
NewOptions

Mark Satin, Editor

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The Stock Market Crash Was a Good Thing

The stock market crash Oct. 19 was followed by an avalanche of plausible- and reassuring-sounding explanations in the mainstream media. The budget deficit is too high. Taxes are too low. The trade deficit is too high. The dollar must come down. The Germans and Japanese are being uncooperative (again).

All these "explanations" imply that there's no great need to worry. All these explanations imply: that the people in charge are really *in charge*; that the economy is basically on the right course; and that if we just twiddle the right dials, we can live happily ever after. Certainly there's no great need to radically re-think who we are or what we want from life.

This complacent view of things is shared not just by most Democrats and Republicans but by most political activists. This month, left- and right-wing periodicals differed profoundly . . . over whether taxes should be raised or lowered. In an unusually honest article, Alexander Cockburn argued that since nobody has the perfect solution, the left should argue for more government spending and continued heavy borrowing—at least the workers would benefit in the short run (*The Nation*, Nov. 2).

We took a different tack. We suspected that, among the kinds of economists and economic writers who are expressing a decentralist/globally responsible vision (and a post-liberal, post-socialist politics), some more promising solutions could be found. So last week we interviewed nine such thinkers. And we were not disappointed.

The material we gleaned from them was in fact so rich that we were inspired to use it to create the imaginary panel discussion that follows. The "moderator," Connie Zweig, is former managing editor of *Leading Edge Bulletin* (NEW OPTIONS #20). Except for Connie's comments and the material in brackets, all of the text is as it was spoken to us by our nine panelists—er, interviewees.

Zweig: Good morning. I'm glad to be with nine people who can maybe—hopefully—tell

me what *really* happened to the stock market and the economy, and where we should go from here.

Let me first introduce you to our audience, and to each other:

• **Lester Brown** is senior author of the Worldwatch Institute's *State of the World* reports (NEW OPTIONS #3, 15, 27 & 35);

• **Severyn Bruyn** is co-author of *Beyond the Market and the State* (to be reviewed in #44);

• **Joan Gussow** is author of *The Feeding Web* (1978) and is helping set up The Other Economic Summit/North America (#35, p. 7);

• **Paul Hawken** is author of *The Next Economy* (#7) and, most recently, *Growing a Business* (1987);

• **Hazel Henderson** is author of *Creating Alternative Futures: The End of Economics* (1978);

• **Mark Lutz** is co-author of *The Challenge of Humanistic Economics* (1979) and a former board member of The Human Economy Center (#22);

• **D. Wayne Silby** is president of the Calvert Social Investment Fund;

• "**Madam Smith**" is a well-known writer on economics who didn't want me to use her real name (since she hates giving interviews and didn't want to encourage reporters!); and

• **Robert Theobald** is author of *The Rapids of Change* (#29).

That's a pretty credential-oriented introduction, I know. I wish I had time to say more.

"Beyond our means"

Zweig: We've all heard the conventional explanations of the stock market crash; and I think we're all pretty unhappy with them. At best they don't go far enough. So tell me, what are your explanations? Why did "Bloody Monday" happen?

Hawken: I see the problem pretty simplistically, I suppose. We are living beyond our means. It's as if a kind of slouched-hat guy with a rakish smile showed up at our door, rapped

on it, put his hand out and said, "Hey, time to pay up!" And we say, "Whoa, no way." And he says, "You didn't think I wasn't going to come, did you? Well, here I am."

Gussow: For me, the stock market crash is very much like the energy crisis of 1974. Both crises represented deep, real problems that no one wants to confront: in fact, basically the same problem, which is that we're living beyond our means, and ultimately beyond the means of the Earth. I mean, per capita consumption levels of this kind are just not going to be feasible for everybody.

Riffs

Zweig: We seem to have a consensus here. Or do we?

Brown: I think what we're seeing is investors around the world—initially in the stock market—expressing a lack of confidence in U.S. leadership.

Silby: I think the root cause is us not being able to afford Pax Americana any more.

Bruyn: I'm concerned about a number of the semi-gambling devices that have been put into the stock market [over the last 10 years or so].

Lutz: I don't think there was any particular cause. But there was a basic instability which had been building. All you needed was a psychological storm and the whole thing would collapse in on itself. [It could have been much worse.]

Theobald: [Yes—]people were already very dubious about where we were, where the culture was going, and particularly where the economy was going. A number of figures have come to light which show that people had begun to change their behavior and thinking *even before this happened*.

"Smith": There has got to be real value behind prosperity. Some of what's behind American prosperity is, of course, real value and capacity and so on. But an awful lot of it in recent times has been people artificially push-

ing up the values of things, especially in the stock market with the takeovers and all. There was bound to be a squeeze-out.

Henderson: [I'd go even further.] The basic reason for the crash is that the entire global financial system has been diverging more and more from what has been going on in the real world.

As you know, money is supposed to be a system that sort of tracks and keeps score of real-world transactions and and real-world production and exchange. And basically what's happened is that the tracking system has decoupled from the real world that it's supposed to describe!

The money system not only no longer has any real correspondence to the real world of people producing and exchanging goods with each other, but it doesn't track the natural resource base. It can't deal with the fact that there are diminishing resources in the world; it doesn't give you any forewarning about resources running out. Prices are all based on history.

Once people forget that money is only information and trust and relationship—it's not anything real in itself, it's simply a measuring rod—then they begin to imbue it with some special life of its own and turn it into a commodity. And that's of course what's been happening in this global casino [called the stock market].

And so it was absolutely inevitable that this counterfeit symbol system, which had been just pyramiding numbers on computer screens, would have to have a come-uppance to get more in line with the real world that it's supposed to track.

New kind of leadership

Zweig: Good grief! It'll take a New Age Karl Marx to synthesize all your explanations.

But as I was listening to you, I began to sense that the *solutions* you have in mind might fit together more easily. I'll bet we could even offer them as a kind of political program to deal with the turbulence in the market . . . and in the economy as a whole.

So—where should we begin?

Gussow: I'm stunned by the lack of leadership. No one is saying this is a crisis; nobody dares to raise their head.

Brown: We need to do something very dramatic, and quickly.

One of the things I think we can do is propose a tax on gasoline. That will materially decrease the budget deficit; it will also reduce the long-term trade deficit because it will encourage us to use less oil.

Silby: [Yes—] what is needed is bold leadership. It is the lack of this leadership, in my opinion, which created the psychology of forces that led to Oct. 19.

Hawken: If a leader emerged it would be

the most positive thing that could happen *economically*. Because the economy is very much involved in perception; and the perception right now is that the U.S. is a rudderless ship when it comes to foreign policy and particularly when it comes to fiscal policy.

Gussow: I had felt Carter was very hopeful—I mean, agriculturally, the *Global 2000 Report*, and in many other ways. Although an inept leader, he was trying to get us to face reality. To face the constraints on our real ability to function. And, obviously, they killed him; I mean, he was the messenger, [the bearer of bad news], and so they killed him.

Hawken: [And yet, what you need is—precisely—] leadership that says, Hmm, boy, we're in a pickle. You've got to have somebody who tells the truth, and who tells it in such a way that people will listen to it and accept it.

Now, Plato said that would not happen. The process of the evolution and devolution of the republic was one in which the people who pandered to the lowest common denominator of the electorate would be the ones who were seen as "statesmanlike." And I think that certainly is happening today.

But given that you can reverse that trend, you need a person who is *willing* to be honest, who *can* be honest and [— unlike Carter —] can somehow convey that information in a way that people are willing to listen to it.

Gussow: At the deepest level, I keep hoping that—I mean, there's a part of me that would like to say to you, I think the women will save us. But I'm not sure. . . .

Beyond "growth"

Zweig: But what will these leaders—women or men—say to us?

Theobald: We're still assuming that the lesson of Oct. 19 is that we've got to put the maximum-growth strategies back into place.

That was the lesson we'd learned in the *last* depression: that it wasn't a supply issue but a demand issue. But we can't get out of our current predicament—which was created precisely because we've been demand-driven—by being more demand-driven!

Unless we are willing to face up to the need for a development-and-ecology strategy, rather than a growth strategy, everything we do will continue to kick us in the teeth.

Brown: Each year, the forests are getting smaller, the deserts are getting larger, the topsoil layer is getting thinner, the carbon dioxide levels are rising, the ozone layer is being depleted, the biological diversity of the Earth is diminishing, toxics are building up in the environment.

If we want to have a viable economic future, these vital signs have got to be reversed! What we're seeing is a deterioration of the natural support systems *on which the global economy*

rests.

Theobald: We need to redefine all the terms we use. For example, we need to recalculate "production" so that we don't just count what's in the money system [e.g., day care is in the money system; taking care of your own kids isn't]. We need to recalculate "productivity" so we'd be looking at negative productivity [e.g., pollution] not just positive productivity. We need to be talking about maintaining the productivity of the Earth, not just the productivity of labor or capital.

"Smith": The U.S. has got to become more genuinely productive. It has got to solve more real problems. You can't run indefinitely on electric toothbrushes and computer games and things like that.

We have got to come to grips with *actual problems* like toxic waste and pollution. That isn't normally thought of us being "productive." But of course it is.

Suppose everybody had kept on using wood as fuel, instead of coal and then oil and then other things. You can see the connection between that and productivity.

If we had depended indefinitely upon horsepower—real horses!—think how limiting and expensive that would be now, and how much of our food-growing land that would have consumed.

Think of our current overdependence on automobiles—and how that's getting to be a terrible burden on middle-class and poor families, and also a terrible drain on energy and resources and a terrible add-on to air pollution.

When people think about transportation they think too much about it in terms of Japanese cars versus American cars and so on. That's not the real problem. It's how to get more efficient problem-solving transportation for many, many people.

Well, these are the kinds of things that haven't been addressed. But in a country that's

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NewOptions

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Editor: Mark Satin

Manager, New Options Inc.: Sylvia Tognetti

Typesetting: Baker Johnson Design, (703) 237-0557

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In-House Critics: Shelley Alpern, Anne Bartley, Robin Cahn, Guy Gran, Arthur Levine, Trip Meima, Richard Perl, Marc Sarkady, Andrew Schmookler, Judith Schnidman, Elaine Zablocki

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Two conferences, one generation

We attended two conferences this month that, between them, cast a powerful searchlight on the Vietnam generation as it struggles to develop a post-liberal, post-socialist politics.

On Oct. 17-18, at the "Second Thoughts" conference in Washington, D.C., over a dozen former civil rights and anti-war activists got together to explain (to over 200 journalists and movement-conservatives and political seekers of all stripes) why they'd given up on the Far Left and re-joined the political mainstream.

On Oct. 23-24, at the "New Synthesis" conference in New York City, over 60 academics and activists got together to discuss launching a "think-tank" that could translate innovative postliberal/Green/transformational ideas into concrete policy proposals that policymakers and journalists could understand and use.

Since coming back to the mainstream, the ex-radicals at the Second Thoughts conference had amassed a great deal of personal power. One is a TV personality, two are best-selling authors, two work for big-league think tanks, one teaches at Harvard. But in the process, they'd mostly quite consciously abandoned not just their leftism but their original visionary idealism as well—often in the name of "maturity."

The people at the New Synthesis conference had not abandoned their decentralist/globally responsible ideals; most of them had spent the last two decades refining and "operationalizing" them. But they had not amassed much power, and as the weekend wore on it became clear that the fledgling think-tank had nowhere to turn for the resources it would need.

And isn't that one of the tragedies of the Vietnam generation—that among those of us who've worked to go beyond the political left, some of us have power without original vision, and others of us have vision without power?

But there are signs that this "tragedy" is going to be less than permanent.

Like a bad dream

Sitting at the Second Thoughts conference was . . . excruciating. I kept having to leave the gaudy Grand Hyatt hotel, with its endless chandeliers and mirrors, to pace around outside.

And it wasn't just because the business of the conference—the terrible relentless re-counting of our "youthful"-but-not-innocent political mistakes—cut to the quick. Up on stage, the hosts (and organizers of the conference) were Peter Collier and David Horowitz, editors of *Ramparts* when it was setting the

tone for late-Sixties political radicalism: the kind of radicalism that preached that fascism was about to arrive in America, and that the violence of the Weathermen was fully justified.

Of all the publications I'd read in the 60s, *Ramparts* was the one that had made the deepest impression on me, the one that had done most to convince me that the USA and everything about it was decadent and corrupt and *I* was decadent and corrupt (since I wasn't "oppressed") and if I had any integrity I'd better do what I could to keep from profiting from America's awful ways. And so I emigrated to Canada at the age of 19—a hardened Marxist revolutionary, I told myself bravely; and that's where I had to stay until President Carter's amnesty, 11 years and many lost opportunities later.

And there they were again, Collier and Horowitz, like in a bad recurring dream; a bit larger at the waists but still basically the same; still berating me, still telling me how recalcitrant I was; only now I wasn't a privileged bourgeois oaf but someone who hadn't sufficiently recanted his past, someone who hadn't sufficiently adopted the right-wing political agenda that was all that was keeping us from slipping into the cleverly-disguised "neo-communism" of the "solidarity left."

I am not exaggerating. Throughout the conference, Collier and Horowitz's statements seemed calculated to be as outrageous as possible. At various times during the two days, Horowitz called leftism an "infantile disorder" — claimed that "it was the left that introduced drugs into America" — asserted that there are "many fifth-column types" in Congress—called Congressman John Conyers "pro-communist" — and pontificated that "Hatred of self, and by extension of one's country, is the root of the radical cause."

The ploy worked. Collier and Horowitz managed to dominate the press accounts of the conference. Their performance not only played well in the mainstream press (which feeds on bitterness and controversy), but provided a convenient handle for the leftist press which had its own reasons for wanting the conference to appear to have been dominated by the rabid right.

But it wasn't so. Despite the conference's right-wing sponsors (fabulously wealthy foundations like Coors, Olin and Scaife), most of the rest of the speakers struck a decidedly different note. Most of the rest of them spoke in a considered, nuanced, and utterly genuine way about the mistakes they'd made in the Sixties

and the lessons they'd learned, or hoped they'd learned.

Rapping it out

Everyone who lived through the Sixties should have forced themselves to sit in the front row, as I did, and listen to the inner music of the speakers, and try to look into their eyes.

You'd have heard Jeff Herf, former SDS leader at the University of Wisconsin, explaining that his second thoughts began when he was finally able to admit to himself that Vietnam turned out to be as bad as the right-wing said it would be. "The boat people, the Cambodian holocaust and the Vietnamese Gulag were not what we expected."

And you'd have heard David Ifshin, former radical president of the National Students Association, raging at how Vietnam "decimated" our generation and how "so many of us are gone," casualties of drugs or crazy politics or broken dreams.

And Carol Iannone, feminist scholar, bravely insisting that her goal now is "true intellectual and emotional freedom" for women even if that freedom proves disruptive, in practice, to the official liberal feminist agenda.

And Joshua Muravchik, former chair of the Young People's Socialist League, arguing that it's not arrogance to wish democracy on other people.

And above all Stephen Schwartz, ex-Trotskyist, lamenting how he was a promising professional poet until the late 60s when he was guilted into dropping his poetry and becoming a manual worker (for 11 years). Part of the heritage of the 60s, he explained, was leaving your professional-intellectual work and becoming part of the "great movement of history."

And so we didn't professionally form ourselves, said Schwartz. We simply ran out onto the streets and we felt the streets would go on forever. We'd pass out leaflets for years and at the age of 90 we'd have accomplished nothing with our lives but we'd be "great people" because we'd have passed out all those leaflets.

The rejection of our intellectual lives, Schwartz cried, the Great Refusal to develop our personal capacities, has not only crippled our careers; it's crippled our generation itself.

Could you have looked Schwartz in the eye?

Time passes

Five days later I was sitting on the top floor of a building just across from the U.N., waiting for the "New Synthesis Think Tank" conference to begin. Despite the hard metal chairs, I felt as comfortable at this conference as I felt uneasy at the other; almost too comfortable. Then I realized why. I had been there before. The room was where the New World Alliance had held its party, the night before it launched its short-lived career as the first national "New

Age” political organization.

And here I was, eight years later, with another group hoping to launch a national post-liberal/Green/transformational (there was still no widely-accepted term) political organization. If anything, it was an even more representative body. There were leading-edge activists like John Marks of Search for Common Ground (#22). There were academics from non-elite universities like Art Stein of the University of Rhode Island (#21). There were “socially responsible” businesspeople like Joan Shapiro of the Social Investment Forum (#41).

We gathered ourselves into a big circle, just like we did in Alliance days, and as we went around the circle introducing ourselves it struck me how we’d aged since then. Time had had its way with us, I felt; and I knew that others of us were feeling that too; and were hoping against hope that the convenors of the conference (principally Belden Paulson, a major player in the “transformational politics” caucus of the American Political Science Association, #31, and Gordon Davidson and Corinne McLaughlin, authors of *Builders of the Dawn*, #17), could help take us the next step beyond immersion in our separate paths.

They tried. They devised a program that allowed us to approach the think-tank idea systematically and intelligently. They scheduled a rich mix of talks, video presentations, freewheeling plenary discussions and small-group exercises. But in the end, the effort sputtered. We were able to reach little agreement on who the think-tank should represent . . . or, even, on the wisdom of *having* a formal, more-or-less traditional think tank.

Think tank dreams

Belden Paulson argued for the traditional kind of think-tank. In his major Saturday morning presentation, he told us he’d spent a great deal of time visiting successful think-tanks like Heritage, Cato and Brookings, and they all seemed to do one key thing: bring together a mass of knowledge and insight for policymakers and the media. It got him to thinking: Wouldn’t such an operation help us get *our* ideas into the public policy debate? Then he visited his Congressperson, Jim Moody (D-Wisc.), who began lecturing him: Look, I get all this stuff from Heritage! But where are you guys? Where are you holistic thinkers?

Paulson’s speech was received with a great deal of affection. But the conference generated almost as many alternative visions of the think-tank as there were participants.

Hazel Henderson, futurist and “anti-economist” (p. 1 above), offered the most detailed alternative in her keynote speech. She challenged the notion that there are power centers that can be manipulated and changed. Instead of “petitioning the powerful,” she said,

let’s “link all the existing forces” that might be receptive to our message (among them: the “TV constituency” and the Vietnam generation). And let’s recognize our strengths! We have nearly everything in place, in the alternative and transformational movement. “All we need is to create a little more density with our networking,” and things will begin to “precipitate.”

That was virtual heresy to Lester Milbrath, professor at State University of New York-Buffalo and author of *Environmentalists* (#14). According to Milbrath, we have a *long, long* way to go. We not only have to found a Heritage-like think tank, we need to found an umbrella organization, an “Institute for a New Society,” that can do think-tanking, networking, reaching out to the general public. . . .

Paulson’s and Milbrath’s visions were heresy to Michaela Walsh, president of Women’s World Banking. Walsh reminded us that, at a conference in Copenhagen in 1980, U.S. women tried to centralize the global women’s movement. Their efforts failed, and the global women’s network “is now stronger than ever, partly as a result.”

Judi White, of the Institute for Cultural Affairs, preferred “a more expansive model” than going to policymakers. She’d do education and create “dialogues” among the general public.

Robert Gilman, editor of *In Context* (#36), wanted a think tank that would provide technical assistance to local groups—assistance that could help *them* have a bigger impact on policymakers and the media.

There was no attempt to synthesize these different formulations, in part because there was no pressing need: Major funding was nowhere in sight. In the various discussions on resources, plenty of suggestions were laid on the table. One person suggested that we “share our rolodexes” — another that “one of us really needs to make this their full-time project” — another that “the think tank could make money building non-toxic houses.” You know—those kinds of suggestions.

Smile on your brother

Superficially, the Second Thoughts and New Synthesis conferences—and the political subcultures they represented—could not have been more different. And yet, they had more in common than a superficial observer might be led to believe.

Above all, the people at both conferences came from the *same family*. Not just in the sense that they both came from the same generation, but in the sense that they both came out of the late 1960s political left.

The late 60s left had had a traumatic effect on both groups but in different ways.

Among the presenters at the Second Thoughts conference, the effect had been to

create a deep suspicion of vision and idealism. At one point Jeff Herf spoke of the “need for a non-utopian politics” in the U.S.

Among the people at the New Synthesis conference (and the Green gathering as well—NEW OPTIONS #40), the effect had been to create a deep suspicion of power; especially organized power. During the discussion on the nature of the think tank, one person said this: “Why don’t we think of *ourselves*—each of us—as a think tank? We can take responsibility for getting our own ideas to Congresspeople and media and let *them* broadcast them out. . . .” Nobody laughed.

Too much to expect?

It is now 12 years since Saigon became Ho Chi Minh City. Is it too much to expect that these two wounded fragments of the Vietnam generation will some day—before they reach senility—discover that they need each other’s strengths, and try to initiate some kind of dialogue?

To some extent, they’ve already begun seeking each other out. Some of the New Synthesis types are discovering some of the Second Thinkers’ books—e.g., Julius Lester’s *All Is Well* (1976), in which the former civil rights spokesman discusses his growth through Marxism to a “spiritually aware” politics. In the Second Thinkers’ favorite magazine, *The New Republic*, Charles Paul Freund recently wrote, “If the New Age can dump its loonies, a political move is coming” (Oct. 19)—the first time *The New Republic* had acknowledged a political dimension to the “New Age.”

Another reason the two groups might start talking to each other is they share the same sparring partner: the traditional political left. The report on the U.S. Green conference in the July 29 U.S. *Guardian* was every bit as malicious as the report on the Second Thoughts conference in the Nov. 2 *Nation*.

But the best argument in favor of a future dialogue between the two groups may be the argument of necessity. The ex-radicals have all kinds of insights into the “right relationship” between power and innocence. The New Agers have preserved the decentralist/globally responsible vision that animated the social change movement in its pre-Horowitz, pre-Weatherman, pre-guilt-tripping phase. And it is only by overcoming its fears—of vision *and* of power—that any fragment of the Vietnam generation can finally learn to express its vision in a politically powerful way.

Both conferences have published some of their key papers: “Second Thoughts,” \$10 from National Forum Fdn, 214 Massachusetts Ave. N.E., #220, Washington DC 20002; “New Synthesis Think Tank Papers,” \$6 from Sirius Community, Baker Rd, Shutesbury MA 01072.

Letters . . .

Beyond bigness

My compliments on your feature story on bigness in business ("Three Subtle Ways to Shrink Our Big Corporations," NEW OPTIONS #41). Your interest in, and grasp of, ideas is evident, as is your skill in communicating them to your readers.

However, I suspect you may have been a little too taken with Paul Weaver's brand of libertarianism, and that you may have overlooked some of its serious shortcomings (which I attempted to point out during the course of our conversation).

—James W. Brock
Co-author, *Bigness Complex* (1986)
Oxford, Ohio

Because of space limitations, we had to cut some wonderful passages from all three of our interviewees. Here's a taste of Brock on Weaver: "The old Standard Oil Trust was [a lot like what we'd get under Weaver's plan]—one giant company and a lot of little ones. But that was not economic freedom or free enterprise in any sense. It was control! The small companies could do whatever they wanted—so long as the big companies let them. . . ."

Your runaway adulation of the anti-trust zealot (James Brock), the converted libertarian (Paul Weaver) and the consultant who tells \$2 million/year tycoons how to distribute "freedom" to underlings (Gifford Pinchot) indicates that you're having trouble seeing through the wool.

You can lobby for "smallness" all you wish, but the question is whether you want those small units (farmers, corporations, nations) to engage in *unrestricted competition against each other*.

Most economists teach that "excessive" or "destructive" competition is impossible. We forget that people as diverse as Herbert Hoover and Franklin Roosevelt attributed the Great Depression to *runaway competition*.

Your three heroes disagree with various parts of the Washington establishment only with respect to the best way to enhance "competitiveness." If all you can do is lead the cheers for more competition, what's new?

—Frederick C. Thayer
Author, *Rebuilding America* (1984)
Pittsburgh, Penna.

As a socialist, let me say that the suggestions of Brock, Weaver and Pinchot don't address

some of our fundamental problems. But let the debate progress, let some of their ideas be tried out, and then let's evaluate the results.

Managers may be wimpy (Weaver's word), but they love to hang on to their ability to control their power structures. Let's see if they can be budged.

—Laurence Grambow Wolf
Cincinnati, Ohio

Beyond smallness

The underlying assumption of your article on corporations is that bigness per se is bad. In supporting your assumption, you state that over-large corporations undermine efficiency, foster wimpy management, and stifle creativity and innovation.

I take issue with this assumption. Bigness tends to be a straw man for many of us who believe that small is beautiful.

The problem is not size. If bigness, per se, were responsible for inefficiency, poor management and lack of creativity and innovation, then all small corporations would be resounding successes. If bigness were the culprit, then the largest single organizational system we know—the planetary ecological system—would never have worked. In fact, that system is highly efficient, creative and innovative!

One of the key factors in its stability and success is its diversity. It is significant, I think, that today's multi-division corporations often look more like diversified ecological systems than they do like traditional single-function corporations. In today's world, the latter may be as unstable as the classic ecological monoculture: the corn field.

The fundamental issue is organizational structure and appropriate management style. While both of these factors are recognized in your article, because they are discussed in the context of "over-large corporations" they tend to become of secondary importance.

What is needed is a new organizational structure (and an appropriate management style). To be both profitable and productive, this structure must be based on the premise that—regardless of size—the success of the larger system "as a whole" is dependent upon the success of each sub-system; and the success of each sub-system is dependent on the success of the system as a whole. That's true interdependence.

The basic model of such a successful, interdependent whole is found in ecological systems.

—Edward T. Clark, Jr.
Warrenville, Ill.

It wasn't us!

Your publication is an excellent source of good condensed information; however, I am

upset regarding your review of Jane Mansbridge's book *Why We Lost the ERA* (NEW OPTIONS #35).

"We" didn't lose the ERA. [The ERA wasn't a victim of our inept strategies and insensitive tactics, as you and Mansbridge both imply.]

The women's movement did not have enough political power to lever the state legislators into voting the will of the majority for the ERA. Furthermore the fear buttons of the anti-ERA people were pushed by very powerful forces. And when fear takes over, the brain freezes.

So I urge you to please not further the idea that "we" lost the ERA, or that the ERA is dead. IT IS NOT DEAD; it is only dormant.

—Cindy Judd Hill
Pittsburgh, Penna.

Not so visionary

Please cancel my subscription and return my money. Your index on Congressional voting (NEW OPTIONS #39) has some glaring weaknesses, including failure to give extra credit for getting something *done*.

Many Congressional efforts are made with the full knowledge that the bill or other initiative will go nowhere. Such puny efforts can play very well back home. But how about the hard worker who gets a bill into and out of committee and then manages it on the floor to successful passage? Your index might have given Congresspeople three points for sponsoring a proposal, but also two for helping it get out of committee and one for voting for it.

Other times in your index, members of Congress do great things and are overlooked. For example, Senator Gore's resolution calling for the establishment of a cooperative international program to study the "greenhouse effect" may not have been as important as the extensive hearings held by Senator Bumpers. The latter covered discussions about the ozone layer, the greenhouse effect and other related matters. You may have caught only a tiny part of a larger picture being painted by someone else.

Many people in both houses of Congress may agree with your ideas, but for some reason cannot get or do not have the opportunity to get their name onto your "good guy" list.

—Chas Dixon
Benton, Ark.

Hurray for your "visionary bills" story. Your voting index is excellent, and your constructive approach was refreshing.

I have just two reservations. Equating "Green" with "good" bothers me, in view of the negativism and anarchy stressed in many Green programs. And the Bosco bill to curb the use of food irradiation is, I believe, quite wrong-headed.

Nearly *forty years* of research and testing have

shown that irradiated food is safer than food with most other kinds of preservation, and safer than many foods without preservatives. How long should we keep testing, while salmonella, sulphites and other preservatives take their toll?

Incidentally, did you notice that this item violates your first criterion?—a vote *against* something was considered good.

—Theodore Rockwell
Chevy Chase, Md.

In looking through the public policies you like (#39), I find a strong pattern connecting them.

On the one hand, you seem to oppose centralization, central planning and so on—favoring decentralism, pluralism and freedom. Yet most of the public policies you approve of involve central planning of decentralization—that is, bills that subsidize people doing decentralized things, while penalizing people who prefer things not favored by you (traditional energy sources, etc.).

Isn't this inconsistent? Shouldn't public policy be neutral with regard to lifestyles? I say this particularly since many of the lifestyle things you favor are expensive, and subsidies to them necessarily come mainly from low income people.

—A. Lawrence Chickering
Institute for Contemporary Studies
San Francisco, Calif.

Where our mouths are

In 1986, I ran for Democratic Chair of Bexar County (San Antonio) on the following issues: arts expansion—Central American refugee families—drug influence—environmental preservation—faith and hope—global nuclear disarmament—housing for the homeless—literacy—neighborhood revival—prison and court justice—spousal, child and animal abuse—toxic waste—women's rights.

Comparing these to those of your "visionary cadre" (#39), I have decided I could probably make a good Congressperson!

When I ran in Bexar County I was able to garner seven percent of the vote. That was enough to help force a run-off election. To run for Congress only takes 500 signatures.

We have got to garner the courage to put our minds where our mouths are and get involved in the political process. Everything Sam Keen says about fear of "the other" in *Faces of the Enemy* (NEW OPTIONS #40) applies to our fear of the political process.

So run for office; go in a group to visit your elected officials; go out and knock on your neighbor's door. Future generations—who are already inheriting our fiscal irresponsibility—should inherit some of our good qualities as well.

—Mike G. Fulcher
San Antonio, Tex.

The author has entered the Democratic primary in Texas's 23rd Congressional district (San Antonio/Laredo) and can be reached at 347 Freiling Drive, San Antonio TX 78213.

Worlds apart

I am very pleased with the mix and quality of information contained in NEW OPTIONS. You are doing a great job. The only thing that I would like to see improve is coverage of the growing number of alternative viewpoints in the Third World.

The typical feature story in NEW OPTIONS goes something like this: "The three leading American experts on X say Y." I would like to see this changed to, "The five leading world experts (one African, one Asian, and three Americans) on X say Y." I would like to see this when we are dealing with global issues or even U.S. issues with global implications (e.g., protectionism).

Viable solutions to our global problems must respect the hopes, fears and needs of all the people of the planet. In the emerging global debate it is the alternative viewpoints in the Third World that are most in need of a platform.

—Peter Padbury
United Nations Development Program
Bangkok, Thailand

A lot about us

As someone who also attended the Green gathering, I appreciated the coverage you gave it in NEW OPTIONS #40. I saw Mark scurrying around, fat briefcase in hand, looking intense, and suspected that a story was in the making.

I thought the gathering was a wonderful idea that would have turned into a fine, inspiring event with just a bit more planning and maturity. It was hard to sit through the plenaries. Many of the workshops seemed repetitive. We could have used more movement, more music, more play, more touching.

I learned a lot about US at the gathering, and drove home wondering if we really could make a difference.

—Donna Clarice Bird
Wynantskill, N.Y.

Thanks for your coverage of the Green gathering. As you so well chronicled (sometimes annoyingly!), some of the most caring, gifted Green thinkers fell into proselytizing their unique interpretations of reality—and even condemning others with whom they share the same commitments for change. Throughout history this ideological myopia has effectively carved up social change agents into marginal little fringes.

The folks who are able to move beyond

ideological in-fighting and can operate through a range of diversity to create new institutions and habitation strategies are the great hope of the Greens. Though they might not make headlines with strident posturing or incisive new esoteric contributions to the literature, their voice for unity within the movement is the Green soul.

If we Greens are going to amount to anything, we are going to have to do more than give lip service to diversity; we are going to have to learn to work with it.

—Larry Martin
Institute for Local Self-Reliance
Washington, D.C.

I was impressed with your excellent description of the tensions present at the Greens' conference. It's quite clear from your account that the problem resides within each of us.

As I describe in my book, *A Fresh Start: How to Let Go of Emotional Baggage and Enjoy Your Life Again* (1987), each of us carries a lot of emotional baggage about politics, religion and spirituality. We need to resolve some of the anger we have at people from long ago who tried to shove their values down our throats. Otherwise we'll be unable to form coalitions with anyone who bears even a slight resemblance to the dogmatic people who injured us in the past.

At the Greens' conference, the old leftists were still carrying their emotional baggage about "naive" religious folk from long ago, while the spiritual/New Age people were carrying too much baggage about political games they would like to ignore.

The great thing about the Greens is that they are forcing us to start bridging the gulf between politics and spirituality. I am hopeful that a movement will develop that is sound both in terms of internal spirituality and external repairing of the world.

—Leonard Felder, Ph.D.
Santa Monica, Calif.

A lovin' spoonful

Regarding that despairing letter from Annie Gottlieb, author of *Do You Believe in Magic?: The Second Coming of the Sixties Generation* [letter in #40, review in #37]: Please tell her not to be impatient of the harvest.

Social movements do not spring full blown from one creative mind. Other minds must be prepared to receive the thought seeds. Some seeds do burst upon the scene, as if by magic—but the "magic" is preceded by hard work and *infinite faith and patience*.

So please tell Annie to get some recreation. Tell her to cease and desist her work for a while.

—Mary T. Zweifel
New Orleans, La.

Continued from page two:

going to be enduringly prosperous, these are the kinds of things that have to be addressed or the "law of diminishing returns" sets in and you run yourself into the ground.

Acting locally

Zweig: Can any of you give me some good news?

Henderson: The good news about the stock market crash is it's a great clarifier—it will [force us to] focus and clarify our values and help us act more sensibly at the local level.

In my local workshops I have helped lots and lots of people work through the fears they have around money. Money is the ultimate magic—the ultimately disempowering thing in our society. "Okay," I'll say, "the great croupier in Washington, D.C. is not dealing out enough chips for us all to be able to complete our trades at the local level. So what do we do as sensible people?" Well, we simply figure out some alternative form of currency to do our own local trading.

The models are there ad infinitum, whether it's learning networks or skills-exchange networks or baby sitting networks—there are dozens and dozens of these kinds of models. And they're going to help people see that money is simply information.

Gussow: I'm looking at something called community-supported agriculture which is now beginning to emerge—this is where people get together and contract with a farmer to grow vegetables for them.

Henderson: The stock market crash is going to make it much easier for people to see how these kinds of local trading systems can be their ultimate safety net! The real safety net is for everybody to slightly refocus their attention at the local level.

Gussow: What scares me is we're so far away from understanding our own dependencies. I think that people who live in 32-story buildings and look out the window and feel safe from crime have no idea how utterly *helpless* they are; how helplessly dependent they are on remote corporations to provide everything for them.

Henderson: I rather like the fact that the old Austrian school of economics—the most conservative school, von Mises and von Hayek—they were the ones who said, never let the central government have a monopoly on issuing currency. That it's every human being's God-given right to be able to trade and to create some kind of "currency" for completing the trades they need to make.

And of course today, anyone who has a personal computer (PC) and is tied into a PC network can make a market—no different from the commodity traders who make markets in

hog-bellies or whatever. Anyone who has a PC can make a market in whatever they want to make a market in.

Changing the rules

Zweig: This all sounds wonderful. But surely you're not implying that we should just let the stock market system go on as before?

Lutz: I'd like the President to set up a commission to study alternatives to stock-financed corporations. There's the Mondragon model [in Spain] where you have "internal accounts" that catch net worth in different ways than stocks do. They're non-transferable in a market kind of sense; therefore they maintain non-absentee ownership of the firm by its workers and employees.

The American version of Mondragon is basically democratic Employee Stock Ownership Plans [see NEW OPTIONS #29 & 40 -ed.]. Here again, it's non-transferable stock, not sellable to outside investors.

Bruyn: As employees get voting rights, let's say with new legislation, with ESOPs and different other things that we could talk about, you begin to slow down the merger rate; you begin to slow down the jockeying of the stock market.

Lutz: When you really think about it, the stock market is the symbol system of absentee ownership. You're buying and selling ownership rights to the different firms. And I think from a humanistic point of view it's not a good system. *Any* kind of absentee ownership system is [flawed at the core].

Bruyn: Clearly the stock market has to be fundamentally changed. It's a gambling area, it's a casino [as Hazel pointed out], and the question is how do you move it away from being a casino to being a serious area of investment.

One [possible way is] by setting limits in terms of the upper and lower domain of investment. [We might want to consider how] a limit could be placed [on a stock] at the lower end, and [another] at the upper end.

A stockbroker, or a person who is investing in a particular corporation, [would be able to tell when] it's approaching that upper [or lower] limit. And would behave accordingly.

When a stock hits one of those limits, it [could be] taken off the market for review. And then returned to the market again.

[My thinking here] is based on the principle that capitalism needs structure, needs limits; and *people* need limits in terms of what they can do.

Lutz: Another thing I think we can do is to discourage the importance of the stock market.

Keynes encouraged having a high tax on stock transactions that would make it less attractive for people to buy and sell all the time; it would also be a good way to get additional revenue for the government. The volume on Wall Street is phenomenal, and if we just had

a 1% or 1/2% tax on value you could rake in incredible amounts of money very quickly.

The tax will lead to less trading. But I don't think that's necessarily all that bad. It will make speculation a little less attractive.

Cop—or leader?

Zweig: Wayne, I was intrigued by your reference earlier to "Pax Americana." Do you want to explain?

Silby: Many commentators are blaming the October plunge on the trade deficit, program trading, tax law changes, etc. Forgive me for the lack of humility here, but the root cause seems quite clear: [our failure] to reduce military spending.

What's happening is that "Pax Americana"—which came into being after World War II—can no longer be paid for only by the Americans. We are like big oafs borrowing and putting incredible resources into guarding the palace, while our "allies" are buying it up from behind us at bargain prices!

The Japanese spend about \$30 billion a year on defense. Americans spend \$300 billion! Our trade and budget deficits pale by comparison.

Brown: I would also like to reduce military spending. I think most people sense that the Soviets are ready to "back off" and make some major course corrections; and I think if we were to announce even a five or ten percent reduction in military spending for next year, that combined with the gasoline tax would eliminate much of the deficit.

Hawken: I think we need to start [not with military spending per se, but] with the relationship the United States has to conflict.

Rather than seeing military spending as a taxation issue or a deficit issue, we can really see it as a symptom of fear.

I'm not talking about fiddling with the MX or the B-1 bomber; I'm not talking about fiddling with programs; I'm talking about a fundamental change in our approach to the resolution of conflict on a global level—the *byproduct* of which is to obviate a great deal of military spending. Not just for us, by the way, but for many other people as well.

Silby: [Well put!] How many more seizures must our financial markets experience before our global leaders face up to dealing with our outdated ways of coping with fear and distrust on the planet?

Hawken: Our biggest neuroses really involve our self-esteem and our stature and our status in the world, in terms of how we approach conflict and so on. So the most important thing [we] can do would be to re-configure our attitude toward ourselves the same way Gorbachev is changing the Soviet Union's attitudes toward itself. All the things that were once sacred cows are toppling there now.

We have to re-visualize who we are, and

what role we want to play in the world. Do we want to be a cop, or do we want to be a leader? There's a real difference you know. I don't think that cops are unnecessary; I just think it's unbecoming of our stature.

New world game

Zweig: We've managed to create quite an agenda for ourselves—and I have a feeling some of your best suggestions are still to come!

Silby: Our economies have simply become too sophisticated for parochial national politics. Where is the coordinated world leadership?

Brown: We now have a mismatch between economic policies—which serve national interests—and their environmental consequences, which are [regional] and global. We're facing something of a crisis of governance, because we don't have the institutions in the global arena that can relate cause and effect and assign responsibility.

Gussow: We need an International Monetary Fund (IMF) that will tell *us* what to do!

Henderson: I've been saying for the last few months that a New World Game has *already begun*. And that the Old World Game since World War II—Mutually Assured Destruction of the superpowers—has now collapsed . . . mostly because it turned into Mutually Assured Destruction of each other's economies (that's part of what we've seen through the crash in the stock market).

I call the New World Game "Mutually Assured Development."

Japan is now the First World's preeminent economy; it is now banker to the world with 25% of the world's capital assets. So when Japan decides to play a new game, that makes it viable. I believe that the Japanese are going to begin to act very powerfully to put this [new game] out. I'm predicting that the new prime minister will announce an official Japanese commitment to a Marshall Plan for the Third World in the next couple of months.

Silby: Just because the Japanese don't spend \$300 billion on defense, that doesn't mean that's what they *should* do. They could do global infrastructure projects! They could just make a lot more grants to a lot of the other people in the world.

Henderson: I see the Chinese as a very powerful actor in the New World Game as well. They are addressing the very important question of what is the new definition of development; and I think what's exciting about the Chinese contribution is that their definition of development is *not* going to be a Eurocentric left-right model. I think it will have [a lot] to do with Lao-Tsu and Confucius!

Gussow: [Of course, none of this exempts *us* from acting responsibly on the global stage.] We should start using our foreign aid to promote self-reliance in poor countries. We should *stop*

using our foreign aid to make countries dependent on us, as we do now.

Silby: What's interesting to me is that the "coordinated world leadership" seems to be coming from the financial markets. They're starting to vote now on what they like and don't like; what policies people can and cannot take.

Financial markets tell you what people expect about the future: How great things are going to be, how bad things are going to be. So financial markets are a kind of proxy for how everyone's doing. The perfect example is the market crash: Washington *had* to respond. Nothing could have got Congress to start talking about budget cuts but the market crash, in my opinion.

So there's this whole new thing emerging, which is that the financial markets will become the new world leadership.

Assorted voices: No, no.

Is there hope?

Zweig: I can tell that a lot of you would like to respond to Wayne's last point! But our job here today wasn't to criticize each other's ideas. It was to give our audience food for thought—richer and fresher than they can get from *Time* or *The Nation*.

And I think we did that. We offered some non-conventional explanations of the stock market crash. And we developed a whole new agenda for dealing with the turbulence in the stock market and the economy; an agenda that stresses consciousness and global responsibility and long-term thinking.

But there's one thing we didn't do, and that's convince our audience—not to mention, ourselves—that we can turn things around. So 'fess up, folks. Is there hope?

Hawken: In the history of this country, the government has never taken any long-term steps to improve the economy! So for me it's kind of hard to even speculate on it.

The historical process of many countries is to "be like the Japanese" but eventually "become like the English." It's called degeneration. It's a very common kind of thing.

Gussow: It's just as wrong to say that things are hopeless as to say that things are fine! Change happens; and it happens in ways that I believe are entirely mysterious to us. I mean, all the social sciences have turned out to be lousy at predicting things.

So it *could* happen. And in my view you have to try to live your life in a way that—if other people lived that way—the problems *would* get solved.

Henderson: In one sense the stock market crash was bad news for sure, but by clarifying the situation it's pointing to the good news. And the good news is that the whole game has changed. And I really believe that what's needed in this country to energize the politics and bring the Vietnam generation back into the system is to get the news out that the whole game has changed.

Silby: I think America can be a great economic nation. We don't have all the discipline and stick-to-itiveness that some of the other powers have. But we have good people, abundant resources, creativity. . . .

"Smith": There are an awful lot of intelligent people in the U.S. And an awful lot of ingenious and capable and well-meaning people. And there's also—which is not the case everywhere—an awful lot of people who still have faith that problems can be solved. And as long as you have those assets, you don't give up.

So I don't think things are hopeless. But I do think our course has to be changed.

Zweig: I've really enjoyed being with you today. I think it's obvious that the stock market crash has made a lot of people think deeply about our economic problems—including all of you in this room. In that sense, the stock market crash was a Good Thing.

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