

1

A PRESIDENTIAL ADDRESS ON THE ECONOMY

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My friends, what I have to say to you today may sound strange indeed, coming from one whom you have only recently elected to the presidency of the United States. In this period, as I have felt the responsibility of this office, my perception of our national situation has changed. The conventional wisdom by which I have operated in the past, and which shaped my campaign speeches, no longer satisfies me. I have been groping my way into a quite different vision—one that is, for me, truly new. Some of you have long seen what I am just beginning to see, but many of you will find what I have to say to you today both odd and disturbing.

The recent campaign, like most campaigns, emphasized economic issues. As the challenger, it was my role to highlight the weaknesses in the economy. These are many. I emphasized the unfavorable balance of trade, the growing dependence of our economy on foreign investments and borrowing, the national insecurity that results from our increasing dependence on imports even for national defense, and the growing gap in income between the rich and the poor. I criticized also

the destruction of human communities that results from the closing of factories, and I called for more vigorous action with regard to acid rain, depletion of the ozone layer, and the greenhouse effect.

I continue to see all of these as problems. In that regard I have not changed my mind. But my campaign speeches suggested that by stimulating the growth of the economy, by breaking down barriers against our goods in foreign markets, by renegotiating the debts of third world countries so that they could again buy our products, and by increasing the productivity of our workers, all our economic problems could be solved. In truth, the difference between my proposals and those of my opponents were not great. Mainly I put myself forward as better able to bring to Washington the sort of team that could make the system work more effectively and humanely.

I have, in fact, brought together a fine group of women and men to give leadership to our nation. I am proud of them. We have struggled to find a way to make good on the claims I made in the campaign. We have generated some excellent ideas on particular issues, which we will implement soon. But overall the results of our reflection have been discouraging.

There seem to be contradictions built into the system. Policies designed to speed up economic growth can be expected to increase the gap between the rich and the poor. This is because lower labor costs are needed to make our products more competitive. We want to protect workers and communities from the effects of plant closings, but we have been forced to acknowledge that rapid economic growth depends on the free movement of capital to those places where it can be most efficiently, that is, most profitably, employed. The economic system depends on the free flow of capital and on labor mobility. Any effort on our part to protect the communities that are weakened or destroyed by the closing of plants would work against the growth of the whole economy.

We also came to see that there is a tension between stimulating economic growth and responding to your demand that we stop the degradation of the environment. The conventional wisdom has been that with a healthy economy the nation can afford the costs of environmental cleanup. But especially as we face the prospect of global warming, this conventional wisdom breaks down. To slow the greenhouse effect, we need to reduce the use of fossil fuels, but policies designed to stimulate growth and competitiveness seem to require increased use of these fuels.

We toyed with the idea of economic planning. We thought that the government might steer economic growth into channels that were

not damaging to the environment. But we did not pursue this far. Central planning of the economy has had a dismal record all over the world, and we had hardly any ideas of how the economy could grow and become more competitive globally without increased use of fossil fuels.

We considered a massive move to nuclear energy, but we gave that up too. The amount of fossil fuel required for a massive buildup of nuclear energy production is staggering! More important, the dangers involved in nuclear energy are no less disturbing than the consequences of burning fossil fuels. Many people are most concerned about accidents, and these will inevitably occur. But there are other, equally important, concerns. The problem of decommissioning old plants has not yet been recognized in its full seriousness. And there is the appalling problem of disposing of wastes that remain poisonous for tens of thousands of years. A world covered with ever increasing quantities of deadly poison is not the legacy we want to leave.

The final straw that tilted our thinking away from conventional wisdom was finding a statistical evaluation of how the national economy has done since 1951. Conventionally, we have been taught to judge the success of the economy by the growth of per-capita gross national product. We knew this had been questioned occasionally, but we had not seriously considered an alternative. Now we found a proposal of an Index of Sustainable Economic Welfare (ISEW)¹ that could serve as an alternative basis for evaluation. When it is employed, perceptions of the performance of the economy in the past few decades are startlingly different. Let me give you an example. Remember that all figures are adjusted for inflation.

The per-capita GNP in 1969 was \$5,366, and in 1986 it was \$7,226. This is an increase of 35 percent. But during the same period there was no significant improvement in sustainable economic welfare as measured by the new index. The per-capita figure was \$4,700 in 1969 and \$4,732 in 1986, a gain of less than 1 percent. Indeed, when long-term environmental effects were factored in, the per-capita ISEW *dropped* from \$3,777 in 1969 to \$3,403 in 1986, or almost 10 percent! In short, the economic growth of that seventeen-year period was accompanied by a substantial loss in sustainable economic welfare.

Of course, the ISEW figures, like any such figures, depend on many somewhat arbitrary decisions. What counts as economic welfare? How do we judge its sustainability? None of us agreed in detail with all the judgments expressed in the ISEW, and we are sure that much more refined and accurate calculations can be made. Yet in a general way the ISEW makes sense. This index begins with personal consumption as

the basic positive contribution to welfare. Because this is the largest element in the GNP as well, there is a bias in the two indexes toward conformity. One could easily argue that much personal consumption—of alcohol, tobacco, and junk foods, for example—does not contribute to real economic well-being. To make such a judgment would tend to increase the disparity between GNP and ISEW. But it is too hard to draw a line between beneficial personal consumption and that which is either harmful or worthless. We therefore decided that a measure of welfare has to accept the convention of economists that individuals are the final judges of what is good and that they express that judgment in their purchases.

As one who has been concerned about the growing gap between rich and poor, I was pleased to see that the ISEW factored income distribution into its calculations. I have also been concerned about growing national indebtedness, which certainly does not seem sustainable over the long haul without damage to our economic welfare. The ISEW takes account of that.

There has been a lot of talk among economists about the contribution of unpaid labor, especially housework, to the economy. ISEW includes that. Also, few doubt that there are costs of pollution or that, when wetlands and topsoils are lost, nature's services to the economy are reduced. The ISEW considers matters of this sort.

Finally, although the authors recognize that the discipline of economics provides little basis for calculating the costs to the future involved in resource exhaustion and in such massive environmental changes as reduction of the ozone layer and the greenhouse effect, they have introduced these, too, in the second set of figures I quoted—those that show a 10 percent decline in sustainable economic welfare from 1969 to 1986. Surely these are relevant considerations, even if no one knows how to measure them.

Our conclusion has been that the detailed figures are not reliable, but that the general implications are inescapable. *Growth of per-capita GNP can accompany decline in sustainable economic welfare.* Indeed, it may now be doing so.

I emphasize that only *economic* welfare is under consideration here. The argument in favor of growth of GNP is further weakened when one thinks of other changes in our society that have accompanied economic growth. These are phenomena that have often in history been associated with urbanization and thus, at least indirectly, with economic growth. I refer to the increase of crime, the breakdown of family life, the increased use of drugs, and the deterioration of public education. Perhaps we can summarize all of this under the heading

breakdown of community. As we thought about this, we saw that most of the policies designed to stimulate economic growth also work toward this breakdown of human community.

The conclusion to which we have come is that the *economic policies of the United States should no longer be directed primarily to the increase of market activity that is measured by the gross national product.* They should rather be directed to contributing to the *total well-being of all our citizens now and in the future.* The great question, then, is this: What does that mean? In what direction should the economy be channeled?

We are clear about some of our goals. We want to reduce the gap between the rich and the poor, ensuring all citizens a decent life. We want to reduce the use of fossil and nuclear fuels. We want to encourage the development of strong community life all over the nation. And we want to maintain and even increase the economic freedom of our citizens.

If we know in general where we want to go, why does it seem so difficult to find policies that will take us there? We certainly have the resources to meet the needs, and even many of the more reasonable desires, of all our citizens. Community is something that develops of itself when people are given a favorable context. And within a healthy community, individuals can make a great many decisions about their work and their purchases.

One problem, of course, is that we want to continue to produce a great deal while using less fuel, both fossil and nuclear. But that need not pose an insuperable obstacle. Amory and Hunter Lovins have shown us many ways in which we can continue to get all the use we now have from these energy sources with far less input of fuel.² We can build houses that require little or no fuel and that still have year-round comfort. We can light them well with far less use of electricity. Our toilets can function well with far less water. Cars and other forms of transportation can be far more efficient than they now are. And so it goes. Once we recognize that the need is to have more efficient use of energy and other resources, and once our technology is directed to that end, enormous improvements are possible.

I will be proposing some steps in the direction of energy efficiency in the near future. Even this emphasis cuts against deeply entrenched habits of mind that see expansion of energy production as the natural preparation for further growth. But because the focus on efficiency is both profitable to industry and beneficial to consumers as well as to the environment, I hope to persuade Congress to enact legislation that will accelerate already existing trends in this direction. By concen-

trating efforts now on more efficient use of energy and other scarce resources, we can buy time for jointly considering other changes that go deeper and cut more sharply against the conventional wisdom.

For example, certain lifestyle changes could reduce use of energy while improving the quality of life at the same time. We could build our cities in ways that would require far less commuting. Paolo Soleri has shown how the need for private transportation within the city could be done away with altogether, with great gains in space, quiet, and beauty.³ Citizens could get to any part of the city in ten or fifteen minutes by elevator, escalator, moving sidewalk, and walking. Genuine countryside would begin immediately at the city's edge.

A simple and healthful change in the national diet would drastically reduce the amount of land needed to produce food. At present 80 percent of our cropland grows grains to be fed to livestock. This not only uses a great deal of fossil fuel; it also puts pressure on marginal land that could recover if it were instead used for grazing or allowed to return to wilderness. A reduction of meat consumption by one-third would largely eliminate the need to feed grain to cattle. We could begin to regenerate the land and also share it with the wild animals that we have so extensively displaced.

Agricultural policy raises still more fundamental questions. According to the conventional wisdom, agriculture in this country, since the Second World War, has been a great success story. Productivity as measured by production per hour of labor has greatly increased. Far fewer people produce more crops than ever before. Agriculture provides a huge surplus for export, enabling us to buy oil, minerals, and industrial goods from our trading partners. We can also use our food surplus as a diplomatic weapon.

But we are impressed by the other side of this progress. Our policies have led to monocultures heavily dependent on fertilizers, insecticides, and herbicides. The natural fertility of the soil is depleted. Mass production is associated with practices that lead to erosion at altogether unsustainable levels. In reality, we are exporting our legacy of fertile soils.

Meanwhile, the small family farm and rural community, once the backbone of the nation, have become endangered species. They are replaced by agribusiness, which applies to the land the same policies that mining interests apply to minerals, those of an extractive economy. This economy not only mines the soil; it also drains off the economic resources of rural people into the urban sector.

If agriculture is to serve the people, we need a resettling of rural America and a renewal of rural community. American agriculture

should be reoriented to local and regional markets, providing them with the diversity of products needed. Food should be grown near where it is consumed, thus drastically shortening supply lines and reducing the need for elaborate packaging. Of course, surpluses should be exchanged and sold abroad, but these should be true surpluses, grown in sustainable ways without undue use of fossil fuels. All of this means that we need to move *toward relatively self-sufficient local communities and away from primary orientation to the global market.*

Viewing our goals in this way has led us to change our thinking about national security. Conventional wisdom sees us as needing to police and control the global trade routes, the sources of supply, and the markets on which we all depend. But if we and other peoples move toward local self-sufficiency, these trade routes lose some of their importance. We will not need a military power capable of fighting wars halfway around the globe.

Indeed, as we have thought about these matters, we have come more and more to the conclusion that the scope of the dominant market is *the* issue. For two centuries we have aimed to extend the market to include larger and larger areas, so that more and more goods can be produced. We have been brilliantly successful, and all of us enjoy many of the fruits of this process. Now we find that the price has been high all along and that it is becoming disastrous. Many of our military conflicts and much of our need for huge armaments even in peacetime have resulted from the desire to control distant resources and markets. Meanwhile, the market has become so large that the biosphere is threatened. The assault on stable communities has become so powerful that the quality of personal life and character is deteriorating. Indeed, the workers produced by a society in which communities are so weak do not have the motivation and the discipline that make for a successful economy. The market is undercutting its own base.

As a nation we have been fully committed to a global economy. We have been taught that large markets are crucial to growth. The larger the market, the greater the possibility of specialization; the greater the specialization, the higher the productivity of labor; the higher the productivity of labor, the larger the per-capita gross product; the higher the gross product, the better off everyone is. The argument is a strong one. Indeed, with important qualifications, we accept all of it except the final step. This step may have been correct until fairly recently, at least if we limit our consideration to strictly economic welfare. But now we are convinced that, *even in strictly economic terms, continued growth does not contribute to well-being.* Hence, while the rest of the argument may be largely accurate, there is no reason for us

to follow its prescriptions. The larger market, that is, the global market, needs to be evaluated on other grounds. Are there reasons for favoring the global market, other than its contribution to the increase of global production?

There are many consequences of the global market that appear good and desirable. It makes the whole world interdependent. It encourages the flow of international capital to countries where the workers are very poor and unemployment is very extensive. Technology accompanies capital, so that the transfer of advanced technology to the third world is facilitated. Meanwhile the U.S. consumer finds prices low and goods varied and abundant. It seems that everyone gains.

But if we look a bit more closely, we see another side. Interdependence based on specialization means for many countries total dependence on international markets controlled, and even manipulated, by financiers on whom they have no influence. In many instances these countries have lost the power to make basic decisions about their own lives. To many, "interdependence" is just another name for dependence. It is experienced as virtual slavery. Eventually, even the United States, if present trends continue, will find its freedom severely circumscribed by international finance. A world in which the economy is global, while political power is local, does not promise opportunity for popular participation in making the decisions that are most important to human well-being. In that kind of world, the most important decisions are made by the leaders of international finance, and their goals have little to do with the welfare of the people affected.

The alternative to global markets is national, regional, and local markets. What would it mean to reverse the long trend toward larger and larger markets and to work for smaller markets instead? Would that entail a drastic lowering of living standards?

Not necessarily. Kirkpatrick Sale has shown that a town of only ten thousand people could be largely self-sufficient in industrial production, with several competitive companies in each category. Local economies can take advantage of most of the technological advances of recent times. And most localities can also be self-sufficient in food production.⁴

Why propose such a vision? What advantages would it have? First, a community that was largely self-sufficient economically would be likely to be far more stable. Its people could participate in the decisions governing their lives. They could establish standards for pay, health, safety, and pollution for the benefit of the community, without fear that other companies, not so regulated, would undercut the local ones with lower prices.

Second, pressure on the environment could also be eased. Short supply lines would reduce transportation, with its heavy demands on energy. Smaller, diversified family farms could replace agribusiness, with human and animal labor reducing dependence on oil products. Passive solar energy could be used much more extensively and efficiently.

I have pictured the extreme and hypothetical case of truly local economies over against the other extreme, but increasingly real, case of a global economy. There are many options in between. The first choice, in fact, is between the global economy and a relatively self-sufficient national one. If we chose the national market, then we could move on to considering further steps in decentralization. The vision that would guide us would be one of a community of communities of communities. Quite small communities would be more self-sufficient than at present. They would be grouped into communities of communities that would be considerably more self-sufficient. And at the national level this self-sufficiency would be quite high. It would take a lot of thought and experimentation to determine just how much self-sufficiency is possible and desirable at each level. My point is that giving thought to these questions would engage our economists, as well as our sociologists and other specialists, in reflection quite different from what has been called for by the assumption that larger markets and more production are inherently desirable.

Our nation has tried at times a certain amount of political decentralization. We favor that, too. But when *political decentralization* is accompanied by *economic centralization*, it does not work well. It only serves to make the economic forces dominant over the political ones. For example, because the states do not have self-sufficient economies, they need investments from sources that are national and international. Hence, governors must compete with one another in trying to get factories to locate in their states. State legislatures must pass laws to make their states attractive to industry, even when in other respects this works against the public welfare. Thus political decentralization, rather than empowering people to make the decisions that most affect them, often weakens their ability to do so. If we want genuine local autonomy, political decentralization must be accompanied by economic decentralization. A state that was relatively self-sufficient economically could make many of the decisions that its citizens want. This is a third reason for moving toward regional self-sufficiency.

Moving toward national markets does not entail isolationism. Many of the problems we face today are global, and it is fruitless to deal with them only on a national level. We *are* interdependent. We

need a forum in which global development can be discussed. Indeed, we need to have more rather than less power exercised at the global level. The urgency of dealing with the greenhouse effect and the depletion of the ozone layer should make that apparent to all. But increasing the political power of the United Nations and the World Court, so that they may be able to implement the actions required everywhere, does not count against the decentralization of the economy.

For the United States to move rapidly in the direction of national, regional, and local self-sufficiency would be profoundly disruptive of the economies of many other nations. Exports to us constitute a critical element for many of them. A few, such as Japan, Taiwan, Singapore, and now South Korea, have become prosperous through participation in the global economy. Others are trying hard to emulate them. For the United States to withdraw from the global market, after having for so long encouraged other nations to enter it, would seem a betrayal of their efforts and hopes. The proposal to move toward self-sufficiency confronts a profound moral challenge. Whatever we do, we must be sensitive to the consequences for these other people as well as for ourselves.

But however great our concern for them, we cannot continue current practices indefinitely. At present, the prosperity of some of these other countries and the hopes of others depend on our running a very unfavorable balance of trade. By exporting much more to us than they import from us, they accumulate dollars. In this way, wealth is transferred from this country to others. But how far can this go? Surely there is a limit. At some point trade must come into balance. At present, we can avoid this by borrowing money from our trading partners and selling them our assets. But are we willing as a people to pursue this policy indefinitely? Do we not want to leave to our children a nation in which they exercise ownership of most of its land and productive resources? This desire provides a fourth reason for moving toward economic decentralization.

There is yet a fifth reason for not wanting to continue present policies. In most of the countries that have profited from them, the profit has gone to a very small part of the population. The shift from subsistence farming on the part of the many to agribusiness for export to us, for example, has been very costly to most of the small farmers. They have lost their independence and are forced to work for large agricultural concerns, many of them foreign owned, under conditions that are dehumanizing. One reason military governments have been so prevalent in so-called developing countries has been that the methods employed in the shift to export-oriented economies have been brutal in relation to so many of the poor. An abrupt shift in U.S. policy away

from openness to unlimited import would be disruptive, but if it led to the development of more self-sufficient local and regional economies in Latin America, Africa, and Asia, those people would in the long run be better off too. Hence, even the moral concern for third world peoples turns out to be a reason for moving, carefully and responsibly, to self-sufficient economies.

An extreme instance of the negative effect of our openness to imports from other countries is found in Amazonia. A few Brazilian capitalists have found that it is profitable to cut down the forests and raise cattle. They export the beef to us. They do in this way increase the gross national product of Brazil, earn dollars with which to service Brazilian debts, and themselves become richer. But the Brazilian people as a whole do not profit. Certainly the inhabitants of Amazonia, who are displaced from their ancestral homes, do not benefit. Their fate is much like that of many of the native Americans in this country during the nineteenth century. The Brazilian people as a whole are losing a very precious national asset—the world's largest tropical forest. Furthermore, the pasture land they are getting in exchange is often productive for only a few years. And finally, the people of the whole world are losing, as the capacity of the Amazonian forest to slow the greenhouse effect is being lost and, instead, the burning of the trees adds to the carbon dioxide in the atmosphere. So great are the costs of this operation, in comparison with what is gained, that among the measures we will soon propose to Congress will be the banning of the importation of beef raised in the Amazon region until our investigations can assure us that no further destruction of the forests for the purpose of raising cattle is being allowed.

As president, I cannot redirect economic policies at will. I am no match for the enormous vested interests that depend on and support the current policies. The moves toward national self-sufficiency and further decentralization would be opposed at every turn. This opposition would be supported by all the conventional wisdom. Again and again we would be told that the proposed policies would carry us back to the Dark Ages and put an end to all the hopes and aspirations of third-world peoples. Plenty of representatives of the elites of the third world would echo these sentiments. Idealists concerned for the world's poor would join their voices with the managers of international finance.

Even if I had the power to reorder the economy in the face of all this opposition, I would not want to exercise it. The world we want is one in which people participate in making the basic decisions about their lives and communities. We can only move toward such a world as we participate in envisioning and wanting it. My hope today is to

engage your interest in a great national debate. Do we as a people want to continue our present course, responding as best we can to the inevitable crises we will face? Or do we want to change course? If so, in what direction shall we go?

On the other hand, there are immediate decisions that must be made. The Uruguay Round of proposals for revision of the General Agreement on Tariffs and Trade (GATT) confronts us with far-reaching decisions. These proposals have been strongly supported by the government of the United States. As I now see it, they carry us very far in just the direction that now seems to me wrong.

To adopt these proposals now, before the national debate has occurred, would render that debate in many ways useless. While we debated which way we wanted to go, we would have gone so far in one of the directions that a change would become almost impossible without massive disruption and suffering. Accordingly, I will throw the weight of this administration against the implementation of the new proposals. I need your understanding, if not your full support, for this reversal of U.S. policy. Hence I want to explain what these new proposals involve.

The ideal of a global market calls not only for the abolition of all tariffs, but also for the removal of all other restrictions on the free flow of capital and goods around the world. The ideal is "a level playing field." That means that no nation can set standards for imports that are not global standards. For example, if the United States refuses to import agricultural products that we judge carcinogenic when other countries do not have such high standards, that is viewed as an act in restraint of trade. U.S. producers can be held to higher standards, but they must compete with producers elsewhere who can export their goods to us without measuring up to these standards. Obviously, we will be under pressure to lower standards for our own producers as well.

More generally, much of our present agricultural policy will be set aside if we move ahead with the new proposals for GATT. These envision a world in which governmental involvement in supporting agriculture will cease. Many analysts judge that the result will be the end of small-scale farming not only in the United States but throughout the world. Such farming could compete successfully only if conservation of soil were a factor in price. But governmental interference in the market to introduce such calculations would become even more difficult, if not impossible. Producers in one country who tried to develop sustainable agricultural practices would have to compete with producers elsewhere

who did not. Global agriculture would become still more dependent on fossil fuels, until these became, rather abruptly, unavailable.

Those of us who are concerned at the extent to which U.S. industry has already succumbed to international pressure and U.S. capital is invested elsewhere cannot be pleased by the extension of the policies that have already had such massive effects on our economy. Until the costs of labor and of meeting government regulations pertaining to health and environment fall to Mexican levels, for example, industry will continue to move across the border. What few restrictions we now have would be gone.

One argument for the level playing field is that it will lead to movement of capital to the poorest countries. This is a mixed argument, since it means that capital will continue to flow out of our own country and further reduce the wages of labor here. But even if we are willing to sacrifice our economic interests so that the poorest of the poor may benefit, we are brought up short. The new proposals make it even more difficult for third-world nations to safeguard their natural resources or protect their people from the abrupt changes involved when capital is moved in and out of their countries. They will no longer be able to insist that businesses in their countries are owned primarily by their own citizens. Efforts of their citizens to establish productive enterprises will have to compete immediately with long-established transnational producers.

Indeed, the major opposition to the new proposals has come from the third world. The Third World Network has published a book expressing this opposition, *Recolonization: GATT, the Uruguay Round and the Third World*.⁵ Its title indicates how it understands the effect of these proposals. Even though certain elites in these countries might gain, it would be a serious mistake to suppose that these proposals will benefit the people as a whole.

Actually, it has been in part the study of these proposals as they implement the ideal of a unified global economy that has led my advisors and me to decide that this is the wrong direction. In a unified global economy, standards for labor, health, and environmental protection would all fall toward levels set by the global economy. Nothing in the proposals suggests that these would be anything but very low.

These proposals make the meaning of "free trade" very clear. Those who are free are the multinational corporations, especially the great transnational financial institutions. They are free to move capital around the world to whatever place it can be most profitably invested, and they are free to move the products of their investments also. What and who are they free from? They are free from interference by concerns that may restrict profit or complicate doing business in diverse

countries. These concerns include the desire of people to have some control over their own lives and to participate in establishing the conditions and standards of labor, the health of the public, and the protection of the environment. The transnational corporations will be free from these because governments, which have in the past been able to set standards and implement programs in these areas, will be greatly restricted in all these respects. Although governments may not have good records, in most places they are the only agencies through which the will of communities can be expressed. I do not believe that we should disempower them further.

Because my own reflection has led me to the conviction that hope lies in moving toward a decentralized economy—toward communities that are relatively self-sufficient economically—I believe that many of you, when you consider the real alternatives, will come to agree with me. The next presidential election can be a referendum. By then the specific policies required will be clearer. I hope that many people who agree with me will run for Congress. Votes for them and for me then will be support for a major shift of direction. If all this happens, the people of this nation will have a momentous opportunity to choose—I am sure I can count on opponents vigorously opposed to all that I propose! If, confronted by clear alternatives, you choose the changes I advocate, I will do all in my power to implement them. If you choose to continue to follow the conventional wisdom and support a global economy designed to generate an ever-increasing gross world product, I will step aside and hope that others can find a way to avoid the catastrophes to which I now believe that course inevitably leads.

NOTES

1. Herman E. Daly and John B. Cobb, Jr., *For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future* (Boston: Beacon Press, 1989), 373, 401–55. [Lester Brown of Worldwatch Institute has said that “the Daly-Cobb Index of Sustainable Economic Welfare is the most comprehensive indicator of well-being available” (*State of the World 1991* [New York: Norton, 1991], 10).—Eds.]

2. Amory B. Lovins and L. Hunter Lovins, *Brittle Power: Energy Strategy for National Security* (Andover, Mass.: Brink House, 1982).

3. Paolo Soleri, *Arcology: The City in the Image of Man* (Cambridge, Mass.: MIT Press, 1969).

4. Kirkpatrick Sale, *Human Scale* (New York: Cowan, McCown, & Gesheyon, 1986).

5. Chakravarthi Raghavan, *Recolonization: GATT, the Uruguay Round and the Third World* (Penang, Malaysia: The Third World Network, 1990).