

LESSONS OF THE TORY TRIUMPH

Margaret Thatcher's crushing win in Britain's general election no doubt produced smiles all round at the White House, and even broader grins among GOP strategists planning a Reagan re-election bid. After all, Prime Minister Thatcher was swept back into power while presiding over an unemployment rate of nearly 13 percent and a recovery still more a promise than a fact. Most economic forecasters expect Reagan to be in a much better position in the run-up to the 1984 election.

Yet the lessons from Britain are a little more mixed for the President than the landslide result suggests. The campaign was the culmination of shrewd political groundwork laid carefully by the Conservatives during the last four years, aimed both at building support for the government and at defusing damaging issues. Many of the actions of the Reagan Administration, on the other hand, seem to have had exactly the opposite effect. Only time will tell if the difference is fatal.

The Tory campaign displayed remarkable effectiveness in dealing with sensitive issues. The Campaign for Nuclear Disarmament, Britain's freeze movement, was attacked vigorously and methodically for the almost pro-Soviet stance of its leadership. The Conservatives did not allow the radical unilateralists to hide behind a wall of honest, genuinely concerned men and women. The nuclear disarmament issue seemed to help Mrs. Thatcher, by enabling her to denounce Labor's anti-nuclear policy as both naive and suspect.

The Conservative campaign also built upon earlier legislation designed in part to draw urban and black voters from the Labor column. Measures have been taken to improve police relations with minorities (mostly immigrants from the Commonwealth), and a new law has clarified the immigration status of dependents and eased racial tension. So the Conservatives managed to portray themselves as the party of integration, based on equality of opportunity rather than special treatment. "Labor says he's black," asserted one campaign poster featuring a black youth, "Tories say he's British."

In the cities, the Conservatives combined electoral damage control with an effective counterattack. Within a year and a half of taking office, the government showed its commitment to urban job creation by designating 11 enterprise zones in key cities (the number was increased to 24 last year). Far more important, however, the Conservatives gave public housing tenants the right to buy their units at substantial

discounts. Over half a million have been sold in this way, turning many traditional Labor voters into homeowners sympathetic to Tory overtures.

Most critical of all to the election success, Thatcher was able to defuse the issue of unemployment--now running at nearly 13 percent. Pre-election polls showed that about 50 percent of the population rated unemployment as the election's most serious issue. Yet the Conservatives picked up well over a quarter of the votes of the unemployed--almost half the number going to Labor. The Thatcher government did this by convincing the electorate that real, lasting jobs could only come with a healthy and growing economy. The government stood steadfast against "jobs" bills, and refused even to predict the unemployment rate would fall. By maintaining this firm stand, Conservatives could argue that they stood for policies aimed at permanent job creation, and denounce the other parties as favoring vote-buying short-term relief while endangering long-term growth.

These features of the Conservative win should indicate to the White House that much work needs to be done if Ronald Reagan is going to emulate Mrs. Thatcher in 1984. Unlike his ally, Reagan has almost gone out of his way to alienate the black and urban vote. Administration bungling over civil rights will probably ensure a Democratic shut-out among black voters. And the President's one vote-winning urban initiative, the enterprise zone proposal, has still to pass the Republican-controlled Senate in this third year of his Presidency.

The economy still looks good for Reagan in 1984, but the federal deficit may yet be his downfall. The total government deficit in the United States (including state and local deficits, and "off-budget" items) is more than 10 percent of the nation's GNP. Mrs. Thatcher, on the other hand, fought the election with a total deficit of under 3 percent, projected to fall to 2 percent by 1986, and a zero "structural deficit." This was achieved not by massive tax increases, but by tight control over public spending, together with the restructuring and "privatization" (that is, the sale) of government-owned industries.

The Conservative strategy, then, was based on a mixture of offense and defense. Potentially damaging issues and voter blocs were defused and courted, while other normally hostile voters were won over by innovative policies. The strategy was so successful that bookmakers in London refused to take bets in the campaign's final days because the odds on a Conservative win were too great. Unless Ronald Reagan learns the real lessons of the British election, that is unlikely to happen here.

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For further information:

- "The Thatcher Style," The Economist, May 21, 1983.
- "Britain Has Bad News for Our Democrats," Washington Post, June 5, 1983.
- "What Hath Thatcher Wrought," Business Week, June 6, 1983.
- "Blueprint for a Second Thatcher Term?" Wall Street Journal, June 9, 1983.