with a decade of attacks upon China, Mussolini seized Ethiopia, Hitler marched into the Rhineland, Austria, Czechoslovakia, and then into Poland. The League of Nations (and the United States) proved unwilling or unable to stop these major acts of aggression short of a war which cost more than 50 million lives and the devastation of much of the Northern Hemisphere.

We came out of that war thinking that collective security was the key to the prevention of World War II. It was written clearly and precisely into Article I of the United Nations charter and was reinforced by collective agreements in the Western Hemisphere, across the Atlantic, and across the Pacific. But we must acknowledge that the idea of collective security has eroded considerably. One can understand how many Americans think that if collective security is to cost us 50,000 dead every 10 years and is not even very collective that collective security is not a very good idea. That still leaves us with the overriding question of how to prevent World War III. It may be that the present generation of young people will find a much more complicated answer than the rather simplistic notion of collective security. Maybe their answer will be more like a bundle of sticks, no one of which will do the job, but which all together can succeed. Even so, amid all of the talk of nuclear weapons and the shadow of nuclear war there is little in the shape of a debate on how we are to prevent the war which must never happen if the human race is to survive.

----- Dean Rusk
The Deen 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.

I. FISCAL AND MONETARY POLICY

FISCAL - EMPLOYMENT PROGRAMS

In 1978, President Carter signed into law the Full Employment and Balanced Growth Act, popularly known as the Humphrey-Hawkins Act. That law promised coordinated fiscal, monetary, and programmatic actions to decrease adult unemployment to 4% and inflation to 3% by 1981. Critics of the bill pointed out that the time the difficulty of combating inflation and unemployment simultaneously. Indeed, while the inflation rate has declined substantially during the Reagan administration, an ongoing recession has resulted in a marked increase in unemployment. Administration spokespersons have indicated that, at steady growth rates, it could take five or six years to reduce unemployment to 6% or 7% with only moderate inflation (Poole, 1981; Wall St. J., 11-30-82, p. 3).

With unemployment now well above the 10% mark -- and by some accounts still rising -- there have been increasing calls for some action by the federal government to create jobs for the unemployed. Congressional leaders have proposed public service jobs programs and relaxation of the inflation-fighting monetary policies of the Federal Reserve as ways to alleviate the unemployment problem. The administration has cautioned that such programs would increase the federal deficit and lead to another round of high inflation. Again, the traditional wisdom that programs to fight inflation and unemployment are incompatible is reflected (Wall St. J., 11-30-82, p. 3; 12-10-82, p. 2).

In the context of this debate over the optimal federal role in job creation has come the administration's proposal for a gasoline tax to pay for highway repairs around the nation. The administration has resisted the attempts of some to characterize this program as a jobs proposal. Indeed, even though some new construction jobs may be created, the gas tax could also cause job dislocation in other sectors of the economy, as in automobile manufacturing. Properly speaking, the gas tax plan does not belong in a debate about jobs or inflation. While its on result may be to exacerbate either problem, repairing the highways
Is important to the maintenance of the transportation infrastructure of the economy (Wall St. J., 11-30-82, p. 31; Wash. Post, 12-10-82, p. F1).

The problem remains, however, of how to deal with the current high levels of unemployment. The traditional approach, and the usual Keynesian economic prescription, is to increase government spending. The present massive size of the federal deficit and the fears of renewed inflation make this alternative unacceptable to many. The Reagan administration has argued that the problem will eventually correct itself as the economy recovers from the recession. Some data indicate, however, that more favorable employment and real income trends are necessary before sustained growth can occur in such important sectors of the economy as housing and the automobile industry. High interest rates and increasing concerns about unemployment have deepened confidence in the ability of government economic policies to promote more favorable future prospects. With consumer and business expectations at such a low, sustained growth will be difficult to achieve (Wall St. J., 12-10-82, p. 2; Curtin, 1982).

Even in the process of economic recovery, unemployment will continue to exact a real human cost. While unemployment occurs on all income levels, it is most frequent among lower-income families. In addition, the duration of unemployment tends to be longest for them. Some figures indicate that the poor are more than two times as likely to be unemployed as the general population, and the duration of their joblessness is likely to be twice as long. At best, these families will receive payments from the government to make up for their lost paychecks -- payments which increase the federal deficit and may contribute to inflationary pressures. At worst, these families may fall through the social safety net. It would appear, therefore, that jobs programs are needed in order both to decrease poverty and to minimize the need for governmental income maintenance payments (Gyscavage, 1982; Corcoran & Hill, 1980).

Researchers have determined, however, that reduction of unemployment does not have a large impact upon the level of poverty in the country. It has been estimated that the number of persons living in poverty between 1967 and 1975 would have been decreased by about 10% if all unemployment of household heads had been eliminated. One reason for this result is that many poor are from households whose head is a non-worker. In addition, the lower-income population tends to be the least qualified for higher-income jobs. The jobs for which they are qualified tend to be at the low-income end of the scale. The existence of public assistance, therefore, sometimes acts as a deterrent to a recipient's taking a job. With the high costs of going to work, including child care, transportation, and food, many are better off on assistance programs than they would be if they had jobs. Apparently, a simple increase in the number of private sector jobs is not sufficient in itself to reduce either unemployment or poverty. The disincentives to taking employment must also be decreased, and the hard-core unemployed must be trained to become marketable for jobs with pay above the poverty level (Poole, 1981; Corcoran & Hill, 1980; Bierker, 1982).

Past experience indicates, however, that for several reasons the traditional method of creating public service jobs fails to meet all these goals. First, very little employment is actually generated by such programs in relation to the money expended. The Office of Management and Budget (OMB) has determined that only 25% of the budget of the typical public works project goes to direct employment. The other 75% has no employment effect, going instead to cover administrative costs. In addition, the OMB found, very few workers employed in the programs were unemployed before being hired. Finally, because between 50% and 75% of the jobs on public works projects are skill positions, the chances of benefiting the hard-core unemployed are minimal. Such programs seem most likely to result in a deleterious increase in the federal deficit, with its attendant inflation. The cost of decreasing unemployment by 1% through public works expenditures has been estimated at more than $80 billion (Wall St. J., 11-30-82, p. 30).

Traditional approaches to the unemployment problem, then, seem unlikely to succeed, and their primary result could be a renewal of inflation. Since such a small proportion of public expenditures would
actually achieve a real increase in the overall national production of goods and services, these expenditures would simply put more money into the economy, increasing demand but not the potential to meet that demand through an increased supply of goods. It is perhaps time to consider more innovative approaches to the problem. For example, if government spending were to create new resources -- in this case, new skills for the presently skillless hard-core unemployed -- inflationary and deficit-increasing pressures would be minimized. Instead, the present public works approach, combined with welfare payments, tends to force up bidding for already scarce skilled workers, as well as to drive up prices -- but does not add to the supply of resources. Needed are innovative, coordinated fiscal, monetary, and programmatic actions designed to decrease unemployment and inflation through the creation and development of resources. In short, what may be called for is a renewed and carefully designed commitment to the goals of the Humphrey-Hawkins Act (Schmid, 1982).

II. INTERNATIONAL ARRANGEMENTS

POLITICAL/MILITARY - NATO, NORWAY, AND MOREPOLITIK

In recent months, controversies have raged within the NATO community about how the North Atlantic alliance should defend itself, about the level of commitment the U.S. does or should have toward Europe, about the degree to which European nations should contribute to NATO's budget, and about the types and numbers of weapons that should be deployed. The focus of attention has been on central Europe, with less attention paid to the northern flank, comprised of Denmark and, perhaps more importantly, Norway. Yet this northern flank is of vital strategic importance to the entire North Atlantic community.

Recently, some questions have been raised about the strength of Norway's commitment to NATO. In late November, the opposition labor party tried to obtain a no-confidence vote against the standing conservative government on the issue of NATO membership. The vote failed, but it did point up the fact that some elements of Norwegian society do question the value of NATO to Norway (USA Today, 11-23-82, p. 9A). A third of Norway's labor party had earlier voted against a Norwegian contribution to the installation of theater nuclear weapons in other NATO countries. In addition, Norwegians, along with other Scandinavians, have discussed for some time the possibility of establishing a nuclear-free zone in their region, and some have suggested that the peace marches and petitions cast doubt on grass-roots support of Norwegian membership in NATO. Despite these supposed indications of waning interest in NATO, recent opinion polls show that Norwegian support for NATO membership has never been stronger. Today it approaches 79%, as opposed to 67% in 1973 (Economist, 9-4-82, pp. 51a).

Nevertheless, there may be some cause for concern. Norway's geopolitical position is different from that of other NATO countries. It is the only NATO nation, other than Turkey, that shares a common border with Russia, and the other nations in its region are neutral. This has allowed Russia to apply economic and territorial pressures directly to
of conventional to the use of theater nuclear weapons, Norway has held steadfastly to the original agreement under which it joined. As other NATO members have moved to more and more destructive weapons to secure their defense, Norway has turned to the concept of Nordpolitik.

Whether Norway has chosen wisely in its strategy for defense and/or survival in the event of war can hardly be known in advance. What is clear to some observers is that the northern flank of NATO is poorly defended (Sokolsky, 1981). The present level of preparedness is considered particularly worrisome in light of the enormous Soviet military buildup on its Kola Peninsula, to the east of the Norwegian-Russian border, and in the large increases in the Soviet northern fleet. While the Kola buildup is part of Russia's global strategic posture rather than a direct menace to NATO's northern flank, these military installations do improve the Soviet potential for rapidly overcoming Norway in an attack, particularly since NATO's permanent naval presence in the north is extremely weak. If Norway should fall, Britain would have to fill the void; the vital sea lines of communication between the U.S. and Europe would be seriously exposed; use of the North Sea would become untenable; and Norway's ports and airfields would be a menace to the rest of Europe (Sokolsky, 1981).

The more immediate threat to Norway of the Soviet military presence in the far north is the possibility that Russia will use its northern fleet to intimidate Norway with regard to the conflicting claims of the two countries in the Barents Sea. Complaints Norway has lodged against the Soviet Union include the overharvesting of fish and destruction of the environment in the Barents Sea. In addition to these issues, Norway must eventually reach agreement over the demarcation line extending 200 miles from the coast and separating the exclusive economic zones of the two countries. Russia is presently claiming the right to establish the line far to the west of the one that would normally apply (Economist, 10-16-82, pp. 73; Holst, 1981; Booth, 1981).

Given the failure of détente between Washington and Moscow, the fear is that Russia will use Norway's strong desire for détente, the
lack of permanent NATO naval presence in the north, and its own ability to offer concession in the Barents Sea to pull Norway away from NATO and toward neutrality (Sokolsky, 1981).

Thus, from one perspective, Nordpolitik can be viewed as a threat to the Atlantic alliance. At a minimum, some NATO strategists would welcome a greater NATO naval presence within the northern flank. But Norway has rejected the idea of troop buildups in the North on grounds that they would simply be matched by equivalent or larger buildups of Russian troops. Nordpolitik would likely also limit Norway's support of a naval buildup even if it were judged economically feasible.

In another sense, however, Nordpolitik offers opportunities to the NATO community. For example, Norway is trying to develop a system of warning signals with the Soviets to reduce tensions in the area, and it could be fundamentally correct in perceiving that those tensions can best be alleviated by refusing to challenge the Soviet posture on the Kola Peninsula (Hoist, 1981). If Nordpolitik can provide a framework through which tensions between Moscow and Oslo are eased, the NATO community would have open to it the possibility of extending that framework to the rest of Western Europe.

Clearly, it is in the interest of the other members of the Atlantic alliance to give serious consideration to reinforcing Norway's role in it. At a minimum, efforts should be made to ensure the NATO capability for rapid deployment of troops to Norway in an emergency. This would go far toward assuring Norway of NATO's commitment to its defense, and it is perhaps more important than any other factor in securing a reciprocal commitment from Norway.

Clearly also, other approaches to strengthening the northern flank should only be taken in light of open communications among all involved parties. Despite the perceived need for a stronger northern fleet, many Kremnologists feel that neither the U.S. nor NATO, should act opportunistically during the transition period for the Soviet leadership.


III. DOMESTIC ISSUES
VALUES - ADAPTING SOCIAL SECURITY TO LATE TWENTIETH CENTURY NEEDS

When President Franklin D. Roosevelt signed the Social Security Act of 1935 into law, he said that 100% of the population could not be protected against 100% of "the hazards and vicissitudes of life" but that the plan would provide some protection to "the average citizen and to his family against the loss of a job and against poverty-ridden old age" (Myers, 1981). During the last 47 years tremendous changes have occurred in the over-65 population -- in the way they live and in their life expectancy. As a result, their needs have greatly changed. Retirees in 1940, when the first Social Security check was issued, had an actuarial life expectancy of 3.5 years after eligibility at age 65; and having come out of the Great Depression with little, if any, savings, they were poorer than the rest of the nation generally. Today, because their productive years coincided with a period of strong economic growth, most of the over-65 group are no longer poor. Their per capita income is higher than that of the general population, and two-thirds own at least one home. This is not to say that no one over 65 is poor; over half the 5.8 million older single women live on incomes of less than $5,000 a year (Atlantic, 11-82, pp. 51). But generally those over 65 are financially better off than their parent's generation.

Today a worker may retire at age 62 and collect up to 80% of the total benefits scheduled. Because average life expectancy is now 75, retirees can expect to receive benefits for 13 years rather than 3.5, and retirement age will rise as life expectancy continues to expand.
The ratio of retirement time to work time has increased from 8% to 33%. Moreover, Social Security pays benefits to all qualified retirees -- it is a program of public insurance, not public assistance. Benefits are paid to retirees who clearly are not dependent, as well as to those who rely entirely on Social Security for support. Because of the nature of the program and the compulsory contribution feature, all the employees who have been required to pay into the system are entitled to collect when they qualify regardless of their actual need (Myers, 1981).

The system does not work in the same manner as an insurance policy on pension plan, however. The contributor does not draw out of it in a ratio to the contribution. Low-income workers receive larger benefits relative to their contributions than do high-income workers; workers with dependents are entitled to larger pensions than single workers with equal contributions; and the most distinguishing characteristic of the system is that it is a pay-as-it-goes intergenerational transfer of wealth. Today's workers are paying for the benefits that their parent's generation are currently collecting in the expectation that when they retire, their children's generation will pay for their benefits (Bus. Wk., 11-29-82, pp. 69+). There is no large trust or group of investments accumulating income for the worker's future retirement. Rather, as taxes come in, they are paid out in benefits, with only a small amount retained as a butter in the trust (Robertson, 1981).

But will future generations be able to continue paying for the benefits of the older generation? Currently, the $195 billion paid to over 35 million beneficiaries each year makes Social Security one of the largest domestic government programs (Bus. Wk., 11-29-82, pp. 68+). The burden of Social Security payroll taxes is increasing at a rapid pace. When the system began in 1935, a worker paid 1% on a wage base of up to $3,000, for a maximum $30 annual contribution. Employers then, as now, matched that contribution. Today's worker pays at the rate of 6.7% on a wage base of $32,400, with a maximum annual contribution of $2,171. Incremental increases are scheduled until 1990, when the tax will stand at 7.65% on a wage base of $57,000, for a maximum contribution of $4,361. Self-employed individuals now pay 9.55%, with a scheduled increase to 10.75% in 1990 (Robertson, 1981). Scheduled increases may be accelerated, however, so that workers may face higher costs sooner than expected. The total amount of federal expenses for Social Security and federal pensions is larger than ever: one of every three dollars spent by the federal government this year will be for pensions or medical care for those over 65 (Atlantic, 11-82, pp. 51+).

The prediction for 2030, after the post-World-War-II "baby boom" generation retires, is that 25% of each of two workers' wages will be required to support one beneficiary (U.S. News & World Report, 6-7-82, pp. 35+). Will today's 17-year-olds be willing to give up 25% of their earnings to support their parents' generation, especially in view of the fact that that generation will not get out of the system what they put in when they contributed? In the past, workers on average received more in benefits than they contributed. For example, workers who retired in 1960 took out 6.5 times as much in benefits as they contributed; 1970 retirees, 3 times as much; and 1980 retirees, 2.25 times as much (Atlantic, 11-82, pp. 51+).

Changes must obviously be made, but they must be fair to all involved -- future, as well as current, retirees and workers. Major changes can be made in only two places without changing the nature of the system from public insurance to public assistance: Taxes can be increased or benefits lowered. But who will be forced to make the sacrifice? Current beneficiaries cannot be cut off, and workers who are paying into the system to provide benefits for today's retirees should not bear the burden alone. Fairness becomes an important consideration in any decision. The public, based on opinion polls, favors the retention of the Social Security program and is willing to pay increased taxes to keep the system going (Myers, 1981).

Congress is trying to continue the system without dramatic changes in the way it operates. Suggested changes include: bringing federal and nonprofit organization employees into the program, thereby creating a larger number of contributors; increasing the retirement age to 68; indexing cost-of-living adjustments to wages or prices, whichever is
lower (the present indexation to prices has, because of inflation, caused benefits to rise more rapidly than contributions); decreasing benefits; and increasing payroll taxes (Bus. Wk., 11-29-82, pp. 69+).

But in light of the enormous changes during the last 50 years, perhaps the system should be changed dramatically. The unanticipated increase in life expectancy is predicted to continue, along with a decrease in the birth rate. One expert advances an idea which he calls "The Freedom Plan," an overhaul of the present system that would remove all people under 45 years of age on July 4, 1984 from Social Security. Those over 45 would continue with the system. Upon reaching age 70, all citizens, regardless of previous earnings, marital status, or financial need, would receive $300 a month for life with adjustments for inflation. The under-45-year-old workers would be encouraged to save for their own retirement with specially created government bonds indexed for inflation. The plan would offer disability benefits and Medicare for all citizens over 70 years old, financed by general tax revenues (Changing Times, 9-82, pp. 48+).

The plan addresses the problem of fairness to all and adds a new element. It calls for a change in attitude. Rather than viewing Social Security as a supplement to savings and pension plans, many Americans are depending on Social Security for their sole support. But the system was not designed to provide total security; its less ambitious intent was to offer minimal assistance to a nation of workers who had just come out of the worst depression in its history. Some experts feel that dependence on Social Security has resulted in a growing number of people with the attitude that the government should and will assist them in times of adversity. That mentality has caused a decline in self-reliance and initiative, reflected by a decline in national productivity (Robertson, 1981).

There is no way the Social Security system could be terminated entirely. Some form of national social insurance is vital to a nation based, as ours is, on an industrial economy with a mobile society. There will always be people who are unable to support themselves and their dependents, and some level of minimum support must be provided for them so that society can progress in an orderly fashion. But the system of today should be changed to fit the needs of today's and tomorrow's retirees, who have reliable institutions available for saving and investing and employers able to provide private pension plans that are much more sophisticated and dependable than those available 50 years ago. The system should not continue to fit the needs of the retirees of the 1930s and 1940s, who had come out of the Great Depression with little savings, who represented a small segment of the population in relation to the size or the younger working class, and who had little opportunity to save for their future. The priorities and needs of the current workers and retirees must be reconsidered before the system becomes too onerous to handle and slows the growth of gross national product (Bus. Wk., 11-22-82, p. 86).

State and federal governments must encourage people to plan for their own future. Social Security of some form must be available in the event of personal disaster, but the attitude that government should provide for all individual needs should be discouraged. For each dollar going out in benefits, more than a dollar has to come in to cover the administrative costs of collecting and distributing the tax. When everyone is entitled to benefits, who will pay for them?


IV. NORTH AMERICA

MEXICAN FOREIGN POLICY UNDER NEW LEADERSHIP - In the six years that Lopez Portillo served as president of Mexico the country progressed domesticaly from discouragement over its underdevelopment, to euphoria
at the prospect of developing its vast oil reserves, back to despair in
the face of near economic collapse. During that same time in the area
of foreign policy, Mr. Portillo emphatically refused to join either the
General Agreement on Tariffs and Trade (GATT) or the Organization of the
Petroleum Exporting Countries (OPEC). In line with long-standing Mexi-
coan policy, he also held to the view that leftist insurgencies in Latin
America were the result of social injustice rather than communist adven-
turism, as the U.S. chooses to believe. Economic protectionism, inde-
pendence of economic decision making, and support for leftist causes in
Latin America have thus been salient features of Mexican foreign and
domestic policy. Much of that policy has perplexed and disquieted many
American analysts who do not understand it within the confines of Mexi-
can culture and heritage.

The new president, Miguel de la MADrid, could, however, bring sig-
ificant changes in Mexico's foreign policy. The more fiscally conserva-
tive Mr. de la Madrid indicates he would be willing to join GATT or at
least negotiate bilateral trade agreements with the same effects as
GATT. International bankers contend that Mexico's economic problems are
primarily a product of government protectionism in the form of subsidies
and tariff barriers that would prohibit (J. of Commerce, 10-8-82, pp. 1+).
Mr. de la Madrid's indication that he wants to reduce govern-
ment subsidies and make the private and public sectors generally more
responsive to market forces has been praised in international circles
(Latin America Wky. Report, 9-17-82, p. 6).

While joining GATT would demonstrate Mr. de la Madrid's commitment
to changing the country's economic course and thus help Mexico secure
much needed outside capital, it would also entail domestic political risks.
Mexico's left views the country's protectionist policies as essential tools for encouraging industrial development, and many Mexi-
cans oppose liberalizing trade because they feel vulnerable to foreign
competition (Purcell, 1981/82). Analysts emphasize, however, that this
year's devaluation of the peso has made many Mexican export subsidies
unnecessary.

If signing GATT should prove to be too great a political risk,
arriving at some sort of bilateral trade agreement with the U.S. could
confer on Mexico and the U.S. many of the benefits of GATT without as
high a political cost. Indeed, the U.S. and Mexico are reportedly near-
ing a bilateral trade agreement which, if signed, will remove some of
the pressure on Mexico to join GATT. Mexican concessions in the agree-
ment would eliminate tax rebates for Mexican exporters (except in unus-
usual economic circumstances), and would prohibit new export subsidy pro-
grams as well as bar present export subsidy levels from rising. The
major U.S. concession in the agreement would make future complaints
about Mexican exports to the U.S. hinge on a "legal injury test." In
other words, the existence of Mexican export subsidies would not in
itself be construed as evidence that the subsidized Mexican exports are
injurious to U.S. producers of similar products (J. of Commerce, 11-10-
82, pp. 1+).

The prospect of a bilateral treaty has not gone unnoticed by those
eager to maintain past protectionist policies intact. Already, in what
some believe is an attempt to sabotage the negotiations, a Mexican gov-
ernment document containing a draft version of the trade treaty was
leaked to a center-left newspaper, Uncomprension. The newspaper attacked
the treaty as a kind of "neo-GATT" which would damage the country's
capacity to develop its exports and, therefore, its national industry
(J. of Commerce, 11-16-82, pp. 1+; Purcell, 1981/82). But with a for-
eign debt of over $10 billion and a pressing need to boost exports, Mr.
de la Madrid will likely try to overlook leftist criticism and move
ahead with the bilateral treaty with the U.S.

Mexican relations with OPEC countries is another area of Mexican
foreign policy which could change with the new president. A recent
document prepared for Mr. de la Madrid by the country's leading oil
specialists suggests that Mexico might want to join OPEC. A companion
paper by the same group notes that the national oil company, PEMEX, is
extremely inefficient by international standards. The group suggests
that Mexico forge accords of cooperation with important OPEC producers.
Through these accords Mexico could cement closer relations by means of
technical cooperation and information exchange. Finally, the paper advocates leaving open the possibility of joining OPEC (Latin America Wkly. Report, 11-12-82, pp. 1+; 10-22-82, p. 7).

Given Mr. de la Madrid's bent for efficiency, he may well build closer relations with OPEC countries, if doing so will benefit Mexico economically. Once again, however, domestic political forces could thwart such a policy change. Mexico, like every other country, places a high priority on controlling its own internal economic and political decisions. Because oil wealth has enabled Mexico to back its foreign policy with money, not just words, it has become a symbol of Mexican autonomy (Bagley, 1981). While relinquishing absolute control of petroleum policy might increase Mexican oil efficiency, it would also reduce the country's autonomy. In its present financial straits, however, the practical limits of Mexico's autonomy are narrow, and the financial crisis does give the president a valid justification for developing closer relations with OPEC (Bagley, 1981).

While Mr. de la Madrid could foreseeably alter Mexican policy with regard to GATT and OPEC, changing Mexican foreign policy toward Latin America is highly unlikely. This aspect of Mexico's international relations is a major irritant to American policymakers, but most academic observers agree that Mr. de la Madrid has no choice but to follow the policy of his predecessor. Like Mr. Portillo, the new president has "identified Cuba's isolation from the regional community and Washington's rejection of a rapprochement with the government of Fidel Castro as the main stumbling block to peace" in Latin America, and viewed Latin American problems in terms of social injustice rather than communist infiltration (Latin America Wkly. Report, 10-15-82, p. 2).

Mexico tends to view Latin American struggles in terms of its own history rather than in terms of a communist plot to control the world. The majority of Mexicans believe that the political, economic, and social forces in Latin America are long overdue for change and that they will naturally culminate in pluralist left-of-center governments similar to its own (Purcell, 1981/82). Furthermore, many academicians believe

Mexico's Latin American policy is the best possible alternative, given Mexico's present political, social, and economic problems (Bagley, 1981).

Mr. Portillo's foreign policy has been categorized as a progressive foreign policy aimed at defusing domestic opposition to Mexico's dominant political party, the Party of the Institutional Revolution (PRI). Traditional Mexican political thought is that by bolstering revolutionary forces in Latin America, Mexico can purchase a type of insurance policy against the export of revolution from those countries to Mexico. More importantly, the left in Mexico is comprised of major political forces -- journalists, students, and intellectuals -- who support leftist movements in Latin America. Any other policy besides the present course is likely to stir political dissent within the country (Bagley, 1981; Philip, 1981).

No one but Mr. de la Madrid and a few close associates knows what course Mexican policy will take over the next six years. Mr. de la Madrid is seen as an advocate of increased foreign investment and reduced government subsidies, and fewer protectionist measures generally. Mexico could conceivably negotiate trade agreements with the U.S. and develop closer relations with OPEC while ignoring leftist opposition. But despite his fiscal conservatism, Mr. de la Madrid will inevitably be forced to give lip service to revolutionary forces in Latin America, especially if he succeeds in implementing his planned austere economic policies.

CURRENT PERCEPTIONS OF THE PHENOMENON OF CHILD MALTREATMENT - When one reads a newspaper account of a case of child abuse, particularly if it results in death, one's sensibilities are shocked, numbed. Several questions come to mind: How much abuse goes on in the United States? What constitutes abuse? Who are the persons who abuse children? What is being done about it?

The phenomenon of child abuse appears to be increasing, judged by newspaper accounts and recent attempts to measure the incidence of it in the country. Child abuse may in fact be on the rise, although such a claim is difficult to substantiate. For one thing, until recently no one had developed an accurate means of measuring the incidence of abuse, and even current methods have serious limitations. We don't know how much abuse has gone on in the past and can only estimate -- although with greater precision -- how much is occurring now. Second, because of improved reporting and data collection systems, more cases of abuse are officially recorded than previously. Third, we have continued to develop a more inclusive definition of abuse, which renders comparisons between present and former data collections more difficult. Despite these hazards, however, some generalizations can be drawn about the phenomenon of child abuse.

Earlier estimates of child abuse, often based on incomplete information and speculation, ranged from below 100,000 cases per year to between 2.5 million and 4 million per year. Recently, however, two separate studies presented a clearer picture of the incidence of child abuse, or maltreatment, in the United States today. The first study, based on actual reported cases from all 50 states and the District of Columbia, arrived at a figure of 771,412 cases of reported abuse and neglect. The cases reported ranged from emotional abuse to deprivation of necessities (which accounted for the bulk of cases) to serious physical harm. The second study was based on data collection resulting from sampling and a program definition of child maltreatment. The program design and methodology of this study produced a figure of 651,900 cases of maltreatment over the one-year study period. The report conservatively estimated, however, that over one million, and perhaps substantially more, children are maltreated each year.

One of the difficulties, of course, is developing a definition of abuse or maltreatment for data-gathering purposes. Abuse traditionally was stereotyped as the "battered child syndrome," a term coined by Dr. Henry Kempe in 1962. As conceptualized, abuse was defined in terms of serious physical abuse: broken bones, concussions, burns from scalding or cigarettes, bruises, and the like. Over the years, however, "abuse" has given way to the more inclusive term "maltreatment," which today typically includes not only physical injuries but sexual abuse and exploitation, psychological or emotional abuse, and deprivation of necessities. Recently some insidious variations have surfaced -- for example, the mother who systematically poisoned her children in order to obtain for herself the sympathy and dollars attention of physicians and nurses while her children were in the hospital.

Who would do such things to their children? Contrary to stereotypes, they are neither raving psychopaths readily recognizable on the streets, nor are they from only impoverished classes. In the case last mentioned, the mother was well-educated, employed in a local family services agency, and to all outward appearances a kind, helpful, loving person, a dutiful wife, and a devoted mother. Most studies show that child maltreatment cuts across all socioeconomic lines. Child abusers include farmers, laborers, and professionals. Some are impoverished; some are wealthy; many are in between. They live in big cities, small towns, and rural areas. Housing ranges from substandard hovels to nice suburban homes and at both extremes can be either messy or well-kept. Similar extremes are also seen in terms of education, I.Q., level, employment record, age, marital status, religious affiliation, ethnic background, and so on.

Regardless of background, child abusers often are immature, impulsive, self-centered, hypersensitive, and quick to react with poorly controlled aggression. There is increasing evidence also that child
abusers are persons who were themselves victims of abuse as children. Social behavioralists already are aware that child-rearing patterns — both good and bad — are passed from one generation to the next, often in unchanged form.

Ultimately, when apprised of the nature and prevalence of child maltreatment, most people understandably are concerned about what can be done in response to this serious sociological phenomenon. The answer is multifaceted. First, all states and the District of Columbia have child abuse reporting statutes that have existed since the mid-1960s. A typical statute requires certain classes of persons — including health care professionals, teachers, and social workers — to report suspected cases of child abuse. Civil immunity is provided for one who reports in good faith. Often civil or even criminal sanctions are provided for failure to report.

Second — and more importantly — states have developed more sophisticated methods of collecting data and investigating reports since reporting laws were first enacted. Computer technology in particular has had a significant impact in this area. Central registries have been developed to collect information statewide and even regionally, and the information is0
collected and cross referenced to maximize detection of a problem that earlier might have gone unnoticed, for example, because parents took an injured child to a different hospital that had no prior medical history on the case.

Third, professionals now have no reason not to report suspected abuse and may have incentives to report. Immunity from civil suit for erroneous but good-faith reporting and waiver of the physician-patient privilege have encouraged reporting. In addition, criminal penalties for failure to report often are provided by statute, and civil liability for failure to report has been established by case law.

Finally, many of the evidentiary barriers to successful prosecution of a child abuse case have been removed. Testimonial and marital communications privileges have been relaxed to allow a willing spouse to testify against the other spouse. Expert testimony regarding the battered child syndrome, establishing it as the cause of death, is readily admissible. Expert testimony on the "battering parent" profile, establishing that the defendant fits the profile, is admissible if the defendant first raises the issue. Evidence of prior acts of abuse may be admissible as an exception to the ban on character evidence, if offered to show identity or intent.

In the past, one of the chief objectives of persons writing about child abuse was to raise the public's awareness of the nature and prevalence of the phenomenon. Their efforts were largely successful, judged by the fact that enactment of the reporting laws in all states in the mid-1960s occurred during a relatively short four-year period. Efforts afterwards concentrated on maintaining awareness of the problem and expanding the concept of abuse to include other kinds of maltreatment.

In contrast to the 1960s and 1970s, today questions are being raised regarding whether we have gone too far. The Juvenile Justice Standards Relating to Abuse and Neglect, drafted in 1977 but not approved with other Standards by the American Bar Association in 1980, propose that state intervention be authorized only in narrow circumstances, including those where a child has suffered or is imminently likely to suffer serious physical harm, is suffering serious emotional damage, or has been sexually abused by a parent or other household member. Intervention is not recommended, for example, for deprivation of necessities. The drafters were of the view that the family is entitled to a great degree of autonomy, including protection from unnecessary intrusion by the state. Unless the child has suffered harm of the kind described, the detriment of coercive intervention is considered likely to be greater than the benefit.

The limited authority for state intervention proposed by the Standards is in conflict with the operational definitions of abuse now used in most states, and many professionals in the field do not accept it. In defining abuse, a state sets the parameters for authorized state intervention; the more inclusive the definition, the greater are the
opportunities for state intervention into family life. By proposing a contracted concept of abuse warranting state intervention, the Standards have encouraged reexamination of current definitions.

More important than contributing to the debate on what should constitute abuse, the Standards, in attempting to establish justifiable grounds for coercive intervention, have focused attention on the relationship between the state and the family. Specifically, the broader issue is concerned with the degree to which the state should intervene in the family to ensure adequate parenting; whether it should have a comprehensive plan to follow in the case of intervention and what the nature of that plan should be; how it should deal with dependent and neglected children; what role foster care should play in the relationship between the family and the state; how the criteria for intervention should be defined; and what role the state should have in medical decision making for children. These matters, along with that of child abuse, are pressing and complex in nature. As people come to understand that they are parts of a total picture, we are likely to see efforts to resolve them placing more and more emphasis on the need to achieve a proper balance between the competing interests of family autonomy and protective state intervention.

---Samuel M. Davis