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The Dean Rusk Center was established in 1977 to foster interdisciplinary research, service, and education concerning trade and investment. U.S. fiscal and monetary policy has been a major focus of Center study because of its increasing impact on international commerce. Other areas of concern include international political and military relations and various types of social and cultural exchanges. The Center recognizes, however, that the internal affairs of nations remain the major determinant of international relations and that domestic concerns about the value of the society, its social dynamics, and the availability of resources will continue to vie for dominance in determining a nation's posture in world affairs. Thus, much of the Center's work dwells on domestic events and different disciplinary explanations of their presence and evolution.

Admittedly, the interactions of fiscal and monetary policy, international arrangements, and domestic events cannot be fully analyzed in a specific geographic or subject context. Nevertheless, many of the Center's policy development activities concentrate on the North American region and on related subjects of agriculture, national development, business-government relations, and public governance. These biweekly "briefings" reflect the convergence of the Center's diverse activities and interests.

Facts and details of events addressed in Briefings are gathered through a scanning of major daily newspapers and weekly periodicals, which are cited throughout each article. Sources of related policy and disciplinary material appear in a listing following each article. The purpose is to link facts with policy implications and academic points of view in order to present an integrated and in-depth approach to current issues. Views expressed are not necessarily those of the Rusk Center.

1. FISCAL AND MONETARY POLICY

FISCAL - THE DEFENSE BUDGET

In many respects, defense expenditures are like insurance premiums: while everyone agrees that some coverage is necessary, obtaining agreement on what constitutes adequate coverage is nearly impossible. Such was the case during the past two months as the Senate and House conferred on the fiscal 1983 defense authorization bill. The bill, cleared for the president in mid-August, authorizes $177.9 billion in defense expenditures—$5.8 billion below the administration request but still short of the $9.8 billion in cuts required by the budget resolution passed early this summer. Nearly a third of the congressional reductions came from strategic war programs such as the MX missile and Trident submarine systems. Given the growing public debate on U.S. defense policy in the face of burgeoning budget deficits and economic recession, the cuts were surprisingly moderate. The defense sector has been expanding at an accelerating rate, with contract awards in the first five months of fiscal 1982 7% higher than the average monthly rates in 1979. Actual federal outlays for military procurement are 26% higher, permitting the defense industry to grow 5% at a time when output in other industries declined by 9.4% (Bus. Week., 7-5-82, p.8; Aviation Wk. & Space Tech., 8-23-82, p.14+; Congressional Qtrly. Wkly. Report, 8-7-82, pp. 1909-5; 8-21-82, pp. 2099-65).

Reagan's 1983-87 defense program envisages a real growth of 8.6% per year to upgrade what the administration sees as a diminished U.S. strategic posture. Sources within the administration contend that global developments in the last five years and a neglect of the military by past administrations have left the United States in a vulnerable position, not only vis-a-vis its traditional commitments (e.g., NATO against the Warsaw Pact), but also in other areas where U.S. strategic interests are vital (e.g., the Persian Gulf and the Indian Ocean). The administration's national security strategy seeks both to enhance the strategic force and to improve the operational readiness and flexibility of the general purpose forces in order to cope with a wide range of
While questions of national security typically have no simple, clear answers, a number of critics believe that the administration's proposals will not fulfill its policy objectives. They believe not only that the increased expenditures are being applied in the wrong areas, but that U.S. security will be weakened by procuring big-ticket items of undoubted technological sophistication but of dubious combat capability. A military reform movement, made up of a diverse group of senators, representatives, and Pentagon and Defense Department officials, has been advocating that the government purchase larger quantities of lower-cost hardware. They argue, for example, that several smaller ballistic missile submarines would be more effective than a single billion-dollar Trident simply because their chances of survival are greater. Recent conflicts in the Falklands and Lebanon have reinforced these arguments.

On one front they have allowed critics to assert that new missile technology has rendered obsolete such big ships as aircraft carriers and reactivated low-class battleships. On another, they demonstrated that advances in electronic warfare can extend the useful life of many available planes and ships (Nat'l J., 7-3-82, pp. 1182; Bus. Wk., 9-20-82, pp. 74-79; Wash. Monthly, 4-82, pp. 12-21; World Press Review, 5-82, pp. 37-42).

Of more serious import is the view that the military-industrial complex is almost impervious to budget restraint and strategy innovation. The Pentagon has for a number of years sought to keep the defense industry sound by judiciously sharing military contracts. This in itself may be a rational security policy, but the relationship between contractors and procurers may have become too symbiotic. Some critics argue that the Pentagon bureaucracy is so ensnared with state-of-the-art weapons technology that military decision makers are unduly influenced by the defense industry that produces it. A major controversy has arisen over Pentagon testing procedures, especially with regard to the Aegis cruisers, the Pershing-II missile, the Army's Patriot surface-to-air missile, the F-18, and the AH-64 Apache attack helicopter. Senator

David Pryor (D-Ark.) has asked the Government Accounting Office to conduct a series of studies on how weapons are tested and would like to see an independent weapons testing office (Nat'l J., 7-24-82, pp. 1284-91; 9-4-82, pp. 1503-7; Sampson, 1977).

A past head of the Joint Chiefs of Staff has recently noted that the Joint Chiefs, as they are presently organized, tend to evolve policy by compromises that accommodate the bureaucratic interests of the individual services. The advancing of parochial interests will come as no surprise to students of public administration. The perverse budgetary implications of giving the various services free rein to set their own force goals and priorities should also be apparent. Foreign policy realities may be distorted and economic realities ignored in the pursuit of selfish service interests. On August 16, the House passed a bill (H.R. 6954) that endeavors to give the chairman of the Joint Chiefs of Staff a stronger hand in challenging competing service interests. The bill fails short, however, of curing the problem (Congressional Quarterly Weekly Report, 8-28-82, pp. 2132; Aviation Wk. & Space Tech., 7-19-82, pp. 19; 9-13-82, p. 17; Bus. Wk., 9-20-82, pp. 1344).

The internal dynamics of the military services are such that the size of their budget has become an important measure of organizational success. In obtaining as large a budget as possible, the services have considerable bargaining strength because of their expertise in defense matters; the president has no alternative but to delegate decision-making responsibilities to uniformed subordinates. Ironically, this very requirement often spawns divergent purposes among subordinates and reduces the probability that administration policy objectives will be faithfully implemented.

Clearly, the difficulty of deciding upon an appropriate level of defense spending makes the problems of political responsibility and organizational control especially acute. It may behoove Congress and the executive branch to seek means to rationalize the defense budgetary allocation procedure and to ensure an ongoing verification that defense
capabilities are in harmony with long-term foreign policy aspirations and domestic public sentiment (Kantor, 1979).


II. INTERNATIONAL ARRANGEMENTS

SOCIAL/CULTURAL - INTERNATIONAL TERRORISM

Ever since people have lived in ordered societies — with laws, traditions, procedures, and religious mores — individuals have sought to change the order (or maintain it) either for a perceived collective good or for personal gain and enrichment. These attempts may involve violence, sometimes aimed at people who have little or no direct connection with the major antagonists in a struggle. The world, however, is not consistent in its abhorrence of this violence. People rarely recognize that what is terrorism to one community may be perceived as necessary in another (Alexander & Gleason, 1981).

Terrorism is a difficult concept to define. In general, however, it can be thought of as "a strategy whereby violence is used to produce certain effects in a group of people," usually for a political or social end (Evans, 1979). Although terrorism is commonly attributed to groups with little or no political power, states are equally capable of using this type of strategy and at various times have; some do so today. In terms of casualties and political impact, state terrorism has been a far more potent force than terrorism carried out by nonstate groups (Rapoport & Alexander, 1982:127-32). Aside from certain reprehensible acts of communist governments which the U.S. opposes on ideological grounds, terrorism is often recognized only as a tactic of those waging war against an established state.

The months of August and September are illustrious. In France, the sixth recent attack was made against Jewish communities, resulting in 6 deaths and 22 injuries. Two groups claimed responsibility — a small anarchist group dubbing itself Direct Action, and Black June, a dissident offshoot of the PLO. In Bern, Switzerland, Polishnationalists occupied the Polish embassy with demands for a lifting of martial law in Poland and a release of political prisoners. This ended when the Swiss police stormed the embassy. In Italy, General Carlo Chiesa, mastermind of the Italian government's recent campaign against the Red Brigade, and his wife were killed. Finally, of course, was the massacre of Palestinian refugees in the West Beirut refuge camps of Sabra and Chatilla, for which Christian Phalangists are blamed, with the Israelis possibly guilty of gross negligence (Time, 8-23-82, p. 33; Chr. Sci. Mon., 9-10-82, p. 2; 9-15-82, pp. 14; N.Y. Times, 9-8-82, p. 3).

Each of these acts of violence and terrorism has its own rationale and reflects an ongoing conflict between opposing groups. It is a common mistake to portray the perpetrators as psychopathic, though in some instances they may be. Most often, a strong ideological, political, or nationalistic motive underlies terrorist acts. To send a rocket into a Jewish settlement in northern Israel may not be considered a heinous crime to many members of the PLO, just as many Israelis consider bombing or shellling a PL0 settlement as just retribution and retaliation. In each case people who are not direct participants in the conflict are killed and maimed; nevertheless, different parts of the world community react in favor of one side or the other. Only recently, for example, has a growing number of people in the United States and Western Europe began to realize, as a result of the horror of massacre in west Beirut, that PLO acts of terrorism grow out of very real frustrations and fears, as well as a conviction that no other means are available to bring attention to the plight of the Palestinians and their desires for autonomy (St. John, 1981; Orenshaw, 1981).
Certain terrorist groups, with strong convictions of both left and right persuasions, have anarchy as their sole aim. The ideological basis of these groups is normally so extreme that they represent a very minute portion of a country's population. The Red Brigades in Italy are prime examples. This form of terrorism leaves a democratic government no choice but to combat the phenomenon with all the security forces at its disposal. Political accommodation and compromise are out of the question. Even so, constitutional constraints and civil liberties must not be ignored in the process, for this gives the anarchists a measure of success: they have forced a freely elected government to restrict the liberties of the majority.

It is not this anarchic form of terrorism that demands such care in interpretation, but the nationalist/separatist type motivated by religious repression, socioeconomic deprivation, or lack of political representation. For a number of years the United Nations has focused discussion on national liberation movements and their relation to terrorism. This discussion has highlighted the need for international cooperation to curtail terrorist violence, but at the same time the Ad Hoc Committee on International Terrorism has noted the need to recognize the legitimacy of attempts to obtain the rights of self-determination where people are oppressed (U.N. Monthly Chronicle, 3-82; Lodge, 1981).

Humanitarians everywhere rightly condemn terrorism and the violence it spawns. Nevertheless, Western nations must recognize that terrorism motivated by factors of nationalism or self-determination will not disappear unless the fundamental causes are addressed. Trying to maintain the status quo by endeavoring to end terrorism with counterforce and repression is unlikely to prove successful in the long term. The international community can assist mightily in curbing the incidence of this form of terrorism. Initiatives and pressures that seek to bring opposing groups together in a search for political compromise should be fruitful. In this way traditional alliances are more likely to remain stable and secure to the benefit of all.


II. DOMESTIC ISSUES

RESOURCES - FINANCIAL CRISIS IN THE PUBLIC SCHOOLS

American public schools are suffering from a crisis of nonsupport. At a time of economic uncertainty, with budgetary reductions the norm, public schools need more money to perform their basic functions. That is not forthcoming results partially from a lack of confidence that the schools can perform their function and partly from the antispending and antitax attitudes prevalent among the electorate. Reinforcing these factors are demographic trends causing decreasing enrollments in the public schools.

Education is expensive. Schools cannot continue to use programs and approaches applicable a decade ago, because their mission is to educate today's students to perform successfully in tomorrow's world. Thus, new programs must be developed, high-technology equipment purchased, and capable people hired (in competition with the private sector) to make the classroom a vital, meaningful place. But school districts around the country are feeling the combined impact of recession,
budget cuts, and declining enrollments. In some areas, as a counter-
trend, class sizes are increasing while school systems are being forced
to eliminate entire programs. At the end of the 1981-82 school year,
more than 55,000 teachers received lay-off notices (N.Y. Times, 9-7-
82, pp. 14; Chr. Sci. Mon., 9-7-82, pp. 14).

The city schools of St. Louis, Missouri, provide one example of the
magnitude of the financial problem facing schools across the country.
Since 1976 school costs have increased 63% while tax rates have remained
about the same. This year the school board deficit increased to $26
million as federal aid declined by $12 million and tax revenues by $2.4
million. A proposed tax increase for the benefit of the school system
was recently defeated at the polls, with the result that 24% of the
school work force was laid off. At the elementary school level, art,
music, and physical education programs were eliminated, as were the
ancillary services of nurses, librarians, and teachers’ aides. At the
high school level, all sports except varsity baseball and basketball
were discontinued (N.Y. Times, 9-5-82, pp. 14).

Reasons for this decline in support for public education are mul-
tiple. One of the most difficult to deal with is demographic: a
decreasing proportion of adults -- 27% now as compared with 36% in 1970
-- have children in the public schools. Thus, the natural constituency
of the schools is declining while the total number of senior citizens in
the population continues to rise. This latter age group has a high
propensity both to vote and to resist property tax increases, from which
a major portion of school funds are raised. In fact, local voters have
been turning down school taxes and bonds at a striking rate since the

The number of people with no direct stake in education will con-
tinue to climb. To combat this trend, many school systems are trying to
involve people without school-aged children by having them participate
in curriculum selection and by leaving school buildings open for commu-
nity use at night and on weekends. But the success of these efforts may
be insufficient to generate the necessary support. The only segments of
the population showing a rapid increase in school enrollments are low-
income groups and Hispanics, who typically have low voter turnout and
little political influence. Special programs, such as bilingual educa-
tion and remedial training, are needed for many of these students; but
the institution of such programs tends to decrease support among parents
of mainstream students and others who are less likely to vote (N.Y. Times, 9-7-

Another reason for declining support of public schools is the wide-
spread notion that they are failing in their educational function. A
1975 study by the U.S. Office of Education found that 22% of the adult
population had inadequate reading skills. Other research has found that
19% of high school graduates are not qualified for occupations requiring
minimal literacy. Similar problems with mathematical skills are evi-
dent. Interestingly, private schools are not much better at teaching
basic skills. According to recent studies, no statistically significant
private school advantage exists nationally, at any age, in either reading
or math. While average scores for private students were gener-
generally higher than for those in public school, socioeconomic differ-
cences in the two populations account for the variation. This suggests
that the failure of public schools comes in teaching students with low
socioeconomic status -- those often needing remedial education programs

Many people also believe that public schools have failed to main-
tain discipline within the classroom. A recent Gallup poll found that
70% of those responding felt discipline was a very serious or fairly
serious problem in their schools. The perception seems to be that the
schools today constitute a lawless environment where teachers have lost
control over the students. In fact, most schools are not dangerous.
Some social scientists have concluded that the great difference in dis-
cipline is not that it is much worse now, but that it receives more
attention. If school violence has increased, parents must share part of
the blame, since research has consistently shown that good relationships
between parents and children are highly important in the control of
delinquent behavior. Schools are unlikely to replace parents in
controlling antisocial behavior, even if Americans collectively feel responsibility should belong to the teachers (N.Y. Times, 9-7-82, p. 05; Harlan & McDowell, 1981; Neapolitan, 1981).

Evidence suggests that people without a direct stake in the public education system are unwilling to have their money spent so that the children of others can learn. This trend runs counter to the generally accepted notion that the provision of a minimum free public education is a fundamental duty of, if not an absolute necessity for, American democracy. Education does result in lower ethnic and racial prejudice and provides a better grasp of the fundamentals of the Constitution. Such benefits argue for increased public support of schools (Johnson, 1982).

Declining support for the idea that the public has a responsibility for educating society's young has one particularly damaging aspect: it disproportionately affects those least able to accept individual responsibility for their education. Programs for disadvantaged groups most frequently are the ones terminated when budgets are cut. Without necessary remedial programs, many students from poor families will be unable to aspire to the better jobs which increasingly require high levels of verbal and quantitative competence. The danger is that a permanent underclass of citizens will be created, unemployable except in the most menial tasks.

The real misfortune in the apparent abandonment of public responsibility for education is that educational programs, particularly those providing remedial skills, work very well. Special programs for minority and disadvantaged groups have resulted in lower dropout rates, higher attendance rates, fewer discipline problems, and better students. For each dollar spent on literacy, an estimated six dollars will be added to future national income. Moreover, fewer welfare and unemployment benefits will need to be paid out (Johnson, 1982).

Education has always been regarded as the great equalizer in American society. No matter where one comes from, the notion goes, with a good education each person has a fair chance of finding meaningful employment and an improved economic situation. No one claims that realizing this ideal is easy; education is an expensive — and difficult — proposition. But the creation of an underclass in American society, with the consequent increase in crime and income maintenance payments, is expensive as well. The cost of the former may be easier to bear than that of the latter.


IV. NORTH AMERICA

U.S.-CANADIAN TRUCKING DISPUTE - The United States and Canada have been experiencing conflicts over trucking regulations. U.S. truckers again claim that regulations of Canada's Foreign Investment Review Agency (FIRA) and of the separate Canadian provinces are used to discriminate against them. For their part, Canadians point to the Motor Carrier Act of 1980, which deregulated the trucking industry, as the source of the problem. The most recent developments in the dispute came with the September 20 passage in the U.S. of the Bus Regulatory Reform Act, which provided for a two-year moratorium on granting new entry permits to Canadian and Mexican truckers. The bill also gave the president
discretionary power to lift the moratorium if he determined it was in the national interest to do so. Reagan signed the act into law and then invoked the power given him (J. of Commerce, 9-22-82, p. 2A). In a memo to U.S. Trade Representative William Brock, he made clear, however, that no Canadian truckers would be issued new entry permits unless the transportation they were to provide served a "useful public purpose" or was "in the public interest."

Policy changes on both sides of the border have contributed to the recent strain on U.S.-Canadian relations. FIRA was legislatively created in 1974 as part of the Canadian government's overall program to "Canadianize" important sectors of Industry—that is, to ensure Canadian control and ownership over areas of the economy most vital to the country's development. Because American corporations are the largest foreign investors in Canada, they have been most hurt by Canadianization (Bus. Wk., 6-29-82, pp. 80-87). The U.S. has $44.6 billion invested in Canada (U.S. News & World Report, 9-21-81, pp. 65-66).

FIRA's main purpose is to review new investments in Canada, but it also oversees changes in ownership of Canadian subsidiaries of foreign firms. FIRA has shown its determination in many cases to block mergers and stock sales between U.S. and Canadian companies. The effect has been to depress the value of foreign assets in Canada. U.S. businesses wishing to invest in Canada have two major complaints with FIRA. First, the standard for obtaining permission to make Investments—that they be of "significant benefit to Canada"—is set so vague and subjective. This view is compounded by the secrecy of FIRA's investigations. Second, potential investors have been required to agree to legally binding obligations without reciprocal promises of permission to come into Canada (Dept. of State Bulletin, 6-82, pp. 50-55). FIRA has singled out truckers, but they have felt the effects of the agency.

American truckers also feel that provincial regulations discriminate against them. Because a 1967 effort to provide for federal regulation of the motor carrier industry in Canada never gained approval, no

agency analogous to the U.S. Interstate Commerce Commission (ICC) provides uniform set of rules governing trucking in the country. Provincial transport boards are free to determine their own regulations, with the result that they form a confusing and often contradictory patchwork. Although Canadian carriers seeking entry into provinces through it. Although Canadian carriers seeking entry into provinces must pass the same public necessity test as U.S. carriers, American truckers stress that the strict, uniform rules they face in Canada, along with the barriers erected by FIRA, place them at a disadvantage compared with the situation facing Canadian carriers who apply for entry into the U.S. under the new ICC regulations.

The Canadians claim that their laws and procedures relating to trucking have remained constant and that so long as U.S. trucking was also a regulated industry, no serious conflicts existed between carriers in the two countries. Problems arose only after President Carter, as part of his program of regulatory reform, enacted the Motor Carrier Act of 1980. The purpose of the Act was to replace protective and wasteful regulations with competition and free market discipline. The Act was also viewed as an anti-inflationary measure. Officials estimated a savings of $1 billion in reduced consumer costs and conservation of hundreds of millions of gallons of fuel annually (Nkly. Compilation of Presidential Documents, 7-7-80, pp. 1261-67). Canadians wonder why they should be penalized when they contribute to the stated goals of U.S. policy, on the one hand; or on the other, why they should alter their own policies and goals to conform to changes in American law.

Studies in the U.S. since deregulation show a general improvement in the U.S. trucking industry. The new standard for entry into the common carrier business is "proof of fitness, willingness, and ability to serve," a much easier burden than the earlier proof that the proposed service would serve a public need; others were not providing. Because of the new and lower standard, new companies and individuals have entered the industry, creating greater competition and forcing truckers to study their markets and rates. As anticipated, consumers have benefited (Harper, 1982; Kahley, 1982). Deregulation also benefited Canadian
truckers, because the ICC standards for licensing apply equally to them. In the U.S., Canadian truckers have opportunities to develop long routes because of the abundance of good roads and the concentrations of manufacturers, neither of which are as plentiful in the sparsely populated expanses of Canada (Purdy, 1972). However, Canadian truckers hardly pose an overwhelming threat to American truckers, though the contrary may have some truth. Canadians fear that if regulations are relaxed in their country, U.S. carriers will gradually dominate Canadian trucking.

The conflict over trucking regulations is merely one part of a larger ideological conflict between the two countries. President Reagan, expanding on some of the goals of the Carter administration, has been working to reduce the influence of government in the private sector, allowing it freedom to grow in hopes that it will help solve some of the nation’s economic troubles. The Trudeau government, faced with the problem of leading a country larger in land mass than the U.S. but with a population of only 24 million, has been struggling to develop stronger federal control over powerful and fractious provinces, as well as to reduce the foreign domination of Canadian industries (U.S. News & World Report, 9-21-82, pp. 55+). The consequences of efforts to achieve the latter goal have so incensed the U.S. government that it has begun filling complaints against Canada under the General Agreement on Tariffs and Trade (GATT). Some observers feel that Congress needed little encouragement from the motor carriers’ lobby to pass a measure designed to interfere with Canadian trucking in the U.S.

These events are occurring against a backdrop of recession in both Canada and the U.S., though Canada’s economy is in far worse condition than that of the U.S. Many Canadians feel they have been dragged into recession largely because of their southern neighbor’s tight monetary policies and high interest rates, but general world conditions (notably slumping demand for oil at a time of global oversupply) and Canada’s own economic and nationalistic policies are also contributing factors. Despite the extreme economic interdependence of the two countries, economists project that the Canadian economy is now in such bad shape that a U.S. recovery will not be enough to allow Canada even a weak recovery in the near future (Bus. Wk., 6-28-82, p. 80). Perhaps more likely is the possibility that the economic crisis in Canada will make U.S. recovery more difficult.

The U.S. sends more than one-sixth of its exports to Canada—twice as much as to Japan, its second-largest trading partner. Canadian sales to the U.S. account for over 60% of its total international trade (Dept. of State Bulletin 6-22, p. 50). Approximately half the goods transported across the border are carried by truck, possibly explaining why President Reagan suspended the moratorium.

The furor over trucking is another example of how the domestic needs of a country interact with its foreign policy decisions. Both the U.S. and Canada have changed domestic policies over the last several years in efforts to bring economic stability and efficient competition within their respective borders. Although the countries share a common heritage, are neighbors and one another’s largest trading partners, they face different economic problems and must manage their internal affairs in a different way. By trying to ease internal difficulties, both countries are finding they are creating problems with one another. Somehow balancing domestic and international needs must be achieved. Countries cannot continue to seek only to solve domestic problems when the price in friction with international neighbors, friends, and allies becomes too high.

V. EDITORIAL

PUBLIC INFORMATION AND SMALL BUSINESS - In recent months the business press has regularly reported on the rising number of corporate failures. The special problems of a few well-known companies, such as International Harvester and Manville Corporation, are widely discussed, but small businesses constitute the bulk of commercial bankruptcies. Federal leaders are nevertheless advocating the curtailing of services provided by the Small Business Administration and other agencies concerned with state and national commerce. In contrast, information coming from the government is proliferating -- including regulations and directives affecting business. A prominent example is the recently passed Tax Equity and Fiscal Responsibility Act of 1982, over 100 pages long; another is the lesser-known promotional program of the Agency for International Development to increase U.S. overseas sales and investment. This flood of information has created a burgeoning industry of "information service" intermediaries promising to bridge the gap between business enterprises and the information that documents the expansion, contraction, and transfer of programs at all government levels. The federal government is in fact encouraging the development of intermediaries through such legislation as the pending trading company bill.

The growth of government information, unabated for nearly half a century, is no less remarkable than the electronic technology that is affecting many aspects of business and private life. National organizations serving business, such as the U.S. Chamber of Commerce, are developing closed-circuit satellite television systems to conduct seminars for members and to mobilize them politically. Microcomputer and minicomputers are being used by small businesses, farmers, and individuals as an aid in managing their affairs. Chemical Bank of New York, for example, offers a service allowing customers to carry out banking and financial transactions at home using a personal computer. Similar services were established nearly a year ago by the First Bank System of Minneapolis to serve remote farm areas. This fall the annual Georgia Sunbelt Exposition in Moultrie, which attracts over 200,000 people during a three-day period, will have exhibits on the application of small computer technology to all facets of farming and agribusiness.

The information field has already developed a natural sequel to this expansion of data processing and communications capacity. Various services offer customers combined access to more than 500 data bases, which provide a wealth of information through the telephone. One major service, DIALOG, controls over 130 data bases, ranging from up-to-date catalogs of newspaper articles to highly technical searchable data in the medical, chemical, and biological fields. Another data base, AGNET, developed with the support of the U.S. Department of Agriculture, provides climate, crop, and market data updated every 24 hours. Financial data bases are marketed through Dow Jones, and detailed shipping data on boats, routes, times, and rates are being put on-line by the Journal of Commerce in New York.

As data bases expand, more enterprises are marketing comprehensive information services tailored to the needs of individual clients or groups. SOURCE provides subscribers with news, financial, entertainment, and travel information through low-cost home computers. Inc. Publications, with one of the nation's fastest-growing magazines, offers a customized information service to small business clients. On the most elaborate scale, an international consortium of financial interests has created IRIS, headquartered in Washington, D.C., whose staff daily gathers information from over 90 countries; analyzes it with the help of country and subject specialists drawn from the CIA, Department of State, and elsewhere; and relates it to specific client needs. A company may pay $100,000 a year for this service.

New developments in electronic technology and information management will continue to occur at a rapid pace during the next year. Several major companies will be marketing sophisticated portable units for under $1,000, to receive and store information. Specialized information bases catering to distinct groups will multiply along with low-cost access through national communications networks. The American Bell, Inc., a new nonregulated corporation comprising AT&T's manufacturing,
research, and long-distance operations, will probably offer a variety of new services through monthly leasing. New office buildings are being equipped with centralized computer facilities and communications lines to each office. Even small service enterprises will thus have access to sophisticated data-processing, communications, and word-processing facilities. With the ready availability of these new technologies and electronic data bases, small enterprises will be able to obtain information designed specifically to meet their needs. Programmed data retrieval offers an unparalleled opportunity for small businesses to keep abreast of the exponential expansion of information created by private and public organizations. In essence, small firms will be able in the near future to access vast bibliographical resources and locate targeted materials in minutes.

While such creators of information as newspapers and magazines prepare to deliver their material electronically, the greatest source of vital information -- the government -- continues to ignore its obligations to deliver information efficiently. While the phrase 'ignorance of the law is no excuse' properly connects the responsibility of citizens to know the law, massive ignorance and escalating noncompliance are nevertheless becoming more prevalent. Much of the blame must be placed on the government's failure to develop an effective means of getting the right information to the right people. Unfortunately, budgetary restraints have already curtailed resources for hiring auditors and obtaining other traditional means of coping with noncompliance.

Citizens should demand that the government seek new ways to match the information it generates with relevant groups that have a need to know. The task is not a monumental one. Currently, staff members and officials of both executive and legislative branches must project the economic consequences of proposed laws. To do so, they must know what kinds of people and organizations are likely to be affected. Given this knowledge and the fact that nearly all printed materials are now drafted and stored electronically, with an additional minimal effort legislative rules and regulations could be coded to allow interested parties to search the entire body of law and retrieve only those portions relevant to them.

Congress should set an example for other governmental bodies by beginning now to make its activities electronically searchable and available to the public. Currently, electronic access to those important public materials is jealously guarded for use by legislative staff only; other Americans are forced to satisfy their need to know by wading through such massive documents as the Congressional Record, the Federal Register, and compiled U.S. statutes. Even governors, who under the new federalism should have easy access to developments at the federal level, have been frustrated in their attempts to access materials electronically, even though the incremental cost would be extremely low.

When the government refuses to address its responsibility to disseminate information efficiently and effectively, it discriminates particularly against small businesses that do not have the resources to scan all materials systematically. To fill the void, the Information Service Industry sells public information at a substantial price. If, however, federal and state agencies prepared their information for direct public access, major cost savings would accrue not only to the commercial sector, but to the society at large.

---Frederick K. Huszagh