an attempt to allow citizens, for the first time, to see what their government is borrowing for. It is not a proposal that will give us economic recovery overnight. It will take time before a strengthened infrastructure exerts its effects on private productivity and even more time before an education program can pay off in a better-trained labor force.

What getting rid of the deficit will do overnight is to remove an obstacle that today makes any kind of sensible policy impossible. A capital budget is neither a liberal nor a conservative proposal, merely a common-sensical one. Looking at the climate in Washington today, I am inclined to think that may be its most unacceptable feature.

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Act Locally

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This is the area in which ECAAR members could become involved. When erroneous or misleading employment figures are used by local and state officials for political purposes, economists associated with the university system of that state should step in to correct the error. Local economists should be ready to make the opportunity cost argument on both a regional and a national basis. Unfortunately, in the most recent cases in Idaho, South Carolina, and Colorado, erroneous projections and statements were never challenged by economists, and they were accepted as valid by the local population which then exerted whatever political influence it could muster to alter the threatening proposal.

Alternative View to DOE Data Should Be Presented

Local politicians, in conjunction with the Department of Energy (DOE), convinced residents of Idaho Falls, Idaho, that cuts of about 100 workers at the Idaho National Engineering Laboratory (INEL), which had a 1992 budget of \$1.3 billion, meant that DOE planned to shut the facility down. The paranoia created in the community was then used by INEL. INEL's 1993 budget increased to \$1.36 billion, employment at the site has been growing for the last five years and, of course, there are no plans to close the facility. An alternative view about the likelihood of closing a facility with a budget of \$1.3 billion because 100 people were laid off should have been presented.

Local and state officials overstated by a factor of ten the number of jobs that would be created by building the New Production Reactor at the Savannah River Site. Employment estimates provided by local DOE officials were so inflated that DOE officials in other parts of the country complained.

Union officials claimed that cessation of production at Rocky Flats will cost the Denver area 4700 jobs, when it is obvious from the clean-up budget that as many or more jobs will be present at the site after production stops. EG&G, the site manager, published a report on the employment impact of Rocky Flats that used a multiplier twice as high as the number commonly accepted for Denver.

Production of Tritium No Longer Needed

Further, the central issue in the nuclear arms debate for the last two years has been whether or not to resume production of tritium. Without new tritium, the number of U.S. nuclear warheads will slowly decrease over the next twenty years. We obviously don't need more warheads, it is easy to show with a simple stock- and flow model that, even with tritium's decay rate, new tritium production is not required. However, largely because of regional pressure from the area around Aiken, South Carolina, the DOE has been able to restart the obsolete and dangerous K reactor at the Savannah River Site to produce tritium. I travelled from Colorado to South Carolina to make the economic argument against this restart.

ECAAR can have an important effect on the conventional and nuclear arms races, if its members become involved on a very practical basis at the regional level where these decisions are influenced. *The author is a member of ECAAR and is Chairman of the Economics Department at The Colorado College.*

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Call for Contacts

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This is to include not only academics, but also others such as, for example, a defense manpower planner in Pakistan, an acquisitions official in Indonesia, an editor of a pertinent trade-journal in Argentina, a logistics specialist in South Africa, or a Finance Ministry official in Chile with responsibility for defense budgeting, an Economic Adjustment official at the Pentagon's Office for Economic Adjustment, or officials and staffers in the IMF/World Bank/UN and regional development banks. It might include researchers at "think tanks" and government sponsored institutions, e.g., Federal Reserve Bank offices in the U.S. The point is that we wish to locate and identify not only academics, but also knowledgeable practitioners and decision-makers, contact with whom may lead to valuable research insights. Also, please list names and addresses or organizations (such as ECAAR, Pugwash, PSSI, IDEA, ISA, etc.) whose members might work this area of research.

Second, we are asking that you include yourself if indeed you have worked on defense/peace economic issues (many ECAAR members have not, but support our aims). In that case, would you please also forward a current C.V. for yourself.

In a second round, once the requested information comes in, Brauer and Lall intend to write (for verification and to obtain a current C.V.) to all persons you mentioned. Upon receiving their responses, the "base-register" will be completed. However, all persons we write to will, in turn, be asked to make available to us their own **personal** contacts within their own countries of residence. In this way we hope to capture a reasonably complete, worldwide listing of those studying economic aspects of war and peace.

Detailed selection criteria for inclusion in the completed register are to be developed. After the initial data is received we will determine whether or not we can formulate a sensible and informative classification scheme within peace/defense economics to identify people's specialities.

We thank those who have already spontaneously responded with names and suggestions upon the award announcement late last year. To all others, please make this a priority and respond upon receipt of this newsletter but no later than April 20, 1992, so that Brauer

and Lall can move forward with the project. **Please forward all correspondence to ECAAR's New York office, attention Alice Slater.**

American Economic Association Meetings

By Alice Slater

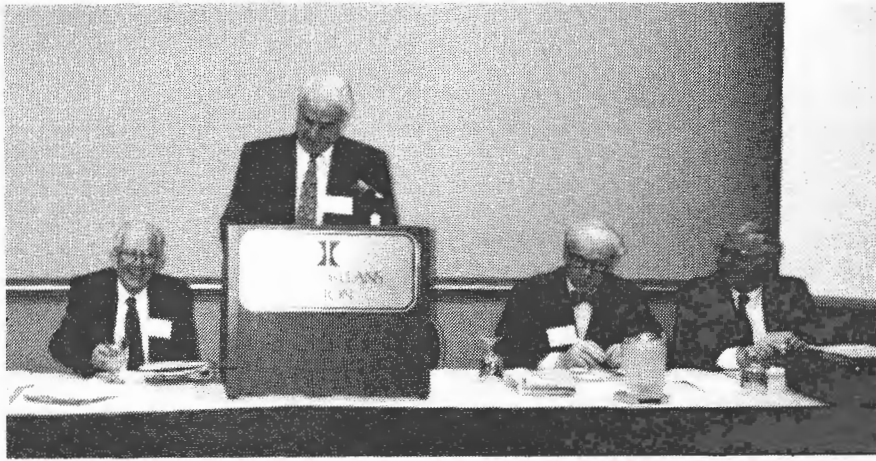
Co-chair, Lawrence Klein presided over the ECAAR Board and General Membership meetings held concurrently with the 1992 AEA meetings and ECAAR co-sponsored five panels dealing with issues on its agenda for world peace. Highlights of the presentations included Professor Klein's talk on "The Reappearance of the Peace Dividend." He noted the hopeful trends towards major military cutbacks as evidenced by the START treaty and CFE talks and raised the question as to how large a dividend we could expect. Citing UNDP figures, on a global level the world would save \$2 trillion in a decade, or \$200 billion per year for ten years which would provide the capital needed for development.

Klein estimated that the U.S. peace dividend would range from \$20 to \$100 billion. Citing data from the Congressional Budget Office, he said that beyond START, which in its present form would realize savings of \$7 billion per year for 15 years, we could cut our arsenal to 1000 warheads realizing additional savings of \$17 billion. Klein thought these savings should be applied to deficit reduction in order to lower interest rates and stimulate capital investment.

Relationship Between Development and Disarmament

Klein pointed to a recent decision by the IMF and World Bank to consider the level of military spending by less developed countries in assessing what support should be given. He saw it as "an acknowledgement of the relationship between development and disarmament" which the U.S. has previously refused to discuss.

Sharing the same platform, Russian economist Stanislav Menshikov, after noting efforts to convert military industry in the former Soviet republics, warned that if Yeltsin doesn't succeed in sustaining economic reform, "he will be swept away by conservative forces or will establish authoritarian government on his own." At another panel, Jacques



Walter Isard, Stanislav Menshikov, Lawrence Klein and Michael Intrillagor (left to right) at 1992 joint AEA-ECAAR panel, "Utilizing Military Funds for Economic Development."

Fontanel, ECAAR-France, noted that "disarmament and development are two essential objectives of our time." He urged greater attention by economists to elaborate a stronger economic theory of disarmament for development.

At a panel on Economic Conversion, Lloyd Jeff Dumas urged that we develop an "economics of transition" that would combine "vision and pragmatism." He thought that a pending conversion bill sponsored by Congressman Ted Weiss would be effective with small and medium sized defense contractors but that with larger corporations, the companies themselves would have to initiate conversion plans. John Tepper Marlin gave examples of successful conversions already occurring in the U.S. and urged that we give more aid to communities that want to diversify. Walter Isard analyzed conversion as a conflict management problem, analogizing conversion to a pollution control problem where econometric models have been employed to develop solutions.

At another panel, Manas Chatterji looked at economic development and regional conflict and cautioned that the U.S. may be less interested in third world development now that the Soviet threat has disappeared. Dietrich Fischer posited an optimal level of decision making and contended that nations should be less averse to ceding sovereignty to deal with problems that cannot be solved at the national level, i.e., ozone layer. A number of the papers presented, including ones not noted in this article due to space limitations, are on file in the ECAAR office. A listing of papers and copies are available.

The New Realities of the U.N.

By Dorrie Weiss

The role of the U.N. is changing. The organization commands more respect and provides more services than at any other time since its inception, yet, paradoxically, as demands upon its resources increase, financial support decreases. The U.N. depends upon its constituents for its very existence. The world clamors for help while it tightens its purse strings: 102 of the 166 member states were in arrears at the end of last year. Some say that the situation is a political rather than a financial crisis, since member states often withhold part of their budgets when they don't approve of the resolutions that are passed. Aid also fell off drastically at the end of the Cold War because some of the poorer countries were no longer strategically necessary and no longer had to be wooed.

When a U.N. member has been in arrears for two years, it can be deprived of voting rights in the General Assembly. That body has been loath to impose sanctions. Twenty-three nations, including the U.S., would lose their vote if the rule were strictly enforced. There are \$439 million owed to the body of which the U.S. government owes \$266 million, by far the largest percentage of arrears. When confronted with this fact, Ambassador Pickering countered that the U.S. had contributed almost a billion dollars this year. Assessments are based on the ability to pay, although there is a

ceiling of 25% and a floor of .01%. The U.S. pays at the top rate, while Japan pays 12.45% and Russia 9.4%. But despite the fact that the smallest nations pay a pittance to help support the U.N., the need for consensus means that the tiniest state can hold up a budget, since each member has a single vote in the General Assembly. The one state, one vote policy is considered by many to be undemocratic: populous India has the same vote as Lichtenstein.

In the past many U.N. practices were wasteful and inefficient but corrective measures have been taken, largely as a result of U.S. pressure, and the organization is much leaner than it was. There are still many things to be done. Mr. Ronald Spiers, Under-Secretary General for Political and General Assembly Affairs, suggests that the Security Council reflects the political realities of fifty years ago, and that the General Assembly grows increasingly irrelevant and needs a more positive interactive role with the Security Council. Last year the General Assembly dealt with 155 issues when it can do justice to no more than 20. The Economic and Social Council, ECOSOC, which began with 18 members, now is overblown with 54 members. Some of these procedural changes are now being addressed by Boutros Ghali, the new Secretary General.

The U.N. has begun the decade with enormous challenges. There are always ten or twelve wars going on, engaged in by members of the General Assembly. Since WWII, 85% of all war deaths have been civilian deaths. Four-

BOOKNOTE

The enclosed flyer from New York University Press offers a special discount to ECAAR members for the book

Economic Issues of Disarmament

edited by Manas Chatterji and Jurgen Brauer with a preface by Co-chair Kenneth Arrow.

The book is based on a conference ECAAR co-sponsored with Notre Dame University in 1990.

teen children are killed for every soldier who dies. Two and a half billion dollars a day are spent on arms, while UNICEF estimates that 37,000 children die each day from easily preventable causes like measles. One in five of the world's children can't read. Population control is a major problem. The world has four times as many people as it did at the turn of the century. In India alone there are a million more every twenty-five days, while Kenya and Nigeria double their population every year. Birth rates cannot be controlled until the death rate is controlled. In poorer countries, families have eight or nine children to insure that two or three survive.

Children and women face some of the worst problems. In Bangkok and in the Philippines, boys and girls who are nine and ten years old are still being sold into prostitution. In Uganda, 25% of all women are HIV positive and half of their children will be born with AIDS. Women are virtually enslaved in many countries, and are disproportionately subjected to violence. There is a growing gap between rich and poor all over the world. While many member states feel that human rights are internal affairs, there is a growing realization that problems like drugs, environmental degradation, refugee movements, and arms transfers can only be dealt with on an international level. Attitudes on human rights are slowly beginning to change. *The author is ECAAR's U.N. NGO Representative*

Suggestions Sought for Project to Evaluate Costs of Nuclear Clean-up Efforts

By Geoffrey Rothwell

Discount Rates for Evaluating Long-Lived Projects with an Application to Nuclear Waste Disposal: To determine the extent of an environmental cleanup effort, one must balance the discounted costs of continued cleaning against discounted potential benefits. With very long streams of costs and benefits, conventional discounting techniques are inappropriate. What is more appropriate? ECAAR co-chair, Kenneth Arrow and I are exploring his question in the context of radioactive waste with a time horizon of more than 10,000 years. Here, harm is declining at known rates and there is some probability that future technologies will reduce harm still further. This same approach can be applied to

long-lived environmental protection efforts in other energy sectors. We would appreciate your suggestions. Please write to me, Geoffrey Rothwell at the Department of Economics, Stanford University, Stanford, California USA 94305-6072, or call me at (415) 725-3456, or send a fax to (415) 725-5702. *The writer is an acting Assistant Professor and Senior Research Associate at Stanford University.*



- Trustee Robert Schwartz, while organizing ECAAR's 1993 AEA panel, **Reducing National Military Budgets and Pooling Resources to Support a United Nations Police Force**, met with Rear Admiral Gene R. La Rocque, Director, Center for Defense Information. Admiral La Rocque observed that the current U.N. peacekeeping forces used, for example, in Yugoslavia, are non-interventionist and must be called in at the invitation of warring forces. The U.N. police role is a very different program and may involve intervention without invitation. An example of a police action, cited by some, was the Gulf War. Article 42 of the U.N. Charter declares war illegal and empowers the Security Council to sue the armed forces of member states to counter aggression and preserve peace. Admiral La Rocque urged that the U.S. relinquish its policing functions to the U.N. Security Council in light of the U.N.'s strengthened effectiveness after the Gulf War. There should be a revived U.N. Military Staff Committee to be used as an alternative to unilateral military action. La Rocque will join the ECAAR AEA panel, to be chaired by Robert Schwartz, together with Co-chair Kenneth Arrow, Professor Amartya Sen, journalist Leonard Silk and former U.N. Ambassador Brian Urquhart to examine this new possibility for effective U.N. action.



- The Lawyers Committee for Nuclear Policy, together with the International Physicians for the Prevention of Nuclear War, and Parliamentarians Global Action have invited ECAAR to draft a section of a four-part report on the status of nuclear weapons production. The report is intended to support a global campaign of public education about what it would take to shut down and keep shut the worldwide nuclear

weapons production infrastructure. ECAAR is being asked to describe the economic impacts and to detail the opportunity costs. We are also being asked to assess the impact on the U.S. and former Soviet Union's economies and the applicability of this experience to non-nuclear countries contemplating the development and production of nuclear weapons. ECAAR member, William Weida has begun work on this project and can be reached at (719) 389-6409 if you would like to participate. See *Weida's article, page 1.*

Affiliate Reports

Netherlands

The Dutch/Flemish Association of Economists for Peace (EVV) together with the Tinbergen Institute have issued their invitation to an international conference, organized by Dr. Annemarie Rima, **ECONOMICS OF INTERNATIONAL SECURITY**, to be held at the Peace Palace, in The Hague on May 21-23, 1992.

The conference is unique in that it will re-examine the past thinking of mainstream economists that war and conflict are exogenous events, irrelevant to the economic discipline. Instead, it will deal with the reality that economic factors undeniably play a role in armed conflicts and war. The invitation notes that "the recent developments in the former Soviet Union, the changing situation in Yugoslavia and Czechoslovakia, the poverty and underdevelopment in many countries, the attempts to arms reduction and conversion, all these are events and subjects that shed a new light on the responsibilities of economists and give challenging perspectives for the economic discipline."

Leading scholars from all over the world will gather to discuss economic aspects of international security. ECAAR trustees, Jan Tinbergen,

ECAAR EXPANDS ITS BOARD

We welcome newly elected Directors, Robert Heilbroner, Anne Krueger, Betty Lall, Ann Markusen, John Tepper Marlin, Robert Reich, Jeffrey Sachs, and Lester Thurow.

ECAAR trustees, Jan Tinbergen, Lawrence Klein, and Robert Schwartz, as well as Board members John Kenneth Galbraith, Walter Isard, Manas Chatterji, and Jurgen Brauer, and affiliate chairpersons Akira Hattori (Japan), Jacques Fontanel (France), and Annemarie Rima (The Netherlands) will participate. To register for the conference contact Dr. Annemarie Rima, Tinbergen Institute, Burg, Oudlaan 50, NL-3062 PA Rotterdam, The Netherlands. For further information, Dr. Rima can be reached at +31-10-4081412 (tel) or +31-10-4527347 (fax).

France

ECAAR's French affiliate, *Economistes Contre La Course aux Armements*, has chosen the officers of its *Comite d'Honneur*. Pierre Maillat, the former President of the French Association of Economic Sciences, will serve as President; Claude Gruson, former General Director of INSEE and former Deputy-Secretary General of the United Nations, as well as Yves Mainguy, a manager at EDF and a specialist in energy economics, will serve as Vice-Presidents.

Japan

Dr. C. Fred Bergstein, Director of the Institute for International Economics, Washington, DC, addressed conferences in Tokyo and Fukuoka this month which were organized by Akira Hattori, Chair, ECAAR-Japan with the assistance of Co-chair Lawrence Klein and trustee Robert Schwartz. The conference participants examined the ailing world economy and the new world order after the end of the cold war.

Australia

David Throsby, chair of ECAAR-Australia, was in Washington, DC to attend meetings at the World Bank. He is looking forward to arranging a lecture tour in Australia by an ECAAR trustee in 1993.

Affiliate Bulletins

Board member Betty Lall is traveling in India and plans to spend some time establishing ECAAR in India. . . . Russian economists Elena Evanova and

Alexander Terekhov met with trustee Robert Schwartz in New York and are now helping interested Russian economists to navigate the shoals of the Russian bureaucracy to organize a Russian affiliate in Moscow with a chapter in Novosibirsk. . . . Schwartz is also assisting Teresa Sandoval i Roig, an economist in Barcelona, to establish a Spanish affiliate. ECAAR members are urged to let our office know about economists abroad who may be interested in organizing affiliates in their countries or in participating with established affiliates.

Congress will precede the International Conference organized by EVV, ECAAR's Dutch/Flemish affiliate. The Tinbergen Institute at Erasmus University, Rotterdam whose Director is Dr. Annemarie Rima, will serve as host. ECAAR will serve as a co-sponsor. (See **Affiliate Reports**, this issue, if you need to contact Dr. Rima).

The majority of the papers will be presented by economists and applied mathematicians using economic tools. The Congress will provide an opportunity for economists concerned with arms reduction to interact with other social scientists having similar interests.

NOTICE

NEW YORK CITY AREA

Book Signing Party

Thursday, April 16, 1992

Board members

BETTY LALL AND JOHN TEPPER MARLIN

will autograph

copies of their new book

Building a Peace Economy: Opportunities and Problems of Post-Cold War Defense Cuts

Reception: 6:00 to 6:45 PM

Panel discussion with the authors to follow, with representatives from government, business, and labor.

Hunter School of Social Work, 129 East 79th Street
(between Lexington and Park)
4th floor, Hexter Lounge

RSVP: Alice Slater (212) 870-3345

Conferences and Meetings

ECAAR Co-Sponsors The Fourth World Peace Science Congress, May 18-20, 1992

The Fourth World Peace Science Congress, organized by ECAAR Board member Walter Isard, will be held at the Erasmus University Rotterdam, The Netherlands, on May 18-20, 1992. The

The Congress' panels will address: Conflict Analysis and Conflict Management Procedures; Analyses of Political Systems and Change; Mathematical Models/Analyses of the World System; Human Rights, War Crimes and Concerns; Game Theory Approaches and Deterrence; Models and Analysis in Conflict Research; Democracy and Transition Processes; Gaming and Strategizing; Local/Regional/Sectoral Impacts of Military Expenditures and Cutbacks;

International Policing. Among the papers presented will be ones by ECAAR Board members Walter Isard, *Theoretical Approaches to Conflict Management* and Manas Chatterji, *Military Expenditures and Developing Nations*.

Scholars who wish to be considered for participation as Chairperson or Discussant, or to present a paper, should write to Walter Isard, Dept. of Economics, Uris Building 436, Cornell University, Ithaca, NY 14853. (607) 255-3306 (tel), (607) 255-2828 (fax)

**Eastern Economics Association
1992 Annual Conference
March 26-29, 1992**

ECAAR Board member, ANDREW BRIMMER, president of the EEA, will welcome members and guests at an ECAAR sponsored cocktail reception on Friday, March 27th, from 4:00 to 5:00 PM, Omni Park Central Hotel, 870 Seventh Avenue at 56th Street, "Notes" Lounge, Lobby Floor. ECAAR trustee, JAMES TOBIN, will make a plenary Nobel Laureate presentation from 5:00 to 6:00 PM. Please join us with your colleagues.

On Sunday, March 29th, at 10:50 AM there will be an ECAAR panel:

- Chair: Robert J. Schwartz, Trustee and Treasurer, ECAAR, Faye Duchin, Director, Institute of Economic Analysis, New York University: *Development and the Environment: An Approach to*

Evaluating Strategies that Can Reduce International Conflict, John Tepper Marlin, Council on Economic Priorities: *Building a Peace Economy*, Dietrich Fischer, Pace University: *Non-Military Aspects of Security: A Systems Approach*.

CHAPTER NOTES

Colorado: William Weida is interested in forming a Colorado chapter with a program to find alternatives to nuclear arms production at weapons production facilities. To participate, call him at (719) 389-6409. **New Jersey:** After

ECAAR Board member, Dietrich Fischer, helped to organize a first meeting for members at Princeton University, at which Russian economist Elena Evanova spoke, Carol Kiger Allen volunteered to organize a New Jersey chapter. To participate, call her at (609) 921-2987. **New York:** ECAAR trustee, James Tobin, spoke at Hunter College to New York area members, a number of whom volunteered to form a chapter. To participate, call Alice Slater at (212) 870-3345. Professor Tobin's lecture, *THE STATE OF THE U.S. ECONOMY*, will be available in transcript form at the ECAAR office. To order a copy, please send in \$5.00 to cover our costs.



Professor James Tobin delivers talk, The State of the U.S. Economy, at New York Chapter organization meeting at Hunter College

NOTICE

Washington DC Chapter Meeting

April 8, 1992, 12:30 PM

ECAAR Board member BARBARA BERGMANN is organizing a first chapter meeting in the Washington, DC area for ECAAR members and guests at a brown bag luncheon co-hosted by the Economics Department of American University which has provided a meeting room at Gray Hall, Bentley Lounge.

SPECIAL GUEST SPEAKER:

DR. LAWRENCE SUMMERS

Vice-President, Development Economics and Chief Economist, World Bank; ECAAR Board member.

WHAT'S IN A NAME? SHOULD ECAAR CHANGE IT'S NAME TO REFLECT THE POST-COLD WAR ERA?

by Robert Schwartz

New member, Ray Vernon, writes, "The arms race seems to be in reverse for the present. What now?" An experienced public relations person, in reviewing our formulated plans for the essay contest, suggested that the name "Economists Against the Arms Race" should be changed before we start publicity.

Many ECAAR founders and members believe that the acronym, ECAAR, should be retained to take advantage of the name recognition we have achieved. Others hold a different view. The ECAAR Board decided, at its January, 1992 meeting, to seek suggestions from our members.

I urge the new name, "ECONOMISTS ALLIED FOR ARMS REDUCTION." It would eliminate the criticism that our name no longer reflects the altered nature of armament issues while enabling us to capitalize on ECAAR's three-year history. There are other possibilities for the ECAAR acronym, or for a new name entirely. What are your thoughts on the matter? We would like to hear from our members. Please send your recommendations to the ECAAR office, attention Alice Slater. The Board will review your suggestions and make a final decision. Your participation is greatly appreciated.

HAVE YOU RENEWED YOUR ECAAR MEMBERSHIP?

YES, I WANT TO SUPPORT ECAAR

Please initiate or renew my dues:

Benefactor (\$1000) Patron (\$500) Sustainer (\$100)

Basic Membership (\$35) Student (\$10)

Dues enclosed: \$ _____

____ copies of Professor
Tobin's transcript @ \$5 each \$ _____

TOTAL ENCLOSED \$ _____

I think Economists Against the Arms Race
should change its name to _____

I think Economists Against the Arms Race
should keep the same name

Call me to form a chapter in my community

Call me to work on the weapons production project
with Professor Weida

Enclosed are names of overseas economists for
Jurgen Brauer and Betty Lall, to be contacted
for the World Register

Name (please print) _____

Affiliation (for Identification) _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

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