

RIPON FORUM

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POLITICS: REPORTS

MASSACHUSETTS

BOSTON — Most observers agree that progressive Republican Gov. Francis Sargent is in trouble in his upcoming gubernatorial re-election bid, but not because of Watergate/Republican associations.

Sargent's problems are of his own making. He has not been a Republican's Republican, and understandably so in the nation's most blindly Democratic state. The price, though, has been a steady erosion of Republican faithful who have seen key patronage appointments go to some rather seedy Democratic hacks. The most recent and most outrageous example is a Boston pol, John "Doughnuts" Craven, best known for unsuccessful attempts to use doughnuts to lure the press to cover his countless candidacy announcements.

The erosion caused by such appointments has cut deeply. No one is more anti-Sargent than GOP State Committee Chairman Otto Wahlrab, whom Sargent regularly and unsuccessfully attempts to unseat. Normally insignificant, Wahlrab's importance has risen as a result of his intention to hold an informal endorsement convention next summer which, for its lack of Sargent enthusiasm, could only embarrass the governor. Wahlrab refuses to support Sargent, rationalizing weakly that all candidates should be considered equal prior to the 1974 nomination primary.

Wahlrab's most legitimate grievance against Sargent is becoming the governor's most dangerous public liability, the issue of relentless fund raising. Since his election in 1970, nearly \$500,000 has been banked by the full-time, aggressive Sargent Committee. Much of this money might normally have been channelled to the financial-

ly impotent State Republican Committee and to other hard-pressed Republican candidates who faced elections in the interval between gubernatorial elections.

The final straw occurred when Wahlrab's plan to hold a state committee fundraiser with New York Gov. Nelson Rockefeller had to be cancelled because of competition with a long-planned (in secret) series of four \$100-a-plate Sargent dinners in November. The press, along with Common Cause, is beginning to hound Sargent for this ceaseless money lust and the tactics used in satiating it. Both have admonished him because two state officials were allegedly raising money for him.

Such negative exposure has furnished the state committee, for the first time, a sympathetic position to defend with activist Republicans; it has also further weakened the public's formerly unshakable confidence in the governor's "he-may-not-be-right-but-he's-honest" image.



Francis Sargent

The governor's image was recently further damaged by the *Boston Globe's* revelation that a sporting goods store owned by the governor sells "Saturday Night Specials." Sargent's store on Cape Cod was recently relieved of its handguns — by burglars. (The governor has since announced that the store will stop selling handguns.)

There is no danger of a gubernatorial primary between Sargent and his predecessor as lieutenant governor, former Attorney General Elliot Richardson — contrary to press leaks. Even without that threat, Sargent and his Democrat-dominated staff have considerable work ahead to create enthusiasm among Republicans and the rest of the electorate. Sargent's press honeymoon has ended. His 1974 campaign strategy will emphasize the coercive power of his political appointees in influencing their friends and contacts to work for Sargent's re-election. The probability of that re-election is in doubt. ■

GOVERNOR'S CONFERENCE

MEMPHIS — The White House's traveling road show stopped off briefly in Memphis for the Republican Governors' Conference (November 18-20).

While President Nixon's visit soothed the assembled Republican chief executives, the departing governors — through no fault of their own — left behind a large number of disgruntled Tennessee Republican Party stalwarts.

The host governor, Tennessee's highly-regarded Winfield Dunn, unable to foot the conference bill himself, turned to a small group of wealthy Tennesseans to contribute the conference's \$100,000 expenses. A few wives of these contributors banded together and turned some of the conference activities into a social happening — "the social event of the season," muttered

one bitter GOP worker.

In the process, the politically-inexperienced women excluded scores of party regulars anxious to mingle with the visiting politicians. One saving grace: the Shelby County GOP held a luncheon for 400 party workers (an additional 300 were turned away), which was hosted by Gov. Dunn. Among the governors who dropped by to speak to the faithful were New York's Nelson Rockefeller and California's Ronald Reagan, both with their presidential charm exposed. ■

MINNESOTA

MINNEAPOLIS — Former Minnesota Sen. Eugene J. McCarthy's recent swing through Minnesota to win friends and influence Democrats for the state's 6th C.D. nomination next year may have fallen a few friends and Democrats short.

McCarthy, a former congressman-turned-senator who now teaches at the New School for Social Research and is a part-time senior editor for Simon and Schuster in New York City, visited the state in mid-October to sound out local politicians. His reception was mixed, partly as a result of moves by Democratic congressional hopeful Richard Nolan, 29, to abort any action by party leaders to back McCarthy. Nolan was narrowly defeated in 1972 by retiring U.S. Rep. John Zwach (R), and his backers are less-than-rhapsodic about a McCarthy bid.

"He hasn't really been close to the people of the 6th District in the past few years," said Democratic National Committeewoman Korynne Horbal. Other Democratic leaders indicated that McCarthy should choose another district, like the 3rd C.D. where U.S. Rep. Bill Frenzel (R) appears entrenched.

One Democratic leader released a letter to McCarthy in which he told the former senator that a House bid by McCarthy would be "untimely and divisive." Opposition to McCarthy in part stems from his tardiness in endorsing Hubert Humphrey's presidential bid in 1968. After his swing through the district, however, 6th C.D. Democratic-Farm-Labor Chairman Terry Montgomery was quoted as saying: "He looked like the old McCarthy to me today; he was charming." A Mc-

Carthy aide, perhaps biased, said McCarthy received "a pretty enthusiastic response."

However, *Minneapolis Star* columnist Jim Klobuchar summed up the McCarthy potential differently: "Are the 6th District and Eugene McCarthy ready for each other: Can a man who unhorsed Lyndon Johnson, deflated Senate windbags, electrified the Georgetown cocktail league and occasionally showed up for roll calls find contentment campaigning in Mudgett and Pulaski?"

A recent poll of Minnesota voters, taken by the *Minneapolis Tribune* showed that most "think former Sen. Eugene McCarthy should stay out of politics for good." ■

NORTH CAROLINA

DURHAM — At the Republican state convention in early November, Gov. James E. Holshouser, Jr., scored a major victory in his effort to gain some control and exercise leadership over the North Carolina GOP. Thomas S. Bennett, the governor's personal choice for state chairman, easily defeated incumbent Frank A. Rouse, who conceded after only 17 of 100 counties had been polled at the Raleigh meeting. It was a hard, often bitter, contest that included many of the trappings associated with a campaign for state-wide office: bumper stickers and buttons urging "Re-elect Rouse," an airplane visit to five North Carolina cities by Rouse to announce his re-election bid, and stationery proclaiming "Bennett's Bandwagon."

Bennett, 39, was a state representative for two terms, 1965-1968 and has also served as Carteret County Republican chairman. In the General Assembly he served with Holshouser, and nominated him for state chairman in 1966. Bennett's term as state chairman is two years.

The state convention resolved a dispute between Holshouser and Rouse that originated in 1972 when Rouse took a leave of absence as state chairman to work for Holshouser's primary opponent, former U.S. Rep. James C. Gardner. Rouse had been elected to the GOP leadership post in 1971 with a pledge to remain neutral in Republican primaries, but he decided that Holshouser at the top of the ticket would mean "a virtual wipe-

out" for the GOP last year. Yet Holshouser became the first Republican governor in the state in 72 years, and Sen. Jesse Helms was elected in the same campaign. During his re-election campaign, Rouse stated that former White House aide Harry Dent and other Nixon staffers told him that Gardner would be a better candidate and urged him (Rouse) to work for party unity to help the President's re-election campaign.

At the center of the bitter contest for state chairman this fall, however, was the personal animosity between Rouse and gubernatorial aide L. Gene Anderson. Anderson came to North Carolina in 1967, when Holshouser was state chairman, to be executive director for the state GOP; he was a key strategist in Holshouser's 1972 gubernatorial campaign. During 1973, Anderson controlled the Republican administration's controversial patronage program, which bypassed Rouse and the regular Republican organization. Two days after Bennett was elected state chairman, Holshouser disbanded the special patronage operation.

During the campaign, Rouse stated there were only two issues: Gene Anderson and Bennett's ability to be a full-time chairman. Bennett resigned as chairman of the Carteret County Board of Commissioners (effective after the state convention), so Rouse focused his campaign on Anderson. "How long, how long, how long do we North Carolina Republicans have to endure L. Gene Anderson?" Rouse asked a district GOP meeting. "I shall continue to support Gov. Holshouser," said Rouse on another occasion. "However, for the good of the party, I hope the governor can persuade Mr. Anderson to abandon his attempt to destroy the Republican Party."

Rouse was gracious in defeat, withdrawing when it was clear he had no chance of winning, appealing for Republican unity, and declaring, "I want to wish every success to Tom Bennett." But Rouse was unyielding in his view of Anderson. "I'll continue calling for Gene Anderson's resignation — loud and clear. I don't consider this Gene Anderson's party."

Some observers had viewed the Rouse-Bennett contest as a surrogate battle between Helms and Holshouser for control of the state GOP — and an ideological battle as well. Although

Bennett had also supported Gardner, the more conservative of the two GOP candidates for the 1972 Republican gubernatorial nomination, Rouse was a more committed conservative. He argued that the Republican Party is "idealistic, non-pragmatic," and declared, "I'm a conservative and the great majority of Republicans in North Carolina are conservative; damn near all of them are conservatives."

Rouse's campaign chairman was State Rep. Gilbert Lee Boger, and clearly the Republican conservatives in the General Assembly supported Rouse. Helm's 1972 campaign manager, Thomas F. Ellis, also worked actively for Rouse. Helms himself, however, remained neutral — perhaps being unwilling to engage in a contest with the governor's patronage power.

During the past year, Republicans have occasionally found it difficult to adapt to their control of the gubernatorial mansion. They are still a minority in the General Assembly, controlling only a quarter of the seats in the

State Senate, and during the campaign for state chairman, Holshouser was often forced to employ his patronage power — in some cases perhaps earlier in his four-year, non-renewable term than he desired. The Bennett victory leaves Holshouser in command of the GOP and gives him the freedom to exercise both political and policy leadership in governing the state. Still, it will not be an easy task to build the Republican Party or effectively administer a state government so long dominated by the Democratic Party. ■

NEBRASKA

LINCOLN — A recent popularity poll in Nebraska gave Gov. John J. Exon (D) a job-approval rating of 88 percent.

Such astounding popularity is attributable to recent rollbacks in the state sales and income taxes with promises from Exon to cut back taxes still further.

Such popularity also discourages Republican opposition to Exon in next year's gubernatorial race. Republican National Committeeman Richard Herman has indicated he will not seek the post, and Lieutenant Gov. Frank Marsh (R) is expected to take the same position. (For the first time Nebraska will elect the governor and lieutenant governor on a joint ticket so Marsh may choose to run for state treasurer.) The only candidate on the Republican horizon is State Sen. Richard Marvel, who has announced he will probably seek the post.

Former Gov. Norbert Tiemann, whom Exon defeated in 1970 and whom Exon can probably thank for the state's fiscal health, is now in Washington. Like U.S. Rep. Charles Thone (R), Tiemann may have designs on the seat of Sen. Roman Hruska (R) in 1976. Hruska is widely expected to retire then. Thone first will face a stiff challenge next year for his congressional post. Democratic State Chairman Hess Dyas is virtually sure he will run for Thone's seat. ■

POLITICS: PEOPLE

● Mervin D. Field's California Poll shows that Lieut. Gov. Ed Reinecke has the leading favorability quotient among California Republican gubernatorial aspirants. Reinecke is viewed favorably by 75 percent of the Republicans surveyed, compared to 67 percent for former HEW Secretary Robert Finch, 62 percent for Attorney General Evelle Younger, and 54 percent for Controller Houston Flournoy. A similar poll of Democrats showed Secretary of State Edmund "Jerry" Brown and San Francisco Mayor Joseph Alioto as the favorites for their party's gubernatorial nomination.

● Tennessee's list of Democratic candidates for governor next year is growing. It now includes State Treasurer Tom Wiseman; Stan Snodgrass, a 1970 aspirant for the same office; former U.S. Rep. Ray Blanton who challenged Sen. Howard Baker, Jr., in 1972, and Attorney General David Pack.

● Speaking at the November Republican Governors' Conference, House Minority Leader Gerald Ford called Mills Godwin's gubernatorial win in Virginia "the embodiment of a political tidal wave that is sweeping the South . . . The day may not be far off when a new 'solid South' will emerge — a South that is solid in the Republican cause." Godwin won with only 51 percent of the vote, while five Republican legislative seats were lost in Godwin "undertow."

● Dr. George Gallup and New York Gov. Nelson Rockefeller engaged in a memorable exchange on campaign strategy at the Republican Governor's Conference. Dr. Gallup asserted that one-minute television advertisements were wastes of campaign funds. "If they are no

good, then perhaps you can tell me why General Motors has so many of them with pretty girls singing and everything," asked Rockefeller. "Because they are stupid," answered Dr. Gallup.

● Attorney Wayne Kidwell of Boise, Idaho, is examining the possibility of a race in 1974 against Idaho Attorney General Anthony Park (D). Corruption in the administration of Gov. Cecil D. Andrus might aid a bid by Kidwell, who unsuccessfully ran against State U.S. Rep. Steve Symms (R) in the Republican primary in 1972.

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COMMENTARY

An Alternative to Gasoline Rationing

by *Richard W. Rabn*
and
Richard Zimmer

In order to reduce gasoline consumption, the Ripon Society proposes that a surtax be placed on every gallon of gasoline sold. This surtax will be coupled with a uniform fixed-income tax credit to all taxpayers, or a social security tax credit for those who are too poor to pay income taxes; the credit would be equal to the average increase in taxes resulting from the gasoline tax surcharge. In addition, recipients of social security benefits should have their benefits increased by an amount equivalent to the tax credit.

The Administration and many members of Congress have expressed strong resistance to explicit gas rationing—and with good reason. The administration of an explicit gas rationing program would require an extensive and expensive new federal bureaucracy. The de-

velopment of a fair rationing system is complex and extremely difficult. Gas rationing can lead to black markets, and does not allow the consumer free choice. Implicit gas rationing (i.e., prohibiting the sale of gas at certain times or in certain places or just allowing dealers to run out) produces unjustified hardships on those individuals who have legitimate needs for travel at times or places when or where gas is not available. In addition, it penalizes those who do not have time for extensive gas shopping and it violates the principle of consumer free choice.



It is generally acknowledged that the free market is the most efficient method of allocating scarce resources; it allows the price to rise to the point where supply and demand are in equilibrium. If the oil companies under the existing situation were allowed to raise their prices to achieve this equilibrium, there would be two serious problems. The first is that the oil companies would receive excessive windfall profits. The other is that the low-income gasoline consumer would be severely penalized.

For instance, it may be determined that in order to achieve at least a 21 percent reduction in gasoline consumption, a 40¢ per gallon additional tax would be required, the equivalent to approximately a 100 percent increase in the price of gas (n.b., this is a reasonable assumption since we know that gasoline consumption is not high-

ly price sensitive, i.e., doubling the price will not cut demand in half.) We know that the average person purchases 700 gallons of gas per year for his automobile — approximately 60 gallons per month at 40¢ per gallon for a total expenditure of \$25. If gasoline prices rise to 80¢ per gallon, we can assume our average customer will purchase only 48 gallons for a total expenditure of approximately \$38 per month, a \$14 per month increase. Since the government is only interested in reducing gasoline consumption, and not increasing its revenues from this tax, it could provide a tax credit equal to \$14 a month, or \$168 a year, to each taxpayer. Taxpayers would in all likelihood spend the bulk of the tax credit on other goods (relatively lower-priced goods) and less of it on gasoline (the relatively higher-priced goods). Income tax withholding rates ought to be adjusted immediately to reflect the effect of the credit so that consumers would not have their income reduced.

While rationing vitiates the market system and flat price increases penalize the poor, the proposed system recognizes both the benefits of free market allocation and the undesirability of regressive taxation. The system would not require any new federal bureaucracy since the tax credit could be handled through existing procedures. The system would not penalize those who need to drive on Sundays or during other periods of possible curtailment. The system would penalize those who drive greater-than-average distances and reward those who drive less-than-average or have cars that consume less fuel. And finally, the system would still allow consumer free choice.

This proposed gasoline tax surcharge/income tax credit system is not a perfect solution to the fuel crisis. But the proposed plan provides more equity and less disruption than any other allocation system thus far proposed. ■

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