



Former CIA Head Advocates Placing Nuclear Weapons In 'Strategic Escrow,' Accelerating Weapons Reduction Process

Former Central Intelligence Agency Director Stansfield Turner on April 10 said Russia and the United States could speed the process of nuclear weapons reductions by removing thousands of warheads from their delivery systems, and placing them in "strategic escrow" while continuing to negotiate further reductions.

He was joined at the United Nations nuclear Non-Proliferation Treaty (NPT) Review PrepCom by Australian U.N. Ambassador, Richard Butler, Chairman of the Canberra Commission, which in its August report asked the five nuclear powers for an unequivocal commitment to the abolition of nuclear weapons as required under Article 6 of the NPT, and as a first step recommended "physical separation of warheads from delivery vehicles . . ."

Alarmed that President Bill Clinton and Russian President Boris Yeltsin at the recent summit meeting in Helsinki have "dangerously" slowed the progress of nuclear weapons reductions, the former CIA head said the United States should take the lead by removing warheads from their delivery systems and placing them at secure sites, in "strategic escrow" enabling Russian observers to count them. This, he said, would encourage Russia to do the same.

If the Russians refused to reciprocate, the United States could "take the warheads and put them back in a matter of days," Turner said, noting they have good cause to follow suit because they cannot afford the size and expense of their military. If they did reciprocate, however, the two former military rivals would significantly contribute to international security by accelerating the reduction process and eliminating many of their more than 36,000 weapons.

The traditional approach to arms reductions takes years to negotiate, ratify and implement, Turner said.

"A couple thousand warheads on each side, is not an improvement in the absolute," he said, referring to the latest round of summit negotiations.

Turner, who traced his skepticism on the use of nuclear weapons to his tenure as director of the CIA in the 1970s, said the two sides could "get to 1,000 [each] . . . within a few years" by continuing to escrow warheads while negotiating further reductions. A designated number would remain ready to reassemble, and the five nuclear powers with weapons in strategic escrow could checkmate each others' reassembly.

To Turner, the continued presence of so many nuclear warheads is a danger because no one can accurately predict Russia's or China's future. The longer Britain, China, France, Russia and the United States continue to defy the NPT by refusing to commit to the eventual elimination of nuclear weapons, and the longer the United States fails to take a leadership role in the process, the greater the likelihood of nuclear proliferation throughout the world, Turner believes.

Lawmaker Sparks Drive to Slash Defense for Benefit of Public

If the United States is to remain an economic superpower, it must redefine national security policy to include health, education and housing.

So said National Security Committee Ranking Minority Member and keynote speaker Ron Dellums (D-CA) at a recent meeting in Washington, DC where he advised the public to urge policymakers to craft national security legislation that includes education, health and the general interests of the public.

According to Dellums, the United States no longer requires massive infusions of taxpayer money to buy

(Continued on page 8)

Absurd Sub Mission in South Africa

Four Upholder Submarines would be the "ultimate stealth weapon" against foreign poaching of South Africa's fish, stated the South African Navy in a presentation to the South African Parliament. The absurdity of that submission was highlighted when it became clear that offshore poaching of fish was not a problem compared to inshore poaching by South Africans.

See further reference to ECAAR-South Africa on page 11

inside...

Administration Requests \$265 Billion for Defense	2
Former Pentagon Official Counters Reasons for High Defense Spending	3
Former Cold War Military Leaders Advocate Nuclear Weapons Elimination	4
Administration Proposes Controversial Dual-Track Plutonium Disposition Plan	5
ECAAR-Japan Holds International Symposium	6
ECAAR Contributes to AEA/ASSA Conference in New Orleans; Board Meets	7
Economists Testify on Vieques: for its Demilitarization and Development	8
ECAAR's Schwartz Backs Defense Cuts, to Fuel the General Economy	9
ECAAR and the Guatemala Peace Process	10
Pentagon Said to Eye Staff Cuts	10
In Honor of William Vickrey, Friend of ECAAR	11

Administration Requests \$265 Billion for Defense

The Clinton administration's Fiscal Year (FY) 1998 defense authorization is \$265.3 billion. This includes \$250.7 billion for the Department of Defense (DOD) and \$14.6 billion for the Department of Energy (DOE) and related defense programs.

Adjusted for lower inflation rates than expected, the FY 1998 DOD request is 3.4 percent less than Congress asked for last year.

Assuming the administration's inflation estimates are accurate, its new plan would provide about \$6 billion more in real purchasing power in FY 1998 than envisioned in last year's defense authorization package. For the entire FY 98-FY2002 time frame, it would also provide \$22 billion more than was projected last year -- \$10 billion more for DOD, \$10 billion for DOE and \$2 billion for non-DOD defense matters.

To provide a high degree of military readiness and to cover the costs of contingency operations, the Clinton administration for the third consecutive year has shifted money out of procurement and into operations and maintenance. The FY 1998 request includes \$2.9 billion less for procurement and \$5.2 billion more for O&M than was projected for FY 1998 in FY 1997. However, the administration's FY1998-FY2000 proposal actually provides \$4 billion more for procurement than last year's plan for the same period. According to analysts at the Center for Strategic and Budgetary Assessments (CSBA), "This is in marked contrast to the long-term defense plans released by the administration in 1995 and 1996, both of which included substantially less for procurement than was projected in the previous plans." The plan would also provide \$7 billion more for research and development than last year's.

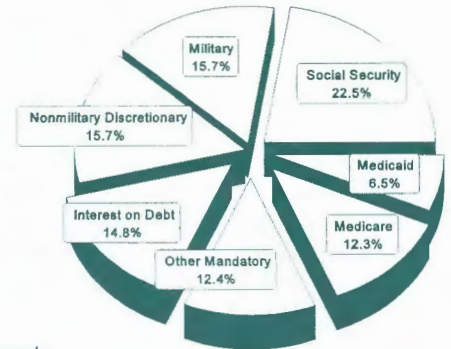
In an effort to highlight key weapons systems costs, CSBA says the administration's new request increases several theater missile defense programs, including an additional \$710 million more over last year's request for the Theater High Altitude Area Defense (THAAD) program and \$260 million more for the Navy Theater Wide system. The plan also provides \$600 million more for the Space Missile and Tracking Systems, but does not include "plus-ups" or increases in funding for national missile defense, a potential source of conflict between the administration's plan and Congress. However, Senate Majority Leader Trent Lott has introduced a bill, the National Missile Defense Act, mandating by 2003 deployment of limited national missile defenses.

The new plan also includes \$3 billion for one new attack submarine in FY 1998. This is close to the plan proposed by the administration in FY 1997, except it would build four rather than five new submarines as proposed by Congress. The Navy's 1995 plan called for the purchase of 10 attack submarines to be built between FY 1998 and FY 2005, with two to be built per year beginning in 2002. The current plan calls for the construction of seven subs, one to be built in each of five years: 1998, 1999, 2001, 2002, and 2004, and two to be built in 2005.

The following is a list of FY 1998 defense expenditures in the strategic nuclear weapons program, major conventional weapons expenditures and the total program costs for the most expensive weapons systems. For further information, contact Christopher S.

Strategic Nuclear Requests

- * B-2 Bomber: \$624.8 million to continue work on building the first 21 aircraft
- * Trident II (D-5 missile): \$368 million for seven new missiles
- * Ballistic Missile Defense: \$3.5 billion
 - \$505 million -- National Missile Defense
 - \$555 million -- Patriot PAC3
 - \$561 million -- THAAD
 - \$283 million -- Navy Area Theater



Fiscal Year 1998 Federal Budget
Source: OMB prepared by Council for a Livable World Education Fund

12 Main Conventional Weapons Requests

(in millions of dollars)

FY 1997	FY 1998	Weapons Programs
\$2,518.0	\$2,528.9	Navy F/A-18 E/F Hornet upgrade
\$1,341.6	\$1,100.0	V-22 Osprey -- five planes
\$1,899.8	\$2,152.1	F-22 Air Force advanced tactical fighter
\$1,242.4	\$2,996.3	New attack submarine
\$ 683.7	\$ 676.7	MILSTAR communication satellite
\$ 331.4	\$ 282.0	RAH-66 Army Comanche light helicopter
\$ 426.3	\$ 525.2	AH-64 Longbow Apache helicopter
\$ 571.0	\$ 930.9	Joint Strike Fighter
\$2,269.7	\$2,413.6	Nine Air Force C-17 aircraft
\$3,696.3	\$2,972.9	Navy DDG-51 AEGIS destroyers
\$ 770.7	\$ 508.9	E-8C Joint Airborne Radar System -- 1 plane
\$ 764.1	\$ 233.7	Seawolf Attack Submarine

12 Most Expensive Weapons Systems

- \$219.0 billion -- Navy-Air Force Joint Strike Fighter -- 3,000 planes
- \$ 81.0 billion -- Navy F/A-18 E/F Hornet -- 1,000 planes
- \$ 70.1 billion -- F-22 Air Force advanced tactical fighter
- \$ 64.9 billion -- Navy New Attack Submarine -- 30 submarines
- \$ 60.0 billion -- 1996 Dole-Gingrich National Missile Defense deployment plan
- \$ 57.1 billion -- Navy DDG-51 AEGIS destroyer -- 57 ships
- \$ 46.6 billion -- Navy V-22 Osprey -- 523 planes
- \$ 44.4 billion -- Air Force B-2 Bomber -- 20 planes
- \$ 41.7 billion -- Air Force C-17 aircraft -- 120 planes
- \$ 33.0 billion -- Army Comanche helicopter -- 1,292 helicopters
- \$ 27.7 billion -- Navy Trident II (D-5 missiles) -- 462 missiles
- \$ 6.5 billion -- CVN-77 nuclear aircraft carrier -- 1 ship

Former Pentagon Official Counters Reasons for High Defense Spending

The op-ed pages of the conservative and mainstream press are rife with accounts bemoaning the loss of U.S. military might to future regional and global hegemony threatening western peace and security. But much of the commentary is based on Cold War ideology and inaccurate information, according to Brookings Institution military expert and former Defense Department Assistant Secretary Lawrence Korb.

Addressing an audience representing a wide range of community services as well as members of the foreign policy community on March 10 in Washington, DC, Korb underscored the weakness in several of the arguments driving the push from the political right to increase military spending.

The bottom line? There is a lot of money to cut from the Pentagon, and despite reports that the Pentagon in its current review is eyeing the possibility of troop reductions, little savings will be realized unless government officials cut needless weapons systems. Social programs have already been drastically cut over the years, and he believes the time has come for the military to share the burden.

Calculating Threat Perception

Historically, Korb stated, the Defense Department has always had its own special way of calculating "threat perception." For example, when just a few years ago it wanted to convince the public that North Korea was a threat, Pentagon analysts determined that the North Korean fighting person was the equivalent of an American fighting person and that a South Korean fighting person was only 70 percent effective in combating someone from the North. This was hard to believe, former Secretary Korb pointed out, because South Korea has for decades been significantly better trained and equipped (by the United States) than North Korea.

That aside, many on the political right worry that President Clinton is spending less on the military than Ronald Reagan did in the early- and mid-1980s, and they talk about how much defense has been cut since the height of the Reagan buildup in 1986. Korb acknowledged the well-known fact that the United States is spending less on defense than it did in the mid-1980s, but he added that Clinton's military does not face the Soviet Union as an adversary. Thus, he said, people comment that today's military is smaller than it was at the height of the Cold War in 1987. This, he said, is a correct observation, but in terms of power projection "today's military is much more lethal than it was then." Not only that, but no other country has a military capability nearly as large, or lethal as the United States.

Misnomers on Readiness

In addition, he said, there are a lot of misnomers about what constitutes readiness and how much the United States needs in terms of military modernization. Yet readiness spending per capita is higher than it was during the height of the Cold War. Critics of a smaller, less expensive military argue that the United States needs at least \$60 billion per year to modernize its forces. This is pure nonsense, Korb insisted, because no other country in the world is currently spending what the United States is on the military -- roughly \$265 billion per year. "We are basically in a race with ourselves," the military expert said.

How did the situation get this way? According to Korb, politicians at the local and federal level have played their part. During the Bush administration, General Colin Powell tried to cancel the V-22 tilt-rotor helicopter. But pushed to keep their constituents employed during the early years of budget cuts, influential politicians from Pennsylvania and Texas where the V-22 was built joined the defense contractors to keep the aircraft alive. The same thing happened when Defense Secretary Dick Cheney called for the building of only one Seawolf submarine. The New England delegation, made up mostly of democratic legislators and the defense industry in Connecticut, demanded three. As a result, the Clinton administration is building three, each costing about \$13 billion.

On the federal level, according to Korb, "we have a Democratic president who is afraid of being seen as soft on defense." In office for two months, Clinton tried to cut defense spending but much battered by the defense industry and its sympathizers, he collapsed under pressure from the defense establishment toward the end of his first year and reversed course, adding money to the defense budget. Knowing they can push him on this matter, the Republican controlled House and Senate continue to push money toward the military. With the money the administration has given the military and that from the Republicans, the defense industry continues to do very well.

A Question of Management

And then there is poor management. The Defense Science Board, certainly not a critic of the Pentagon, has reported it is possible for the military to save up to \$30 billion annually by privatizing certain programs. Korb believes this may be a little overstated, but he agrees with the Board that privatization would save a good deal of money. He also believes the Defense Department could save money by reducing personnel, something it is reportedly considering in its upcoming review. But he doubts the Defense Department will reduce staff as much as other agencies in the government had been asked to do. "The Cold War is over," he said, "and we have a staff at the Pentagon that is bloated." He said people are simultaneously talking about NATO expansion and criticizing the United Nations because of its bureaucracy, something that in his mind makes little sense. "NATO bureaucracy would make the U.N. look very efficient," Korb quipped.

It is also possible to realize significant savings through technology development. "Rather than buy new platforms all the time, you can make the existing platforms better with precision-guided munitions, information technologies" and other technologies, Korb said. The savings options are all there, he said, but the government, with its decades-old ties with the military, can't be expected to make the necessary cuts. He was quick to point out that it is no longer a question of whether to cut the military; it is how and where to cut it because there is no longer a threat warranting such high expenditures. And the necessary savings can be made, but it is the public that is going to have to push for those savings. If it doesn't take the initiative, valuable services will continue to erode because the government will continue to justify military spending.

Former Cold War Military Leaders Advocate Nuclear Weapons Elimination, Opposing Many Still in Uniform

A former Commander in Chief of the U.S. Strategic Command, backed by an international coalition of 60 high-level military officers, has called for the complete elimination of nuclear weapons.

U.S. Air Force Gen. George Lee Butler on December 6 told a luncheon meeting in Washington, DC that the existence of nuclear weapons by the five declared nuclear weapons countries as well as the ever present threat of acquisition posed by nations known to harbor terrorists constitute a peril to global peace and security and to the safety and survival of the people whose powers he was dedicated to protect. Two days later, 60 retired generals and admirals from the United States, Russia, China, England and France signed a joint statement at the United Nations also calling for the elimination of nuclear weapons. The event was designed to enhance the impact of Butler's remarks.

Admirals and Generals Favor Abolition

Signed by many top-level officers including Gen. John R. Galvin, another former supreme allied commander in Europe, and Gen. Charles H. Horner, former commander of the U.S. Space Command and a key officer in the 1991 Persian Gulf War, the statement recommended that the nuclear powers join "... in reducing their nuclear arsenals step by step to the lowest verifiable levels consistent with their stable security..." The threat has receded, according to the joint statement, "but not forever — unless nuclear weapons are eliminated." The signing was organized by former Supreme Allied Commander in Europe Gen. Andrew Goodpaster, retired British Brig. Gen. Michael Harbottle and former U.S. senator Alan Cranston (D-CA).

The world, no longer dominated by U.S.-Soviet tension, is more vulnerable than ever to terrorist attack, said Butler, 57, a retiree from the military in 1994 after 37 years of active duty, much of it in and around American nuclear policy making. He believes the nuclear powers have the responsibility to do everything in their power to eliminate the threat of nuclear accidents such as accidental launches and plutonium theft.

Timing is Urgent

Stating that time is of the essence, he explained that this was why he decided to take his message to the public. Not only have there been an "appalling array of accidents and incidents" involving nuclear weapons, but it takes less than 30 minutes to execute a ballistic nuclear strike.

Furthermore, he said, it is absurd to think "all of these missiles and bombs" can be launched "at precise moments, even while subject to attack by fighters and surface-to-air missiles... and then get to their recovery base. What I took away from this was that this is a heroic assumption about the timing." Butler continued. "How do we know we'll have adequate time to escape to safety?"

Military planners around the world have asked this question in private if not among themselves, according to Butler and other signers of the joint statement. The answer is obvious, "(A) world free of the threat of nuclear weapons is necessarily a world devoid of nuclear weapons," Butler insists.

Drawing on His Personal Experience

Peppering his remarks with personal accounts, Butler said he witnessed in the late 1970s nuclear and cruise missile-laden B-52s struggling to take off in a simulated crisis at split-second intervals. They were laden with warheads and fuel and were "on icy runways sliding out of control." In another incident, he watched a bomber careen to earth shortly after take off, crashing and killing all on board.

But it wasn't until he came to SAC that he learned in frightening detail that the secret war plans in effect during most of the Cold War ignored information about radiation and fire created by nuclear blasts. This, he said, caused him to think that Washington had lost "touch with the reality of nuclear weapons" and the horrible consequences of a single blast.

Then, in 1994 while on a private trip to an aging and poorly maintained Russian naval base, in fact one that he had studied while preparing plans to strike the Soviet Union should a nuclear exchange have occurred, he found not the fierce enemy he had been trained to meet but a base in "severe economic deterioration" and other sites that did not warrant a conventional attack, let alone a nuclear strike.

Observations as SAC Commander

General Butler is disappointed that U. S. nuclear doctrine has not changed more since 1991, the year the Soviet Union collapsed ending the Cold War. As the Air Force's newly appointed SAC Commander in 1991, Butler ordered a complete revision of the nuclear target list for the former Soviet Union and its former East European allies, causing many in the military to question his motives and rationale. He eliminated nearly three-quarters of the targets there, leaving only a few thousand targets on Russian soil. Also, he ordered that all U.S. strategic bombers be taken off alert to reduce the risk of nuclear accidents. It was his intention that this was to be only the beginning.

All of the signers of the joint nuclear weapons elimination statement are determined to see further cutbacks in the U.S and Russian arsenals, beyond those established under the START II Treaty in 1993 -- down to 3,000 or 3,500 warheads each by 2003. But they concede ratification of START II, let alone a treaty advocating further reductions, remains mired in official and public apathy.

In subsequent remarks, Butler complemented the many people who had written or told him of their support. But he also indicated a degree of remorse that many in the military establishment still seem wedded to the notion of nuclear deterrence. In his mind, those who continue to believe such weapons have a place in any nation's arsenals "are victims of the intellectual smog" currently clouding U.S. deterrence policy.

Since he and the admirals and generals first called for the elimination of nuclear weapons, U.S. nuclear weapons policy has been addressed in classes and seminars around the country, including the National War College in Washington, DC.

Administration Proposes Controversial Dual-Track Plutonium Disposition Plan

Outgoing Energy Secretary Hazel O'Leary on January 14th announced a controversial dual-track plan to eliminate 50 tons or about half the surplus weapons-grade plutonium in the U.S. stockpile.

The plan, which Energy Department officials estimate will cost about \$2 billion to implement, stipulates that by 2002 approximately one third of the highly radioactive surplus plutonium will be combined with conventional nuclear power plant fuel and burned in commercial electricity-generating plants, while the rest will be immobilized, encased in a glass-like material through vitrification and stored underground in a permanent repository.

The dual approach was recommended by the National Academy of Sciences (NAS), which in its report to the Department of Energy said "it is crucial that at least one of these options succeed . . . and because the costs of pursuing both in parallel are modest in relation to the security stakes."

However, the plan will not be easy to implement as there are key technological and economic hurdles to overcome. In addition, it is controversial, driving a wedge into the arms control and foreign policy communities because it reverses two decades of U.S. non-proliferation policy.

In the United States it has been illegal to burn weapons-grade plutonium in commercial nuclear power plants for two decades, although the practice has been commonplace for years in Russia, France and Japan. U.S. officials have feared that such weapons-grade plutonium usage would encourage acquisition for secret weapons programs.

Concurring with the NAS recommendation to burn at least some of the surplus plutonium, officials justify the policy reversal on the grounds that it is better to be in close contact and agreement with Russia on this matter, particularly since many high-level Russians consider their plutonium conversion to a MOX fuel program a national asset.

Some Indicate Proposal Strengthens U.S. Hand

Spurgeon Keeney, president of the Arms Control Association in Washington, DC and a member of the NAS panel that conducted much of the groundwork for the Energy Department's proposal agrees. The administration's plan now "puts us in a strong position" to influence the Russian plutonium program. He believes neither vitrified plutonium nor MOX fuel could become hazards; it would be "beyond the practical capability" of terrorists to extract weapons-usable plutonium from either.

But that is not necessarily the point, according to others in the arms control community. "This is a very bad decision," said Arjun Makhijani, president of the Institute for Energy and Environmental Research.

Others Say Plan Encourages Reprocessing

"Instead of encouraging Russia to stop the production and accumulation of weapons-usable plutonium, a U.S. policy favoring MOX fuel would help to perpetuate it," stated Makhijani. It "would encourage Russia to go on operating its reprocessing plants and to keep on separating more plutonium, creating greater risks of diversion," he contends.

Makhijani and others — more than 100 community-based organizations across the U.S.— believe Russia's economic distress makes the danger of black markets in plutonium even more acute. At Chelyabinsk-65 alone, one of Russia's nuclear weapons facilities, more than 60,000 pounds of plutonium are stored in 12,000 stainless steel thermos-bottle-size containers. If stolen and traded on the black market, argues Makhijani, two or three of these contain enough plutonium to make a bomb hundreds of times more powerful than the one that destroyed the Oklahoma City federal building.

After talking with many high-level Russians, he is convinced that the push to build a MOX facility there is based on the wish to keep people employed. But, he says, there is a far better way to employ people — build vitrification plants. "The United States," he asserts, "should declare vitrification the sole approach it will use for all its surplus plutonium and should encourage Russia and other countries to do the same."

The United States should assure Russia in a mutually signed agreement that weapons-grade re-extraction could occur if both parties agreed to it. "Providing that assurance could be the key to getting the Russians to agree to vitrification and stop their expensive, risky reprocessing program," Makhijani said. But instead of taking the lead, "the Energy Department is proposing to follow Russia down a road that would increase nuclear dangers by entrenching pork-barrel interests in plutonium in Russia and creating them anew in the United States."

ECAAR
NewsNetwork
is published by
Economists Allied
for Arms Reduction
(ECAAR).

ECAAR uses
the expertise of
economists to
contribute to the
public dialogue on
the effects of military
expenditures on
human welfare.

ECAAR
NewsNetwork:
25 W. 45, Rm 1401,
New York, NY 10036
tel: 212-768-2080
fax: 212-768-2167
ecaar@igc.apc.org

Lucy Webster
Executive Director

Kelley Bates
Editor

Louise DeCesare
Administrative
Executive

Dorrie Weiss
UN Observer

Contributing writer in
this issue:
Dietrich Fischer

Introductions and Apologies

The new staff at ECAAR apologize for the late publication of this newsletter. This is due to several significant computer problems which are being corrected.

Lucy Webster comes to ECAAR as Executive Director after 14 years in the UN Secretariat, mainly in disarmament affairs, and a prior background planning and organizing international research projects while also working on disarmament and social justice campaigns at the UN in New York and Geneva.

Kelley Bates joins ECAAR as *NewsNetwork* Editor and North American Coordinator following six years in Washington D.C., a range of varied journalistic assignments, and a deep curiosity regarding arms reduction issues.

Louise DeCesare who is our Administrative Executive and Intern Coordinator, previously worked at the University of Massachusetts, Boston with the Urban Scholars program.

ECAAR-Japan Holds International Symposium

By Dietrich Fischer

ECAAR Trustees James Tobin and Robert Schwartz, and board member Dietrich Fischer were invited by ECAAR-Japan to its Fourth International Symposium on "New Economic Era and Global Governance" held on October 22 in the conference room of the United Nations University in Tokyo. It was attended by about 250 participants, mostly from Japan.

The morning session was chaired by the founder of ECAAR-Japan, Prof. Akira Hattori from Fukuoka University. Mr. Isamu Miyasaki, former State Minister and Director-General of the Economic Planning Agency delivered the opening address. Robert Schwartz, the founder of ECAAR, then gave an overview of ECAAR's principles, objectives, history, and a brief summary of some of its projects and activities.

He reported that ECAAR member William Weida had taken a one year leave of absence from the Colorado College Economics Department to serve full time as head of ECAAR's Community Education Campaign: Employment Alternatives at US Nuclear Facilities. He has completed a book, *Atomic Audit*, being published by the Brookings Institution. A second book on the economics of plutonium burning is also in preparation. This may become one of a series of books on peace economics planned by ECAAR Co-Chair, Professor Walter Isard. Professor Weida's research formed an important basis for a court decision of April 1996 against Lawrence Livermore Laboratory. U.S. District Judge Edwin Mechem of Albuquerque found the laboratory guilty of violations of the U.S. Clean Air and Water Act. It is not likely, however, that the decision will be upheld in its entirety on appeal.

Phase One of the ECAAR project on the economic benefits of demilitarization in Central America was concluded with meetings in Guatemala City on October 23rd and 24th. Professor Thomas Scheetz from Argentina and Licenciado Edgar Pape from Guatemala presented their research to representatives of civil society, the Government, and the Guatemalan military. Its evidence of the negative impact of military expenditures has facilitated broadly based discussion which is seen as key to the peace accords which ended the 36-year civil war. ECAAR Board Member John Tepper Marlin and Executive Director Lucy Webster assisted in these meetings as did three representatives of the Arias Foundation, including its Executive Director, Dr. Joaquín Tacsan.

One of ECAAR's latest projects is a plan for the conversion of a portion of the US naval base on Vieques Island off Puerto Rico for civilian use, returning the land to the rightful owners. A detailed Study by the Columbia University School of Development and Urban Planning was completed on Sept. 25. The next stage is to work for the adoption of the plan.

ECAAR, having been awarded official United Nations NGO consultative status, has additional responsibilities and intends to focus on the need to shift from world military expenditures and destruction to greater concern for human needs. Under its Co-Chair, Walter Isard, ECAAR has provided most of the text for the forthcoming UN periodic review, *Disarmament*.

Professor James Tobin gave the keynote address: "The New Economic Era and the Tobin Tax." He questioned whether it was flattering to be known for a tax. It would provide for a very small user fee on currency transactions with the main goal of stabilizing exchange rates by discouraging short term speculative swaps of huge funds between currencies.

His original proposal of a 1% tax was reduced to 0.1% or 0.2% of the \$1.3 trillion exchanged every business day— more than the foreign exchange holdings of all central banks combined. Over 90% of that amount is sold back into the original currency within less than a week. A modest transaction tax would hardly reduce currency exchanges needed for trade and long term investments, but would reduce short term currency swaps which take advantage of small interest rate differentials. This would give central banks greater autonomy to conduct national monetary policy.

These were the main goals originally; raising revenue was more an accidental by-product. But the current U.N. financial crisis led to renewed interest in the Tobin tax as a potential source of revenue to finance world institutions. Prof. Tobin also showed that military spending throughout the world had declined from a 6% of GNP average in 1984 to 3% in 1994.

Prof. Koichi Hamada of Yale University agreed on the need to raise revenue, but warned of opposition to new taxes. Concerning military spending, he pointed out that after WWII the Japanese constitution prohibited building armed forces, except for a small "self-defense force" using less than 1% of GNP. This enabled the Japanese economy to grow more rapidly than the US economy which long spent some 6% of GNP for military purposes (now down to 4.3%).

After a panel discussion, there were questions from the audience. Asked whether a Tobin tax might lead to widespread evasion, Prof. Tobin said he doubted all currency exchanges would suddenly take place in the Cayman Islands. If the tax were collected in the country where a transaction originated, the transfer of funds would by itself be subject to tax.

The afternoon session on "Global Governance in the 21st Century" was introduced and chaired by Mr. Nagaharu Hayabusa, acting President of ECAAR-Japan and Senior Staff Writer at Japan's leading newspaper Asahi Shimbun. The keynote speaker was former German Federal Chancellor Helmut Schmidt. He strongly supported arms reductions, but pointed out that additional steps were required to prevent not only international but also civil wars. In a broad overview of major world problems, he listed some of the numerous ethnic and religious conflicts that still raged after decades, even centuries, in the former Ottoman, Austro-Hungarian, British, German and Japanese empires, and predicted that a series of similar wars would result from the collapse of the Soviet empire. To avoid such wars, he emphasized the need for greater tolerance and respect for other cultures and religions, a commitment to nonviolence, a just economic world order, and equal rights between men and women.

ECAAR CONTRIBUTES TO AEA/ASSA CONFERENCE IN NEW ORLEANS; BOARD MEETS

Members of ECAAR were responsible for a number of panels at the 1997 New Orleans conference of the American Economic Association and the Allied Social Science Association.

The Marshall Plan Revisited was the title of a panel addressed by Thomas Schelling, Yoshikawa Hiroshi, and Isabelle Grunberg with Robert Schwartz presiding. In another session, David Felix, Dietrich Fischer, Sol Polachek, Walter Isard and Janet Stotsky spoke on *Cost and Revenue Potential for World Government (UN or Equivalent)*.

Sessions on peace economics addressed: *Key Aspects of the Military Sector and its Operations; The Arms Trade: Theory, Hypothesis Testing, and Empirical Findings; and Trade in Dual Use Commodities and Specific Region Impacts of Conversion* while a fourth

session consisted of contributed papers on a range of topics including, *The Economics of Peacekeeping; Military Defense in a Federation of Unequal States; International Security and the External Benefits of Democracy; and Potential Economic Cooperation Between North and South Korea*.

Another panel considered *Alternative Routes to a Market Economy* with contributions from Michael Intriligator, Alan Gelb, Stanislav Menshikov and John Tepper Marlin.

At the annual meeting of the ECAAR Board of Directors, the New Executive Director was introduced. Lucy Webster said it was an honor to work for ECAAR, and reported that a second substantive staff person, Kelley Bates, was joining ECAAR. (See box on page 5.) The Board accepted the report of the Treasurer and

endorsed the plan to seek corporate supporters for ECAAR. It was felt that, in addition to undertaking specific research projects, ECAAR should develop programs that reach out to opinion leaders to raise the level of understanding of a definition of security that goes beyond military security.

The Board agreed to reassess the statement of purpose of ECAAR to reflect the changed international situation after the cold war, and with the increased problem of conflicts within nation states.

Ideas from the General Meeting on potential researchable propositions were discussed, as were proposals for panels for the 1998 AEA/ASSA conference. Topics included: *A New Economic Policy for Russia; South Africa's Defensive Defense and its Military Production; and a panel on the international arms trade*.

Dietrich Fischer spoke about "The Role of the U.N. Family in the New World Order After the Cold War." He stressed that the pursuit of peace requires an active peace policy that would not be limited to intervention with peacekeeping forces after war broke out, but would seek to avoid or resolve conflicts long before they led to war. This required the establishment of a more democratic world, economic justice, protection of human rights, and the preservation of a livable environment. The fact that most wars today were fought within and not between states paradoxically demonstrated how effective the U.N. has been, because it was created in 1945 to prevent inter-state wars. It now needed to be strengthened and expanded and made more representative to help prevent civil wars also.

He offered a series of suggestions on how the U.N. system of organizations could be strengthened, including the following:

- Democratizing the U.N. by creating a People's Assembly of directly elected representatives to complement the General Assembly.

- A greater role for NGOs to hold governments accountable for implementing the international treaties they sign.

- A U.N. Institute for Mediation to diffuse tensions before there is war to complement a standing U.N. peacekeeping force to stop armed conflicts rapidly if war prevention fails.

- Strengthening U.N. affiliates, such as WHO, UNICEF, the World Court, and the World Bank.

- A U.N. television network as a complement to national networks, to help overcome chauvinistic propaganda and promote international understanding.

- The U.N. University in Tokyo, now largely doing research, could teach students from around the world and link weapons research laboratories from the cold war into a global network of institutes on renewable energy, pollution-free production, new cures for diseases and methods of conflict resolution.

Prof. Takako Ueta from the International Christian University in Tokyo supported the need for more preventive diplomacy and mentioned that the Japanese Prime Minister had recently made such a proposal to the U.N. General Assembly. She also said the Organization for Security and Cooperation in Europe (OSCE) did good work on conflict resolution in Europe, but did little to publicize it.

The ensuing discussion touched on the question of what problems are best dealt with at the global level, and which can better be solved regionally or locally.

The symposium concluded with a reception at the Imperial Hotel, sponsored by the the board of ECAAR-Japan consisting of Mr. Kiichi Miyazawa, former prime minister; Mr. Gaishi Hiraiwa, honorary chairman of Keidanren; Mr. Seiji Tsutsumi, President, Saison Foundation; Mr. Isamu Miyazaki, former state minister; and Mr. Yoshio Suzuki, member of Parliament.

There was a second 3-hour seminar over dinner on October 23 at the Hotel Edmont, owned by Mr. Tsutsumi, with a dozen leading Japanese economists, and chaired by Prof. Hamada. It focused on ways to finance international organizations. In addition to the Tobin tax, it discussed a carbon tax to help prevent the greenhouse effect, auctions of limited resources such as airwaves or minerals on the deep seabed, and fees for services provided by the United Nations, e.g. an insurance fee for countries which rely on the U.N. for protection against aggression instead of maintaining their own armies. This would allow for substantial cuts in military spending.

The symposium was very well organized, with traditional Japanese hospitality. It was highly successful and received prominent press coverage.

Dietrich Fischer is a member of ECAAR's Board of Directors.

Economists Testify on Vieques: for its Demilitarization and Development

The *Vieques Times* reported on the testimony submitted by Robert Schwartz to the Puerto Rican House Commission on Government. (Vieques is an island of some 33,000 acres off the south east coast of Puerto Rico where two thirds of the land was taken over by the U.S. Navy in 1941.)

Addressing itself to the economic issues, the testimony states that ECAAR is working to help the people of Vieques establish a land trust to which 8,000 acres, the Western section of the US Naval base, would be transferred. This is the area that Resident Commissioner Carlos Romero Barcelo recommended be transferred to the municipality of Vieques. The land transfer has also been recommended by the Mayor of Vieques and by many members of the legislature of Puerto Rico.

The Question of a Radar Facility

The House Commission on Government was considering the question of the Navy placing a radar facility on Vieques. The testimony of Robert Schwartz and ECAAR pointed out that if such a facility is

established, it would be less likely that the Navy would cede the 8,000 acres requested by the people of Vieques, and the development plans prepared by ECAAR would not be able to be realized.

The testimony submitted by ECAAR argues that the near-by Naval facility at Roosevelt Road on the main island has higher terrain more suitable for radar.

A Wish for Sustainable Development

One development plan, undertaken under the direction of Professor Lionel McIntyre of the Columbia University Graduate School of Architecture, Planning and Preservation, shows that, of the 8,000 acres proposed for transfer, 2,000 would be good for agricultural production while other parts could be used for fishing, mariculture, arts and crafts, housing and eco-tourism.

The proposal for a land trust is made to ensure full participation in the planning process by citizens of the island to protect Vieques from the forms of development that would not serve their needs.

It is suggested that eco-tourism can be a form of sustainable development, balancing economic growth and natural and cultural resources. Vieques has one of the world's greatest bioluminescent bays which could be carefully used as a tourist attraction with major attention to preservation of the resource. The island is also suitable for the cultivation of herbs and spices that may be grown year round for air export.

These points are further developed in a study by Leticia Rivera Torres and Antonio Torres discussing the community vision for sustainable development in Vieques based on proposals of the Committee for the Rescue and Development of Vieques. The CRDV is a broadly-based committee of citizens of the island.

ECAAR Working with CRDV

The testimony to the House Commission on Government explains why ECAAR supports the CRDV vision which would not favor a radar station but supports the transfer of the western part of Vieques to the people for sustainable development.

Dellums (Continued from page 1)

high-powered weapons. For, as the veteran advocate for defense cuts sees it, ignorance and poverty are alive and well within the United States, and if the conditions caused in part by too long a focus on an external threat are not soon addressed, it may be too late for many who could be relegated to the permanently helpless.

Dellums did not call for the elimination of specific weapons systems. Others — Rep. Barney Frank (D-MA), Senator Paul Wellstone (D-MN) and Senator Ron Wyden (D-OR) — are working on an FY 1998 alternative defense budget based on the elimination of several expensive weapons systems. But, in addition to calling for more inclusive national security policymaking, including foreign assistance and domestic program planning, he also outlined a general military force structure reduction plan.

- * reduce our nuclear arsenal and its infrastructure;
- * stop weapons acquisition programs that were undertaken to meet Cold War threats and are no longer required, or which are provocative and detrimental to U.S. long-term stability interests ;
- * reduce readiness requirements and with more effectively integrated reserve forces in our military planning by establishing less specific planning requirements for conflicts; and
- * make further marginal force reduction beyond those already projected, including for intelligence.

Elaborating, he said the United States should eliminate its land- and air-based nuclear forces and “move towards the most survivable leg of the [nuclear] triad — our submarine force.” This, he pointed out, would most likely lead to new Russian reductions in their nuclear arsenal and encourage the Chinese to moderate

their strategic weapons modernization program. In addition, he said, the United States must avoid buying conventional weapons “that are excessive, redundant, or designed to replace systems that work perfectly well.”

The United States could also save billions if it further reduced the size of its standing forces. Dellums, not a proponent of the two-war scenario now under review, would at first “slightly” relax the pace at which the United States responded to a developing crisis. This would allow the United States to effectively use reserve forces. “By changing assumptions regarding the pace at which personnel will flow into a potential conflict, we can achieve significant savings in training and other readiness requirements.”

The gains would be significant. Between FY 1998 and 2002, Dellums calculates budget authority savings could be as high as \$217 billion and outlay savings \$182 billion. If the budget were cut by these amounts, the United States could provide for a sufficient military force to defend its interests, participate effectively as a world leader in international affairs and free up resources vitally needed for other national security accounts. “The opportunity exists to transfer this scale of resources . . . we should not fail to do so as we think of what type of society and what type of world we seek to build for our children and their children.” To Dellums, the time has come to redefine national security policy, a process that he believes must occur for the health of the nation. He said that without strong, healthy cities and cohesive communities and an educated citizenry, the United States would “wither and decline socially, politically, economically and culturally.”

ECAAR's Schwartz Backs Defense Cuts To Fuel the General Economy

Defense spending is "one of the least effective means of creating employment," Robert Schwartz, economist, founder and trustee of Economists Allied for Arms Reduction (ECAAR), told an audience of 700 at the John F. Kennedy Library in Boston.

Speaking in February together with former Costa Rican President Oscar Arias and others in the foreign policy community about the negative impact of continued high defense spending on the overall economy, Schwartz said employment could increase if defense spending decreased, freeing millions for housing, health care, education, transportation and technology programs.

Schwartz said the jobs issue is political, not economic. Over two million of the four million defense workers at the height of the Reagan military buildup in 1986 have been laid off. But, in his view, a reasonable conversion program would limit substantially the dislocations. By way of example, he said the workforce at the nuclear Savannah river site has diminished by 10,000 over the last four years. Federal funds were provided under the Department of Energy and used to set up a reasonably successful industrial park in Aiken, South Carolina, with scientific firms concerned with the environment using techniques developed from those employed at the nuclear site.

"The idea that military production is necessary to support the economy and maintain jobs is a fallacy," Schwartz said, as reported in a Feb. 24 *Boston Globe* article. Some leading economists who seek large reductions in military spending, Professors Lawrence Klein and Ann Markusen, for example, correctly point out that there are areas of the country with high concentrations of military production, where reductions require adjustment and support. The administration's \$267 billion defense budget request, which amounts to about 16 percent of the total federal budget, is five times greater than the combined budgets of eight most potentially threatening nations, including Russia and China, he noted. "Surely our security does not require so great a military. Such excessive American military might has proven almost as economically harmful to the United States as to the Soviet Union."

Furthermore, Schwartz added, the exercise of American military power has not achieved its aims. The United States lost the war in Vietnam. Force did not accomplish its objectives in Panama, nor in the Middle East, nor in the Gulf War, nor have military expeditions in Africa been successful. "The deterrent effect of our forces, particularly nuclear, has done nothing to prevent the 70 conflicts currently underway in the world," Schwartz continued. "And it has no effect on the terrorism spreading everywhere, including in the United States." According to the speaker, high defense expenditures did not help prevent the bombings at the World Trade Center in New York in 1993, and they did not avert the bombing of the federal facility in Oklahoma two years later. Instead, he noted, unreasonably high military expenditures "help weapons to reach the hands of terrorists."

But policymakers continue to force-feed defense budgets beyond what is needed, leading to "economically ruinous military expenditures to fight terrorists, to prepare to fight two wars in different geographical locations at the same time, and to protect us from invasion from outer space, a new reason for further waste of hundreds of billions of dollars," stated Robert Schwartz. "Republicans have placed defense spending off-limits for cuts, and President Clinton has added \$25 billion for the next five years to a defense budget which is inflated far beyond the country's security needs."

Since the US nuclear weapons program began 50 years ago, the United States nuclear arsenal has cost taxpayers at least \$4 trillion in adjusted 1995 dollars. "That is nearly 27 percent of all military spending since World War II, and does not take into consideration the costs involved in efforts to decommission weapons and make tritium and other radioactive products harmless. All this for weapons which at best we will never use and at worst will destroy our planet."

An equally pressing danger concerns the spread of increasingly sophisticated weapons abroad, particularly among developing nations that can least afford them. The United States, Schwartz said, supplies 70 percent of the arms traded internationally. In 1995, taxpayers subsidized these exports by \$7.6 billion, more than half the value of U.S. arms exports. This is lunacy, according to Schwartz, who insists the United States must cease the practice of selling weapons to both sides of the conflict rather than working diplomatically to mediate conflicts, to find resolution in the middle ground. In 1993, for instance, the developing world spent about \$220 billion on its militaries. "This waste is inexcusable in a world where 1 billion people have no access to basic health care, one out

of four is illiterate, and one in five cannot even get enough to eat," Schwartz stated. "Every day \$2 billion is spent on arms world wide, while 40,000 infants die from lack of a few cents for medical care. These figures alone show quite

clearly that there is something wrong with the world economy."

Earlier, he cautioned the audience against the cry to balance the budget by 2002, saying it and the Republican-led push for a constitutional amendment to balance the budget are political ploys and "very bad economics." And he pointed out the increasingly serious political/economic problem of the growing disparity between rich and poor, even in this country where individual wealth is unlimited in the presence of gross poverty. The barriers to peace, he said, lie not in the inadequacies of knowledge for peace building, but rather they rise from the failure to commit to a course of non-violence by limiting military production and trade. Techniques of production for necessary goods and services are available, he said. That is not the problem. The real question, he asked, is whether "we can learn to stop wasting human and natural resources, stop building weapons and build peace instead?"



Platform Speakers at the John F. Kennedy Library

ECAAR and the Guatemala Peace Process

As Guatemala ended 36 years of civil war, ECAAR and the Arias Foundation presented the first phase of their study on the social costs of militarization.

An October conference in Guatemala City received wide newspaper and newsmagazine coverage, showing the political significance of the project for the people of Guatemala. Results were reported showing that:

1. Real military expenditures more than tripled between 1969 and 1981, and remained at that level until late into the democratic transition (1991).

2. A crowd-out of social expenditures by military expenditure occurred in five out of 26 years, most frequently in years of military dictatorship.

3. There were significant differences in the distribution of salary shares among ministries. For instance, in 1994, the average military salary was between four and six times the size of the average salary in the health or education ministries.

4. Military expenditures' share of GDP (ranging up to 2.2%) does not appear high, but, in view of the extremely low proportion of GDP collected in taxes for the official governmental budget (oscillating between 7% and 8%), military expenditures consumed up to 30% of the governmental budget.

5. At the same time, the Guatemalan armed forces did not spend significant

sums on arms, compared to some of their neighbors. A large part of military expenditure went into salaries and into a well managed pension system.

These were among the findings of a team of economists from Guatemala and Buenos Aires, under the general direction of Dr. Lawrence R. Klein and aided by Dr. Kanta Marwah of Carleton University in Canada.

The original research and main analysis was carried out by Prof. Thomas Scheetz of the National University Quilmes in Buenos Aires, Argentina and Edgar Pape, ex-President of the Association of Economists and Public Accountants and Auditors of Guatemala. Carlos Kulikowski, an economist in Buenos Aires also assisted as did a team of Guatemalan specialists directed by Edgar Celada and Fernando Solis.

The public presentations in October by Thomas Scheetz and Edgar Pape were arranged by FLACSO-Guatemala and its director, René Poitevin. These meetings were also attended and addressed by representatives of ECAAR and the Arias Foundation: the Treasurer and Executive Director of ECAAR, Dr. John Tepper Marlin, and Lucy Webster, and the Executive Director of the Arias Foundation, Dr. Joaquin Tacsan.

The project provides the first locally produced complete official budget series

from Central America, and includes credible military expenditure data.

Information obtained in this study helped to legitimize some of the political and budgetary discussion of the military which had previously been a topic totally shrouded in secrecy. Consequently, the presentation of the interim results were seen as valuable for the transparency that is viewed as essential for empowering the citizens of Guatemala.

The results, and the very fact that the research was possible, are also expected to support reformist tendencies within the military itself.

The econometric model of the impact of military expenditure on the Guatemalan economy (still being perfected) shows that military expenditures had negative impacts on imports, exports, and the GDP per worker (productivity). The model is expected to be useful for replication studies in other developing countries.

The results of the study will be disseminated in Spanish and English.

ECAAR greatly regrets that just after Joaquin Tacsan left Guatemala and attended a conference in Europe, he was killed in an airplane accident while working in Nigeria.

Pentagon Said to Eye Troop Cuts

As Pentagon officials complete their most extensive review since the end of the Gulf War, it is said that troop strength will be cut by tens of thousands to help finance "a robust modernization program" to cite the words of Defense Secretary William Cohen.

The primary focus of the current review is the two-war scenario, the policy which stipulated that the United States should be able to conduct at the same time two mid-sized wars against opponents such as Iraq and North Korea. With defense spending likely to remain flat into the next decade and U.S. forces likely to stay involved in peacekeeping operations, many in the Pentagon are saying the United States will be unable to live up to all that is expected of its military.

But most military planners involved in the process continue to believe in the two-war scenario — or a modified version of it.

Given Clinton's commitment to balancing the budget without wreaking havoc on education, the environment and entitlement programs like Medicare and Medicaid, it is unlikely that the defense budget will increase to the extent necessary to make the two-war scenario a truly workable policy.

Sent to ECAAR from the "Personals"

"ENEMY WANTED—Mature, lonely, North American superpower seeks hostile-sounding and muscular-looking but internally moribund nation for international competitive bluster, mutual threat inflation, political-military gymnastics, and general bellicose finger pointing. Looking to fill post-Cold War ennui and lost missile envy. Scare-mongers who relish dogmatic confrontation, able to appear 10-ft. tall, and willing to build real and imaginary mirror image weapon systems need only apply. Must appear sufficiently menacing to frighten more money and previous Cold War era weapon systems out of Congress, but must threaten only opponent's marginal interests, and must not present any real intellectual challenge. Accompaniment by fierce, Third World allies who know how to fight is also not desirable. Oafish, senile leaders definitely a plus. Possession of large, phallic ballistic missiles (large throw weight only), and/or chem-bio also a plus....."

AS SENT TO ECAAR FROM the INTERNET

**WITH THANKS TO JOHN ISAACS, President
Council for a Livable World, Washington, DC.**

In Honor of William Vickrey, Friend of ECAAR

Economist and Columbia University professor emeritus William Vickrey died Oct. 10, 1996, two days after learning he and the British economist James A. Mirrlees had won the \$1.12 million Nobel Prize for Economics.

"Professor Vickrey was part of ECAAR from its inception, and we greatly appreciated his support over the years," the organization's founder and trustee Robert Schwartz stated.

As a long-time opponent of efforts to balance the federal budget by cutting social programs for the less fortunate, Vickrey believed the government could balance its budget at full employment by recycling savings. "On a long-run basis," he wrote in the fall of 1995, "balancing the economy involves providing government securities sufficient to fill the growing gap between the demand for assets and the private sector supply."

Unless government shifts from ideological dogma in terms of accountants' arbitrary numbers and a mean-spirited righteous advocacy of an unnecessary austerity to be borne mostly by a disenfranchised underclass to facing economic reality in terms of real resource utilization and satisfaction of human needs, the country is in for a hard time, he stated.

Existing unemployment programs, well-meaning though they are, "amount to a cruel game of musical chairs in which social workers engage in the sisyphian task of training their clients in the arts of rapid sitting," while workfare advocates threaten to confiscate the crutches of the unsuccessful and budget balancers are busy removing the chairs.

Vickrey and Mirrlees were awarded the Nobel Memorial Prize in Economic Science for "their fundamental contributions to the economic theory of incentives," noted the Royal Swedish Academy of Sciences which, according to a recent *New York Times* article, said their work pointed to a better understanding of

systems and developing a system whereby bidders pay the most socially desirable price for auctioned goods.

Vickrey, who earned his Ph.D. at Columbia in 1947 and continued to teach there until the time of his death, is most widely known for his efforts to solve urban traffic jams and his strategy to encourage bidders to increase item pricing. In 1959, for instance, he developed the theory known now as "congestion pricing," a remedy all urban transportation systems use to some extent today. Many who knew him hoped the Nobel Prize would focus new attention on this work and influence officials to offer other forms of congestion pricing, including financial incentives for off-peak auto travel.

He is also known to auctioneers. Under Vickrey's method, potential buyers still make sealed bids and the highest bidder wins, but the highest bidder pays only what the second highest bidder offered. Thus bidders know in advance that they will not have to pay as much as they bid, but should bid high enough to avoid losing to another bidder who values the item less.

Saddened by Vickrey's death, Jagdish Bhagwati, an economics professor and friend, said, Vickrey was a "man of shining honesty" and a kind of innocent who never drew attention to himself. "He was interested in propagating ideas, not in getting credit for them," Economics Department Chairman at Columbia and long-time friend, Ronald Findlay, said. And, at a memorial service, Columbia University President George Rupp said he had "been an inspiration to students and faculty"... "for more than 60 years both because of the brilliance of his extraordinarily active mind and because of his deep concerns for other human beings."

Vickrey is survived by his wife Cecile Vickrey. He was a "distinguished fellow" of the American Economic Association and its president in 1992.

ECAAR-South Africa is challenging public perceptions that military spending creates jobs and is good for the economy, Terry Crawford-Brown reports. Through a series of newspaper articles that spurred the recent production of a half-hour nationally televised debate with the country's Deputy Minister of Defense, ECAAR-South Africa has shown that the military production industry is very heavily subsidized, and thus diverts resources away from other priorities such as education, health services and housing.

The South African armaments industry is notorious for its lack of responsibility, Crawford-Brown said, noting it had fueled conflicts in Rwanda, supplied Iraq, Croatia, Yemen and protestant militias in Northern Ireland. The country's arms manufacturers may push the image that weapons exports are lucrative, but there are two sides of that story because the country's participation in 'dirty' markets" is well documented.

The submarine controversy referred to on page 1 began with investigatory questions from Terry Crawford-Brown, leading to public and parliamentary challenges to existing policy.

ECAAR-South Africa is now cooperating with the Stockholm International Peace Research Institute (SIPRI) on various studies and plans. It is also part of the Coalition for Defence Alternatives in the Western Cape, which declares that human security must take priority over military security.

ECAAR-Australia and the Peace Science Society will hold a Congress at the University of New South Wales in Sydney from 16-18 December 1997. Papers are invited on all aspects of peace science, from abstract theory to practical applied research, including analyses aimed at policy formulation. Please send abstracts to Prof. Walter Isard, Department of Economics, Cornell University, Uris Hall, Ithaca, New York 14853, or call 607-255-3306 or fax 607-255-2318. Papers can be considered for publication in *Conflict Management and Peace Science*, *Peace Economics*, *Peace Science and Public Policy* and in *The Journal of Conflict Resolution*.

The Mahatma Gandhi International Training Center for Conflict Prevention and Management was inaugurated at the end of January 1997 in conjunction with an international conference on Conflict Management of Water Resources Use. Affiliated to ECAAR and to the Sardar Patel Institut of Economic and Social Research in Ahmedabad, India, the Center offers management training on non-violent negotiation and conflict prevention. In January 1998 the Center will host a conference on Environment and Health in Developing Countries. Please contact Prof. Manas Chatterji, Binghamton University, School of Management, PO Box 6015, Binghamton, NY 13902. Tel: 607-777-2475. Fax: 607-777-4422.

Yes, I want to support ECAAR

Enclosed is my contribution of \$ _____

Enclosed are my membership dues:

____ \$ 1,000 Sustaining Benefactor ____ \$ 500 Patron
____ \$ 100 Sustaining Member ____ \$ 50 Supporter
____ \$ 35 Basic Membership ____ \$ 10 Full-time Student

Please contact me to:

____ Join the **Peace Economics & Conversion Resource Network** e-mail conference
____ Form a chapter in my community or university
____ Help to develop ECAAR's capacity in the following country or region: _____
____ Work with ECAAR's UN team
____ Develop an ECAAR research project on an economic/military issue: _____
____ Volunteer in the ECAAR New York Office

Please send me the following:

____ *Global Register of Economists and Experts on Military Spending*
on IBM-compatible disks (\$10)
____ *Peace Economics, Peace Science and Public Policy Journal* @ \$10 each (please specify)
Vol. 1, no. 1-4 (1994); Vol. 2, no. 1-3 (1995); Vol. 3, no 1-4 (1996), Vol.4, no.1/2

Name _____

Title _____ Affiliation _____

Address _____

City _____ State _____ Zip _____ Country _____

Telephone: _____ Fax: _____ E-mail _____

Please return to: ECAAR, 25 West 45th Street, Room 1401, New York, NY 10036

ECAAR NewsNetwork
25 West 45th Street, Room 1401
New York, NY 10036
212-768-2080 (tel) 212-768-2167 (fax)
ecaar@igc.apc.org

Non Profit Org.
U.S. Postage
PAID
Merrick, N.Y. 11566
Permit No. 81



**FORWARDING & ADDRESS
CORRECTION REQUESTED**