

## RESEARCH REPORTS

*Reviews of new research by public agencies and private institutions*

### **"Hispanics: Challenges and Opportunities."**

Ford Foundation, Office of Reports, 320 East 43rd St., New York, N.Y. 10017.  
66 pp.

Author: William A. Diaz

America's large and growing Hispanic population is perhaps its most diverse "minority group."

The nation's 14.6 million Hispanics (their number as of 1980) are black, brown, and white. Only one-third are foreign-born. Sixty percent of all Hispanics in the 50 states are Mexican-Americans; 14 percent, Puerto Ricans; six percent, Cubans. Twenty percent, mostly Central and South Americans, check off the "Other Hispanic" box on U.S. Census Bureau forms.

As a group, Hispanics fall between whites and blacks on the income scale, reports Diaz, a Ford Foundation official. In 1982, the median income of Hispanic families was \$16,227, compared with \$13,598 for blacks, \$24,603 for whites. But different Hispanic groups face different socioeconomic prospects. For example, over one-third of Puerto Rican families surveyed in 1981 had nobody at work, compared with only nine percent of Mexican families.

In fact, Puerto Ricans are poorer than American blacks. Part of the explanation is that Puerto Ricans are concentrated in the job-poor industrial cities of the American Northeast. More to the point: The share of Puerto Rican families headed by single women jumped from 15 percent in 1960 to 41 percent in 1979—an even steeper rise than blacks experienced.

Mexican-Americans, nearly half of them residents of two states (California and Texas), tend to be more prosperous than Puerto Ricans but still

concentrated in low-paying farm and unskilled jobs. Cuban-Americans, many of them wealthy or middle-class refugees from Fidel Castro's rule, are the most affluent of the Hispanic groups, having found blue- and white-collar jobs. South and Central Americans have also fared relatively well.

Education does little to bridge the gap between Hispanics and other Americans—or even among Hispanic groups. In 1981, 36 percent of 18- and 19-year-old Hispanics were high school dropouts (compared with 15 percent of their white peers and 19 percent of their black counterparts). Again, Hispanic experiences vary. A 1976 survey showed that Mexican-Americans and Puerto Ricans averaged 2.6 years less schooling than whites, while for Cubans and South Americans that figure was cut to one year.

According to Diaz, most Hispanics still think of themselves as "Chicanos" or "Cubans," not as "Hispanics." Immigration reform, for example, means much to Mexican-Americans but little to Puerto Ricans. Bilingual education excites the interest of an activist minority of Hispanics, but most do not care about how their children learn English—only that they do.

Diaz thinks it unlikely that Hispanics will unite behind a single creed, interest group, or political party. The various roads they follow in their pursuit of the American Dream will probably convince Hispanics as much of their differences as of what they have in common.

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### **"Governmental Finances in 1982-83."**

U.S. Dept. of Commerce, Bureau of the Census, Washington, D.C. 20233. 89 pp. \$4.25.

During fiscal 1983, Americans' tax burdens eased for the first time in 12 years, the U.S. Department of Commerce reports.

Federal, state, and local governments took in \$665.8 billion in 1983, down slightly from the \$671.4 billion they collected the year before. Uncle Sam can take most of the credit: Federal tax revenues (\$381.1 billion) were down by nearly six percent in 1983, while local governments increased their tax takes by nine percent, state governments by 5.4 percent (the smallest state tax increase in 25 years).

Washington's receipts from individual income taxes dropped by \$9.2 billion in 1983; corporate income tax payments fell by \$12.2 billion.

But governments at all three levels still spent more than they did the year before. Outlays jumped by 9.7 percent (to \$1.4 trillion), financed in part by increasing nontax revenues (e.g., from the U.S. Postal Service and from increased payroll contributions to Social Security) but mostly by borrowing some \$200 billion from the taxpayers.

The overall public debt grew by 17.9 percent (to \$1.8 trillion) in 1983, the biggest one-year jump since 1945. Washington's share of the bill was \$1.4 trillion, up by 20.5 percent over 1982. State and local governments, which owe lenders a comparatively measly \$454.5 billion, increased their borrowing at half of their Big Brother's heady rate.

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### **"The Costs of the Soviet Empire."**

Rand Corporation, 1700 Main St., Santa Monica, Calif. 90406. 66 pp. \$7.50.

Authors: Charles Wolf, Jr., K. C. Yeh, Edmund Brunner, Jr., Aaron Gurwitz, Marilee Lawrence

The Soviet Union maintains a presence of considerable proportions outside of its own borders. Charles Wolf, Jr., and four Rand researchers have taken on the daunting task of measuring how much it costs the Soviets.

Their conclusion: The price tag was between \$32.9 billion and \$42.6 billion in 1980, up from between \$4.9 billion and \$7.9 billion in 1971.

The Rand analysts did not count Soviet *defense* outlays [estimated 1980 total: \$213 billion]. Rather, they looked at the price to Moscow of keeping within its orbit its six Eastern European satellites and Afghanistan, as well as such clients as Cuba, Vietnam, Angola, North Korea, Syria, Nicaragua, and South Yemen. The Soviet ef-

forts included export credits, military and economic aid, covert activities, and "implicit" trade subsidies (e.g., selling oil at below-market prices).

The authors excluded the costs of all Soviet military activities except those in Afghanistan.

Greatly complicating the task of making such estimates is the difficulty of finding an accurate yardstick to use in converting rubles into dollars. Official exchange rates are virtually meaningless.

Thus, imperial obligations claimed between 2.3 and three percent of the Soviet gross national product (GNP) in 1980, measured in dollars. In rubles, the Rand team's estimate for 1980 is 6.1 to 7.2 percent. (The compa-

nable costs of the U.S. "empire," by contrast, averaged .37 percent of GNP annually during 1971-80.)

One thing *is* clear: Moscow's commitments abroad are rapidly becoming more expensive. During the 1970s, costs grew by nine percent annually in constant dollars, by 16 percent in rubles. And more and more of Soviet outlays must be made in precious "hard currency," needed to buy Western grain and technology: The hard currency share has shot up from 30 percent in 1971 to 68 percent in 1980. During the same period, implicit trade subsidies claimed a growing share of Moscow's imperial

budget, jumping from 11 percent in 1971 to 56 percent in 1980.

What do all the facts and figures add up to? The Rand researchers believe that the best way to curb Soviet expansionism is to raise the costs of empire. By restricting commercial loans and credits to Moscow's East European satellites, the United States and its West European allies could force Moscow to shoulder a larger share of the burden of financing inefficient communist economies. Secondly, they favor stepped up U.S. efforts to counter Soviet-backed insurgencies in the Third World, where the Kremlin today gets the best value for its rubles.

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### **"Failure of Labor Law—A Betrayal of American Workers."**

U.S. House of Representatives, Committee on Education and Labor, 2451 Rayburn House Office Bldg., Subcommittee on Labor-Management Relations, Washington, D.C. 20515. 31 pp.

In 1935, amid the economic turmoil of the Great Depression, Congress passed the National Labor Relations Act to encourage "the practice and procedures of collective bargaining." But half a century later, some labor leaders are calling for the law's repeal.

With the aid of sophisticated anti-union consultants, some U.S. corporations are exploiting the law's weaknesses to derail labor union organizing efforts. Unions face consultants in up to two-thirds of all drives for new members. Workers voted for union representation in 55 percent of all the elections held in 1970 but only 40 percent of those in 1983.

The House Subcommittee on Labor-Management Relations (with two Republican members dissenting) also asserts that lax enforcement of labor laws by the National Labor Relations Board (NLRB) is giving the "union busters" the upper hand.

The result, in the subcommittee's

view: Many business executives now believe that "it often pays . . . to violate the [labor] law."

Some employers fight unions by (illegally) firing prounion workers: One out of every 20 workers who votes for union representation today loses his job. The cost to the employer is slight. It takes the NLRB three years to resolve an unfair labor practice complaint; the worst penalty that can be imposed on the employer is a requirement that the worker be reinstated with back pay.

Exacerbating such deficiencies, the subcommittee contends, are antilabor Reagan administration appointments to the five-member NLRB. From September 1975 to March 1976, the NLRB decided 329 cases in labor's favor, while 54 went the employer's way. It heard fewer cases during 1983-84, and workers won only 111 of them, while employers won 92.

Explaining his union's desire to

wipe labor laws off the books and return to the "law of the jungle," one labor representative said: "We are living under the law of the jungle right now, except that unions are living in a

cage and the employers are well armed." The subcommittee agrees with his diagnosis but not his prescription. Needed, it says, is drastic reform of existing laws.

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### **"America's Volunteer Military: Progress and Prospects."**

Brookings Institution, 1775 Massachusetts Ave. N.W., Washington, D.C. 20036. 63 pp. \$6.95.

Author: Martin Binkin

After some stormy years during the 1970s, the volunteer military today is enjoying smooth sailing. But Binkin, a Senior Fellow at the Brookings Institution, sees more trouble ahead.

After the military draft was abolished in 1973, the Army, Navy, Air Force, and Marines struggled to attract enough new recruits; many of those who did sign up were below par in education and intelligence test scores. Indiscipline, low re-enlistment rates, and sagging morale plagued all the services. (Women were the silver lining during this period: About 88 percent of the women who enlisted in the Army during 1974-76 were high school graduates, while only 52 percent of the men were. But women constituted only nine percent of new recruits.)

Binkin blames the services' woes on three developments: Military pay lagged behind inflation; the Vietnam-era GI Bill expired in 1977, just as Washington was sharply expanding financial aid to civilian college students; and a healthy U.S. economy siphoned off potential enlistees.

The bad economic news of the late 1970s was, in a way, good news for the Pentagon. It made enlistment attractive to young people looking for work, and a one-third boost in military pay during 1980 and 1981 sweetened the deal. The surge in national pride in recent years has also made life easier for recruiting sergeants.

Indeed, military manpower is so

plentiful today that the services now discourage subpar soldiers from signing up for second tours of duty.

But Binkin warns that the flush times probably will not last long. During the decade ahead, he writes, "the military may have to attract not only more recruits, but better ones." Finding the high-quality soldiers needed to operate sophisticated new weapons will not be easy, given the nation's educational woes. But quantity is sure to be an even bigger headache.

The Pentagon plans to boost the armed forces to 2,270,000 by 1989, an increase of about 157,000 over current levels. At the same time, the pool of 18-to-21-year-olds will be shrinking.

Binkin estimates that to meet its manpower needs through 1988, the Pentagon will have to attract more than half of the 750,000 qualified men available every year, as opposed to the 42 percent share that was needed during the early 1980s. (The pool does not include college students, the mentally unfit, prison inmates, etc.)

To meet the challenge, the Pentagon could drastically increase pay and benefits, use more civilians, or increase its reliance on women. (There are now 196,000 women in uniform, 9.3 percent of U.S. forces.) A crunch could still come.

During the next four years, Binkin says, it may be necessary to choose between reviving the draft and scaling back plans for national rearmament.