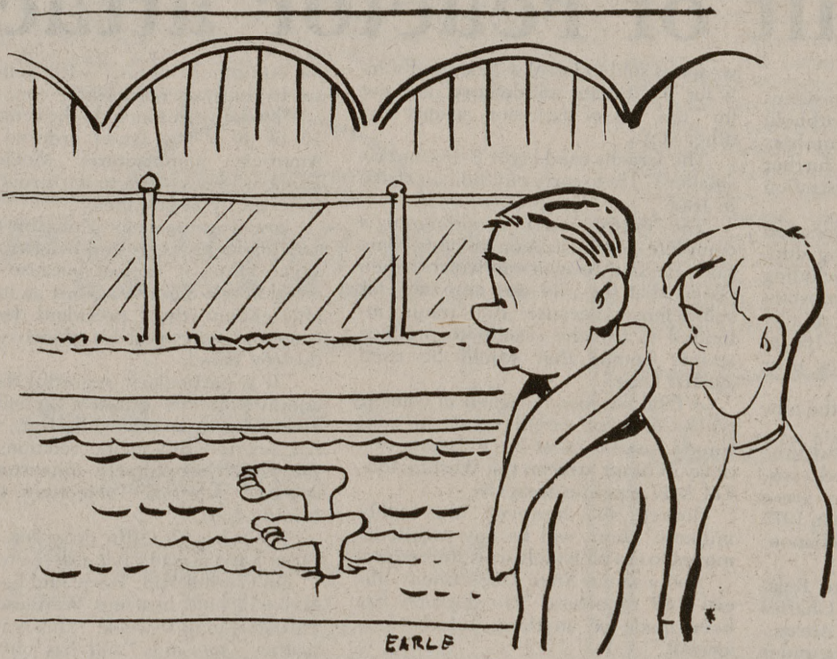


# VIEWPOINT

THE BATTALION  
TEXAS A&M UNIVERSITY

THURSDAY  
JUNE 11, 1981

## Slouch By Jim Earle



"That was some dive, but why would he do it in the shallow end?"

## The economy plan is always greener on the other side

By DICK WEST  
United Press International

WASHINGTON — There are times when the current tax debate sounds something like a lawn care manual.

President Reagan, as we know, says a 5-10-10 formula would make the economy grow best. He recommends three tax cut applications — 5 percent the first year and 10 percent the next two years.

While this is a switch from his earlier endorsement of the 10-10-10 formula, many congressional Democrats insist the mixture still is too rich.

Democrats tend to favor just two applications, although some would rather give the economy but a single treatment and then sit back and see what happens.

Both sides seem to agree it wouldn't do much good to fertilize with tax cuts as long as the economy is overgrown with federal programs. So the present plan is to spray the economy with a powerful fundkiller before applying 5-10-10 or any other tax cut formula.

The theory is that thinning out federal programs will give more desirable private projects room to take root and sprout. And maybe it will.

Anyway, the conventional wisdom is that fall is the best time to apply a tax cut — particularly in an election year.

The experts say spring applications may cause the economy to grow too rapidly, allowing inflation to spread and actually weakening the root structure.

They say an economy that is shot through with inflation has less chance of surviving longer summer periods of stock market slumps and dollar shrinkage.

There likewise is a danger that interest rates will spring up too high, preventing the seeds of economic recovery from germinating.

But in the fall, the right tax cut formula will promote healthy growth and put the economy in better shape to withstand such winter shocks as the Christmas shopping season. Or so the experts claim.

The warnings we hear most often are that

the 10-10-10 and 5-10-10 mixtures mainly enrich the upper end of the economy, leaving barren spots in the middle and practically starving the lower end.

Democrats contend the alternative formulas they have proposed would be conducive to level growth.

If there were a greening of the economy, that would be a pretty good thing. The formula would benefit the middle of the economy.

But if a thick mat of inflation and income gains prevented them from maturing into savings accounts, that would be evidence the complaints about the administration formula were well taken.

I personally feel more experience should be done before Congress and administration finally settle on a formula. I would like to see various patches of the economy being applied to the economy as a whole.

Having some guinea pig tendencies myself, I would even be one of the vol-

## Reagan's staff uses 'recycled strategies'

By DAVID S. BRODER

WASHINGTON — One of the impressive things about Ronald Reagan's operatives is their shrewdness in recycling strategies that have worked for them before. Evidence is found in the current propaganda campaign that might be dubbed, "Son of October Surprise."

"October Surprise I" was drummed up a year ago, on the eve of the convention that would make Reagan the Republican presidential nominee. At that point, he was ahead of President Carter in the polls, but not securely so, and there was sharp concern in the Reagan camp that Carter would exploit the power of incumbency to rescue himself from defeat.

Particularly were the Reaganites worried that Carter might try to time some foreign policy spectacular like a Middle East summit or a breakthrough in the stalled Iranian hostage talks in the weeks just before the election, thereby capturing the headlines from his challenger and refurbishing his own leadership image.

So word began coming from the Reagan headquarters that they fully expected an "October surprise" from the President. As they later acknowledged, those statements were not based on any inside knowledge, but were designed to minimize the damage from an event they could not control. And, in fact, when the last-minute flurry of hostage talks did occur on the eve of the election, the Republicans were able to say, "We told you so."

"Son of October Surprise" was launched last week by White House chief of staff James A. Baker III. He volunteered the observation in several meetings with reporters that he expected a backlash to develop against the Reagan budget cuts this fall.

"I think you'll see some fairly strong reaction to the budget cuts when they hit the street in October or November," Baker said in a meeting with reporters and editors at the Washington Post. Later, at the White House in a television interview, he reminded listeners that the President had said that curbing inflation would not be a brief or painless process. Expressing concern about the impact of the backlash on Reagan's standing and leadership, Baker

said business, churches and volunteer groups all would have to help ease the pain that may be caused by federal program cutbacks.

It is easy to see what is worrying the White House, but hard to judge how effective the effort to discount the reaction in advance will be. Budget-cutting has been the most popular game in Washington this winter and spring, but the effects of those cuts may not be as popular around the country this fall.

This autumn, prices of lunches in school cafeterias will go up — and so may the number of kids crowded into a classroom. Transit fares will be higher and so will the cost of college-student loans — all because of reductions in federal subsidies. City jobs that have been filled by CETA workers will have to be financed from local taxes — or abolished. Workers losing private jobs will have fewer unemployment benefits.

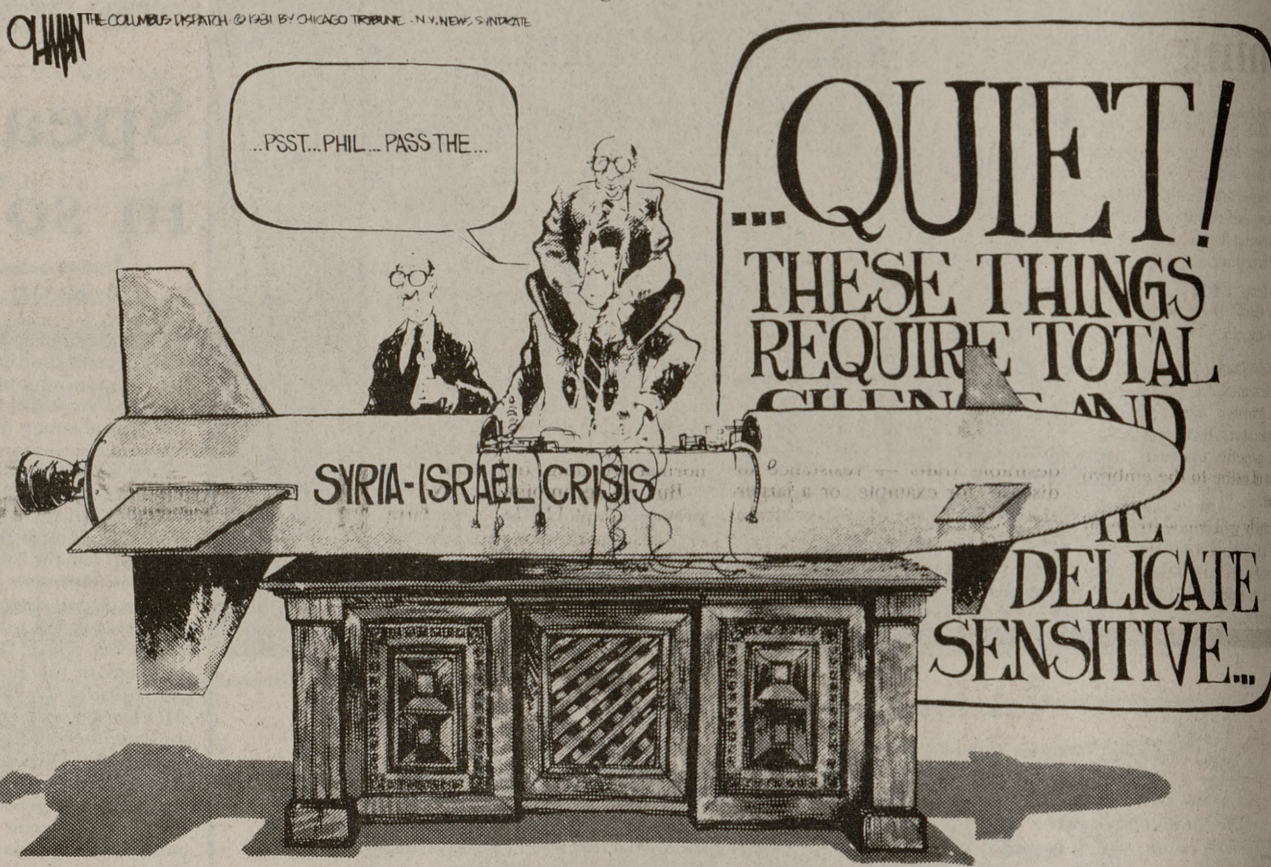
The likelihood is that many state legislatures will be in special session this fall, readjusting the budgets they are not passing, in order to cope with the 25 percent cutback Reagan is imposing on many federal grant-in-aid programs. In many states, the choice will be posed in politically cruel terms — higher state and local taxes or a real reduction in education, public safety, health and welfare programs.

The impact of the cuts will be highlighted in mayoral campaigns that will be taking place in many of the major cities and in the spotlighted gubernatorial contests in New Jersey and Virginia.

At just about the same time, the House and Senate will be going back over the budget ground they covered this spring, setting the final terms for fiscal 1982 spending. If the Democrats are not completely inept, they will find ways to link the Reagan budget to the "backlash" Baker is predicting at that time.

Reagan's great hope is that the recent signs of easing inflation will not prove illusory — that the squeeze on state and local budgets will be assuaged by relief on the inflation front. But even so, the prediction of a budget backlash is a sound one.

As usual the Reagan operatives know what they are doing — and they are doing it well.



## Reagan guarded from budget backlash

By HELEN THOMAS  
United Press International

WASHINGTON — President Reagan is expected to see some backlash from his budget slash in the fall when the effects of the cuts are felt, according to a top aide, but steps are being taken to assure Reagan does not fall in the popularity polls.

Chief of staff James Baker says the White House already has a plan for handling the situation. It will ask private volunteer groups to help the needy whose assistance has been severely diminished.

"We're not naive enough to think that when the budget cuts become effective that they will not be noticed out there," he said. Then he added that Reagan's top aides also "are considering ways to treat with that," and he does not believe that president's popularity will be dramatically affected.

"We're looking into the possibility of ways in which the private sector can pick up some of the slack through voluntarism proposals, industry, church groups and the like," he said.

When it was noted that he appeared more concerned about Reagan's popularity than the deprivation that some groups might suffer, Baker said his popularity is "important for him to be able to continue to

be able to get his programs through the Congress and to build consensus and to exert leadership."

Meantime, Reagan is in a glamorized cocoon, rarely speaking himself, but permitting his top aides to make the hard ball statements. Baker also has told the nation that Reagan will probably run for reelection to wipe out any problem of lame duckism.

When Reagan himself is approached or a question is shouted at him by reporters from afar, he smiles broadly in a very friendly fashion, waves and goes on his way. All of his policies, actions and thoughts are being conveyed by his staff, while he refrains from news conferences and rare public utterances.

He has not held a news conference since March 6, and more and more his aides have blocked possible lines of communication with the president himself.

Only once in a while, to the distaste of their ever watchful eyes, has a reporter

been able to approach the president. That was true in the case of an Oval office press taking when Reagan met with troublemaker Philip Habib, who had just returned from a Middle East mission.

Democrats and Republicans on Capitol Hill, meantime, have been put on notice that to go against the popular president is a way of ensuring their defeat at the polls in 1982.

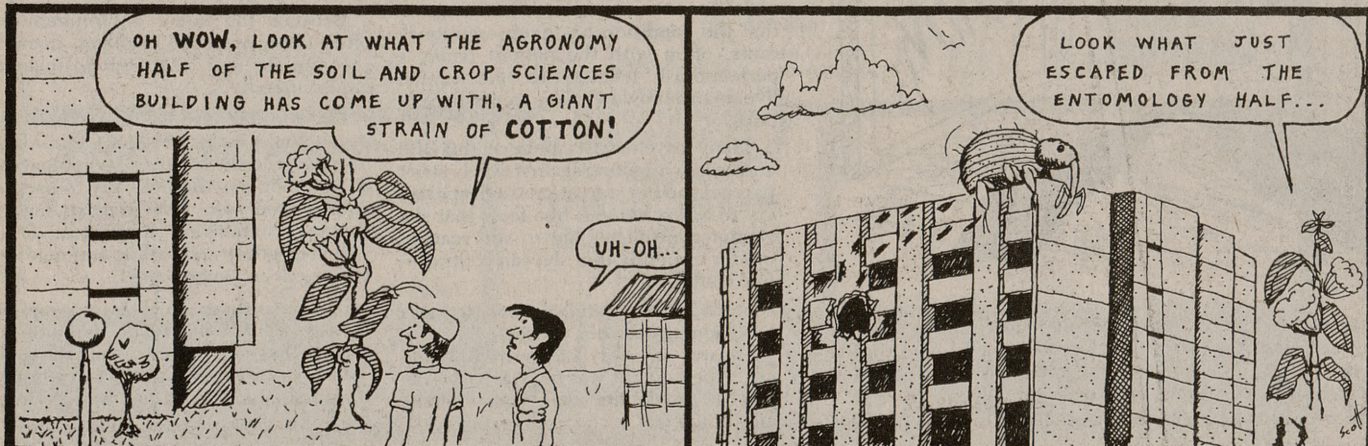
Members of Congress said that in giving support for his tax cut legislation, Reagan assured some of the Senate Democrats that he "could not find the conscience to campaign against your support my economic program."

Later, his aides explained for Reagan the president was not talking "into publicity" and if they were on the opposition on other programs he pursues all but off.

The same message has been given to publicans who may stray from the

## Warped

By Scott McCullar



### THE BATTALION

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