

Reagan may abandon campaign economics

By MIKE RUST
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Of the Emerald

Opposing views have emerged within Pres.-elect Ronald Reagan's circle of economic advisors, and the selection of Donald Regan to head the treasury department appears to be an attempt to avoid adding fuel to the fire.

Many local observers say the appointment of the president of Merrill, Lynch, Pierce, Fenner and Smith, Inc. brokerage company is an attempt by Reagan to avoid a showdown with either of the two economic schools that furnished him with support during last year's campaign.

Observers also point out that Regan appears to be opting for business experience instead of economic theory in his search for someone to occupy one of the nation's most important financial posts.

During his campaign, Regan expressed support for the "supply-side" economics embodied in major tax-cutting measures such as the Kemp-Roth bill, but things seem to look a little different to the Reagan team now that it's in Washington.

Already, the idea of massive tax cuts have begun to take a back seat to the notion of attempting to reduce the massive federal deficit, which is estimated at \$60 billion for the upcoming year.

In fact, Regan has already indicated to the Senate that the most cherished of traditional Republican goals — a balanced budget — will probably be impossible to achieve by 1984.

The change in attitude between California and the District of Columbia doesn't surprise University political science Prof. Keith Poole.

"When it comes to macroeconomic policy, no one seems to know what works anymore," Poole says.



However, Barry Siegel, an economics professor, says that isn't the case at all.

"It's a question of what we do with the present state of knowledge," Siegel says.

He suggests that it simply isn't possible to live for the moment — economic reality requires that more attention be paid to the long-term effects of policies enacted today.

No one mentioned any barriers to Regan's confirmation by the Senate.

The nomination indicates that "Reagan's a lot more pragmatic than most people think," says economics Prof. Ross Anthony. Poole agrees, pointing out that Regan is "in the mainstream of the Republican party."

Anthony says that Regan's choice for chair of the board of economic advisors will probably indicate whether the economic wind is blowing toward supply-side or budget cuts.

"As far as I know, he hasn't been allied with either of these groups," he says. "It's unclear now what's going to happen."

Anthony points out that congressional Democrats may delay tax cuts or severe budget cuts as a weapon against Reagan. At the same time, Rep. Jack Kemp, R-NY, has indicated that he would oppose any delay or decrease in the proposed tax-cuts.

Regan's background has been primarily in the business world. Still, many local observers pointed out that the management skills he developed at the helm of America's largest brokerage house could prove to be an asset in his new position.

John Elorriaga, chairman of the board of the First National Bank of Oregon and a personal friend of Regan, describes the secretary-designate as "an extremely smart individual with a reputation of being very analytical."

"He tells you what he thinks, whether you like it or not," Elorriaga says.

Some people might say that Regan, because of his connection with Merrill Lynch, could enter into conflicts of interest as treasury secretary. However, most local observers feel this is unlikely.

"They had to review all that," says Peter Murphy, Lane County businessman and GOP National Committee representative. "He came through the hearings in pretty good shape."

Murphy, who is a member of Reagan's transition team, says Regan's corporate background and experience will enhance his expertise in the treasury position.

The only real criticism of Regan came from economics Prof. Edward Whitelaw, who feels the Regan cabinet is too conservative.

However, he feels confident that compromises will have to take place in all areas of the budget, except where the Pentagon is concerned.

Local leftists plan alternate events

Suffering from a case of Reagan-induced nausea? Then the Peoples' Inauguration Day march, rally and concert Saturday might help settle your stomach.

Marchers will convene at noon at the Lane County Fairgrounds, march through downtown Eugene and return to the agricultural building in time for speakers at 2 p.m. and a concert at 8 p.m.

Anyone who opposes Pres.-elect Ronald Reagan's policies or the rising influence of right-wing groups such as the Moral Majority are invited to attend, says Gemma Grott, general coordinator for the event.

More than 50 local groups have endorsed the Peoples' Inauguration Day since it was first proposed during a protest against the Moral Majority in November. Between 1,000 and 4,000 people are expected to attend the activities, Grott says.

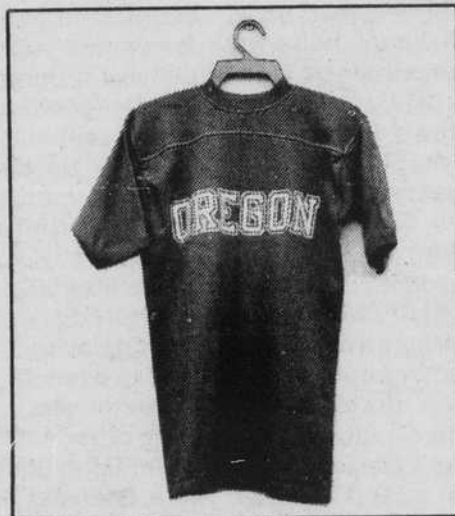
The concert will feature Grupo Raiz, a group with roots in Chilean folk music, and the Wallflower Order, a local dance group.

All events will be wheelchair accessible and will be signed for the hearing impaired. Childcare will be available. Monitors will be provided for the march, and signs and banners will be encouraged.

Correction

The University library's weekend hours are 8 a.m. to 6 p.m. Fridays, 9 a.m. to 5 p.m. Saturdays and 10 a.m. to 11 p.m. on Sunday. The hours are not as the Jan. 9 Emerald reported.

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