



THAT'S A RELIEF DEPARTMENT: The keeper of membership records at New York's Fifteenth Street Meeting advises us that Harry Helmsley, reported here two months back as a Friend, was in fact dropped from membership a number of years ago, presumably for non-attendance; evidently he was otherwise engaged. I am pleased at the meeting's good judgement, and stand corrected.

A Friendly Letter

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Dear Friend,

Do you believe in miracles? You might if you lived at the Ben Lomond Quaker Center in California. Ben Lomond sits right in the path of the big fault that produced the huge earthquake of 10/17 that killed scores, tumbled buildings and did billions in damage.

Not far from the Ben Lomond Center, huge fissures opened up in the ground and many houses fell into heaps of ruin. But somehow, the quiet Quaker center emerged from the shaking all but unscathed. Not only that, but the road up to the center was also largely undamaged. This was the more amazing because a few years ago heavy rains washed out large sections and made the road impassable for months. So while Bay Area Friends begin the long work of rebuilding, their hideaway for rest and reflection awaits them, nearly undamaged; one expects they will need it.

In nearby Santa Cruz, Friends were again lucky: The community center in which they meet had recently reopened, after extensive renovations aimed at increasing its ability to withstand earthquakes! Two Santa Cruz Friends were slightly injured, and one lost a cabin home. But meeting for worship was held as usual the next First Day, and Clerk Ned Van Valkenburgh says it drew the largest attendance in memory.

San Francisco Friends were not so favored. Their meetinghouse, overlooking the Golden Gate Bridge, suffered much cracked plaster and moulding inside. More seriously, its old brick chimneys tottered and partly fell. Because of connections with the gas hookups, this has made the building unusable for worship; San Francisco Friends have since met at a nearby YMCA. Structural engineers say the building is sound; but repairs, which had yet to begin when we went to press, will likely be lengthy and expensive.

Elsewhere in the Bay Area mostly minor damage is reported, and meetings have not been disrupted. One San Francisco Quaker couple, whose apartment was

in the heavily damaged Marina district, are out of their home and will likely be for some months; they have been staying with a friend.

Meanwhile, on the East Coast, the Friends of Charleston Meeting in South Carolina were also much preserved in the face of a similarly massive disaster. Hurricane Hugo did minor damage to the Christian Family Y where they meet, but not enough to prevent worship. Among members, only one reportedly lost a house, and another a roof—comparatively small losses in that weather-pounded city.

There's one bit of non-disastrous California news, concerning plans for a new Quaker journal, *Earthlight*, "a magazine of spirituality and ecology". It is to be published semiannually beginning 1/1990 by the Unity With Nature Committee of Pacific Yearly Meeting. The first issue's theme will be "Renewing The Earth," and the staff is soliciting manuscripts and subscriptions. To subscribe for a year, send \$10 to: Bob Schutz, Managing Editor, 684 Benicia Drive, Santa Rosa, CA 95409. It sounds like a very socially responsible investment.

Such investments are claiming increasing amounts of attention from Friends and meetings; but they also involve issues that are not easy to sort out. For an article on the subject, I turned to an expert, Friend Mark Hulbert, editor of the *Hulbert Financial Digest*, whom we first met in AFL #95.

Yours in the Light,

Chuck Fager

Chuck Fager

PS. Please consider gift subscriptions to *A Friendly Letter* as part of your holiday giving. A form is included in the enclosed *Friendly Bookshelf Catalog*.

A recurring theme in *A Friendly Letter* has been how often Quakers fall short of living up to Jesus' charge in Matthew 10:16 to be both as harmless as doves and as wise as serpents. While we generally earn high marks for the first half of this teaching, we too often get a failing grade for the second.

This dichotomy between wisdom and goals is particularly stark when it comes to money and investments. Friends were once known for business acumen, but today's typical Quaker is neither involved in the business world nor has much sense of how it works. Since financial wisdom isn't even aspired to, the best many hope for is to be just harmless.

But ignorance when it comes to money is not benign. Both halves of Jesus' teaching go together: to truly be as harmless as doves, we are going to have to become as wise as serpents.

SOCIALLY RESPONSIBLE INVESTMENT

The growing interest in socially responsible investing attempts to bridge this gulf between laudable goals and deficient wisdom. Here I want to examine a new guide for such investment, from New Society Publishers: *Economics as If the Earth Really Mattered*, by Susan Meeker-Lowry (280 pages, paperback, \$9.95).

To make the most of this book, though, we must delve into its political roots. Meeker-Lowry stresses that she does "not want to dictate which values or paths we should choose." But the Left and the Right have quite different notions about such values and paths. Conservatives (at least stereotypically and often in practice) know more of how the financial markets operate and are more comfortable dealing with them. Liberals, in contrast, typically know little of the markets and are uneasy when forced to deal with them.

Meeker-Lowry's book is most definitely written for liberals. It

presupposes a fairly low level of knowledge about the financial markets. And her examples of socially-responsible business ventures are all involved in causes dear to liberal hearts and minds.

In fact, I believe that *Economics as If the Earth Really Mattered* represents another step in a long-overdue process by which the Left gradually is learning about the financial world. Meeker-Lowry herself concedes that when she started she equated "corporations...with all that was painful and wrong." But after further study she discovered that not all corporations are bad.

THE PATH OF REEXAMINATION

Many of us have followed a similarly tortuous path of rediscovery and re-evaluation. I certainly have. A turning point for me came in the mid 1970s when, still the stereotypical left-liberal, I took some graduate seminars from Eastern Bloc economists. Their Marxist credentials were impeccable; yet one of their primary goals, it turned out, was figuring out how to introduce free markets into their centralized economies. In this context, it was hard to defend a Leftist's knee-jerk reaction against free markets.

Instead of always fighting the markets, it makes far more sense to me to see if their power can be harnessed. For instance, take nuclear energy, (please!). If it were not for the federal government's limitation on a utility's liability in the event of an accident (the Price-Anderson Act), probably no nuclear plant would exist in this country since none could obtain insurance. Therefore, the folly of nuclear energy could just as easily be explained as a failure to let a free market operate as a failure of a market-based economy.

This interest in seeing the markets work for good as well as profit is one of the perspectives from which I read Meeker-Lowry's book. Unfortunately, the book only partially overcomes the attitude

that all competition is bad and profits evil. As a result, the book only partially succeeds in teaching us how to be both as wise as serpents and as harmless as doves.

Though I came from a political tradition quite similar to hers, I have spent a good deal of my time this past decade measuring the performance of investment advisory newsletters. This job forced me to become far wiser about the financial markets than I ever dreamt of being, and I sometimes am embarrassed by the naivete of my earlier convictions about economic matters. In reading Meeker-Lowry's book, I occasionally experienced the same sort of embarrassment—the pain of recognizing one's earlier positions that one no longer believes to be wise.

IN SEARCH OF GAEA'S ECONOMY

Meeker-Lowry devotes her first two chapters of her book to a concept of an ideal, "Gaeian economy" (after the Greek Goddess of the Earth). A Gaeian economy would be "whole, organic and synergetic; it would flow with the natural process of change." Instead of being wasteful of natural resources and unsustainable environmentally, the Gaeian economy would be more "accountable" to the Earth. Instead of competition, the Gaeian economy would be characterized by cooperation.

There is much appeal in this vision. But the concept was weakest, and therefore least helpful, in showing what such an economy would actually look like once both corporations and individuals as a matter of course took these additional costs into account. One the one hand, she often makes it seem that the Gaeian economy would in many respects be quite similar to today's economy, differing in that the genuine costs of our actions are recognized.

On the other hand, she insists that the ideal economy would be "cooperative" instead of competitive. She cites as a concrete example a group of socially-conscious

businesses that have set up a non-profit cooperative in order to jointly market their products through a quarterly catalog. The result, she writes, has been that "traditional marketing competition is replaced by cooperation."

Yet is this entirely the case? About the cooperative catalog venture, she adds "of course, some of these businesses may still fail....Cooperation for the whole provides the opportunity to develop strength, but does not guarantee strength. Sometimes the interactions in and around the pond seem harsh and competitive, yet each is part of a larger dance—of life—that goes on." Adam Smith used different images, but his vision of a competitive market was much the same.

COUNTING ALL THE COSTS

There are other difficulties with Meeker-Lowry's vision of a Gaeian economy. For example, it is one thing to say in theory that a business should bear all the costs of its operations, and in theory few could disagree. But in practice it is quite another thing to ascertain what those costs really are. The book offers little guidance.

Some costs are more obvious than others. It's easy to connect a gas guzzling car and polluted air. But should we also make a connection between, say, economic sanctions and the suffering of innocents? Most liberals, for instance, object to U.S. government sanctions against Nicaragua on that basis; but they tend to support them against South Africa. How do we sort this out?

And what about protectionist legislation; should we make connections between it and greater unemployment in the Third World; or with the heightened international tensions caused by closing off markets for poor economies in this country? (Cf. also AFL #90)

Meeker-Lowry is not the only one without clear answers to these enduring and troubling questions. But without clear answers, in applying the Gaeian vision our political preferences take over.

Meeker-Lowry might respond to such differences that even though we may disagree about this or that connection between cause and effect, the important thing is that we start developing an enlarged consciousness about the "the larger web of relationships that affect and are affected by our decisions."

Maybe so. But without some consensus on the nature and importance of the strands of this "web," her vision of a Gaeian economy will remain an appealing but not very practical metaphor.

The best parts of Meeker-Lowry's book, in my opinion, are those sections describing the myriad innovative ways in which people already are investing their money to promote their goals. These descriptions are less infused by ideology and display more familiarity with the nuts and bolts of investing in socially responsible enterprises. The book is filled with names, addresses and phone numbers so that you can follow up ideas that excite you. That doesn't mean that all of these investments will do well. Many no doubt won't. But socially-conscious investing can be profitable.

DOING WELL BY DOING GOOD

In fact, last year such investment approaches more than held their own. Among the 100+ investment newsletters whose performance I monitor, for example, a socially responsible investment service called Clean Yield was one of the top ten risk-adjusted performers in 1988. Two of last year's best performing stock mutual funds, furthermore, were socially responsible ones.

Meeker-Lowry's book is not a primer on financial planning, but it does alert you to some criteria for investments. One of the most important, in my opinion, is: find out as much about the prospective investment as you would about a house you are thinking of buying. (Most investors, by the way, do not live up to this standard). This isn't always easy to do. But socially responsible investors have little choice. To the extent you are not intimately aware of what you

might invest in, you are vulnerable both to unknown financial risks as well as to ethically questionable aspects of the enterprise.

If you can't spend the time acquainting yourself with a company, that alone is a good reason not to invest in it. There are many socially worthwhile investments which will produce a perfectly satisfactory return. You are under no obligation to invest in any of them.

You could also hire a professional money manager to invest for you. There are a number of such advisers who will individually manage your portfolio according to specified criteria. This is relatively expensive (typical fees come to about 2% of assets per year, or more), but allows you to retain control over your money. A cheaper form of outside management is to invest in a socially responsible mutual fund, where management fees are very low. The disadvantage here is that you lose control over individual buy and sell decisions of the fund.

MANAGING YOUR MORAL INVESTMENTS

If you are interested in a mutual fund, investigate the fund's criteria for what is socially responsible as closely as you would those of an individual company. Too often I have come across investors smugly content that they are being socially responsible because their money is in one of the socially responsible mutual funds—yet they knew little of the fund's investment criteria. *My advice to them, and to you, is: Don't let someone else make your moral decisions, whether it is in the investment arena or anywhere else.* Not all socially responsible mutual funds are the same, and I suspect many of you would be surprised to discover the criteria used by some of them.

All this adds up to a lot of work, but Meeker-Lowry would agree with its value; and for that matter, even Jesus, who was no mean investment advisor (Cf. The Prodigal Son, The Parable of the Talents, the Wise & Foolish Virgins, etc.), often indicated that combining wisdom and harmlessness was not an easy task.

INSIDE: SEEKING GUIDANCE ON FRIENDLY INVESTMENTS; AND
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THIS MONTH IN QUAKER HISTORY

In last month's episode, we saw how the mainly Quaker townships of Dartmouth and Tiverton in Massachusetts Bay Colony resisted government pressure to pay taxes to support "able, orthodox, Learned ministers" from Harvard to maintain the colony's established Puritan religion in their towns.

By 11/1707, however, the colony's legislature, the general court, was fed up with the towns' insolence. It appointed a committee to draft two ministers. The committee named the Revs. Samuel Hunt for Dartmouth, and James Marsh for Tiverton, at annual salaries of 60 and 50 pounds respectively. When the towns refused to add these amounts to their local taxes, the general court invoked a new law allowing these sums to be added to the towns' tax bills owed the colonial government. But no dice: The towns protested the extra taxes and voted not to pay them.

By this time the governor and the general court were in no mood to compromise. The province treasurer was directed to levy the unpaid taxes on the es-

tates of the towns' Selectmen, and if these did not yield enough to pay them, then the Selectmen were to be jailed until the payments were made.

The next day the Selectmen notified the general court that their estates would not cover the amount of the taxes, so they were ready to go to jail. And on 12/20/1708, three Selectmen, two Quakers and a Baptist, were taken into custody.

Immediately the Quakers' Monthly Meeting prepared a petition to Queen Anne in London, asking her to free the three. This intimidated the Massachusetts authorities, because Quakers were known to be effective lobbyists with the crown ministers on behalf of their oppressed comrades. So by 2/1708 the legislature gave in, and voted to release them, provided the towns paid the rest of their colonial tax bill except for the ministers' salaries. The three were soon freed, and the non-ministerial taxes paid up; but no Puritan minister ever received any tax funds from Dartmouth or Tiverton.

QUAKER CHUCKLES

Two more stories of Quaker COs in World War Two, doing Civilian Public Service, from Don Irish of Twin Cities Meeting in Minneapolis:

#1. A CPSer went to a small rural grocery store to get some supplies for his unit. Among his purchases was a large sack of beans. Turning to leave, he dropped the beans. A moment later a local woman resident came in, noted his youth and vigor and asked, "Young man, why are you not in the Service?" Crouching and reaching in all directions, the CPSer replied, "Because I'm too busy picking up these darn beans!"

#2. Another CPSer's duties included a daily round of cow-milking at a large dairy farm. One morning an outsider came to the farm while he was milking a cow in the barnyard. Observing the youth's fine physical condition, the incredulous visitor walked up to him and demanded, "Hey, fellah, why aren't you at the front?" "Because, sir," answered the CPSer patiently, "the milk doesn't come out at that end."
