

ECAAR NEWS NETWORK

The Newsletter of Economists Against the Arms Race

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Dear Members

In early December we sent out an informational letter and membership application to the more than 16,000 members of the American Economic Association in the US and Canada. The mailing was handled by a direct mail firm and financed in part by the \$50,000 organizational development grant we received from the John D. and Catherine T. MacArthur Foundation last July.

When we returned from the AEA meetings in Atlanta, our mailbox was overflowing. In the first wave of responses ECAAR gained more than 500 new members and each day there are more. Once again we would like to welcome all you new members.

Along with the new memberships, we received many kind letters and notes of support. ECAAR now has members in 45 states, Puerto Rico, Guam and in most Canadian provinces. Not surprisingly, our members tend to cluster in cities with universities or government seats. Anyone interested in forming a chapter should contact us and we will link you up with other members in your area and give what assistance we can.

Some who had joined ECAAR in 1989, responded to our AEA mailing by renewing their membership. We encourage others to do the same, since every mailing costs ECAAR money and staff time, neither of which are in surplus. If you haven't already done so, please send in your membership renewal to the above address. Regular membership is \$35 and we hope this reminder will eliminate the need for a special renewal notice. We will continue to increase our activities and by doing so, the opportunities for your participation.

American Economic Association Meetings

ECAAR had a very full agenda at the December meetings of the Allied Social Science Associations held in Atlanta. Along with co-sponsoring five sessions, we held our annual Board of Directors meeting and an Open Public Meeting. Three of the panels were in honor of economists who over many years have given sustenance to peace economics: Wassily Leontief, Kenneth Boulding and Jan Tinbergen. These panels were co-sponsored with the Peace Science Society International (PSSI). The topics and participants were:

"Conflict and Peace Economics II: Models for the Study of the Impact of Arms Reduction - (In Honor of Wassily Leontief)": Walter Isard, Lawrence Klein, Faye Duchin and Robert Solow.

"Conflict and Peace Economics III: Common Security - Moving from Confrontation to Cooperation - (In Honor of Jan Tinbergen)": Manas Chatterji, Dietrich Fischer, Michael Intriligator, Jurgen Brauer and Walter Isard.

"Conflict and Peace Economics IV: Conversion in the US Economy in the Light of the Changing International Climate - (In Honor of Kenneth Boulding)": Lloyd Dumas, Michael Oden, Gregory Bischak, J. Davidson Alexander and John Ulmann.

The two additional panels, co-sponsored with PSSI and the AEA respectively were:

"Conflict and Peace Economics I: Diverse Topics" with Jeffrey Bergstrand, Manas Chatterji, Carlos Seglie and Walter Isard.

"Economic Aspects of National Security" with Lloyd Dumas, Murray Weidenbaum, Martin McGuire and Thomas Schelling.

We were pleased to have two foreign colleagues and members of ECAAR as participants and discussants. Professor Nansen Behar of Sofia, Bulgaria and Professor Akira Hattori of Fukuoka University, Japan both contributed to "Conflict and Peace Economics III".

We wish to thank those members of ECAAR's Board who took the time to organize these panels. In addition, many others, through their presentations and comments provided varied and substantive points of view on the subject of peace economics. The provocative theme of "Conflict and Peace Economics" led many people to attend all of the sessions. We particularly thank Walter Isard and Robert Schwartz for carrying out the nuts and bolts tasks of bringing the panels to life. Unfortunately Robert Schwartz missed the fruits of his own labors by being taken ill upon arrival in Atlanta. He has now totally recovered and is working on current ECAAR programs including next year's panels.

Public Meeting

Along with organizing panel discussions, ECAAR plans to continue its "two year tradition" of holding Public Meetings during the AEA conference. They are a very useful way of informing economists about ECAAR's aims and activities. Furthermore, such Public Meetings provide us with an opportunity to receive feedback from our colleagues.

One of ECAAR's current projects, an essay contest suggested by Robert Schwartz, was discussed and received numerous comments from the floor. There was also a preliminary report on a conference that ECAAR has been asked to co-sponsor at the University of Notre Dame later this year. (see below for a full report on these projects).

Other subjects that came up, need further exploration and given time and resources, will be looked at more closely. The now perennial issue of what our name should be, led off the discussion. Since ECAAR's beginning there have been mixed feelings about the "Against" in our name. It has been argued that that name is now outdated; that we should be "for" something; that we should be neither "for" nor "against" anything and that it may be too late to change. The general feeling was not to give up the name recognition we now have gained and that any name changes should fit the current acronym. We would welcome your suggestions.

There was a strong feeling that ECAAR's membership represents a very important resource that should be tapped. Participants wanted to know whether ECAAR would be looking at the federal budget and military expenditures and would then be testifying. Though we are not allowed to "lobby", due to our tax exempt status, we are able to provide testimony if asked by Congress. As it turns out, our largest membership cluster is in the Washington, DC area. We hope to have an informal gathering in the future to poll those Washington members and create a resource list to make available individual experts.

Isabel Sawhill pointed out that though some economists may see a net benefit from arms reduction, the media and most legislators do not yet have that perspective. It was suggested that an ECAAR subcommittee tackle the job of getting that view into the media and to the public. If you would like to participate, please let us know what you would be able to do.

Other issues brought up for discussion and inquiry were: the economic consequences of military interventions and the peace process; the relationship between the 1st & 3rd World arms production and sales; conversion and how to achieve a soft landing; should the "Peace Dividend" be used to reduce taxes or increase social spending?

At both the public and Board of Directors' meetings our foreign guests Nansen Behar and Akira Hattori commented on activities in their home countries. Professor Behar noted that a Bulgarian chapter of ECAAR will be organized and will face common issues, such as public education about peace economics, conversion and research in this area, as well as the transformation of their economy from the state planned model. He hoped that an international conference could be

held in conjunction with the formation of an ECAAR chapter in Bulgaria.

Professor Hattori reported on the first meeting of ECAAR-Japan and on the overall state of liberal economic activities. He spoke about having an ECAAR sponsored international meeting in Japan in 1990.

Board of Directors' Meeting

In addition to carrying out their general responsibilities as officers of ECAAR, the Board discussed the agenda for the coming year. It was decided to pursue two projects in early 1990, both requiring major fundraising. They are the essay contest "The Peace Dividend: How To Get It; How To Use It?" and the conference to be co-sponsored with the Institute for International Peace Studies at Notre Dame. (See New Projects for details)

The structure of the Board was slightly altered to include a separate designation of Trustee to honor individuals for "their contribution to the creation of ECAAR and to the field of economics." The Trustees are Kenneth Arrow, Lawrence Klein, Wassily Leontief, Franco Modigliani, Robert Solow, Robert Schwartz, Jan Tinbergen and James Tobin.

A discussion of whether or not ECAAR needs a full-time Executive Director was tabled due to the present lack of funds for such a position. The general consensus was that at the rate ECAAR is growing and in view of what it needs to accomplish, a full-time Executive Director will be soon required. Margaret Hartnett continues to act in that capacity but not on a full time basis.

New Projects

ECAAR-IIPS Conference

Last autumn, Dr. Jurgen Brauer of the Institute for International Peace Studies (IIPS) at the University of Notre Dame, contacted ECAAR with a proposal to co-sponsor a two day conference at Notre Dame. During the AEA conference in Atlanta, its details and needs were more clearly formulated. Specific commitments to participate were made by a number of ECAAR Board members and we agreed to pursue fundraising.

The conference titled, "Economic Issues of Disarmament" is scheduled for November 30 - December 1, 1990. Lawrence Klein and Jurgen Brauer are co-chairs and Kenneth Arrow will

deliver the keynote address. The theme topics and a partial list of participants are:

- I. "The Economics of the Military Sector and Conversion"
Professor Kenneth Arrow, Stanford University
Professor Lloyd Dumas, University of Texas-Dallas
- II. "Mutual Disarmament in Warsaw Pact and NATO Countries and Hazardous Waste Disposal"
Professor Lawrence Klein, Univ. of Pennsylvania
Dr. Betty Lall, Council on Economic Priorities
- III. "Are Military Expenditures Essential for Economic Prosperity?"
Professor James Galbraith, Univ. of Texas-Austin
Professor Anne Markusen, Rutgers University
Professor Robert Eisner, Northwestern University
- IV. "Disarmament and Third World Development"
Professor Walter Isard, Cornell University
Professor Manas Chatterji, SUNY-Binghamton
Professor Amartya Sen, Harvard

Notre Dame's Institute for International Peace Studies has committed \$10,000 of the more that \$40,000 budget for the conference and enough additional funds will be available. Further information on the conference will be sent at a later date.

Essay Contest

During the Public Meeting there was a positive response to ECAAR sponsoring a national essay contest on "The Peace Dividend: How To Get It; How To Use It". The essays would be limited to no more than 15 double-spaced pages, judged by our Nobel Laureates and with a first prize of \$25,000. We expect most participants to be economists and members of ECAAR but there will be no limitations upon who may enter. We are now seeking a financial grant and the contest may therefore be co-sponsored. Explorations with the media indicate a good interest and this should be a means of stimulating creative thinking and developing a much needed public awareness. The project is good but we need the funds before we can proceed.

United Nations Affiliation

ECAAR has been designated for association with the Department of Public Information. With this association comes a responsibility of re-dissemination of information to increase public understanding of the work and achievements of the United Nations. We may designate a representative and one alternate representative. ECAAR will be informed by

the UN of all "conferences, seminars, briefings and other special meetings and receive current UN information materials." Members interested in UN activities may seek assistance from us or directly from the UN.

Foreign Affiliates

Nearly every week we receive letters of inquiry from economists overseas who have heard about ECAAR, want to join and want to know if there are chapters in their countries.

During the past week information and offers of support have been sent to people beginning the chapter organizing process in Canada, the Soviet Union and Korea.

JAPAN Our autumn newsletter reported on the formation of ECAAR-Japan. Professor AKira Hattori, who organized the Japanese affiliate, writes that they have now agreed upon officers and a Board of Directors of 20 eminent economists. ECAAR-Japan plans a Spring meeting to formalize their program and begin a membership campaign. They are also planning a conference, with the sponsorship of Yomiuri Newspaper, which may take place in four locations: Tokyo, Hiroshima, Fukuoka and Kitakyusyu.

The International Physicians for the Prevention of Nuclear War (IPPNW) held its 9th World Congress in Hiroshima October 7-10, its theme, "No More Hiroshimas: an eternal commitment". ECCAR accepted an invitation to have a presence at the Congress. Professors Akira Hattori and Takamitu Sawa represented ECAAR.

THE NETHERLANDS One of the exciting developments in the growth and importance of ECAAR is the inauguration of The Netherlands national chapter. May 14-16 the city of Rotterdam celebrates its 650 anniversary and commemorates the bombing of the city during WWII. A three day scientific conference will be held on "Nationalism and Peace on a Small Planet" organized with Erasmus University. Professor Jan Tinbergen, Nobel Laureate, Trustee of ECAAR and a world prominent citizen, together with Professor Piet Terhal of Erasmus University have organized a May 16 public meeting with the theme "The Economic Consequences of Peace, Revisited". This will be the introduction of ECAAR-The Netherlands. Eighty well known people from other countries have been invited to the three day conference and Professor Walter Isard, a Board member of ECAAR will represent us on the May 16 panel with Jan Tinbergen and the Soviet economist Stanislav Menshikov.

AUSTRALIA & NEW ZEALAND Robert Schwartz, ECAAR Treasurer recently returned from a visit to Australia and New Zealand. In addition to some serious water activity at the Barrier Reef and a visit to Tasmania, he broke new ground for ECAAR. Invited to lecture at the University of Sydney as a visiting economist, he introduced ECAAR. In both Sydney and Melbourne there is now the promise of an Australian chapter. A lunch meeting at Auckland University may lead to the start of a New Zealand chapter due to the strong interest of Professor Sholeh Maani, who received her Ph.D. from the University of Illinois at Urbana.

Brief Notes

We would like to congratulate Todd Sandler, editor and the staff of the journal Defense Economics. We saw the first issue at the AEA meetings. As we have mentioned in previous newsletters, DE would be a good place to send your articles. Write to: Defense Economics, Professor Todd Sandler, North American Editor, Dept. of Economics, Iowa State University, Ames, Iowa 50011

We'll toot our own horn and thank Jeff Dumas for sending a copy of the Chronicle of Higher Education. The Chronicle which covered the AEA meetings in Atlanta, gave lengthy coverage to the ECAAR-AEA sponsored panel "Economic Aspects of National Security".

We would also like to welcome Mary Camper-Titsingh and Dorrie Weiss into the ranks of the ECAAR volunteer staff. Mary has been researching foundation funding for us. Dorrie's experience as an educator, writer, editor comes at a critical time. We can't express how much their talents will be of help to ECAAR and we look forward to their ruthless use of a red pencil!

We are FAXable. ECAAR can be reached at (212) 663-3852. You can also leave a brief phone message at that number.