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A Conversation With
John Anderson

Commentary

Anti-Carter Strategy
Is Not Enough

Ghosts Of Campaign '76

How Ford Lost The Ethnics

View From Hawkins Gore

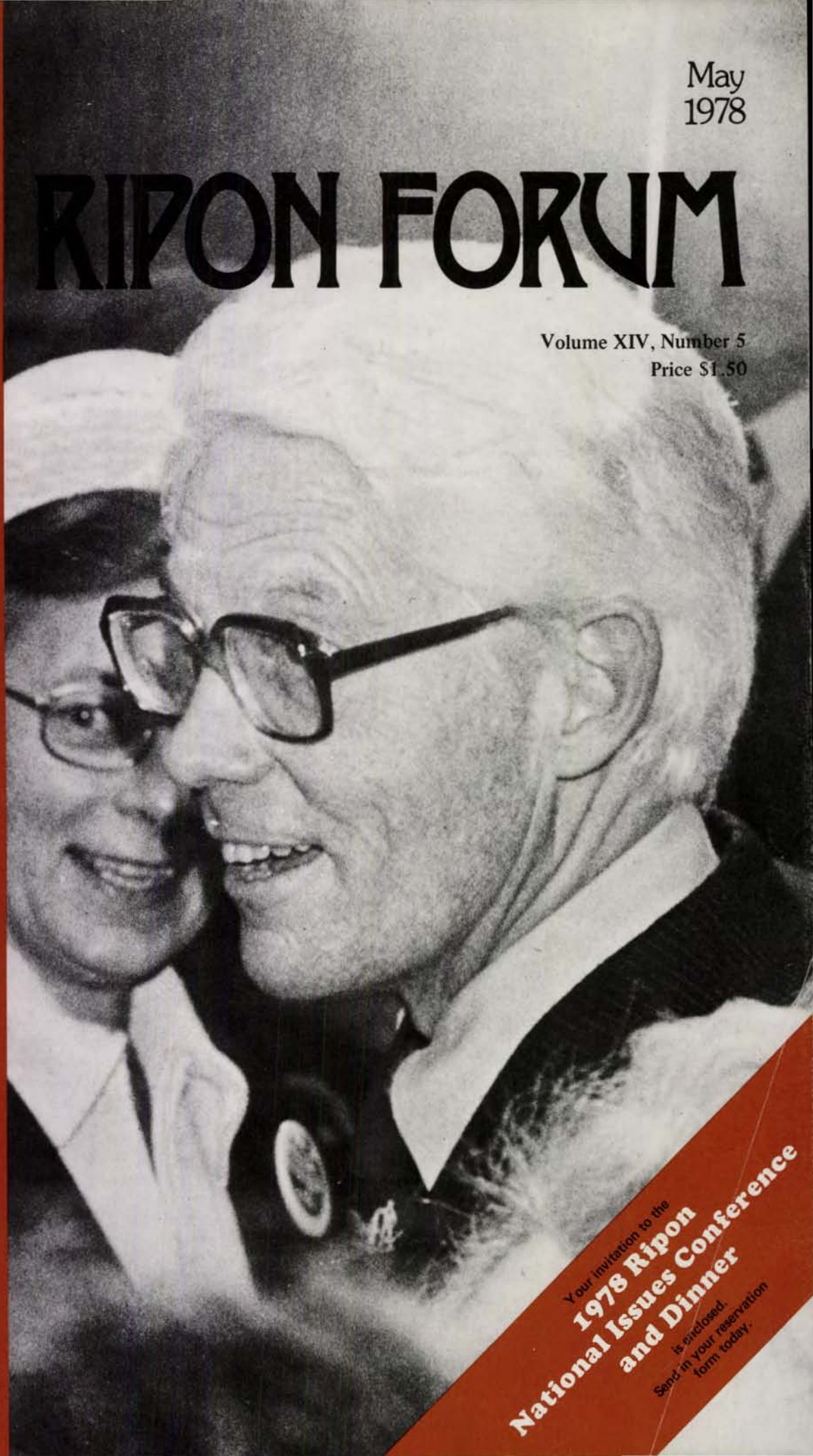
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RIPON FORUM

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The Ripon Society, Inc., Glenn Gerstell, President, is a Republican research and policy organization whose members are business, academic, and professional men and women. It is headquartered in Washington, D.C., with fifteen chapters, several affiliated subchapters, and National Associate members throughout the United States. The Society is supported by chapter dues, individual contributions, and revenues from its publications and contract work.

COMMENTARY

An Anti-Carter Strategy Is Not Enough

President Carter's political troubles are so severe that it is easy for an ardent Republican to become euphoric. If an election were held today, it is possible the President would lose everywhere except Georgia and the District of Columbia. Disaffection is rife:

- Black voters who a year and a half ago provided massive margins to Carter are concluding that they were had.
- Hispanics feel that they have been shut out politically, and that the few crumbs that Carter has passed out to minorities have gone to blacks.
- Many Jewish voters who supported Carter because of his ardently pro-Israeli campaign stance have cooled on the Administration as Carter has pressured Israel to withdraw from the Occupied Territories.
- Many Catholic voters have been turned off by Carter's about-face on tuition tax credits.
- Feminists have been repelled not only by the Administration's opposition to Federal abortion funding but also by the macho style of the Georgia males closest to Carter.
- Westerners have been taken aback by Carter's clamping down on water projects for their region and have begun to mutter that this is punishment for the West's strong support of President Ford.
- Now that Carter has begun to backpedal on his opposition to water projects conservationists are shouting "sellout."
- Oil and gas state voters feel they were gulled by Carter's preelection telegrams professing strong support for natural gas deregulation.

At first glance, these fissures in core portions of Carter's 1976 constituency would seem to translate to paydirt for Republicans in 1980. Seemingly, the safest Republican strategy for 1980 and even for the 1978 midterm elections would appear to consist of riding the waves of anti-Carter

sentiment. Yet in politics, as in life, appearances can be deceiving.

Is Carter's Illness Contagious?

The precipitous plunge in the President's popularity would seem to augur huge Republican Congressional gains in the November elections. The latest Gallup Poll reports, however, that, if the election were held now, Democrats would receive about 57 per cent of all votes cast for the House of Representatives. This means little change in the lopsided Democratic majority that prevails today. These projections match closely with poll data in individual Congressional races, showing incumbents of both parties looking unusually strong.

It is clear that Democratic incumbents have succeeded in separating themselves from the President, an art Southern Democrats have practiced for several generations. Recently, Northern Democrats have skewered the White House for shortchanging the big cities. Western Democrats have lashed out at the Administration for an anti-Western bias in its environmental policies. Faced with the first President from the Deep South in over a century, Southern Democrats have chided the President for letting his "liberal advisers" mislead him on energy policy, labor law reform, and foreign policy. In each case, Congressional Democrats seem to have pulled off a masterful sleight of hand.

In the Southwest, where Carter's natural gas policy is a clear repudiation of widely publicized campaign pledges favoring deregulation, Democrats, nevertheless, seem on the verge of picking up two Republican U.S. Senate seats, one in Oklahoma and another in Texas. Despite Carter's slippage in the South among blacks as well as whites, two incumbent Republican Senators, Jesse Helms of North Carolina and Strom Thurmond of South Carolina, seem increasingly vulnerable to their Democratic challengers. The race for the Virginia U.S. Senate seat being vacated by retiring Republican incumbent William Scott appears to be a tossup.

Presidential popularity, never sky high in the Midwestern Farm States, has reached subterranean levels. Yet in the two traditional Republican strongholds of Kansas and Nebraska, Democrats are favored to pick up the U.S. Senate seats being vacated by Republicans Jim Pearson and Carl Curtis. Republicans may balance these possible losses with gains in the same region, but their prospects seem more a function of local circumstances than national trends. Voter disaffection with the "appointmentitis" of Minnesota's Democratic-Farmer-Labor Party and South Dakota Republican Larry Pressler's high voter popularity, more than anti-Carter disaffection, underlie the the most likely Republican gains.

The underwhelming Republican prospects in the 1978 Congressional elections reflect in part some basic political and structural changes. The hemorrhage in Republican identification has produced a situation in which there are no longer any safe Republican states. The once rock-ribbed Republican states of Maine, New Hampshire and Vermont boast between themselves a total of one Republican U.S.

Senator. Meanwhile, the South has begun to revert to its once solidly Democratic stance. Super conservative Republican appeals since 1960 have antagonized the South's growing black electorate while the submergence of race as an issue has evaporated earlier gains among white voters.

The relatively modest Republican prospects in the 1978 House elections reflect in significant part the enormous advantage that incumbents have reaped since 1974 as a result of a huge hike in Congressional perquisites (staff allowances and public funding of Congressional communications with constituents). These institutional advantages have tended to freeze in the topheavy Democratic majorities resulting from the 1974 Watergate elections.

What About 1980?

Although Carter's growing unpopularity may not produce the midterm bonanza Republicans could have anticipated a few years ago in similar circumstances, can it be expected to deliver control of the White House in 1980? Sadly, the answer is no.

If Carter's popularity continues to deteriorate, there is an excellent chance that he will not be the 1980 Democratic Presidential nominee. He could step aside *a la* LBJ and throw his support to Walter Mondale, who might yet prove formidable. If he persists in the face of a substantial erosion of intraparty support, Carter might lose the Democratic nomination to a challenger such as Jerry Brown, Edward Kennedy, or Daniel Patrick Moynihan. Any one of these individuals would have a fair shot at the White House as the Democratic nominee.

On the other hand, Carter could discover the miraculous potential of incumbency revealed to Richard Nixon in 1971 and Brendan Byrne in 1977. Midway through his term, Nixon's political stock was well on the wane. In August 1971, the President drew on the powers of his office to promulgate a politically popular, although economically dubious, wage and price control program. A few months later his breakthrough visits to China and the Soviet Union had helped to turn an uphill campaign into one of the greatest reelection triumphs in American history.

Governor Byrne's recent smashing reelection victory in New Jersey further underscored the recuperative potential of political incumbency. Elected in 1973 in a landslide, the Democratic governor's ineptness and repudiation of his campaign promise not to impose a state income tax decimated his popularity. Yet by November 1977, Byrne had closed an earlier 14 point gap in the polls to register a landslide triumph over his able Republican opponent, Ray Bateman. Byrne succeeded in turning his greatest liability, the state income tax, into a winning asset. Bateman's excessive reliance on an anti-Byrne appeal played into the governor's hands.

The surest path to Republican success in the long term—and perhaps in the near term as well—is to stake out distinct Republican positions on issues that have profound consequence to millions of Americans. These issues must have more than a symbolic or protest aspect; they must relate to the public's perception of a party's competence to

govern.

The relatively limited potential of the New Right can be traced to that movement's almost exclusive focus on protest causes—anti-abortion, anti-ERA, anti-gay rights, anti-gun control, and anti-Panama Canal Treaty. Even when these protest causes are woven together by the computer list wizardry of a Richard Viguerie, they are hardly the stuff of which dreams are made.

Enduring political coalitions are built instead on a positive vision of life. The political coalition forged by Franklin Roosevelt was glued together by the sense of hope the Hyde Park patrician conveyed to a demoralized America.

Now that the intellectual capital of the New Deal is thoroughly spent, Republicans must shape a new vision to lead America. Its elements should include:

- *A championship of the small entrepreneur.*

The Republican Party can readily shed its country club, big business image by fighting for the small entrepreneur, whether he or she is a black beautician, a Hispanic American restaurateur, an Italo-American home builder, or a Yankee fisherman. Initiatives such as those proposed last month by the Ripon Society could give credence to this pro-entrepreneur position.

- *Reform of the tax system to reduce the negative effects of taxes on work productivity and investment capital.*

The term tax reform has been misappropriated by some politicians to characterize tax changes that would further penalize work productivity or capital investment. Yet an intellectual revolution is now sweeping the economics profession and undermining the thin props undergirding Democratic liberalism. Arthur Laffer's breakthrough discoveries of the drag effects of tax policy have been skillfully popularized by such individuals as Jude Wanniski and U.S. Representatives Jack Kemp and David Stockman. Tax reduction, always politically popular, now has demonstrable economic advantages over the "tax and spend" approach. Republicans should hammer the tax reduction issue home to every American family, always linking it to job generation.

- *Greater consumer control over public services.*

The Democratic Party is inextricably allied with many service provider interests. Increasingly, the public is growing disenchanted with the quality and cost of public services. Republicans can identify themselves with taxpayer/consumer interests and demand sweeping reforms in the ways public services are rendered. These may include changing government from a provider to a financier of many services. A number of these alternatives will be explored in forthcoming issues of the *Forum*.

At the heart of a new Republican vision is the notion that America's progress depends on strengthening incentives for economic initiatives and innovation. A determined effort to give concrete meaning to such a vision can lay the groundwork for future electoral success at all levels of government. ■



View From Hawkins Gore

Business Helps The Hard Core

by Hollis Colby

"Greetings gentlemen," said the cheery young man as he marched into the midst of the Hawkins Gore Historical, Literary and Athletic Wagering Society, duly assembled in Blodgett's General Store. "For those of you who may not know me"—meaning all of us—"my name is Lance Flounder, and I represent the Great Eastern Commode Furniture and Bobbin Works Corporation over in the Greater Burlington area."

"I am here," he continues, "on an important mission."

"Ain't we all," interjected Luther Leach.

"I am here to recruit the young men of this community for a project of great importance to the President of the United States," the bright young man went on, pausing briefly to survey the effect on his listeners of the mention of so exalted a figure as the erstwhile Georgia peanut farmer.

Noting no perceptible effect, other than an instinctive motion by my cousin Ebenezer to protect his wallet, young Flounder said in his gravest tones, "You see, gentlemen, President Carter has proposed a major new program to reduce unemployment among America's youth and rebuild our decaying cities. He calls it his urban policy. He has made it perfectly clear that before now there was no urban policy, and it was all confused besides. Now he is going to move boldly forward and the Great Eastern Commode Furniture and Bobbin Works is prepared to move forward patriotically with him."

"Waal," said 'Lias Blodgett, the proprietor, "we all knew that the Great Eastern Commode Furniture and Bobbin

Works has always been in the vanguard of excessive patriotism, aside from their laying off 'bout half their work force the day before they would qualify for unemployment payments, of course."

"My company," Flounder continued, "plans to hire the hard core unemployed. And I am here to recruit a bunch of 'em into the well known CETA program."

"If your company is so keen to hire these lads," inquired Perley Farnham, "how come you are recruiting 'em for this here gov'mint program called CETA instead of straight out hiring them?"

"A perceptive question, my rustic friend," said Flounder. "Under President Carter's plan, we can't just hire any old unemployed youth. They have to do some time in this CETA program first. Then we hire 'em and our country grows in strength and vitality thereby."

"What difference does it make to those wonderful folks down on Wall Street, who now own the Great Eastern, whether you hire folks out of the CETA program or off of the street?" Perley persisted.

"The reason is," Flounder replied, "that if our company hires people out of the CETA program we will be handed \$2 thousand a year by Jimmy Carter's Treasury Department, whereas if we hire someone off the street we will receive absolutely nothing from Jimmy Carter's Treasury Department.

"You mean that a feller don't stand much chance of getting hired unless he goes down and surrenders himself to this CETA program first?" asked Perley, who was always quick about seeing thru things.

"Well, if you want to put it that way," says Flounder, "I guess you're right. If you're poor and out of work, you would be making a mistake to go down and try to hire on with a company directly because the company would lose \$2 thousand a year by hiring you. And the Great Eastern Commode Furniture and Bobbin Works is not so stupid as to throw away that \$2 thousand, I can assure you of that," Flounder said with great emphasis. "The way to play the game is to sign up for this CETA program. Then all kinds of wonderful things happen. Employers like mine will clamor for your services. City governments will insist that public works contractors put CETA employees on all their crews. The world will beat a path to your door. But eschew the beckoning hand of CETA, friend, and you can plan on watching the economy pass you by."

"Waal," mused Perley, puffing at his pipe, "once these young'uns get into this CETA program and then get hired by the Great Eastern, and the Great Eastern relieves the taxpayers of \$2 thousand apiece for its patriotism, do these fellers continue into the higher reaches of compensation at your illustrious manufactory?"

"Of course they do," replied Flounder. "I mean, they do for two years. Then of course we get rid of them."

"Two years of employment about exhausts the patriotism

of the Great Eastern, is that it?" inquired Ebenezer.

"Gentlemen, gentlemen, it's not a question of patriotism, not when Jimmy Carter chooses to abandon the corporations which responded to his urgent appeal," said Flounder, a touch of sorrow in his voice. "You see," he went on, "after two years the Great Eastern will no longer be allowed to claim the tax credit for hiring these CETA workers. So in fairness to our shareholders, we will have to look about for some more CETA employees to hire. The first bunch will just have to go back to the CETA program where they came from. But Great Eastern hasn't forgotten them, no sir. We have an agreement with Grandma Perkins Jam and Jelly Company, a subsidiary of International Extractive Industries of New York, Frankfurt, and Kinshasa, that they will hire all the fellows we return to the CETA program, and we'll hire all the ones they return. That will get us thru the first four years of the Carter urban policy, and if the government is still offering the same deal by then, we'll find a couple more companies to swap hard cores with."

"Now since you are such a perceptive group," said Flounder, "I'll tell you exactly how it works out for us. It will cost us about \$7 thousand a year to hire these hard cores. Since we are, despite our best efforts, still in the 40 per cent tax bracket, it really only costs us \$4200 of real money. Then Jimmy Carter gives us \$2 thousand of that. I reckon we can get \$2200 worth of work out of them the first year, and \$3200 the second year. Then we trade 'em in for a new batch and start over again.

"And to make sure we start out with a wide selection to choose from," Flounder continued, "I am here to recruit as many youths as possible into the CETA program. Now, are there any idle youths in the vicinity that might like to get involved in an effort to make President Carter look good?"

We all thought a moment on that one. Then Perley says slowly, "Waal, yes, we have a fine young feller name of Pod Crummley hereabouts. Just the sort your company might look for. You'll probably find him down on the Greenbanks Holler Road reading Plutarch's Lives of the Noble Romans, polishin' his job skills, and hopin' for a genuine economic opportunity."

"Thanks for the tip, fellows," said Flounder, and proceeded to the door.

"He'll be back right quick, I'd say," said 'Lias.

"How so?" inquired Luther.

"Cuz all the time he was in here I could see Pod out front taking the tires and battery off of his sports car. By now Pod'll be half way to Quebec to the spare parts store."

"Serves the Great Eastern right, if you ask me," says Ebenezer.

"That President Jimmy Carter, he sure falls in with some strange folks to carry out his urban policy with," says I. And to this date, ain't no one ever took issue with that analysis. ■

A Conversation With John Anderson



On March 21, Illinois voters repelled a skillfully orchestrated New Right attempt to defeat Congressman John Anderson, Chairman of the House Republican Conference. Anderson accumulated huge majorities in his home city of Rockford to offset a heavy vote for his ultraconservative opponent, Fundamentalist minister Don Lyon. Anderson swept to a 58-42 per cent victory. A substantial number of normally Democratic or Independent voters crossed over to vote for Anderson, a fact the New Right used to excuse their defeat. In Rockford, these voters tended to support Anderson. But in some of the rural areas, the crossovers inflated Lyon's vote.

The most remarkable feature of the Anderson-Lyon campaign was the intense involvement of a cluster of closely linked New Right organizations. New Hampshire Governor Meldrim Thomson clearly enunciated their strategy when he said in his fundraising letter, "Liberal Republicans ... realize the result of this primary reaches far beyond Illinois' borders. Anderson hit the nail on the head when he said, 'As a colleague told me recently, if they can knock you off, John, the rest of us are in serious trouble'."

In what may have been a remarkable coincidence, although some cynics might suspect concerted action, Anderson's district was showered with a deluge of anti-Anderson mailings shortly before the primary. Some examples follow:

● *On February 6, Gun Owners of America sent out a broadside prominently gunning for "anti-gunner" Anderson in the Illinois 16th Congressional District.*

● *On February 10, the National Conservative Political Action Committee sent robotyped letters to Anderson's constituents blasting him for among other things "hurting the image of the Republican Party."*

● *On March 10, the National Right to Work Committee blizzarded Anderson's district with letters attacking Anderson for his support of public campaign financing.*

To get more perspective on the race and its portent for the Republican Party, the Ripon Forum editorial staff interviewed Congressman Anderson on April 7. Portions of that interview follow:

RIPON FORUM: Congressman, when was it first apparent that the New Right was going to make the primary election a major test of strength?

CONG. ANDERSON: Well, it came some time after the man who turned out to be my opponent began to make noises about his tentative decision to enter national politics. That occurred around Memorial Day of last year.

Then I made a speech in September at the Michigan State Convention of the Republican Party, on Mackinaw Island, around the 18th of September last year. It was in that speech that I targeted specifically what I saw as the emerging threat to the Republican Party of this New Right. I warned against the divisive effects that it might produce, and singled out, as I recall it, specifically, by name, some of the people and some of the organizations. So we identified more than just a shadowy presence, and we tried to give some flesh and meaning to the whole idea that there was something indeed that could be called the New Right.

It seems to me that rather steadily from that time forward, they had decided this race would be a good one on which to target, obviously because it is such an early primary, but I think also because of their unhappiness with the fact that they had been fingered.

The speech was fairly widely quoted and reported around the country. As I recall it, even the New York Times had a piece.

It drew some attention around the country, and that was the immediate cause, I think, that produced maybe the coming together of Viguerie and my opponent and attracted the support of these other people.

RIPON FORUM: Did the activities of these various organizations include, in addition to support for your opponent, work in the district directed against you without mentioning your opponent?

CONG. ANDERSON: Yes. For example, at one time we had plodding through the area this fellow by the name of Proctor, who used to be with the Committee for the Survival of a Free Congress. He was in there nosing around. Then we had other reports of people that were going to the district. I never did discover who they were or what organization was really responsible for sending them there.

The National Conservative Political Action Committee was there. How much time they spent, I do not know, but they were there long enough to have an interview with the local press, and to repeat some of the familiar charges about what a bad person I was for the district, and the country, and so on.

So they were there, but it was not always obvious to us who they were.

RIPON FORUM: Were there many anti-Anderson mailings sent into the district that may have been from New Right or other out-of-district organizations?

CONG. ANDERSON: Yes. The National Right to Work Organization very strategically timed their mailings to come

into the district just shortly before the primary date.

RIPON FORUM: Did these make mention of particular candidates?

CONG. ANDERSON: Yes. They made mention of me as being a person who was backing a bill that was dear to the heart of big labor, and that anyone who supported it was the darling of the big labor bosses, and that was picked up in some of Lyon's own campaign literature.

The National Rifle Association came in with a specific endorsement of him during the two-week period before the election.

Then the Gun Owners of America had an extensive mailing that went into the district.

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has damaged their credibility fairly seriously
with some who might otherwise be
targets for their approval."**

The National Conservative Political Action Committee, had, I think, more than one piece of mail. I know of at least one mailing that they sent out.

RIPON FORUM: It is revealing that the dollar expenditures on the part of the out-of-district groups on these mailings may have been quite substantial in addition to anything that may have been reported on the part of your opponent.

CONG. ANDERSON: I think they were substantial and they were classified, I am sure, as independent expenditures, because they have not shown up in any of the reports that I have seen to date.

My impression is that most of these mailings that I just described would come under the category of independent expenditures, which were not reported as contributions to him, but which were sufficiently extensive so that they did represent a sizeable contribution to his campaign.

RIPON FORUM: Aside from personal animosity the New Right may have developed because of your outspoken positions, what other motives do you think they had?

CONG. ANDERSON: I think they felt that if I collided with the New Right, it would produce a little whiplash injury to the Republican Party; that they would be jerked back to the right a considerable distance if I could be disciplined and defeated in this primary. So I think they were after bigger game than just me. They had an idea that it would strengthen their effort to have this whiplash effect on the Republican Party.

RIPON FORUM: We noticed in the campaign that you had a very substantial degree of support from Republican

members of Congress who would be identified as conservative on the political spectrum. Do you sense a growing aversion among both Republican moderates and conservatives with the tactics of the New Right?

CONG. ANDERSON: Actually I think there is some basis for that feeling. But to some extent, as a result of this exercise, which after all failed, it would be premature to say that they did themselves in, because I think the New Right is fully capable of rising again. This machinery that they have is still intact. It is not as if somebody made a bombing run over the target and wiped it all out. It is still there, and it can be, and I feel undoubtedly will be, used again.

But I do have in my file letters from a number of my colleagues here in the House of Representatives who expressed pleasure at the outcome of the race, who even before the election indicated support for me, not necessarily because they felt that they were ideological blood brothers with me. As a matter of fact, some of them even frankly said "We wish that you would move your position a little bit in a rightward direction."

But, they were put off by the tactics and the obvious purge effort. They did feel that it was dangerous and divisive and debilitating for the party overall to have that kind of struggle going on and the public obviously taking it all in.

So to that extent, I think that the New Right has damaged their credibility fairly seriously with some who might otherwise be targets for their approval.

RIPON FORUM: Do you find a general feeling that the tactics of the New Right are essentially negative, that they are fastening on such issues as gun control, abortion, ERA, the Panama Canal Treaty, and that this is not sufficient to build a coalition for party success?

CONG. ANDERSON: I have never been more certain of anything in my life. Their whole strategy is one that is based on a totally negativistic philosophy. Again, I have letter after letter in my files from people, both before the election and since the election, who said that it was too much for them to swallow. They would say, "John, we certainly do not agree with you on many of the positions that you have taken and we wish that you would somehow correct some of those that you have taken in the past. But for Heaven's sake we are not about to climb aboard this kind of an effort that we think would be disastrous for the future of the Republican Party."

So, yes, it was a totally negative kind of campaign, and if my opponent offered one single positive solution to any problem, I would be glad to stand up in public and tell you what it was.

But, no, there was nothing, just an absolute total void of any positive program of any kind.

The Need For Unity

RIPON FORUM: At the same time the New Right is putting together this national computer network of various causes you characterized as negative appeals, it seems that

there is a considerable amount of ferment among Republicans in Congress of a variety of persuasions about putting forward new Republican approaches to deal with various ideas. Which of these do you see over the next few years providing considerable opportunity for the development of a Republican consensus that can be carried successfully against the Carter administration?

CONG. ANDERSON: Well, certainly in the area of taxes; changing the tax system so that it is not as oppressive as most people feel it now is.

I don't think that we should allow Carter to preempt the issue of tax reform, as for a time it appeared that he might, with his statements about what a disgrace it was, and recently repeated by Secretary of Treasury Blumenthal.

I think that Republicans have got to come up with some constructive proposals in the area of tax relief and tax reform. We have some now, of course. There is the much discussed Roth-Kemp Bill, with a 33 percent across-the-board reduction. But beyond just a rate reduction, I think we are going to have to come up with something that will be a little more inspirational, as far as really solving problems like capital formation are concerned.

I have not had an opportunity to read your piece about reviving small business, or the entrepreneurial class, (Ripon Forum, 'April, 1976) but that kind of approach to the whole question of taxes and the economy is going to be terribly important.

RIPON FORUM: In view of the tremendous drop that has occurred in the last several months in the President's popularity, why do you suspect that there has yet to show up in the same polls any indication of any strong voter swing in the 1978 congressional elections to the Republican Party?

CONG. ANDERSON: Well, that's a good question. I suppose in part it is because we have not sufficiently enunciated a counterstrategy to that which the Administration has been following.

I do not believe that we can sit back and think that a wave of vague, generalized protests against the bumbling and the fumbling of the Carter Administration is going to automatically ride a lot of Republicans into office.

We are still a minority party, and to overcome that disadvantage and to get the attention of the country that we are a viable alternative, we are going to have to have some fairly specific proposals on how we would act differently than Carter has acted. Otherwise, people are just going to lump all politicians together and say, "Well the Democrats certainly are mishandling things, but who are the Republicans to do any better?"

Until we give them a prescription of some kind, a formula, a reason, a program, I do not think we are going to be able to transfer Carter's growing unpopularity into something of a positive nature as far as our candidates are concerned.

People may not like Carter, but he still—according to the polls I've seen, at least—clings to the reputation of being this honest, good, sincere man who is trying to do his best,

and the problems are just a little bit too much for him, and he has not really grown up in the job the way a lot of people had hoped that he would.

But that still does not suggest that voters are going to vote willy-nilly for Candidate X if they do not know that he has more to offer than Jimmy Carter.

RIPON FORUM: How do you gauge the strength of the Republican moderates within the party at this point?

CONG. ANDERSON: Well, I think there is a hidden kind of strength. I think the strength is there. Yet obviously we are not organized to the extent that the hard core, far right conservatives are.

I expressed the thought in an interview that I had at home a day or two after the election that something ought to be done to try to bring together in a better and more coherent way the moderate forces within the party so that they could come in a collective way to the assistance of someone who found himself beleaguered, whether it be a John Anderson or a Pete McCloskey or a Cliff Case. There must be other moderates around the country who could be recruited. Maybe we could not initially match the kind of sophisticated computerized operation that Viguerie can throw into the breach. But we ought to at least try to bring some out-of-district or out-of-state resources together to help people who find themselves beset by these forces of the Far Right.



Anderson's celebrate primary victory.

Rockford (Ill.) Morning Star

I still feel that there is a fairly substantial moderate force out there, but it has not coalesced. It has never succeeded in coming together the way I would like to see that occur, and it has not had the kind of coordinated and centralized leadership that it ought to have.

RIPON FORUM: What do you think officials, particularly those in national office who are moderate Republicans, could be doing to try to bring together moderates throughout the country?

CONG. ANDERSON: Well, it goes without saying, I suppose, the first thing would have to be that they would have to agree to sit down from time to time and talk among

themselves. A group of us do that, of course, every Wednesday afternoon, here on the Hill.

But on a broader scale, on a nationwide scale, I would like to see some coming together of groups that I'm convinced do exist in other states and other parts of the country and on some basis, formal or otherwise, have a meeting and see if we could prepare an agenda.

Carter And The Democrats

RIPON FORUM: How does Congress view Carter's recent urban strategy proposals?

CONG. ANDERSON: Well, maybe I am unkind, but if they have evoked anything much more than just a yawn from most people at this point, I am not aware of what that reaction would be. I think that at this point, to most Members of Congress they are just a lot of rhetoric.

"This is definitely an administration that has no really clear perception of how it's going to get from here to there."

I believe we have yet to come up with something that would really be clearly identified as an urban strategy that we could sell to Congress and to the country.

I firmly believe that the Republicans ought to have something to offer in that area. We have not seen it yet.

RIPON FORUM: Is there a general feeling in the talk that you have with your colleagues here on the Hill, that the Administration basically does not have its act together?

CONG. ANDERSON: There is a growing conviction of that on the part of Republicans, and I think Democrats as well. I hear almost as many complaints and anguished cries from Democrats as I do from Republicans, that this is definitely an administration that has no really clear perception of how it's going to get from here to there.

Now, it has some broadly defined foreign policy goals that are very nice, of a peaceful world where we have reduced if not eliminated the stock of nuclear arms and all of that; of advancing the cause of majority rule in Africa; and of reaching a new plateau of detente with the Soviet Union. But in the field of foreign affairs, things are going very, very badly at the moment, most people feel.

When you look at the scene here at home, and read that the so-called built-in rate of inflation is just creeping up all the time, from 6 to 7 per cent, and the short-term rates may be a lot higher than that this year, you realize that the Administration is really at sea as far as its economic policy is concerned.

We are adrift and if there is a captain on the bridge I do not know who it is, whether it is Mike Blumenthal or whether it is Jimmy Carter, or whether it is Charlie Schultze. Who is

in charge? Nobody really knows.

RIPON FORUM: Do you find that Democrats at large are developing the skill that the Southern Democrats have been particularly adept at for a number of years, that is, differentiating themselves from a President of their own party?

CONG. ANDERSON: Yes, indeed. And I think that this is going to be clearly manifested in the 1978 congressional elections.

I believe that based on any number of conversations I have had with Democrats, who indicate that they are going to be quite independent in the conduct and operation of their campaigns from any White House influence. They will put just as much distance between themselves and the failures of this administration as they possibly can. They are showing very clearly, in more ways than we would have time to sit here and enumerate, how disdainful they are of White House opinions.

Carter, for example, continues to insist that Congress should not go back and undo what it did in 1977 on Social Security. Yet, (Chairman of the House Ways and Means Committee) Al Ullman, who has compared himself to the little Dutch boy with his finger in the dike, now realizes that he's about to be rolled over and inundated by this mad, pellmell rush to get rid of this albatross around our necks in the form of these higher Social Security taxes. So the Democrats are going to go ahead and do something in that area whether Carter likes it or not.

You know, he's pretty soon going to be in pretty much the same situation as the French revolutionary who had to look out the window and say, "I must see which way the mob is headed before I can hurry and get around to the front, for I am their leader."

If Carter does not watch himself, he's going to find himself pretty much in that situation, I think. He is not controlling events at all.

I am a conferee on that energy bill, so I have perhaps a little better knowledge of that than some of these other matters I have been talking about. If there is any parallel for ineptitude on the part of the President with a majority as handsome as he has on that committee, and in the Congress as a whole, I do not know what it is.

RIPON FORUM: If this same trend continues through the election, what would you imagine would be the relationship between the Congress and the President in 1979 and 1980?

CONG. ANDERSON: Well, I suppose you could argue that as you came closer to 1980, the Democratic Congress would want to close ranks and shore up an incumbent President. But that would be true were it not for the fact that there seem to be a number of signs on the horizon that the Democrats might look for a new leader themselves. And if it becomes clearly apparent that others really are emerging as viable prospects to oppose Carter at the convention in 1980, I think that trend toward a runaway Congress would continue and might even increase, and that Carter would be in worse shape the last two years of his term than he was the first two years. ■

**You are cordially invited
to attend
The Ripon Society's
1978
National Issues Conference
and Dinner
Saturday, May 20, 1978
Washington Hilton
Washington, D.C.**

Registration Form

RIPON SOCIETY
1978 National Issues Conference

- Yes, I wish to attend this year's issues conference and enclose my check for _____ reservation(s).
 I cannot attend but enclose my contribution to the Ripon Society.
 I wish to attend the reception and dinner, enclosed is my check for _____ reservations at \$35 each.

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Conference fee (includes lunch) is \$30.00 per person, \$20.00 for students, payable to Ripon Society Issues Conference, 800 18th Street, N.W., Washington, D.C. 20006.

Conference Agenda

Friday, May 19

6:00 - 8:00 PM Reception—Capitol Hill Club
300 First Street, S.E.
Washington, D.C.
No Host Reception

Saturday, May 20

9:00 AM Conference Registration

9:30 AM General Session
Remarks by John C. Topping, Jr.,
Editor, *Ripon Forum*

10:00 AM Panel Discussion
"The Middle East: Where Do We
Go From Here?"
Participants: Senator Jacob K.
Javits; Senator James Abourezk;
The Honorable Mohamed I. Hakki,
Minister of Press and Information,
Embassy of Egypt; Mark Frazier,
author of Ripon Policy Paper,
"Free Trade Zone for the West
Bank."

11:45 AM Lunch, Guest Speaker

1:15 PM Panel Discussions
Carter's Moral Equivalent of War on
the Middle Class: Taxes and Social
Security
Moderator: Dr. Richard Rahn, Ex-
ecutive Director, American Council
for Capital Formation
Entrepreneurship: A Vanishing
Vocation?
Moderator: The Honorable Mitch-
ell Kobelinski, former Administra-
tor of SBA
Participants: Philip Johnson, for-
mer President, National Congress
for Community Economic Develop-

3:00 PM

ment; George Shrafran, President,
Better Homes Realty, Inc.; John
C. Topping, Jr., author of Ripon
Policy Paper, "How to Reinvigorate
Small Business."

Panel Discussion

Neighborhoods: Key to Urban Re-
vival

Moderator: The Honorable Vin-
cent A. Cianci, Mayor of Provi-
dence, Rhode Island

Participants: Neil Seldman, Co-Di-
rector, Institute for Local Self-Re-
liance; Mark Frazier, Director,
Local Government Center, Santa
Barbara

4:30 - 5:00 PM

Conference Closing Session
Remarks by Glenn S. Gerstell,
President, Ripon Society

6:30 PM

Congressional Reception and Din-
ner featuring "A Saturday Night
Revue of Administration Follies"
The Honorable Alan W. Steelman,
Master of Ceremonies

Host Committee:

Representative John B. Anderson
Senator Edward W. Brooke
Attorney General J. Marshall Coleman
Representative Silvio O. Conte
Representative Millicent H. Fenwick
Senator Mark O. Hatfield
Representative Margaret M. Heckler
Representative Paul N. McCloskey
Representative Stewart McKinney
Representative Joel Pritchard
Representative Philip E. Ruppe
Senator Robert T. Stafford

Black Tie Optional

\$ 15.00 Reception
35.00 Dinner and Reception
100.00 Patron.

Housing Registration

NATIONAL ISSUES CONFERENCE

If you should require overnight accommodation for either Friday or Saturday evenings, May 19th and 20th, complete the form below and return to: Ms. Ardell Fleeson, Housing Chairman, National Issues Conference, 2069 Hopewood Drive, Falls Church, Virginia. All forms must be submitted on or before Saturday, May 14th.

NAME _____

ADDRESS _____

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Please check the following:

Hotel
 Private Home

Friday, May 19th
 Saturday, May 20th

HOW FORD LOST THE ETHNICS: An Inside Account

Well into the Carter Administration's second year, prospective candidates for the next Presidential race are beginning to test the waters for 1980. As they begin their careful minuet, they would be well advised to heed the lessons learned from the 1976 campaign. This article, prepared by members of the *Ripon Forum* editorial staff, details a classic case of lost political opportunities, the consequences of which future candidates can ignore only at their own peril.

GERALD FORD lost his 1976 bid to retain the Presidency for a number of reasons well understood by the general public: the Watergate disaster, the Nixon pardon, high unemployment, and dissatisfaction with the governmental stalemate underscored by his lengthy string of vetoes. By the time the campaign year rolled around all these factors were largely beyond Mr. Ford's control. The President, however, still had the opportunity to develop new issues for his campaign, issues around which a majority could have been cemented. Yet Mr. Ford and his top advisers failed to seize this opportunity. Their failure is nowhere so astonishing as in the area of preserving declining urban neighborhoods.

In the past few years, an increasingly strong movement has arisen in the older cities of the eastern and mid-western industrial states. That movement is an uncoordinated, spontaneous, block-by-block movement to "save the neighborhood." The threats to the urban neighborhood are legion. They include housing decay, mortgage redlining, deterioration of city services, ever-higher property tax rates, crime and vandalism, busing, air pollution, and the depredations of freeways and urban renewal. The inhabitants of threatened neighborhoods have organized in block clubs, citizens leagues, and neighborhood associations, determined to reverse the decline and protect their way of life, their communal associations and their property values.

Four reasons make this situation admirably suited as the target of a Republican appeal. In the first place, the

City Hall in many cities, long controlled by Democrats, is seen as the enemy and oppressor of the neighborhood. Furthermore, the Federal legislation which adds to the oppression was conceived and enacted by Democrats in the White House and Congress. In addition, the best organized and most vocal of these neighborhoods are those peopled by white ethnic stock, particularly second and third generation Italians and Eastern Europeans.

These urban white ethnics are swing voters who may, given the right incentives, vote Republican. Finally, the rhetoric of the neighborhood movement has a striking similarity to traditional Republican rhetoric about self-help, resourcefulness, grassroots leadership, local control, and protection of property values. It would certainly require no ideological prostitution for traditional Republicans to embrace the neighborhood preservation cause.

This potential for political support was at least dimly recognized in the Ford White House by early 1976. The recognition perhaps dawned first in the agile mind of Assistant to the President William J. Baroody, Jr. In late 1974 President Ford had named Baroody to head a new Office of Public Liaison. Its purpose was to maintain congenial and politically profitable contacts with various private interest groups, and to give those groups a respectful hearing at the White House itself. Baroody (himself of Lebanese extraction) realized that white ethnic Americans deserved recognition along with the traditional categories such as agriculture, veterans, labor, business, professions, and the media. To build a bridge in their direction, he accepted the urgings of numerous ethnic leaders and brought to the White House in 1975 a Ukrain-

ian-American named Myron Kuropas as Special Assistant to the President for Ethnic Affairs. Kuropas had been the regional director for the ACTION agency in Chicago, where he was intimately familiar with the leaders of various ethnic neighborhood groups, and he had earned a doctorate in ethnic studies. Backed up by Baroody, Kuropas began to engineer a White House Conference on "Ethnicity and Neighborhood Revitalization." The significance of this title was that, unlike previous overtures to white ethnics built around Cold War and captive nations themes, this approach was founded on the rapidly growing interest of urban white ethnics in preserving their neighborhoods.

The approach espoused by Kuropas and Baroody differed in at least two respects from earlier neighborhood appeals. First, this approach emphasized working partnerships between black, Hispanic and white ethnic city dwellers rather than the polarizing tactics of such self proclaimed ethnic spokesmen as Philadelphia Mayor Frank Rizzo. Second, learning from the failures of sixties style confrontation politics, this strategy stressed the importance of close relationships between city hall and neighborhood groups.

Ethnic Conference

Working closely with Msgr. Geno Baroni, the politically shrewd head of the National Center for the Urban Ethnic Affairs, Kuropas organized the ethnic conference for May 5, 1976, in the White House East Wing. Some 78 ethnic leaders attended, people with names like Cyganowski and DiPippo, Pugevicius and Von Riestenberg. Leading the administration delegation were Commerce Secretary Elliot

Richardson (Representing America's first immigrants, said one wag), Small Business Administrator Mitchell Kobelinski, Minority Business Enterprise Director Alex Armendaris, and President Ford himself, who spoke informally to the group in the Rose Garden before lunch.

The conference was built around a powerful position paper written by Baroni, entitled "Neighborhood Revitalization: Neighborhood Policy for a Pluralistic Urban Society." Arguing that the Federal policy of the preceding decades had "nearly destroyed the various levels of human associations which make urban life possible," Baroni called for the beginning of a new urban policy founded on the rich variety of ethnic differences, and on preservation and revitalization of urban neighborhoods. "We have failed to recognize that people live in neighborhoods, not cities," said Baroni. "And worse yet," he added, "we have transferred so much authority and decision making power to various levels of government that the vitality and problem solving capacity of our neighborhoods are steadily disappearing. Power," explained Baroni, "must be returned to the people." To begin to move toward that goal, Baroni called for creation of a Presidential Commission on Neighborhood Policy. Its task would be to review all existing Federal programs impacting on neighborhoods, and to develop from that review and from new suggestions a national neighborhood policy.

Baroni's eloquent address was received with almost wild enthusiasm by the invited ethnic leaders. So was that of Secretary Richardson. He recognized that the Federal government was often more the cause of neighborhood problems, than a source of assistance. He joined in the call for development of a national neighborhood policy, even suggesting experimentation with genuine neighborhood government. The Boston Brahmin, former Ambassador to the Court of St. James, perfectly attired in pin striped suit, also convulsed his audience by observing that, "There can be no doubt that the Federal government has pissed away billions in the cities." OMBE Director Armendaris and SBA Administrator Kobelinski enthusiastically pledged support for development of a national neighborhood policy.

But, strangely and significantly, HUD Secretary Carla Hills was not present. In her place came two lower level officials. One, Deputy Assistant Secretary Warren Butler, admitted the follies of past urban renewal efforts, but seemed unwilling to go beyond the administration's advocacy of general revenue sharing for the cities. The other, Assistant Secretary for Consumer Affairs Constance Newman, who is black, spent most of her allotted time dwelling on the possibility that "neighborhood revitalization" might become a code word for racism. This feeble HUD participation was to foreshadow disastrous problems for President Ford in the months ahead.

The Reagan Effect

Moreover, the White House Conference on Ethnicity and Neighborhood Revitalization opened on a Wednesday morning only hours after Ford had suffered crushing Presidential primary losses to Reagan in Indiana, Georgia, and Alabama. These defeats, coming on top of Ford's shellacking in the May 1 Texas primary, had riveted White House staff attention on the President's intra-party rival. Public emphasis at this point on an urban policy of any sort would, some Ford strategists perceived, be viewed as an opening to the left susceptible to exploitation by Reagan. Thus, the White House Press Office gave minimal play to the very successful conference which Baroody had convened. This same White House preoccupation with the Reagan challenge delayed serious thought on general election initiatives that might appeal to swing voters in large Northern cities. Meanwhile, Jimmy Carter, having recovered from his verbal gaffes on the subject of "ethnic purity," had quietly begun to develop close contacts with ethnic leaders around the country.

In The White House

Although, the May fifth Ethnic Conference developed, as Baroni and Kuropas had hoped, a strong consensus among participants for a Presidential Commission on Neighborhood Policy, debate raged within the White House on the wisdom of such a course. Baroody and Kuropas urged creation of at least a high level task force to reap the political harvest of the issue

well before the fall campaign. They pointed out that Senator William Proxmire, Chairman of the Senate Banking, Housing and Urban Affairs Committee and a strong neighborhood

"We have failed to realize that people live in neighborhoods, not cities," said Baroni."

policy backer, had introduced a bill to create a presidential commission on neighborhoods. The White House, they said, would seize the issue before it appeared to be only a response to the initiative of a Democratic Congress. (The bill later passed the Senate without opposition, but died on the House calendar when Congress adjourned in October.)

A contrary opinion came from OMB Director James Lynn, a former Secretary of HUD. Lynn was, necessarily, aghast at the current \$60 billion budget deficit and had regularly axed almost every proposal for new expenditures. The Commission, Lynn argued, would not in itself cost much money, but it would undoubtedly produce recommendations for vastly increased urban spending which the Ford Administration, assuming it was continued in office, could ignore only at its political peril. Crucial to Lynn's argument was the premise that any problems would require vast amounts of Federal funds, funds which simply could not be expended with a monstrous budget deficit hanging overhead. Lynn apparently failed to perceive that a grassroots, self-help "neighborhood power" program might not require significant new spending. Baroody and Kuropas, his chief adversaries on the issue, lacked the program expertise to defeat Lynn's premise and confined their advocacy to political grounds.

While this debate raged within the White House, a group named "National Peoples' Action" (NPA) sponsored a well-attended conference in Washington on June 13-14, 1976. Their slogan was "Neighborhoods First." Led by Gail Cincotta, a skilled Chicago organizer and orator,

the conference-goers pilloried hapless federal officials sent to defend government policies. Delegations from practically every large and medium sized Northern city east of the Mississippi were in attendance. Kuropas was there, one of the few Federal officials to get a decent welcome, and his first hand observations fortified his determination to press for White House action despite Lynn's strong objections.

Late in June it became clear that the President would side with Baroody and Kuropas and appoint some sort of high level study committee. The question then arose: Who would chair it? Richardson was eager for the opportunity. But Richardson was also eager to be named Vice President on the 1976 ticket with Ford, which added a new dimension of intrigue. HUD Secretary Hills, who had earned high marks for her quick mastery of urban affairs, was eager. If the Commerce Secretary were named to head a task force on urban problems over the HUD Secretary, it could only be viewed as a stunning rebuff to her aspirations and a boost for Richardson's. Hills absolutely insisted that she, not Richardson, be named to chair any task force.

The President's Decision

On June 30 the President announced his decision. There would be a "President's Committee on Urban Development and Neighborhood Revitalization," chaired by Hills and including 12 other top level officials, among them Lynn, Baroody, Richardson, and Kobelinski. The assignment of the new group was to "examine urban problems and to make recommendations to improve current Federal programs in order to revitalize urban and neighborhood areas." Specifically, the group was to recommend changes in current programs "to place maximum decision making responsibility at the local level."

This mandate contained two highly significant points. One was that the task force was implicitly confined to reshaping existing programs, rather than breaking any new ground. Perhaps more important, the neighborhood focus unanimously urged by the May fifth Ethnic Conference participants had been significantly diluted.

For in the statement announcing the formation of the group there appeared a new and primary concern with "cities," not neighborhoods. "Neighborhood life" everywhere became "urban and neighborhood life," the locus of the problems became "cities and urban neighborhoods." The need for greater problem solving capacity at the "local level" began to look like "power to city hall" rather than "power to the people."

It was not until July 21 that Hills called the organizational meeting of her Committee—only 15 weeks remained before election day. As its chief of staff Hills named HUD Assistant Secretary for Research and Technology Charles Orlebeke, a former newsman who had been an aide to former HUD Secretary George Romney both in Michigan and in Washington. While personable, Orlebeke was hardly noted as an original thinker. Working with Orlebeke was Hills' Special Assistant Leonard Zax.

Three weeks into the committee's work, National Peoples' Action came back to Washington to find out what progress was being made. As always, its spokesmen were loaded for bear. NPA had had a running battle with Hills over FHA and HUD policies, adopting as its unofficial slogan "Fire Her Ass." Nothing they learned in August 7 meeting with Kuropas and Orlebeke changed their minds. Rev. Bill Tanguay of PACE, Providence, R.I. objected that a committee made up only of high level Federal officials could scarcely be expected to level any criticisms against Federal policy. Paul Bloyd, a neighborhood organizer from Oak Park, Ill., and NPA Chairwoman Cincotta joined in protesting the absence of neighborhood people. Kuropas agreed with them; Orlebeke said that decisions in such matters were up to the President, but the NPA delegation was not offered the opportunity to take the matter up with Mr. Ford in person. Orlebeke announced that the report would be made public October 1—a mere five weeks before election day. Said Cincotta, disgusted with the meeting, "Back to the streets in September; back to Washington in October."

The whole development of this issue alarmed Kuropas. He saw a long, dilatory process; leadership by a

cabinet official whose department he recognized, was a large part of the problem; staff work by an unimaginative HUD bureaucracy; a steady shift of focus away from neighborhoods and toward larger city issues; and election day rapidly approaching. The opportunity for capturing the urban ethnic vote was rapidly being lost.

New Tack

So Kuropas tried another tack. He arranged a meeting with the Vice Chairman of the President Ford Committee, Elly Peterson. As a skilled and experienced political organizer, who had herself worked to mobilize ethnic groups in early Romney campaigns in Michigan, she would Kuropas thought, be able to persuade the Ford high command to do something intelligent—and quick—to win urban white ethnic votes.

Kuropas appeared in Peterson's office with Kobelinski and Chicago Republican Congressman Edward Derwinski, a longtime champion of ethnic issues.

The need for greater problem solving capacity at the 'local level' began to look like 'power to city hall' rather than 'power to the people.' "

One after another they pleaded with Peterson; who seemed to exhibit little interest in their message. The President Ford Committee, she stated firmly, was not organized to make any special appeal to ethnics, and the neighborhood issue was obviously entrusted to other hands. Finally she agreed to confer upon a junior staff member the additional title of Ethnic Committee Chairman. Kuropas and Kobelinski were astonished and dismayed; Derwinski was completely disgusted. There was to be no support from the President's re-election committee.

Platform Statements

Ironically, even earlier when the Ford White House and Campaign

Committee had shown almost no interest in publicizing the Administration's urban stance for fear this could play into Reagan's hands, two innovative Republican leaders succeeded in hammering a strong neighborhood oriented "National Urban Strategy" plank in the Republican Platform. Congressman John Anderson of Illinois, co-chairman of the subcommittee for urban policy, refashioned the bland White House language into an

"Ironically, at the same time that the Ford White House and Campaign Committee had shown almost no interest in publicizing the Administration's urban stance. . . two innovative Republican leaders succeeded in hammering a strong neighborhood oriented 'National Urban Strategy' plank into the Republican platform."

eloquent statement tuned to the aspirations of the neighborhood movement. A number of the specific initiatives endorsed in the platform had been put forward in February 1976 in a provocative paper "Neighborhood Revitalization: An Alternative to Bureaucratic Liberalism" to a Ripon Society sponsored discussion in which Monsignor Baroni participated.¹ Anderson's language was further strengthened by Providence's young Mayor Vincent A. (Buddy) Cianci who secured the addition of the following paragraphs:

We need a comprehensive approach to plan, develop and implement a variety of programs which take into account the many diverse needs of each neighborhood. The establishment of a National Neighborhood Policy will signal a commitment to the improvement of the quality of our life in our neighborhoods.

We call for an expansion of the President's Committee on Urban Develop-

ment and Neighborhood Revitalization to include representatives of state and local officials and the private sector.

The Reagan platform watchdogs who slapped about the Ford forces on several issues readily accepted this strong neighborhood language of Anderson and Cianci. In the early stages of the campaign Reagan had begun to incorporate neighborhood movement rhetoric into his critiques of the Washington bureaucracy. In choosing Richard Schweiker as his prospective running mate, the former California governor was not only bidding for a Northeastern delegate breakthrough, but also angling for urban ethnic votes. The Pennsylvania Senator had become noted among neighborhood and ethnic spokesmen as one of their leading Congressional champions, particularly on such matters as the Ethnic Heritage Bill.

Having succeeded in pressing strong neighborhood language into the platform, Cianci sought to address the whole convention on the neighborhood issue. The only opening he was offered was a chance to introduce John Connally. The resourceful and irrepressible Cianci turned this to advantage in an introduction which was much more memorable than Connally's lengthy "gloom and doom" address. Poking fun at Carter's Acceptance Speech reference to Eytalians, Cianci then went on eloquently to urge a Republican espousal of neighborhood revitalization. Despite the brief flurry of interest in neighborhood self help at the Kansas City Convention, the Ford high command still seemed oblivious to the potential of this issue. This same lack of urgency was reflected in snail's pace progress by the President's Committee on Urban Development and Neighborhood Revitalization.

By late summer Orlebeke was assembling material for the Hills report and circulating it to members of the President's Committee. It was not until October 1, the date originally scheduled for public release, that Hills got a draft on her desk. She was, reportedly, not satisfied with what she saw, but since the report was overdue she agreed to circulate it to the other members for comment. The draft arrived in the offices of the other members on Monday, October fourth, with instructions for comment and

return by Friday, the eighth.

The first draft report was, to put it mildly, pedestrian and tedious. Its focus was not on neighborhoods, but on cities. The long range goal of the committee was "to shape policies and programs which make the most of the cities' potential so that millions of Americans of diverse ethnic and racial backgrounds can preserve or re-create healthy urban neighborhoods." The report acknowledged that certain past actions of the Federal government had been injurious to the cities, but touted the advent of Republican-sponsored block grant programs as the dawn of a new era. The report promised administrative improvements in block grant programs and extensions of that device to the areas of housing, education, health care, and transportation.

Despite the fact that the Secretary of Treasury was included on the committee to help appraise the impact of Federal Tax policies on housing problems, the report declined to offer any concrete proposals for tax changes. Instead, it urged yet another "general review" of selected areas. The only concrete legislative proposals of consequence in the report were the espousal of the Brown-Griffin countercyclical block grant measure, a rejiggering of the community development block grant formula to reallocate some \$32.5 million to declining eastern cities, and an increase from \$5 to \$15 million of the HUD urban homesteading program. Since the staff work was done by HUD research chief Orlebeke, the draft report not surprisingly recommended an "ambitious program of research and demonstrations aimed at finding out which approaches to solving problems work best"—this, despite the fact that HUD Research and Technology had been funded at about the \$65 million-a-year level for a number of years, apparently without being able to discover "which approach to solving problems works best."

The draft report was not enthusiastically received by at least some of the participating Secretaries. Richardson complained about the lack of neighborhood focus. OMBE Director Armendaris, in his comments to Richardson, hammered hard at HUD's abandonment of neighborhood policy and argued strongly for more emphasis on neighborhood commercial strip

1. John C. Topping, Jr. and Michael C. Wells, "Neighborhood Revitalization," *Ripon Quarterly*, Summer 1976, Vol. 3 No. 1.

revitalization. The OMB Director was able to push additional language into the final report on the latter but his protest about the abandonment of the neighborhood focus fell on deaf ears at HUD.

A Final Draft

With comments from the agencies, Orlebeke and Zax produced what proved to be the final version. While the organization and prose were improved in places and some of the more unintelligible parts deleted, there was little change in substance. The goal of the task force was revised slightly: "to shape policies and programs which make the most of the economic and social resources of the cities, recognizing the unique assets of the cities' diverse neighborhoods and people." Commerce and SBA won recognition of their efforts to rejuvenate inner city economies. The imagined virtues of Labor's CETA training program were expounded upon at greater length. The proposal to reallocate \$32.5 million in community development revenue sharing evaporated into a promise to review the allocation formula with the needs of the older cities in mind. The \$10 million increase for Urban Homesteading became an "honorable mention" with no specified amount. Orlebeke's "ambitious" program to discover what several hundred million dollars worth of research had failed to discover during his years of influence at HUD was reduced to a call for a "coordinated" effort.

This final version went to the White House the week of October 11, where it sparked a passionate controversy. Lynn, who had opposed the whole project from the beginning, urged that the report — now designated an "interim" report — be pigeonholed. It was too late to get any election mileage out of it, Lynn argued, and its release, containing essentially nothing for mayors or for neighborhoods, would merely give the Democrats campaign ammunition. Taking Lynn's side were White House aides Jim Cavanaugh, deputy to Chief of Staff Richard Cheney, and Domestic Council staffers James Cannon and Arthur Quern.

But Carla Hills was not about to see her handiwork fed to the paper-

shredder. The HUD Secretary nevertheless had few illusions about the quality of the report. As one of her top aides has since explained, she doubted the Ford White House could be receptive to anything that might seem too imaginative. Secretary Hills was prepared to battle for this thin gruel she was serving in the belief that the alternative was total Ford silence on urban policy. On October 17, a Sunday, she and Transportation Secretary William Coleman, who was concerned that some Ford statement be made on urban policy, came to the White House to shoot it out with Lynn and the staff in front of President Ford. The debate waxed hot and heavy, but finally Ford made his decision. "They're always saying this Administration has no policy for the cities," he said, "Now," waving the report in the air, "they won't be able to say it anymore." The President was apparently unaware of the drastic shift of focus from the neighborhood concerns expressed in the May fifth Ethnic Conference to the macro-solutions aimed at City Hall by the Hills report. Public release date was scheduled for Wednesday, October 20—just two weeks before election day.

The McClaughry Effort

At this point occurred a remarkable, but ultimately futile, last ditch effort to rescue the situation. It was mounted, single handed, by a complete outsider, a longtime Republican operative and idea peddler named John McClaughry. Nine years before, McClaughry, then special assistant to Senator Charles Percy, had developed and drafted a major "Republican alternative" to the Great Society urban programs. The Percy bill, ultimately sponsored by all 36 Republican Senators and 112 Republican

"At this point occurred a remarkable, but ultimately futile, last ditch effort to rescue the situation."

members of the House, was built squarely on a "neighborhood strategy:" expanding resident ownership, encouraging private sector involvement, grassroots initiative by neighborhood associations, and a

broad scale attack on neighborhood problems under the control of neighborhood people.

The 1967 Percy bill was emasculated by Senate Democrats (led by Sen. Walter Mondale) and the destruction of the bill's neighborhood orientation sent McClaughry off in disgust to Harvard's Institute of Politics. After a year at Harvard he returned home to Vermont and was elected to two terms in the Vermont legislature. During that time, however, he maintained his national contacts, and was the principal supplier of the domestic policy ideas enunciated by Richard Nixon in his "Bridges to Human Dignity" addresses during the 1968 campaign, the basis for the subsequent Federal minority enterprise program.

McClaughry had steadfastly retained his determination to make Republicans aware of the need to unleash "people power" in declining urban neighborhoods, and written a number of reports and articles on the subject. He was friendly with the leaders of the "neighborhood movement" like Baroni and Cincotta. By hook or by crook, McClaughry got his hands on the first draft of the Hills report early in October. Having attended the May fifth Ethnic Conference at Baroody's invitation, he was appalled at the transformation of a project for revitalizing neighborhoods into a groping and totally unsuccessful effort to placate the overwhelmingly Democratic City Halls. Catching a plane to Washington on October 19, he was determined to rattle all the bars of his friends in the White House, in an attempt to generate a document that could not only produce a genuine Republican neighborhood policy, but also win votes for President Ford.

The White House Invasion

On the morning of Wednesday, October 20, McClaughry arrived at the White House with a 23-page draft Presidential statement in his briefcase.

The vocal Vermonter made impassioned arguments wherever he could get a hearing.

McClaughry's draft statement differed drastically in philosophy and content from the Hills Report, although it re-

tained some of the latter's harmless provisions. In ringing rhetoric akin to Baroni's it affirmed the primacy of neighborhoods, and the necessity for empowering the people of those neighborhoods to mount their own grassroots efforts to deal with neighborhood problems. It condemned institutional structures and service bureaucracies. It promised a strong Federal effort not to shower money on City Hall, but to sweep away barriers—many of them erected by government itself—to spontaneous self help by neighborhood people and the private sector. It was, in short, an eloquent restatement of what Republicans say they think about social problems, but rarely know how to accomplish once in power.

The high points of McClaughry's draft emphasized the effectiveness of the Neighborhood Housing Services (NHS) program, operated in 26 cities by an orphan task force initiated by the Federal Home Loan Bank and funded—reluctantly—by HUD to the extent of a mere \$4.5 million in 1976. The NHS program had been cited in the Hills Report, but no recommendations had been made concerning it, quite possibly because HUD, which controlled the housing recommendations in the Hills Report, was jealous of NHS's success. That success, according to an evaluation by two University of Pittsburgh researchers, lay in the fact that NHS was *not* a governmental program, but a device to encourage mobilization of neighborhood people and local lending institutions for locally-controlled neighborhood rehabilitation. McClaughry's draft proposed an increase in Federal support of NHS from \$5 to \$25 million in 1978, and at the same time a decentralizing and "entrepreneurializing" of the program to the regional level to prevent the creation of yet another ossified Washington bureaucracy.

Other major proposals in McClaughry's draft included a Federal reinsurance system for private rehab loan pools insured in the first instance by a private mortgage insurance company. McClaughry also advocated two concrete tax law changes: a five year writeoff of home improvement and rehab in areas where an NHS or similar program was under way, and a waiver of recapture of accelerated deprecia-

tion benefits when a slum owner donated the building to a NHS or similar rehab program. The draft also proposed a one per cent Federal Home Loan Bank rediscount rate bonus to savings and loans which gave investment support to NHS-type neighborhood rehab efforts, but firmly rejected the idea of federal credit allocation as a "solution" for redlining. Finally, McClaughry's draft proposed impartial arbitration of claims made under HUD's "518" program, which indemnifies buyers of FHA-insured homes when those homes turn out to have serious structural defects which the FHA appraiser should have observed. As it stands, HUD itself makes all determination on claims, and to win a claim a homeowner must force HUD to admit its own mistake and pay up out of its own pocket. This has proven not only difficult to do, but also eminently offensive to the homebuyer's sense of fair play.

Armed with this audacious document, McClaughry set up shop in Kuropas' office. Buy this time Kuropas was a thoroughly discouraged man. Lured to the White House by the prospect of spearheading policy changes beneficial to white ethnics and their neighborhoods, Kuropas had discovered to his sorrow that he had become the White Houses's "token Ukrainian." His duties seemed to be principally ceremonial. Indeed, when he was asked to prepare a memo on President Ford's accomplishments on behalf of ethnic America, he was reduced to leading off with the declaration that, as a lad, Gerald Ford had a pal of Latvian extraction.

Deadline Time

From Kuropas, McClaughry quickly learned that the Hills Report was to be released that afternoon. Frantically, McClaughry raced to the office of Chief of Staff Cheney, with whom he had served on Capitol Hill years before. McClaughry implored Cheney's secretary, Kathy Berger, to tell her boss not to let the Hills Report out until he (McClaughry) had a chance to make his case for an alternative. As it turned out, the report's release had already been rescheduled for Thursday, October 21. Cheney asked his deputy, James Cavanaugh, to give McClaughry a hearing.

Cavanaugh, who did not know McClaughry, opened the interview with the obvious expectation that it would conclude in five minutes. When McClaughry poured out his arguments why the Hills Report would be a disaster, Cavanaugh started to perk up. It was in the ensuing half hour that McClaughry began to learn how impossible it was for the fragmented Ford White House to make hard deci-

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sions, even with the election a mere two weeks away.

Cavanaugh had asked McClaughry to suggest a strategy to salvage the situation at the 11th hour. McClaughry's first effort was straightforward but naive: stamp the Hills Report "Rejected" and ship it back to HUD; let the press find out what had been done to create interest; then issue something resembling McClaughry's draft at a news conference. That was amusing but impossible, Cavanaugh replied. Hills and Coleman got the President to agree on release last Sunday, he said, and if we don't release it our only female cabinet officer and maybe our only black cabinet officer just might resign.²

"Well, then," said McClaughry, "suppose we rewrite the report to make some sense out of it?" No, replied Cavanaugh, the report is what Hills sent over and can't be tampered with. Well, then why not release the Hills Report with a minimum of publicity, and have the President make a major policy address two days later in a campaign stop in one of the large eastern cities on his itinerary? No, said Cavanaugh, we can't get any of this into a Presidential address, because all speeches are controlled by speech writer Robert Hartmann who obstinately refuses to include substan-

² The *Forum* has found no indication that there was a risk of such resignations.

tive proposals in speeches. McClaughry, though experienced in the ways of Washington, began to get that sickening feeling that he had stepped through the looking glass.

A Better Idea

But then Cavanaugh had an idea. "We have one thing to work with," he said, "the statement the President will issue tomorrow upon receiving the Hills Report. Maybe we can beef that up—so long as he doesn't make any concrete proposals."

"Why," McClaughry asked, "could he get away with this when Hartmann forbids discussion of substance in statements?"

"Aha," said Cavanaugh, "because while presidential *addresses* are controlled by Hartmann, presidential *statements* are written by Jim Reichley, and Jim was brought on board by Cheney and works for us."

With this information, McClaughry, a good friend of Reichley's, hastened back to Kuropas' now abandoned of-

"The combination of a tedious report and a bland, self-serving Presidential statement had a totally predictable effort on the news media: Ho Hum."

ice to rewrite his 23-page address into a seven-page statement. As he typed, he received a call from Domestic Council chief James Cannon, who had heard from Cavanaugh what was afoot. "When can you have this thing on my desk?" asked Cannon. "Before 10:00 p.m.," McClaughry replied. It was then past 7:00 p.m. Extracting, revising, editing, and typing the final copy at the same time, McClaughry raced to meet Cannon's deadline.

A few minutes before 10:00 p.m. McClaughry appeared in Cannon's office with the completed draft in sextuplicate. Since the self-imposed White House rules precluded the President from making new proposals, the same ideas were recast in the form of a charge to the Hills Committee to continue beyond its "interim report" to

provide detailed recommendations on 12 clearly defined issues. While far short of a declaration of administration policy, the statement would, McClaughry hoped, reaffirm the President's nebulous commitment to neighborhoods, and give a concrete indication of the direction he intended to move if re-elected. It was late, very late, McClaughry knew; but if this much at least could be produced, it might be possible to rush it to the front lines as last minute ammunition in the urban industrial states, where, everyone knew, the election would be decided.

Cannon accepted the draft with a grunt, and on the way out McClaughry dropped a copy off with Cavanaugh, also working late in the West Wing. As he walked out into the chill autumn air, McClaughry knew that he had gone as far as he could go; that the final decision would be made the next morning, and that there was no chance that he could get into the meeting to argue his case at the actual point of decision.

The Baroody Appeal

During that hectic day one key actor was not in Washington. Bill Baroody was on a campaign swing scheduled to last several more days. He was thus not on hand to lend his weight to McClaughry's efforts. But on that Wednesday night Baroody decided to cut short his trip and return to Washington. When the hour of decision came on the Ford neighborhood policy, or lack thereof, on Thursday morning, Baroody was there.

But what he didn't know was that McClaughry had roared through the building the previous day, making the case for a far stronger neighborhood policy appeal. Though both Cannon and Cavanaugh had McClaughry's proposed statement, Baroody (and his deputy (Kuropas) were both unaware of its existence. Neither Cannon nor Cavanaugh, listening to Baroody's pleas, let on that a draft along the lines Baroody advocated was in their file folders. Ultimately the decision was made: the President would issue a statement praising the Hills Report, once again reciting the now-familiar list of the President's achievements. The only concession to Baroody was

inclusion of one paragraph recognizing the "rich variety of urban neighborhoods" and pledging to work with citizen groups to preserve and improve them. There were no specifics.

Media Reception

The combination of a tedious report and a bland, self-serving Presidential statement had a totally predictable effect on the news media: Ho Hum. Said one reporter covering the "story" for the New York Times, "If this had come a couple of months ago maybe—just maybe—we'd have made something out of it. But now, this late in the game, it's not something we are likely to attach much importance to." Perhaps the lack of media attention was merciful.

During the final 10 days of the campaign, Ford continued to narrow Carter's lead, thanks in large part to Bailey and Deardourff's brilliant advertising campaign and a growing public impression that Jimmy Carter might not be adequate to meet the demands of the Presidency. Yet on election night a number of Eastern and Midwestern industrial states—New York, Pennsylvania, Maryland, Delaware, Ohio, Wisconsin, and Missouri—narrowly tilted to Carter. The rural Georgian's margins in each of these states were built not only on massive majorities in minority neighborhoods, but also on more modest victories in the much more vote-laden white

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working class neighborhoods in New York City, Buffalo, Philadelphia, Pittsburgh, Baltimore, Wilmington, Cleveland, St. Louis, Milwaukee, and other industrial centers. Had Ford campaign strategists perceived the receptiveness of these working class voters to a neighborhood preservation appeal, Jimmy Carter might well be back in Georgia today shelling peanuts. ■

BUREAUCRACY Marches On!

EDITOR'S NOTE: Some primitives in the American countryside still cling to the quaint notions of limited government and individual liberties. These antediluvians fail to recognize that no great civilization has been built except through the sweat and inspiration of countless unrecognized bureaucrats. This column, which we are afraid may become a regular feature of the Forum, will recognize particularly noteworthy breakthroughs of our betters in Washington and other founts of governmental power.

Joe Califano, who seems intent on winning the title of America's Chief Busybody, strikes again. HEW tells schools in Oak Ridge, Tennessee "It also will be necessary that varsity cheerleaders cheer equally for both boys' and girls' varsity teams." Among the other flagrant assaults on human rights uncovered by Califano's charges is the practice of one Oak Ridge civic association to occasionally treat the all-male football team to steak dinners without providing "such services for any female team."

In another strike for human rights, the Massachusetts Insurance Commissioner has banned the use of age, sex, or marital status in determining auto insurance rates. Due to the very disproportionate number of accidents attributed to teenage males, this new policy should result in a hefty jump in insurance premiums for women. Will the next such "reform" be to ban use of sex in life insurance classifications? This would result in much higher rates for women who because of their much greater average longevity are normally considered much lower risks.

Fortune reports that the U.S. Department of Labor has belatedly discovered another threat to the American worker posed by a bordering country—this time Canada, not Mexico. It seems that U.S. professional hockey teams are dominated by Canadian nationals, thus depriving many mediocre American hockey players of potential job opportunities. American hockey fans should be cheered by the thought that their guardians at Labor might solve the problem by shipping the surplus Canadian talent back to Canada to play for such hard-up teams as the Montreal Canadiens.

In Virginia, a stirring blow for public morality was recently struck by agents of the state's Alcoholic Beverage

Control authority who swooped down upon a Saint Patrick's Day party in a community room of a Northern Virginia apartment building. To their horror, they discovered a young woman selling admission tickets to residents at one dollar each. For this heinous act, this malefactor has been charged with selling liquor without a permit, a crime punishable in the Land of Patrick Henry by up to a year in jail.

Meanwhile, across the Potomac, HEW gives us a taste of the state of bliss we can anticipate when Joe Califano becomes our health czar. The local folk in Velva, North Dakota have been trying to recruit a doctor to replace the town's only physician who hopes to retire soon. They succeeded in recruiting a foreign physician only to find that he could not begin work until he had passed an HEW-required English language test which is given once a year. As a result, there will be a one year delay before the citizens of Velva can experience the healing art of British-born Dr. Ian Foster. Perhaps Secretary Califano could extend the same English language requirement to his employees, especially those who write and enforce HEW regulations.

Our survey of advances on the bureaucratic front would be incomplete without a salute to two United States Senators. As Washington hands know, behind every ten thousand bureaucrats stands one U.S. Senator or Congressman whose bright idea spurred a further jump in Federal employment. Two Democratic Senators, Williams of New Jersey and Hathaway of Maine, recently announced that they would push legislation requiring Federal contractors to set up alcohol treatment and prevention programs. The courageous solons pointed out that alcohol abuse costs the American public \$20 billion annually. It is rumored that the Williams-Hathaway initiative, if enacted, may cost slightly less than that. ■



Early Line On The Senate Races

Republican strategists see the likeliest Senate gains in South Dakota, where Democrat James Abourezk is retiring, and Maine, where Senator William Hathaway trails popular Republican Congressman William Cohen. Cohen's victory, together with that of South Dakota Congressman Larry Pressler, another articulate Republican moderate, would bolster the growing strength of younger Republican progressives in the Senate.

Party strategists sense a somewhat better than even chance of upending Democratic Senators Floyd Haskell of Colorado and Jennings Ran-

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dolph of West Virginia. In addition, Republicans have a fair chance of taking one or even two Democratic Senate seats in Minnesota, as well as the Mississippi Senate seat being vacated by the retiring James Eastland.

Republican prospects have been dimmed substantially by the retirement of incumbents in Kansas, Nebraska, and Oklahoma. The early favorites are all Democrats: former Kansas Congressman Bill Roy, who came within an eyelash of defeating Bob Dole in 1974; Nebraska Governor J.J. Exon; and Oklahoma Governor David Boren.

The GOP's Achilles heel may be the South, where all five Republican seats are at stake. Only one—that of Tennessee's Howard Baker—looks safe. Even at the peak of the Panama Canal debate, Jesse Helms has slipped behind his probable Democratic opponent, Luther Hodges, Jr., whose father was a popular governor and Kennedy Administration Cabinet official. Strom Thurmond has shown greater ideological flexibility than Helms, but the South Carolina patriarch sees his probable Democratic opponent, Charles (Pug) Ravenal, rapidly closing the gap. In Virginia, William Scott's retirement has given Republicans some hope of saving that seat; nevertheless, the outlook is not much more than 50-50. As reported in the April *Forum*, John Tower's Senate seat in Texas remains vulnerable thanks to the kamikaze tactics of the far right.

The Democrats could count on a virtually certain pickup if New Jersey Republican Clifford Case were upset in his primary. Jeff Bell, Reagan's former speechwriter and a conservative intellectual, has minimal New Jersey ties and would provoke strong union opposition in the general election. Most observers expect Case to survive the primary challenge, but wonder whether Bell's campaign will dent the appeal of New Jersey's strongest votegetter of the past generation. Governor Brendan Byrne is flexing his muscles to see that his party takes this seat from the GOP.

The rather modest Republican Senate outlook is in part a function of the fact that 17 of 34 seats at stake this year are now held by Republicans. Carter's growing unpopularity and runaway inflation may enhance Republican prospects, but few sweeping gains seem in sight.

Inside The Populist Palace

Despite reams of adverse publicity over his after hours activity, Hamilton Jordan's stock with the President remains high. The Administration's narrow victory in the Senate on the neutrality treaty with Panama was attributable in good measure to the skillful strategy mapped out by Jordan. Opinion makers in states whose Senators were on the fence were given red carpet treatment and thorough briefings in the White House. As a result, key Southern Democratic Senators swung to a pro-treaty position despite the organized anti-treaty sentiment in many of their states. Jordan is now ramrodding a reorganization designed to spruce up the White House staff's current abysmal reputation for competence.

Meanwhile, President Carter is pushing legislation allowing him to double the size of his top personal White House staff. The Administration-backed legislation would increase from 55 to 100 the number of White House staffers entitled to draw annual salaries ranging from \$42,500 to \$57,500. Cousin Hugh Carter, Jr. explained to the *National Journal*: "We wanted to have plenty of flexibility for the future in the event of an emergency like World War III ..."

A voice from the past surfaced recently in an interview from the White House basement conducted by William Claiborne of the *Washington Post*. Dr. Peter Bourne, the British-born Atlanta doctor who together with his wife Mary King formed Carter's advance guard in winning Washington establishment support for the Georgian's long-shot bid, is alive and well. Countering rumors that he has been shoved aside, Bourne proclaimed, "I deal in human concerns. My role now really encompasses all humanitarian issues, particularly in the international area."

Bourne added, "I've never cared to get into the internal battles that some people do who see their total role as dependent upon winning or losing those battles. Those of us from Georgia have a kind of longevity that is secure. His (Carter's) commitment to Bert Lance, even in adversity, reflects that," Bourne said.

The President's continued close ties to Lance are beginning meanwhile to trouble a number of White House staff members. Lance's close ties with wealthy Mideastern investors have led some such as *New York Times* columnist William Safire to charge that Lance is peddling Presidential access for a very handsome sum.

Longley Bows Out In Maine

The decision of Maine's Independent Governor James Longley to retire from politics at the end of his four year term was good news to both major parties. Had Longley sought reelection as Governor, he would have been strongly favored. Longley was also believed to be weighing the possibility of entering the U.S. Senate race, now hotly contested between incumbent Democrat William Hathaway and Republican U.S. Representative William Cohen. Longley's action leaves Cohen the favorite.

Another Scranton In Pennsylvania Politics

For years, many Pennsylvania Republicans have nurtured the hope that former Governor William W. Scranton, Jr. would return to state politics. Scranton's popularity has remained quite high in the eleven years since he left the Governor's mansion. In 1978, Keystone State Republicans again have a chance to vote for a Scranton. But this time, 31 year old William W. Scranton III is seeking his party's nomination for lieutenant governor. The younger Scranton is favored to win the primary and may soon be following his father's footsteps to Harrisburg. ■