



NewsNotes October 2003

ECAAR NEWS

* We deeply regret the passing of our friend and colleague Franco Modigliani. ECAAR founder Robert Schwartz writes, "Professor Franco Modigliani, the 1985 Nobel Economic laureate and Professor Emeritus of the Massachusetts Institute of Technology, died on September 25, 2003. He was one of the original six Nobel laureate founders of Economists Against the Arms Race in 1988. His dedication to democratic principles showed from his early antifascism in his native Italy until the week before his death, when he wrote a letter to the New York Times. Signed with another member of the ECAAR Board, Professor Robert Solow, and Paul Samuelson, both also at MIT, the letter was a protest against the Distinguished Service Award by the Anti-Defamation League to the Italian Prime Minister Silvio Berlusconi. Professor Modigliani, strong in his principles, was also a gentle person with a sharp mind, outspoken sense of justice, and a good sense of humor. He was an innovative economist, and, as the founder of ECAAR, I enjoyed his keen analytic approach to economics."

On his passing, Duncan Foley, Chair and Leo Model Professor of Economics at the Graduate Faculty of The New School University, said, "Franco Modigliani's death deprives the economics profession of an energetic, independent, and powerful mind. Modigliani's work on Keynesian economics irreversibly changed the way the profession and the world understood Keynes. His ideas on the valuation of firms are the starting point for modern corporate finance, and his theories of saving have provided fundamental insights into the effects of social security systems on economic growth. I had the privilege of being Modigliani's colleague at M.I.T., and I will also miss his intellectual vigor and personal warmth."

http://www.newschool.edu/gf/news/articles/031001_in-memorial-franco-modigliani.htm

Other tributes:

[The NY Times](#)

[Boston Globe](#)

* We wish to thank Robert J. Schwartz, James K. Galbraith and Tina Fredericks for the success of our book party on September 12. We had a lively, stimulating, pleasant evening at Ms. Frederick's lovely East Hampton home. Dr. Schwartz read a passage from his autobiography, "Can You Make a Difference?" about the founding of ECAAR and the sometimes difficult task of recruiting Nobel Laureates. Dr. Galbraith spoke about ECAAR and the state of the US economy. Several new people were introduced to ECAAR; we were able to re-connect with some of our long-time supporters; and the person responsible for ECAAR's very existence, Robert Schwartz, was honored. Thanks to everyone who attended and made this event a success.

* Our semi-annual print newsletter, ECAAR Newsnetwork is due out in early November. Highlights include:

- Angathavan Baskaran on the danger of a nuclear and missile arms race in India and Pakistan
- Wolfram Elsner of ECAAR-Germany on Non-Intervention and Heterodox Economics
- Peter Bachelor regarding the Small Arms Survey

-The UK Campaign Against Arms Trade and its contest with defense giant BAE Systems, as discussed in the Sunday Times of September 28, 2003

- Frida Berrigan on Northrop Gruman with sidebar information on the World Policy Institute/Arms Trade Resource Center's study "National Security or Corporate Security."

- Bob Reuschlein's annotated report of the 2003 URPE August conference

- Sam Perlo-Freeman reporting on the ISS conference on Conflict and Development in The Hague

- Terry Crawford-Browne on his legal efforts to block South African government decisions to purchase large arms from Europe

* ECAAR-Russia and ECAAR-US jointly sponsored a workshop in Moscow on Sept. 30th and Oct. 1st, entitled "Inequality and Democratic Development." Funded by a major grant from the Ford Foundation's Media, Arts and Culture division, the workshop examined the related issues of income inequality, economic policy, freedom of expression and access to the media, and political development in Russia. Ruslan Grinberg, Director of the Institute for International Economic and Political Studies at the Russian Academy of Sciences, organized the meetings, which were also attended by Stanislav Menshikov, Oleg Bogomolov, and Alexander Nekipelov of ECAAR-Russia; James Galbraith, Michael Intriligator, Richard Kaufman, Marshall Pomer, and Kate Cell of ECAAR-US, and other Russian academics and journalists from a variety of Russian publications, including The Problems of Forecasting, Moscow News/Time, The World of Transformations, The All-Russia Economic Journal, The Social networkhip, and Russia and the Modern World. Over four sessions in two days, the group participated in lively, sometimes heated debate on some of the most pressing issues facing Russia. The workshop remembered that ECAAR itself was founded because Dr. Robert Schwartz, after attending a Russian meeting of the International Physicians to Prevent Nuclear War, thought, "If the doctors have something to say about these issues, so do the economists." If, as Richard Kaufman suggests, we are facing a new kind of nuclear arms race, ECAAR has already crossed national boundaries to discuss the economic and security implications and to plan its strategy accordingly.

*ECAAR will be sponsoring several events at the [AEA/ASSA](#) meetings in San Diego

Session 1, Sunday, Jan 4th, 10:15AM. [International Peacemaking and Peacekeeping](#)

Presiding: JURGEN BRAUER, Augusta State University

Presenters: JURGEN BRAUER, Augusta State University--The Production of Peace

- LLOYD J. DUMAS, University of Texas-Dallas--The Ultimate Substitution

Effect: Can Economic Incentives Displace Military Force in Keeping the Peace?

- WAYNE NAFZIGER, Kansas State University--Kansas State University--

-Peacemaking as Preventing War Before It Starts: Economic Development, Inequality, and Humanitarian Emergencies

Session 2, Monday, Jan. 5th, 10:15AM. [Real Homeland Security](#)

Presiding: MICHAEL D. INTRILIGATOR, University of California-Los Angeles

Presenters: CINDY WILLIAMS, Massachusetts Institute of Technology--Paying for the War on

Terrorism: US Security Choices Since 9/11

- CLARK ABT, Abt Associates--Economic Impacts of Bio and Nuclear Terrorist Attacks

- MASAHIRO KAWAI, University of Tokyo--Economic Integration, Peace and Security in East Asia

- TODD SANDLER, University of Southern California, and DANIEL G. ARCE, Rhodes College--Terrorism and Game Theory

Affiliates Meeting, Friday, Jan 2nd, 5:30 - 7PM.

[Annual Membership Meeting](#), Sunday, Jan. 4th, 5:30 - 6:30PM

The agenda will include a report on 2003 activities and poster sessions/papers by members: "Can Economics Predict The Next Global War," Carl Lundgren and James Lynch; "Applications of Economics Analysis to Issues of War and Peace," Ron Friesen

[15th Anniversary Dinner Honoring Kenneth J. Arrow, Sunday, Jan. 4th 7:30PM. With speaker Lawrence R. Klein.](#)

*ECAAR Board member Ann Markusen has a new book coming out in November. "From Defence to Development? International Perspectives on Realizing the Peace Dividend" is co-authored with Sean DiGiovanna, Michael C. Leary, and published by Routledge.

The 1990's saw worldwide military spending plummet almost 40 percent. The dividend that this relative peace created became available for projects to achieve clean water, agricultural productivity and education that were intended to promote greater human welfare. The early part of the twenty-first century, however, has seen this downward pressure on defense budgets begin to reverse. This impressive book tracks the progress of twelve countries on five continents in moving resources from defense to civilian activity in the 1990's. Based on intensive field research, thanks to its truly international array of contributors, the book addresses each country with an impressive standard of scholarship. This accessible book is written in non-technical language and will be of great use and interest to academics involved with defense economics, defense studies and development studies. It will also prove popular with international development organizations, the defense industry and policy-makers around the world.

>From Defence to Development can be ordered from [Routledge Books](#).

*Several of ECAAR's Security Policy Working Group (SPWG) network have formed a Study Group on the Economics of Security In a Post-9/11 World. At its first meeting on Sept. 19th, Lee Sigal of the Social Science Research Council and Bill Hartung, Director of the Arms Trade Resource Center at WPI spoke on the situation in North Korea. Read Mr. Sigal's article from the Baltimore Sun (August 5, 2003) "N. Korea: Fibs vs. facts" and find more information about the Study group at <http://www.worldpolicy.org/projects/arms/study/studygroup.html>.

At its next meeting, on October 17th, the study group will hear Rachel Stohl present the findings of her recent report, (co-edited with Tamar Gabelnick): "Challenging Conventional Wisdom: Debunking the Myths and Exposing the Risks of Arms Export Reform." The study was developed in response to a number reports and recommendations emanating from the arms/aerospace industry and established Washington think tanks arguing for a relaxation of arms export controls in the name of promoting global networkships in the defense sector. Mr. Stohl's presentation will summarize the main findings from her report, which drew on the input of fifteen contributing authors with years of experience dealing with arms export policy issues in the executive branch, Congress, non-profit think tanks, and academia. With a new arms export policy directive currently working its way through the Bush administration, this topic could not be timelier. To read the introduction and conclusion of the study in advance go to: <http://www.cdi.org/>

To register for the event, contact Frida Berrigan at berrigaf@newschool.edu, or 212-229-5808, ext. 112.

IN OTHER NEWS

*From the South African News24.com: Two of the world's best-known non-governmental organizations joined forces on Thursday in a major campaign to get the world's first arms trade treaty in place by 2006. Amnesty International and Oxfam said they want to stop small arms and light weapons from being exported to places where they are likely to be used to commit grave violations of human rights and humanitarian law.

Oxfam director Barbara Stocking says, in response to the arms lobby's argument that global arms exports are worth \$21 billion a year, "With the [money] spent each year by Asian, African, Middle Eastern and South American governments on arms, the same nations could achieve universal primary education and reach UN targets for reducing infant and maternal mortality."

http://www.news24.com/News24/World/News/0,,2-10-1462_1427984,00.html

*A recently released study by the University of Maryland Program on International Policy Attitudes (PIPA) finds that widespread misperceptions on Iraq are highly related to support for the war. The study further reports that the levels of misperception vary widely depending on the respondent's news source. Fox News viewers are much more likely to misperceive, and PBS and NPR watchers and listeners are much less likely to misperceive.

http://www.pipa.org/OnlineReports/Iraq/Media_10_02_03_Press.pdf

*The American Civil Liberties Union, the Center for Constitutional Rights, Physicians for Human Rights, Veterans for Common Sense, and Veterans for Peace have submitted a Freedom of Information Act request for records concerning the treatment of detainees held by the United States at Guantanamo Bay, Cuba and other locations. Despite the government's insistence that detainees are being treated according to the Geneva Conventions, recent reports indicate that individuals have been beaten, and tortured, or "rendered" to foreign intelligence services known for their brutality. <http://www.aclu.org/International/International.cfm?ID=13962&c=36&MX=967&H=1>

* In a related story in the Washington Post, the International Red Cross (ICRC), the only NGO with access to the prisoners at Guantanamo Bay, is appealing to the public to try to influence the Bush administration's policies towards the detainees. The ICRC condemns the prolonged detention of US military prisoners without legal rights, saying that mental instability and attempted suicides among detainees indicate severe problems with the US operation. The US government is also obstructing reporters' access to information. On Wednesday (Oct. 8, 2003), an AP reporter at the base arranged to meet with the ICRC but US military officials refused to allow the interview, saying permission had not been granted by the Department of Defense.

<http://www.washingtonpost.com/wp-dyn/articles/A7479-2003Oct10.html>

*Support for the ever-rising costs of the war in Iraq is waning according to several recent polls. One from the New York Times finds a drop in confidence in the President's crisis handling ability and his economic policies. The NY Times/CBS News Poll finds Americans are, for the first time, more critical than not of President Bush's ability to handle both foreign and domestic problems, with majority saying he does not share their priorities. The poll finds a clear majority is uneasy about his ability to make the right decisions on the nation's economy, and a solid majority of Americans say the country is seriously on wrong track, a classic danger sign for an incumbent seeking re-election. About half of Americans approve Bush's overall job performance, roughly the same as when he took office after the razor-close 2000 election. Regarding Iraq, 75 percent

of Americans, including a majority of Republicans, say the administration has yet to clearly explain how long American troops will have to remain, or how much it will cost to rebuild the country; nearly 90 percent of Americans say the war is still going on, and 60 percent say the US should not spend as much on the effort as Bush has sought. This article was published on Friday, October 3, 2003. Since NY Times articles are available free of charge only for one week after publication, the following link takes you to a page where you can purchase the full article for \$2.95.
<http://query.nytimes.com/gst/abstract.html?res=F70A10FA3F580C708CDDA90994DB404482>

* NPR poll says "America Heading in Wrong Direction." The study released Oct. 9th shows that among likely voters, a majority believes the country is on the wrong track. Americans also say they are less confident in President Bush's job performance. Democratic pollster Stan Greenberg and Republican pollster Bill McInturff asked people for their views of President Bush, the war in Iraq, recent tax cuts and the state of the country. To listen to the radio segment, click here:
<http://www.npr.org/features/feature.php?wfid=1459919>
To see a graphic explanation of the poll results, click here:
http://www.greenbergresearch.com/publications/ealerts/npr_gr100903.pdf

*A Foundation to Strengthen, Not Erode. Daryl G. Kimball of the Arms Control Association writes: "Forty years ago this month, the United States, the Soviet Union, and the United Kingdom began observing the first major arms control agreement of the nuclear age. The Limited Test Ban Treaty (LTBT), which took effect on October 10, 1963, not only led to the end of poisonous atmospheric nuclear testing but in the words of President John F. Kennedy, was a first 'step towards reduced world tension and broader areas of agreement.' [Today], the Bush administration is reviving a Cold War-era program of research and development on a new class of nuclear weapons designed to counter emerging nuclear and non-nuclear threats. Bush is seeking congressional authorization and funding for research and development of new "low-yield" nuclear weapons intended to incinerate chemical or biological weapons caches and higher-yield "robust nuclear earth penetrators" to destroy deeply buried and hardened enemy targets.
http://www.armscontrol.org/act/2003_10/focus_Oct.asp

*The Real Cost of War. Bill Berkowitz writes for WorkingForChange.com: "The next time you read about fees going up at your local Junior College or State University, think Iraq. The next time you wonder about how many people in the United States don't have access to adequate health care, think Iraq. The next time you read about rising fees and diminishing services in our national parks, think Iraq. When you're suffering compassion fatigue and are annoyed by the growing number of homeless on your city streets, think Iraq." <http://www.alternet.org/story.html?StoryID=16800>

*From a UN Integrated Regional Information networks (IRIN) article published on AllAfrica.com comes an article about the economic costs of renewed rebel fighting in Uganda. "The cost of Uganda's 17-year-long civil war on the lives of innocent people is hard to estimate. So dramatic has been the impact of the LRA's [Lord's Resistance Army] recent spate of attacks on civilian targets that assessing the full extent of the damage is a tricky business. But the latest World Food Programme figures for September suggest that some 1,217,332 Ugandans have been displaced by LRA activity in the north and (more recently) the east of Uganda...The attacks have brought economic activity in some parts of the region to a standstill and the majority of those displaced by the LRA have been reduced to begging on the streets or near-total dependence on very limited food aid."
<http://allafrica.com/stories/200309300004.html>

ECAAR PUBLICATIONS

* The ECAAR Review 2003. This year's edition is titled, "Conflict or Development?" and has a regional focus on Africa, the site of most of the world's current armed conflicts. In its pages some of the leading economists of the day analyze and reflect on the relationships among military spending, domestic and foreign policy, security, and human welfare. Features include country studies and sections on business and conflict and "Trends in World Military Expenditure." Written in clear English, with informative maps, tables, and graphs, the series is designed to inform the debate among policymakers, activists, journalists, academics, students, and citizens worldwide.

*You can order the Review at
http://www.ecaar.org/Review_files/order.htm

*The Review has proved to be a valuable teaching tool in economics, political science, and international relations courses. If you are interested in teaching this book, please contact Kate Cell (Katecell@ecaar.org) for a copy to review.

* "The Full Cost of Ballistic Missile Defense." The study estimates that the total life-cycle cost for a layered missile defense system could reach \$1.2 trillion through 2035.

*You can order a copy of the report from:
<http://www.armscontrolcenter.org/nmd/fullcost.html>
or download the PDF file from <http://www.ecaar.org/index.htm>.

ACTION CORNER

*A section of the Physicians for Social Responsibility website makes it easy to send a letter to the editor of your local paper on issues related to nuclear proliferation and military spending. Current issues include: blocking funding for "Bunker Buster Nukes;" stopping development of new nuclear weapons; and demanding accountability for the reasons (or lack thereof) for going to war. You enter your zip code and are then given a list of newspapers in your area, send a pre-written, modifiable letter with one click. <http://capwiz.com/physicians/home/>

*Anyone who would be willing to put an ECAAR flyer up on a departmental bulletin board or similar venue, please contact Thea Harvey, Development Manager at theaharvey@ecaar.org.

We would like News Notes to be a way for ECAAR members and our community to keep in touch. We will include, if you send them to us, notices on events and publications that you are involved with.

UPCOMING EVENTS

*Friday, October 17th, 2:30-4:00 P.M. The Study Group on the Economics of Security In a Post-9/11 World presents Rachel Stohl, Senior Analyst, Center for Defense Information, on the themes of her recent study (co-edited with Tamar Gabelnick): "Challenging Conventional Wisdom: Debunking the Myths and Exposing the Risks of Arms Export Reform" at 66 Fifth Ave., Room 720 (between 12th and 13th Streets), at the Arms Trade Resource Center. More info at <http://www.worldpolicy.org/projects/arms/study/100603.html>

RSVP to Frida Berrigan, berrigaf@newschool.edu

*Tuesday Oct 21, 2003. A one-day symposium on Conflict Management and Policy will be held at the Institute of Management and Policy, Beijing, China. All persons interested in attending are requested to contact immediately Professor Manas Chatterji, State University of New York at Binghamton, N.Y.
Tel: 607-777-2475, e-mail: mchatter@binghamton

*October 25, 2003: "Global Conflict or Human Scale Development?," 25th Anniversary of the Bristol Schumacher Lectures: Natural Governance: Michael Meacher, Minister of State for the Environment May 97 -June 03.
Real World Economics: Ann Pettifor, Director at the New Economics Foundation.
The Science of Understanding: Peter Russell, cosmologist and author.
More details at:
http://www.schumacher.org.uk/bristol_schumacher_lectures_03.htm
Or contact the Schumacher UK Office, The Create Environment Centre, Bristol BS1 6XN. Tel/Fax: 0117 903 1081. Email: admin@schumacher.org.uk

*November 3, 2003. 6 to 8 PM, at St Peter's Church at 53rd & Lexington, NYC. Book signing and reception with:
- Nobel Prize Winner in Economics Prof Joseph Stiglitz of Columbia University discussing his new book, The Roaring '90's. "How one of the greatest economic expansions in history sowed the seeds of its own collapse."
- Editor and publisher of Left Business Observer Doug Henwood, speaking on his new book, After the New Economy. "While modern mythmakers held that technology would lead inexorably to a virtual social revolution, the gap between rich and poor has never been so wide, wealth never so concentrated."
- Nationally syndicated columnist, lawyer and businessman Matthew Miller speaking on his new book: The 2% Solution. "Fixing America's problems in ways liberals and conservatives can love."

There will be light refreshments before the event. The authors will sign books afterwards. Admission \$25; student and hardship \$10. The event is sponsored by United for a Fair Economy/Responsible Wealth Business Leaders for Sensible Priorities/True Majority. For more information: Polly Cleveland (212) 873-2982, pcleveland@prdi.org

*November 7-10, 2003. EAEPE 2003, The Information Society - Understanding Its Institutions. Interdisciplinary Conference at the Faculty of Economics and Business Administration & MERIT / Infonomics, University of Maastricht, Tongersestraat 53, Maastricht, the Netherlands. <http://eaepe.infonomics.nl/>

*November 14, 2003. David Gold of GPIA will present a paper, "The Coming Bush Defense Budget Train Wreck in Historical Perspective," to the Study Group on the Economics of Security In a Post-9/11 World. For more information contact Frida Berrigan, berrigaf@newschool.edu

*November 15, 2003. "Sow Justice, Reap Security" conference celebrating the 20th Anniversary of Grassroots International. At the Episcopal Divinity School, 99 Brattle Street, Cambridge, MA. Includes a session entitled, "Too Many Guns, Too Little Butter" by United For A Fair Economy. <http://grassrootsonline.org/>

*January 8-10, 2004. An International Conference on Conflict, Peace and Development in South Asia will be held at Colombo, Sri Lanka. Although the focus of the meeting will be on political, ethnic, religious and regional conflicts within and between countries in South Asia, theoretical papers related to Peace Economics and Peace Science; environmental,

resource and conflicting issues in health care; and development in general are also welcome. For details and registration contact Professor Manas Chatterji, Binghamton University, tel: 607-777-2475, Email: mchatter@binghamton.edu

*For more information about ECAAR, please visit our website

www.ecaar.org

*To become a member of ECAAR, please click

<http://www.ecaar.org/Membership.htm>

* To contribute to News Notes, please send an email to

newsnotes@ecaar.org

* To unsubscribe from this list, please send an email to

newsnotes@ecaar.org with "unsubscribe" in the subject line.