



# ECAAR NewsNetwork

*The Newsletter of Economists Allied for Arms Reduction*

Volume 4 Number III

Fall 1992

## International Essay Contest Will Be Announced in Late October *Arms Reduction and Global Reconstruction: A Blueprint for the Year 2000*

**First Prize: \$25,000**  
**Second Prize: \$5,000**  
**Ten Additional Prizes of: \$1,000**

ECAAR's international essay contest will be launched at a press conference on October 23, 1992 in Washington, D.C. and on October 26, 1992 in Tokyo. President Oscar Arias, is expected to join John Kenneth Galbraith and Robert Solow at the Washington press conference to announce the competition; Lawrence Klein and Seiji Tsutsumi, Chairman of the Saison Corporation, will participate in Tokyo. Other announcement events are planned to date in the Netherlands, Australia, and France. Advertisements will be placed in the *American Economic Review* and in *The Economist*. A flyer and the contest rules, which require that entries be postmarked by March 1, 1993, will be mailed to all ECAAR members and friends shortly. The rules will also be mailed to Chairs of Economic Departments at colleges and universities throughout the world.

The 2500 word essay contest is designed to stimulate and make available to world leaders creative thinking and new ideas for redirecting global resources from the military to meet human needs, for building a world that is self-sustaining and environmentally sound, and for developing alternatives to the use of military force for resolving conflicts. To that end, ECAAR's seven Trustees who are Nobel laureates in Economics will serve with other world leaders to judge the competition.

### *Panel of Judges*

- Kenneth J. Arrow, Nobel Laureate, ECAAR Co-Chair**
- Lawrence R. Klein, Nobel Laureate, ECAAR Co-Chair**
- Wassily Leontief, Nobel Laureate, ECAAR Trustee**
- Franco Modigliani, Nobel Laureate, ECAAR Trustee**
- Robert M. Solow, Nobel Laureate, ECAAR Trustee**
- Jan Tinbergen, Nobel Laureate, ECAAR Trustee**
- James Tobin, Nobel Laureate, ECAAR Trustee**
- Ali Alatas, Foreign Minister, Indonesia**
- President Oscar Arias, Nobel Peace Laureate**
- John Kenneth Galbraith, Prof. Emeritus,  
Harvard University, ECAAR Board**
- Akira Hattori, Chair, ECAAR-Japan**
- Rita Klimova, former Ambassador to the U.S.,  
Czechoslovakia**
- Robert MacNamara, former President, The World Bank**
- Robert Schwartz, ECAAR Trustee and Founder**
- Archbishop Desmond Tutu, Nobel Peace Laureate**

*Additional copies of the rules and flyers may be obtained by writing to the ECAAR office. We would welcome the assistance and support of each and every member and friend in publicizing ECAAR's International Essay Contest.*

## **A Program for Conversion**

*by John Tepper Marlin and Jurgen Brauer*

The politics behind the protection of the defense budget underscores the critical importance of conversion to permit defense-budget reductions. Administration stonewalling on conversion has left members of Congress no alternative but to build pork barrel barricades to protect the economies in their districts.

Some representatives do not seem to fully understand the scope of global changes. Sen. Jim Sasser (D-TN), Chairman of the Senate Budget Committee and author of the defeated anti-firewall S.2399, noted that "Some unreconstructed old Cold Warriors strap on their rusty armor and come over here on the floor and tell us, 'Oh no, you can't reduce this military spending.'" But jobs have always been a key element in determining defense expenditures and continue to constitute the dominant, if muted, subtext of efforts to maintain current spending levels.

### *Confronting the Economic Problem*

The U.S. defense budget must shrink more before it matches global rhetoric about the end of the Cold War. But the United States is already painfully demobilizing. So far 500,000 jobs have been lost (since the Reagan military-spending peak) between the services and military industries, and another two million layoffs and mustering-outs are in the cards according to the Office of Technology Assessment.

The United States has successfully managed demobilization in the past, but we did so with a greater commitment to the process than the present Administration

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## Lester Thurow and Unita Blackwell Call for Peace Dividend

by Alice Slater

At ECAAR's fourth annual East Hampton forum, ECAAR Board member Lester Thurow and Unita Blackwell, Mayor of Mayersville, Mississippi, spoke on the need to cut U.S. military spending to deal more effectively with critical domestic needs. Gathered at the landmark home of Rosalie Gwathmey, designed by her son, Charles Gwathmey, who recently restored and expanded Frank Lloyd Wright's Guggenheim Museum in New York City, over 100 guests heard Dean Thurow question the need for a \$300 billion defense budget. He noted that "China can't fly or swim, the Russian army is gone" and that it only took one fifth of the U.S. army to defeat Iraq in the Gulf War. He called for cutting the military budget in half, diminishing expenditures by \$100 to \$150 billion and putting it in civilian programs, particularly education.

Thurow, citing his current best-seller *Head to Head: Coming Economic Battles Among Japan, Europe and America*, noted the changes in the post-cold war era and stated that in the new global economy, while money can be borrowed and technology can be bought, only countries with better educated and skilled workers will fare well. A top 1% score on a standardized math test for a U.S. student, would be average, or 50th percentile, for a Japanese student.

About 30% of America's youth do not even finish high school. In a stunning statistic, he noted that while 18% of U.S. workers earn at or below the poverty line (\$12,183), 40% of those workers are young men and 49% of them are young women. Thurow urged that military funds be used for quality education, particularly for grades K-12 and for post-high school vocational training, to make America competitive as a high-wage, high-skilled country in the global economy. In addition to using the peace dividend for education, Thurow called for investment in the decaying infrastructure and in new "21st century" technology, such as high speed trains and fiber optics.

Mayor Unita Blackwell, who was awarded a MacArthur Foundation grant as an "exceptionally gifted individual," and was a co-founder of the Mississippi Democratic Freedom party, told how her small town of Mayersville dealt with its infrastructure by working cooperatively to get toilets, sewers, running water, and paved roads. She told about a community food program where food is bought in bulk and sold at wholesale prices in exchange for a few hours of community service. She too, urged that money could ill afford to be spent on armaments when we have "all these people in Los Angeles, in Detroit, in Mayersville" for whom the peace dividend could be used to "fix the community."

## Transforming the Military Economy

by Michael Closson

Despite Congressional and Bush administration resistance to a substantive reassessment of U.S. national defense policy, Pentagon cuts are underway. In real terms, military spending fell by 23.7% between its peak year of 1985 and 1992. Procurement spending, the component of the Pentagon budget directly affecting defense industry employment, fell 52% during the same period. These cuts are having a serious impact upon military-dependent areas of the country. For example, Los Angeles County alone lost 38,000 aerospace jobs in 1991.

The dramatically altered geopolitical climate and the array of pressing domestic demands upon the federal purse mean that Pentagon spending will continue to fall in coming years, no matter who is President. A recent report by the Office of Technology Assessment, "After the Cold War: Living with Lower Defense Spending," estimates that direct job loss from Pentagon cutbacks will average 275,000 per year between 1991 and 1995. Indirect job loss will be at least as great.

To date, the federal government has done little to alleviate the negative affects of defense cutbacks. Legislation passed in October 1990 provided \$200 million for assistance to laid-off defense workers and affected communities. This is a paltry sum when measured against the need for assistance and much of it has not yet been spent. The recently approved 1993 defense budget includes \$1.5 billion for adjustment assistance but its expenditure is months in the future.

Faced with an inadequate federal response to Pentagon cuts, a number of states and larger cities have developed their own adjustment programs. Examples include: *Washington* state where the legislature has funded a community Diversification Program to assist impacted communities and small businesses; *Connecticut* which has established a Defense Diversification Office and has allocated \$10 million to support corporate conversion; *New York* which has targeted several programs to address technology transfer, civilian market development, and worker retraining; *San Diego* which has acquired federal and state grants to develop a regional adjustment strategy; *St. Louis* which has formed a nine-county



E. Hampton Forum with (left to right) Robert Schwartz, Unita Blackwell and Lester Thurow

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## **A Challenge to the Presidential Candidates: Women's Policy Agenda, 1992**

Board member **Barbara Bergmann**, with a number of her colleagues, has issued, on behalf of the Economists' Policy Group on Women's Issues, the following statement:

It is time for American women's vital economic interests to be recognized and acted upon. Women are at a grave disadvantage in this country. They frequently suffer limited opportunities, discrimination and harassment on the job in violation of our laws. Millions of women from all racial and ethnic groups live in poverty, enmeshed in a welfare system that is a trap and a disgrace. Women shoulder a disproportionate share of the burdens of family care. The Women's Policy Agenda that we propose would serve to redress the disadvantages women suffer. It would improve their lives, and their children's.

Women, girls, and the millions of children who live solely with their mothers constitute more than half of the people in this country. Improving their opportunities and their lives is an important and legitimate function of our government.

We propose a **WOMEN'S POLICY AGENDA** of measures for improving the well-being of women in the United States, and of the children who depend on them.

The programs we are asking for are not new and untried. Each of them has been adopted in other democratically-run countries with free-market economies. All Western countries with the exception of South Africa and the United States have government-guaranteed universal health care. France and Sweden have government-subsidized child care and other aspects of the welfare reform we are advocating. Australia and Canada have made government-sponsored progress in pay equity. These programs have not created economic difficulties in those countries. The United States, in its failure to adopt more effective policies to reduce discrimination and poverty, to insure health care for all, and to assist family life, lags behind other Western countries.

Some of these programs will save money, but others will require substantial additional government

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## **Historic Nuclear Testing Moratorium Passed in U.S.**

*by Alice Slater*

The U.S. Congress passed a nine-month moratorium on all U.S. nuclear testing, while providing for resumed testing with 15 tests for "safety and reliability" through 1996, at which time all testing is to permanently cease. A compromise was reached with President Bush, who was expected to veto the bill, by adding a provision for resumed testing if any other nations test in the future. Currently, Russia and France have instituted testing moratoria.

The *New York Times* reported that the Bush administration reluctantly promised to withhold a veto in order not to lose the funds promised to Texas for the "supercollider" which was attached to the moratorium legislation. The Times also reported that the administration is hopeful that China will continue its nuclear testing, thus providing the U.S. with grounds for renewed testing. After a hiatus of nearly two years, China tested on May 29, 1992. China recently agreed to be a party to the Non-Proliferation Treaty and all efforts should be made to obtain China's promise not to conduct further tests which would jeopardize the current U.S. moratorium.

With some good fortune, the nine month U.S. moratorium could be stretched out to a permanent cessation of testing until a Comprehensive Test Ban Treaty is signed. Bush administration arguments for "safety and reliability" testing have been refuted by many scientists, as well as by the military personnel in charge of our nuclear arsenal who have stated that our weapons are "safe" enough. Most of the past U.S. nuclear tests were for developing new weapons.

### **The Lethal Fallout**

ECAAR member, Jay Gould, who heads the Radiation and Public Health Project, charted the lethal impact of nuclear tests on low birth weight babies weighing less than 5.5 lbs in Nevada. The low birth weight percentage nearly doubled in Nevada in 1951, when testing was shifted there from the Pacific, and has remained at above average levels throughout the period of atmospheric testing. Since 1984, flawed underground Star Wars tests may have had an adverse affect on birth weights in Nevada.

Gould found that six counties downwind of the Hanford reactors registered cancer-mortality increases ten times greater than the national average since 1945, with similar data for other sites in the U.S. nuclear weapons complex. With these fatal statistics, we should question any benefit to be derived from resumed nuclear "safety" tests, against the enormous costs to human life and well-being.

## **Use Your Economic Skills in Your Own Community**

*by William Weida*

In October, I participated in a conference, sponsored by Physicians for Social Responsibility, on the future of the Rocky Flats nuclear production site. My presentation covered current employment impacts on Rocky Flats (employment rose by 2000 since production ceased!) and anticipated employment from site cleanup. Just as I recently found in South Carolina and Georgia, the activists from Denver were thrilled to get some actual employment figures to work with, and I was asked again and again why someone hadn't done this before.

Providing this kind of information to activists groups throughout the nuclear production network is the focus of a grant currently being sought by ECAAR. Those of you who have studied regional or macroeconomics know that employment calculations are not difficult. Budgetary information necessary to make these calculations is readily available, as are the local multipliers and output from the RIMS II model at the Department of Commerce.

So why aren't more of us doing this? Employment continues to be the central argument in plant closings, new facilities, and location of facilities. DOE won't help us shut these nuclear plants down, and the states are too embroiled in the politics to be of assistance. That leaves it up to us. If you would like to get involved at the grass-roots, consider doing some economic consulting for your local activists. They will appreciate it, and you will get a new perspective on the economics of nuclear weapons production. *The author is Chair of the Economics Department at The Colorado College and is Project Director of ECAAR's Community Education Campaign: Employment Alternatives at the U.S. Nuclear Weapons Complex.*

## U.N. Considers Regional Conflicts

by Dorrie Weiss

**Regional Conflicts: Threats to World Peace and Progress** was the title of a three day conference held in September that was arranged by the U.N. Department of Public Information. The conference dealt with the changing nature of conflict since the relaxation of bi-polar confrontation, and presented new visions engendered by the lessening of East - West tensions. Since the original U.N. Charter contained no blueprint for coping with post-cold-war realities, a new vision of interdependence must evolve, and new forms of cooperation must supplement mechanisms already in place. The conference dealt with preventive diplomacy, peace-making, peace-keeping, and post-conflict resolution or peace-building. Within each of these areas the speakers tried to delineate new roles for the U.N., the member states, the media, and the NGOs.

Secretary General Boutros Boutros-Ghali spoke in support of his recent report, *An Agenda for Peace*, issued in response to the Security Council Summit held last January, and echoed John Donne's "No man is an island" by saying, "When the very existence of one Member State of the United Nations is threatened, it affects all States." The Secretary General noted that outright military victory was far less likely today than it had been in the past, but that warfare now led to continuing disaster for both people and the environment. The proportion of civilian deaths was increasing, he said, so that in many conflicts there were nine non-combatants killed for every military death.

The U.N. was set up to deal with conflicts between States, but there are increasing conflicts within States that arise because of the disparateness of racial or ethnic or religious groups that try to disconnect themselves from the parent body. Frequently, the insurrections are nearly rudderless, led by temporary inciters to violence, so that there is no accountable leader or organization with whom to negotiate. How is the U.N. to deal with these crises? The preferred way is by preventive diplomacy in order to head off the conflagrations. The deployment

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## Conversion Program

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has shown. After World War II, demilitarization was easier, because most companies could go back to making the products they made before the war. Today, the intense specialization of our defense companies, encouraged by bizarre and costly procurement policies, makes the transition in the 1990s much more problematic, though some significant and unfairly dismissed success stories can be found.

A more formidable barrier could be our failure to grasp the true economic relation between defense spending and prosperity. Conventional wisdom (eagerly sponsored by a troubled Administration) seems to hold that part of our current economic difficulties can be attributed to Cold War demilitarization. Much more of our current trouble, however, can be ascribed to the huge defense budgets of the 1980s that drained away vital resources and human talent from civilian and commercial sectors while deepening our unfathomable deficit. Perhaps this was the price of winning the Cold War, but if we are to grapple with the economic challenges ahead, we must reduce the dependence of our high-tech sectors on military contracts, and reinvest in the civilian sectors, which constitute the real U.S. industrial base.

### A Program

For the short term, we need to quickly demonstrate how conversion programs can supplant unwarranted weapon-program extension and help prime depressed economies in communities suffering from defense cuts. A Primed-Economy Program (PEP) could concentrate Federal programs on hard-hit communities and reinvigorate nondefense industries, through the following steps:

**1. Review 1990's Budget Enforcement Act.** The President should meet with congressional leaders and re-examine the applicability of the restrictions of the 1990 Budget Enforcement Act "firewall," which allocates savings from the military budget solely to deficit reduction. The firewall expires in October 1993, but is enforced at the President's discretion by the Office of Management and Budget.

**2. Energize the EAC.** The 1990 Conversion Law and the 1992 law now before the Senate give the President considerable latitude and financing to undertake conversion activities. The Economic Adjustment Committee (EAC) would be a good mechanism for getting things started. The EAC is the steering group for the Office of Economic Adjustment set up in the 1960s and was given formal status as a presidential committee by President Carter in 1978. It was upgraded to a statutory body in the 1990 Conversion Law. The EAC is composed of the heads of pertinent agencies, but it has never met at the cabinet level. The President should demonstrate his commitment by chairing the first meeting. The President should be inclusive in soliciting ideas from EAC members, the Defense Conversion Commission that Congress created in 1991, and non-governmental organizations. He should hold the Economic Development Administration accountable for carrying out its portion of the 1990 Conversion Law by requiring that the annual reports (starting with 1991) on its disbursement of funds be publicized. He should recognize community success stories, such as that of St. Louis and defense contractors such as Hughes and TRW with successful conversion ideas, by inviting them to come to the White House to address the EAC.

**3. Review Agency roles.** Through the EAC, the President should review the conversion roles of government agencies, including the Department of Commerce, especially EDA and the office of Assistant Secretary of Technology; the Department of Defense, especially the OEA; the Department of Labor; and the Small Business Administration. Agencies with inter-

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national responsibilities, like AID, could be invited to EAC meetings to consider the applicability of lessons learned in U.S. conversion programs to conversion problems in the former Soviet Union.

For the longer term, the President should take action to speed up the pace of conversion and work with existing congressional conversion initiatives where legislation might be needed. Such a program could have these components:

**1. Use Military Resources to Aid the Environment.** Put the military to work on environmental cleanup of defense bases, as recommended by Sen. Sam Nunn (D-GA), or on reforestation, a task that would put many people to work and if handled appropriately would generate enormous environmental dividends.

**2. Assist Businesses and Localities in Expanding Civilian Employment.** Increased aid to states and Federal programs targeted to create jobs in hard-hit areas would help save local jobs. Examples of alternatives to military investment suggested by Rep. Sam Gejdenson (D-CT) are; solar and renewable energy R&D; energy conservation; pollution control and abatement; historic preservation; maglev, ultra-high-speed rail development; increased mass-transit funds, including funding for the Intelligent Highway Vehicle System; community-development grants; increased EDA grants and JTPA Title III funds; and export-enhancement programs. Expand the Manufacturing Technology Program inside DOD and Commerce to provide more technological and marketing help to small defense suppliers. Assist small defense contractors with SBA programs and EDA support of community-based revolving-loan funds. Encourage small-business technology development by extending the one-stop industrial services centers for small businesses established by some states. Create an extension service for defense contractors, especially small ones, and workers to link up with commercial work.

**3. Extend Employee-Training Programs.** Extend training and related incentives for defense-industry employees to prepare them for civilian work.

**4. Redirect the National Labs.** The National labs should play a much larger role in carrying out environmental, public-transportation, energy-gener-

ation, and conservation research.

**5. Launch a New National Infrastructure Project.** Example: build high-speed railway lines as a flagship infrastructure-development program. Transportation experts are widely agreed on the viability of high-speed passenger rail in dense corridors of the East Coast (from Maine to Florida), West Coast and other population concentrations such as Texas. But more ambitious projects may also be viable. Americans went to war in Panama to protect large cargo ships. The canal should be replaced by modern U.S. transshipment facilities on both coasts, connected by high-speed container-carrying trains. Creating such facilities — with essential private-sector guidance and involvement to ensure commercial viability — would be a challenge equal to Eisenhower's National Defense Highway System and St. Lawrence Seaway. It should be undertaken with private-sector financing, but it surely won't happen without leadership from Washington. The current emphasis on tilt-rotor and supersonic plans that have dubious commercial prospects should be redirected to trains. Put the engineering components of the armed services to

company can accumulate money to use for investment in new non-defense plant and equipment, and for employee retraining.

**8. Contain Arms Exports.** U.S. conversion efforts should be explicitly linked to multinational efforts to reduce arms exports and a national policy for guiding civilian R&D to encourage civilian innovation. This would reduce the chance of the "New World Order" turning into new world orders for advanced weaponry — and slowing our conversion to a peacetime economy. A program to reduce arms exports should be linked to reduced arms production.

These conversion-related proposals raise a broader issue. We must scrap the hidden military-dominated industrial policy of the Cold War era and substitute an open West European-Japanese style civilian industrial policy. This policy would not imply national economic planning that is anathema to U.S. business, but rather guidelines, targets and temporary assistance to specific industrial sectors. *The authors are members of ECAAR's Board. Dr. Marlin was just appointed Chief Economist for the Comptroller of New York City*

## *A Special Invitation*

*If you are planning to attend the AEA meetings in Anaheim, California from January 5th to 7th, 1993 be sure to join us at our*

## **General Membership Meeting**

*January 6, 1993  
Hilton Hotel, Conference Room B  
4:45 to 6:30 PM*

*Bring Your Friends and Colleagues*

work on this and other civilian infrastructure projects.

**6. Simplify Defense Procurement.** To reduce the excessive cost of military procurement, eliminate or simplify defense-procurement regulations and reduce enforcement staff. This will also permit greater use of civilian ("dual-use") components in military weapons.

**7. Encourage Business Investment.** Sen. Joseph Lieberman (D-CT) in his bill (S.2075) promotes assistance to defense-dependent firms (i.e., firms more than 35 percent dependent on defense contracts) through a business equivalent of the IRA — a tax-free deposit by which a

## **Transforming**

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consortium to address the impacts of major layoffs at McDonnell-Douglas; and Los Angeles which is attempting to stimulate emerging sectors of its economy such as mass transit vehicle and electric car production.

Thousands of companies have been hurt by Pentagon contract reductions and cancellations. The corporate culture of many of these firms is ill suited to functioning effectively in the commercial sector and hundreds of smaller companies have already failed.

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## Transforming

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In addition to lay offs and the pursuit of overseas arms sales (the Bush administration's tacit conversion program), a number of defense firms are pursuing the conversion of their workforces and facilities to civilian production. A recent study by the Center for Economic Conversion identified 63 companies that have made substantial progress in this difficult arena.

The real potential of these conversion efforts is that they can help to transform our economy and society. The talent and technology in the defense sector is an incredibly valuable national resource. By targeting these human and technical resources toward critical areas of need, we can stimulate a process of national economic revitalization.

Substantial investments in renewable energy development, environmental restoration, mass transit, infrastructure repair, and education can help to alleviate many nagging problems and, in the process, generate millions of new jobs and thousands of new business opportunities for workers and companies in and out of defense industry.

### *Perestroika Needed in U.S.*

Real security and long-term prosperity for all Americans require that we take advantage of the wonderful opportunity provided by the demise of the Cold War to shift gears. Now is the time to invest in the future. Economic conversion, broadly defined to include both adjustment strategies and the stimulation of new areas of economic activity, can become a catalyst for envisioning and starting to create a healthy and sustainable economy for the twenty-first century.

We need our own *perestroika* in the United States. The productive re-use of our defense industry's talent and technology can help us make that vital shift in direction. *Michael Closson, Ph.D., is Executive Director of the Center for Economic Conversion in Mountain View, CA.*

## U.N. Conflicts

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of UN troops for preventive, or 'prophylactic' goals, the establishment of an international court, sanctions against lawbreakers, a more proactive role against factional leaders who prevent humanitarian aid, and the assistance of existing regional bodies that would help to secure the peace, were all proposals set forth in Boutros-Ghali's report.

The role of States was stressed especially in the prevention of conflict. Arms reduction, development, the lessening of rampant economic inequality, tolerance, and attention to human rights by individual States would do much to head off conflict. Somalia, with six million people, spent hundreds of millions of dollars for arms it used against its own people.

The media, too, have a part in exacerbating conflict. Peace does not make good copy. The desire to entertain sometimes leads reporters to dichotomize conflict and demonize the enemy, distorting the truth they are supposed to uphold. The media can be used as political tools, adopting the ambiguous language of power rather than truthfully educating the populace, reflecting the priorities, not of ordinary people, but of powerful regimes.

And what is the role of the NGOs? As educators, they can help keep the press and governments honest by insisting on the truth; advocate policies of peace and development; collect data early, accurately, and objectively, and present it to their governments; provide humanitarian assistance impartially and dispassionately, and resist being drawn into partisanship. As NGOs, we should be supporting the Secretary General's *Agenda for Peace* and urging our governments to review his proposals and take them up in our national legislatures. *Dorrie Weiss, ECAAR's U.N. NGO representative has been elected Chair of the Publication Committee of the NGO Committee on Disarmament and is now on the Executive Committee of the Department of Public Information.*

*Editors Note: Boutros-Ghali's report, Agenda for Peace, can be obtained from the U.N.'s Department of Public Information.*

## Women's Agenda

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As economists, we assert that the country can mobilize the resources to finance such programs, even while cutting the deficit, without injuring our potential for a healthy economy. The end of the Cold War is the opportunity for a resetting of spending priorities. We can afford programs that will improve the lives of women and children if we reduce the defense budget by a large fraction, reduce other programs that benefit a very few well-off people, and restore the taxes on the well-to-do that were mistakenly cut in the 1980s. The plea that the present deficit precludes additional expenditure is false. Just as over \$100 billion were found with no difficulty to resolve the S&L crisis, money can be found to pay for this agenda.

The continuation of now unneeded weapons systems is sometimes advocated on the grounds that they provide jobs. The agenda we propose would also provide jobs. But under our program, instead of useless military hardware, we would be producing things that are sorely needed — health care for all and high quality care of children.

We offer a 6-part **WOMEN'S POLICY AGENDA:**

**1. REFORM WELFARE BY GIVING SINGLE MOTHERS A WAY TO MOVE THEMSELVES AND THEIR CHILDREN OUT OF POVERTY.** Provide single parents with care for their children while they work, improved earned-income tax credits and child support payments to supplement their wages, and guaranteed access to health care. Other countries have done all this. They have been able to reduce the necessity for welfare-like programs, and have drastically reduced poverty levels among single mothers and children.

**2. REDUCE DISCRIMINATION AGAINST WOMEN AND MINORITIES.** Large companies in this country are supposed to be audited for their compliance with laws mandating fair hiring, promotion and pay practices by sex and race, just as they are audited for their compliance with tax, safety, anti-pollution and minimum-wage laws. The anti-discrimination audit program is pitifully weak. It should be significantly strengthened. In addition, pay equity guidelines should be issued by the Labor Department and compliance required of government contractors. Progress against discrimination is important to all taxpayers because poor job prospects keep women on welfare. In most other advanced countries the ratio of women's to men's wages is higher than in the United States.



3. **HELP WORKING PEOPLE FULFILL NECESSITIES OF FAMILY LIFE.** Millions of working families need government help in paying for quality child care. Working people need leave from their jobs when a baby is born, or when a family member urgently needs care. Such a program must encourage and enable men as well as women to help in taking care of family needs. Many other advanced democracies provide such programs. Quality care for children pays off to the nation by keeping mothers off welfare, and by providing the children with a safe environment where they can be prepared for school and for responsible and productive citizenship.

4. **GUARANTEE WOMEN'S RIGHT TO DETERMINE WHEN AND WHETHER THEY WILL GIVE BIRTH TO A CHILD.** Women's full participation in a modern economy requires that they have the right to control their own reproductive schedule. For this they need the right to access to a full range of methods of contraception and abortion. A teenager who becomes pregnant should have the same right as an adult to avoid unwanted motherhood.

5. **GUARANTEE ACCESS TO HEALTH CARE TO EVERYBODY IN THIS COUNTRY.** Virtually every other advanced country provides this. Since many of the jobs women are now confined to do not carry health benefits, women are major victims of our present system of patchwork coverage and out-of-control costs. Lack of guaranteed access to health care outside of the welfare system keeps many women on welfare.

6. **RESTORE TAXES, ESPECIALLY ON THE WELL-TO-DO, TO PAY IN A FISCALLY RESPONSIBLE WAY FOR THESE PROGRAMS.** These programs are worth paying more taxes for. Current tax levels prevent adequate public provision for health care and for children's services in this country. Other high-income countries have such programs and pay for them with taxes that are considerably higher than ours, without apparent damage to their economic health and competitiveness.

## Conferences and Meetings

### Allied Social Science Associations, January 5-7, 1993, Anaheim, California

Board Member Walter Isard has organized four joint sessions for ECAAR and the Peace Science Society and a fifth panel sponsored by the Peace Science Society during the course of the ASSA meetings. The panels will address **Issues Relating to Defense, Disarmament and Welfare; Defense Sector Conversation; The Prospect for Military Expenditures; Trade Conflicts in the World System;** with a fourth panel consisting of contributed papers in response to ECAAR's Call for Papers last February. Isard and Robert Schwartz also organized a panel on **U.N. Peacekeeping and the Reduction of Military Budgets** which will be co-sponsored by the AEA. We are fortunate to have Amartya Sen on that panel together with ECAAR Co-Chair Kenneth Arrow and Admiral Gene LaRocque. Professor Sen was nominated as President-elect of the AEA for 1994. Robert Schwartz will moderate the session with Sir Brian Urquhart and Leonard Silk as discussants.

### ECAAR-France

will hold a conference on the **Economics of Peace** on May 10th and 11th, 1993 in Grenoble. A number of ECAAR Board members are expected to participate with a group of eminent French economists at this bilingual event. Jacques Fontanel, Chair of ECAAR France, is publishing a small book, *Economie de la Paix*, with articles by John Kenneth Galbraith, Walter Isard, and Robert Schwartz and other French authors. Fontanel plans to include information about ECAAR as part of the book and hopes to develop a course on peace economics at the Universite Pierre Mendes-France with which he is affiliated.

### Society for the Advancement of Socio-Economics

will hold its Fifth Annual International Conference, March 26-28, 1993 at the New School for Social Research. A number of ECAAR members will participate including Board members Robert Heilbroner and John Kenneth Galbraith. There is a Call for Papers and

three \$1000 prizes will be awarded to papers delivered at the conference, which must be received by January 31, 1993. For more information, contact S.A.S.E., 714H Gelman Library, George Washington University, Washington, DC 20052, Tel: 202-994-8167; Fax: 202-994-1639.

## Chapter Notes

### New York

The New York Chapter Steering Committee will hold a second meeting at the ECAAR office, 70 W. 40th Street, 4th Floor, on Tuesday, November 10, 1992 from 6:30 to 8:00 PM to plan program activities for the coming year. Interested members are invited to join in. RSVP: Alice Slater, 212-768-2080.

*The edited transcript of Dr. James Tobin's talk to the New York Chapter is available in the ECAAR office. Please send \$5.00 to cover our costs.*

**FRIENDS OF ECAAR WILL HOLD A WINTER BENEFIT IN NEW YORK. PLEASE CALL THE ECAAR OFFICE TO PARTICIPATE.**

### New Jersey

A second organizing meeting will be held on November 8, 1992 in conjunction with a conference organized by the Coalition for Nuclear Disarmament in Princeton. Board member Ann Markusen, author of the critically acclaimed book, *Dismantling the Cold War Economy*, will be a conference panelist. To participate, call Carol Kiger Allen at 609-921-2987.

### Georgia

Members of the Georgia chapter are invited to join with Jurgen Brauer and William Weida and the Savannah River Alliance as part of ECAAR's **Community Education Campaign: Alternative Employment Opportunities at the Nuclear Weapons Complex.** To participate with the Georgia chapter, contact Dr. Sudhanva Char, 404-880-8000.

### Washington, DC

Contact Max Sawicky, 202-775-8810.

### Hawaii

Contact James Roumasset, 808-956-7496.

**World Register of Peace Economists**

Project Director Jurgen Brauer reports that he has been receiving good responses to a questionnaire and letter mailed to economists and related personnel working on issues related to the impact of military sectors on national economies. We are still gathering additional names for inclusion in the register and would welcome your further suggestions, particularly with regard to contacts in Eastern Europe and Developing Nations.

**Further Reflections on the Rotterdam Conference**

**MAKING A DIFFERENCE**

At the Peace Science Congress in Rotterdam last May, co-sponsored by ECAAR, the Dutch/Flemish Association of Economists for Peace, and the Tinbergen Institute, a German physicist, Jurgen Scheffran, of the interdisciplinary JANUS group in Darmstadt, explained the significance of Chaos Theory for our daily existence. He stated that Chaos Theory is significant because it demonstrates that the most minuscule effect, even one so slight as "the faintest fluttering of a butterfly's wings," is amplified to impact on events far beyond its original impetus. To Scheffran, the theory provides evidence that the individual does make a difference. Your individual membership in ECAAR makes a difference too and we urge you to renew your participation or to join ECAAR if you have not already done so.

**YES, I WANT TO SUPPORT ECAAR. Please initiate or renew my dues:**

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

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

Dues enclosed: \$ \_\_\_\_\_

copies of Professor

Tobin's transcript @ \$5 each \$ \_\_\_\_\_

TOTAL ENCLOSED \$ \_\_\_\_\_

Call me to form a chapter in my community: \_\_\_\_\_

Call me to work in my community on the nuclear weapons facilities project with Professor Weida: \_\_\_\_\_

Enclosed are names of peace economists, and related personnel to be contacted for the World Register: \_\_\_\_\_

Name (please print) \_\_\_\_\_

Title \_\_\_\_\_

Affiliation (for Identification \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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