

Conservative economic performance disappoints

By WILLIAM KEEGAN

When they campaigned for office thought they had the formula to solve the country's economic prob-lems. Now in power under Prime Minister Margaret Thatcher, they have been disappointed by their per-formance — and so have a lot of other

In order to understand their original approach, consider the atmosphere of Chalfont St. Giles, a charming village lying in the foothills of the Chilterns, within commuting dis-

tance of London.

It is an untroubled place, far from industrial disputes and poverty and urban grime — the kind of typical English village favored by American movie stars and others who can

There, over sensible gin and tonics in their comfortable pubs, decent Conservatives discussed how the other half ought to behave: And that climate of opinion underpinned the present government's economic

It all sounded so simple. Lower taxes would revive the nations's dynamic initiative. Reduce the role of the state, and the country would regain its greatness. And so forth.

The Conservatives campaigned on these slogans, defeating a Labor Party that was too exhausted to put up much opposition. The election results were rarely in doubt.

But now, more than six months later, Britain is in the grip of what many regard as its worst economic crisis since the end of World War II. Interest rates on bank loans, for instance, have spiralled to 21 percent, and mortgage rates are excessive

Commuters from Chalfont St Giles into London can take some comfort in the fact that taxes on in-\$10,000 per year have been cut slightly. But that is it.

The really major tax cuts apply to those earning more than \$50,000 per year. Their bite has been dropped from 83 percent, which had been the highest in the world, to 60 percent,

the small society

I CONSIDER

SITTING IN CONGRESS

MY PRIVILEGE,

Yet fewer than 5 percent of the British earn \$50,000 per year, and the vast majority of Conservative voters are among those who do not.

Moreover, their slight income tax cut has been more than offset by an increase in indirect taxes, like the national sales tax, which has gone up

from 8 percent to 15 percent.

In addition, higher taxes have increased the price of railroad fares, public utility rates and the like, and the burden has been made heavier.

True, the Conservatives have had bad luck — largely in discovering that the economy that inherited from their Labor predecessors was in far worse shape than anything they could have imagined.

For example, they inherited commitments in the public sector that, being persons of probity, they decided to honor. They espoused a sound money policy, only to find that, while talking tough, they were presiding over a sensational expansion in credit.

Thus, while dedicated to curbing public expenditures, they soon found themselves in a position in which all their efforts had to be devoted to restraining its rate of in-

They have introduced tough measures on the spending front, and the monetary squeeze is now genuine. But they have had to abandon their strategy of taking the weight off the taxpayer. Instead, they have shifted the weight from direct to indirect

Further, they have even begun to hint that, with productivity lagging for the foreseeable future, tax increases may be in the offing this year. Their focus, meanwhile, is on fightnation rate that is neaded toward 20 percent.

With all this, the Conservatives are extremely sensitive to criticism. preferring to promote the image they have projected abroad of a tough bunch finally trying to whip Britain's economy into shape.

AND SITTING ON CONGRESS

Focus Editor.

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VIEWPOINT

THE BATTALION TEXAS A&M UNIVERSITY

WEDNESDAY **JANUARY 9, 1979**

New republican ad campaign aimed a storing and sering a storing and sering a storing and sering a storing areas a storing and sering a storing a s 'safe' congressional races in 1980

The safest election bet in America — for the past generation — has been that the Democrats will win Congress. You could not have lost a wager on that proposition in

the past 26 years.

Chances are, the bet will pay off again in 1980. But the Republicans are gambling \$5 million on an ad campaign that says, "It ain't necessarily so." And the reports that are filtering through GOP circles about the test-audience reaction to some of the commercials those \$5 million will buy are stirring hopes that this time, if the Democrats aren't defeated, they will at least be put on the defensive more than they have been in

a quarter-century.

The ads are not subtle. One that has been shown to preview audiences is on the theme that this is a "million-dollar-a-minute Congress," a Congress that approves more in government spending every second than the average worker makes in a lifetime. It shows a fast-talking politician dealing \$1,000 bills off a stack as rapidly as his hand can move.

Another TV spot employs an actor who, at first glance, looks remarkably like Speaker of the House Thomas P. (Tip) O'Neill

Jr., the white-haired, red-faced Massachusetts Democrat. The make-believe O'Neill is a driver who ignores a passenger's warnings of an impending energy crisis, even as he passes gas stations which are shut down or clogged with long lines of cars. In the last scene, "O'Neill" is standing beside his out-of-gas car-hitchhiking.

Neither of these test commercials will necessarily be part of the package the Republicans plan to start airing in a few months. But they typify what insiders say will be the most hard-hitting attack on the majority party in Congress since the "Had enough? Vote Republican" onslaught of

The decision to take this two-fisted approach to the congressional campaign is a gamble. But it is not just blind hunch. Party chairman Bill Brock and the House Republican leaders have studied with care the massive advertising campaign the British Conservatives launched a full year before last spring's election. They are convinced by what their Tory counterparts have told them that the ads — keyed to the slogan "Labor Isn't Working" — softened up the Laborites for the knockout blow Margaret

Second, they are armed with a new poll-taken by Robert Teeter of Detroit's Market Opinion Research Corp. and paid for by the Republican National Committee and the Republican Congressional Campaign Committee — which had two items of very good news for the GOP. For one thing, it found that, even before the campaign gets under way, a majority of voters knows that the Democrats have controlled Congress for a generation. Second, on the key issues of controlling government spending, curbing inflation and holding down taxes, Republicans have an edge over the Democrats

as the party likely to do the better job.

Thus, the decision to attack the Democratic Congress head-on — and to use O'Neill as the personification of what Republicans would change if they were in control—is a carefully calculated strategy. The fact that O'Neill will be highly visible to the voters next August as the permanent chairman of the Democratic convention makes him an even more tempting target

Few Republicans are brash enough to predict that this sledgehammer advertising assault will crack the Democrats' 116-seat majority in the House (or the 18-vote edge

in the Senate). The conventional wholds that voters complain about Con but cherish their own congressment the 90-percent-plus re-election rate cent years for House incumbents of parties bears out that wisdom. Th any effort to focus voters' attention control of Congress faces an added cle: the public preoccupation with the idential race.

But the effort to frame a national p strategy almost a year in advance for gressional campaign is something the not been seen in America in the quentury since the pattern of politics one of highly individualized efforts.

At the very least, this Repu strategy makes it probable that this one of the most partisan sessions of gress in years. The Democrats' reach the kind of ads the Republicans are ing of running will surely be one of our But it is conceivable to some optim the GOP hierarchy that, if the car does not backfire on them, there ma election in the early Eighties wher question of control of Congress is no



Australian government strivingto save gasoline despite ample natural resources their tire pressure and tune down to

Except for the Middle East oil producers, Australia is one of the world's few countries without an energy problem. Nor are any difficulties likely in the foreseeable fu-

Yet the government here has just embarked on a campaign to persuade Australian motorists to conserve gasoline. Underlying the campaign is the belief that it is not too soon to begin a long and gradual process of public education on the energy

This may be what the United States and other major petroleum consumers should have done years ago, when only a few eccentric voices were warning of an eventual energy crisis. It remains to be seen though, whether this approach will sway Australians, who are as complacent about

energy as Americans were a decade ago. The complacency is understandable. Australia now produces two-thirds of its own oil needs and it can easily pay for imports with its earnings from the sale of coal, uranium, natural gas and other resources abroad. Anticipated developments of new

oil fields, plus the expected discovery of other exportable commodities, promise energy security well into the 1990s.

This situation stems from the fact that Australia, with a relatively small population, contains enormous natural wealth, much of it not yet tapped. Among other resources, it has 5 percent of the world's fossil fuel reserves and 20 percent of uranium deposits outside the Communist

American and other foreign corpora-tions, such as General Electric, Atlantic Richfield, Exxon, British Petroleum and Shell, own about 70 percent of these riches. They are currently scrambling to develop

The focus is on three sectors — coal, uranium, offshore oil and natural gas. Coal is emerging as a raw material that

will occupy a bigger and bigger place in the economy here in the years ahead. With reserves of 36 billion tons, Australia is second only to the United States in coal

Its coal exports already earn \$1.5 billion

per year. By the end of this centy, they are expected to increase fivefo giving Australia one-third of the globalarket.

Coal is also a big indirect eaer. For example, it is used to generate elricity in smelters that manufacture alumin from locally-mined bauxite. Ameria, Swiss and other companies are invesg \$4 bil-lion in their Austrialian smelt, which will make Australia's the work number one aluminum exporter by the 80s.

A good deal of money is going well into exploration for oil and naturgas, with Exxon, Phillips, Gulf and Itish Petroleum involved in most of the search off the coasts of Australia.

Some \$4 billion is being putto drilling for natural gas off the northwe oast, with the hope that it will furnish billion in exports, principally to Japan, thin three or four years. American comies have a 20 percent interest in this pect.

With these and other sches, it is hard to imagine that Australian torists will feel pinched. Still, the gernment is urging them to observe speemits, check air conditioners in order to curb ga consumption. A plan is being consider cut registration fees for low-mileage As part of this effort, much attended

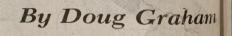
being paid to liquid petroleum gas,

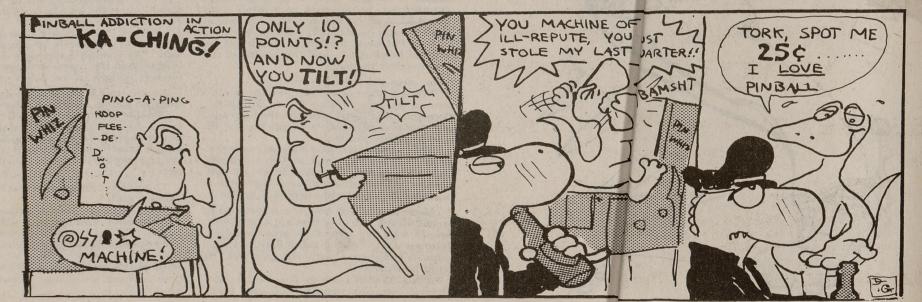
from local natural gas, which is more ful here than oil. It is half the gasoline, which sells for about \$1.2 gallon. Government cars are being conve this fuel, and automobile manufac are being encouraged to modify engi

their new models so that it can be use reasons of thrift, more and more tax Besides its high octane content, ! petroleum gas has another advantag

pollution emission is extremely low Sydney, along with Los Angeles Tokyo, has one of the worst autor pollution problems on earth. So Aus drivers may not be worried about nent gasoline shortages or soaring pl but cleaner air may serve as an incent conservation.

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