

July/August  
1978

# RIPON FORUM

Volume XIV, Number 6  
Price \$1.50

On The Cover-

A Middle East Oil Defense  
Treaty Organization?

Commentary

Southern Fried Goo  
Gooism  
and more

View From  
Hawkins Gore

Political Prisoners

Two Proposals For  
Middle East Peace

Political Closeup

A Byrd Of Many Feathers

Political Potpourri

Republican Upsurge In  
New York

On The Road To Nashville

A Maryland GOP Comeback

and more



# Table of Contents

## RIPON FORUM

COMMENTARY	2
A MEANS FOR MIDDLE EAST PEACE	
Averting Armageddon	7
Bridging The Egypt-Israel Negotiation Gap	8
POLITICAL POTPOURRI	12
VIEW FROM HAWKINS GORE	16
A BYRD OF MANY FEATHERS	18
BUREAUCRACY MARCHES ON	20
NEW LEADERSHIP FUND TARGETS	
1978 RACES	21
FEEDBACK	22
RIPON IN THE NEWS	24

The *Ripon Forum* appreciates the kindness of the U.S. Air Force, the American Petroleum Institute, and EXXON Corporation in providing photographs for use on the cover and in the Middle East articles. None of these organizations has seen the contents of either article or has endorsed either proposal.

## RIPON FORUM

Editor: Arthur M. Hill II

Executive Editor: Steven D. Livengood

Art Director: Elizabeth Lee (The Graphic Tuna)

THE RIPON FORUM is published monthly by the Ripon Society, Inc.

In the publication, the Society hopes to provide a forum for fresh ideas, well researched proposals, and a spirit of creative criticism and innovation in the Republican Party. Manuscripts and photographs are solicited, but do not represent the views of the Society unless so stated.

Contents are copyrighted © 1978 by the Ripon Society, Inc., 800 18th Street, N.W., Washington, D.C. 20006.

Second class postage and fees paid at Washington, D.C. and additional mailing offices.

Subscription rates: \$15 per year, \$7.50 for students, servicemen, Peace Corps, Vista and other volunteers. Overseas, add \$6. Please allow five weeks for address changes.

The Ripon Society, Inc., John C. Topping, Jr., 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

### New Directions For Ripon

These are the best of times, these are the worst of times" begins Charles Dickens' *A Tale of Two Cities*. This same declaration might well sum up the state of moderate Republicans today. The gloomy side of this equation is all too obvious. Items:

The existence of a well organized, determined New Right apparatus fueled by a successful direct mail fund-raising effort.

The absence of any equivalent organizational cohesion among moderate or progressive Republicans.

The primary defeat of Senator Clifford Case, the result largely of complacency in the face of polls showing him an easy winner.

The precipitous political decline of Edward Brooke who despite nearly twelve years as an outstanding Senator finds his reelection prospects damaged by reams of adverse publicity resulting from his divorce.

The decision by Virginia Republicans to bypass for the U.S. Senate nomination John Warner and Linwood Holton, both of whom were running neck and neck with the eventual Democratic nominee Andrew Miller, and choose instead conservative Richard Obenshain who trailed Miller by 33 points in one Republican poll.

Despite these problems and setbacks, opportunities have rarely been greater for moderate Republicans. To illustrate:

It is quite conceivable that moderate Republicans will control the governorships of 6 of the 7 largest states after the 1978 elections. Jim Thompson, Jim Rhodes, and William Milliken seem strong bets to retain the governor's chairs of Illinois, Ohio and Michigan. Perry Duryea and Dick Thornburgh are on the verge of capturing the chief executive posts in New York and Pennsylvania. Evelle Younger stands a fair shot at toppling Jerry Brown, particularly if California voters have come to prize substance over style.

Moderate Republicans scored their best showing in decades in the California gubernatorial primary. The three moderate Republican candidates, Evelle Younger, Ken Maddy, and Pete Wilson, together garnered nearly 70 percent of the vote.

Significantly the California results came in the wake of a huge turnout occasioned by the Proposition 13 controversy. The Younger victory and strong moderate showing in California came on the same day Clifford Case was edged out in a record low New Jersey turnout. The results suggest that Republican moderates may benefit if Republican voter turnouts increase as seems likely with the trend toward plebiscitary democracy.

Despite recent setbacks, moderate Republicans seem likely to hold their own this year in the U.S. Senate. The likeliest Republican pickups may come from moderates Bill Cohen in Maine, Larry Pressler in South Dakota, and Rudy Boschwitz in Minnesota. Republican conservatives, meanwhile, face prospects of Senate slippage. Vulnerability of several Southern Republicans on top of the retirements of Carl Curtis, Clifford Hansen, Bill Scott and Dewey Bartlett underlie this outlook.

Should President Carter be the 1980 Democratic nominee he would appear particularly vulnerable to any of several attractive Republican moderates or progressives. Indeed, in view of the disaffection from Carter across all portions of the ideological spectrum, the President would seem far more vulnerable to a centrist challenge than to an attack from the right.

Over the last two decades Republican progressives have hardly excelled at exploiting their political opportunities. Rather than imploring the best known moderate Republican officeholders to forge some effective organizational apparatus, the Ripon Society has decided to take direct action on its own: Ripon is seeking:

- 1) to develop a widely circulated national political journal addressing the specific concerns of Republican moderates and progressives. The transformation of the *Ripon Forum* over the last few months from a house organ of the Society to an avowedly competitive political journal is a first step. In what may be unique among major American political journals the *Ripon Forum* has accomplished this without any increase in resources. The recruitment of a volunteer editorial staff has provided the funds for the greater production costs of the revamped *Forum*.

If the *Forum* is to have a significant impact it must have a much broader circulation. To accomplish this we must depend heavily on you, our readers. Your Rolodexes and other lists of moderate Republicans are the grist from which an effective moderate Republican network can be built. If you send these names to the *Forum* we will contact the addressees. The *Forum* can, we believe, serve as a rallying point for Republican moderates just as *National Review* and *Human Events* provided an impetus to the burgeoning conservative movement.

- 2) to work closely with the Republican National Committee as it seeks to build the party at the grass roots. Perhaps more than any of his predecessors, Bill Brock seems fully alert to the atrophy of the Republican Party at the precinct level. A steady erosion of voter identification with the Republican Party and of Republican strength in Congress and the state legislatures has gone on for the past generation. Chairman Brock has focused the resources of the National Committee in an imaginative way to make the party far more competitive at the state legislative level. In most states it is legislators elected this fall who will draw the boundaries of Congressional districts and legislative districts that will last through the next decade.

As a strong proponent of electoral reform the Ripon Society has been particularly concerned by the debilitating effects of the Presidential campaign funding law on grass roots political activity. The Draconian provisions of this law on party grass roots activity are accompanied by a mile-wide loophole for labor and some corporations. The effect has been crippling on Republicans. Democrats have simply proceeded with their normal get out the vote activities by transforming these to labor efforts. In order to eliminate the presently strong strictures on party activity The Ripon Society of New York together with its Chairman, John Schmid, have joined the Republican National Committee as co-plaintiffs in a suit to restore fairness to the Presidential campaign law.

- 3) to develop issues that may provide the Republican Party the basis for a new governing coalition in American politics. In conjunction with libertarian thinkers and disaffected liberals Ripon is seeking to develop a full range of alternatives to the discredited notions of establishment liberalism that still rule largely by inertia. Consumer sovereignty over public services may be attained by educational vouchers, privatization of other city services and movement of some governmental functions to the neighborhood level. Entrepreneurship may be enhanced by dramatic shifts in the tax law, even if these trigger crocodile tears from the nation's leading pop populist, Jimmy Carter. By 1980 the Republican Party should have the intellectual capital with which to forge a new political era in America, one that might aptly be called *The New Individualism*.

## Southern Fried Goo Gooism

Virtually every new public opinion poll seems to confirm a continuing hemorrhage in Jimmy Carter's popularity. The decline in the President's standing has been particularly acute among certain groups. Carter's popularity among Jewish voters seems a little higher than Yassir Arafat's; with farmers the President is running neck and neck with the boll weevil. While some of the erosion of the President's position is traceable to specific administration action or inaction, most of Carter's slide can not be so readily explained.

The falloff in Carter support has spanned the spectrum, encompassing all ideological, racial, ethnic, and income groupings. Moreover, there has been no offset to the President's losses. While suffering a huge decline among Jewish voters, Carter has not enhanced his position among the two million Arab Americans. White Southerners and urban blacks seem simultaneously to be expressing deep disaffection with the President's performance.

The public seems to have concluded that Carter is generally well-intentioned, but also ineffective and often vacillating. In the view of the American people the President lacks either the will or the know-how to implement his policies. In addition, the President's priorities seem increasingly out of touch with the deep yearnings of the American public. This popular perception of Carter appears to be right on target. The President is no naif, but he has developed a political style blending the worst elements of two American political traditions.

In McLuhan's terms, "The medium is the message;" for Carter style governs substance. The merits of substantive decisions are subordinated to the questions of how they affect the President's self image. The former Georgia Governor has evolved a political style that is an amalgam of two political traditions, Northern urban "goo gooism" and Southern "populism." Both of these traditions have severe limitations as guides to governing. Together the two traditions blend like oil and water. Perhaps this explains the growing appearance of artificiality in Carter's public utterances. As Carter speaks to the public he seems to know the words but not the music.

In part the President is a lineal descendant of the good government types or "goo goos" who for the past several generations have checked the excesses of our big city political machines. At times these urban political struggles have taken on an aura of tribal conflict pitting Brahmin reformers against ethnic clubhouse politicians. The "goo goos" have often exuded a strong self righteousness. Moreover, they have sought to write self interest out of politics.

The various good government reforms have attempted to disperse political power and accountability and to reduce the possibility of monetary gain resulting from political office.

A second quite distinct tradition that seems to have shaped Carter's mind-set is Southern populism. Carter's occasional blasts at big oil companies, lawyers and doctors are the most visible manifestation of this strain. The President remains obsessed with redistributionist notions of tax reform despite mounting evidence that his crusade lacks any significant constituency. Although some of Carter's use of populist symbolism has been patently demagogic, much of his adherence to simple-minded populism is rooted in deep personal conviction.

The President's obsession with process issues—"electoral reform," "tax reform" and financial disclosure"—has caused him to place less emphasis on crucial substantive issues. Even when he has grappled with them, as in his energy program, the President has appeared far more concerned with what was "fair" than with what would work. Once Carter has divined what is "fair" he is likely to exhibit enough self righteousness to chill any prospects of legislative compromise. Whatever advantage Carter could derive from this seemingly "above politics" stance is squandered by his repeated invocations of populist demagoguery.

The American people are no fools. When Carter rails against lawyers and doctors, the public remembers the President's coziness with Bert Lance, hardly an exemplar of *pro bono publico* banking. The President's claims to a squeaky clean moral atmosphere for his administration seem cheapened by the evidence that these tough standards do not apply to the "ole boys" from South Georgia. Furthermore, the patina of populist rhetoric seems particularly thin when one looks closely at Carter's Georgia associates. These are not the sons and daughters of dirt farmers and mill workers from whom the Southern populist tradition arose. Instead most are children born to privilege in small town Southern society.

There is nothing wrong with Carter or his closest associates coming from relatively privileged backgrounds in the rural South. The rural Southern middle class and gentry have much to offer this country—a strong sense of civic duty, a willingness to work hard, and a deep patriotism. Carter's mistake is to fail to be himself. He will never come across credibly as either a populist or a "goo goo." If he is to salvage anything from the remaining portion of his Presidency, he must begin now to turn away from imagery and focus on the critical problems at hand.

## Judicial Blunderbuss

The Supreme Court's recent *Stanford Daily* decision seems based on an incomplete appreciation of the position of the press. When Justice White stated that the American press is not easily intimidated, he seemed to be thinking of the *Washington Post* or the *New York Times*. Such papers can command top legal talent to defend themselves or preserve the confidentiality of their sources. Moreover, prosecutors may be hesitant to take on the establishment media.

Even so, a prosecutor might have been sorely tempted early in the Watergate investigation to search the offices of the *Washington Post* to uncover the identity to the Woodward and Bernstein sources. Such a search could have been justified to uncover interference with a grand jury proceeding in violation of 18 U.S.C. 245 or, as in the *Stanford Daily* situation itself, on the theory that Woodward and Bernstein discovered fresh evidence of the crimes under investigation.

The brunt of the May 31 high court decision entitling government agents to search newspaper offices for evidence of crime as freely as they search a bank or warehouse will not, however, be borne by the establishment media. Instead the targets of such prosecutorial intervention are likely to be the "alternative" papers, many with origins in underground, and countercultural papers that in turn grew

out of vigorous, and occasionally lawless, opposition to laws and their administration. Laws abound and with them legal cause for a warrant. As Justice Stevens observed, the *Stanford Daily* decision does not leave judicial discretion to deny a warrant as long as a prosecutor can point to some reasonable connection between his search request and a crime. Unpopular papers should provide a cornucopia of reasons.

Some of our most astute political commentary has come from the "alternative" press. Besides articulating concerns of the most disaffected portions of the populace, the "alternative" publications have served to attune the establishment media to popular undercurrents. As a result the press in America seems more than its European counterparts to reflect popular thinking. In West Germany and Italy where there appears a deep gulf between the press and the counterculture, political violence flourishes on a scale unimaginable in this country.

The maintenance of a feisty and even insolent Fourth Estate is desirable if we are to channel our dissent into the political process. Congress and the state legislatures would seem well advised to enact legislation severely limiting the prosecutorial search powers unleashed by the *Stanford Daily* decision. ■

---

### Don't Miss A Single Issue -- subscribe to the Forum today!

I am enclosing \$ \_\_\_\_\_

- for
- 1 year of the *Forum*—\$15.00
  - 2 years of the *Forum*—\$28.00
  - 3 years of the *Forum*—\$40.00
  - 1 year gift subscription each—\$12.00

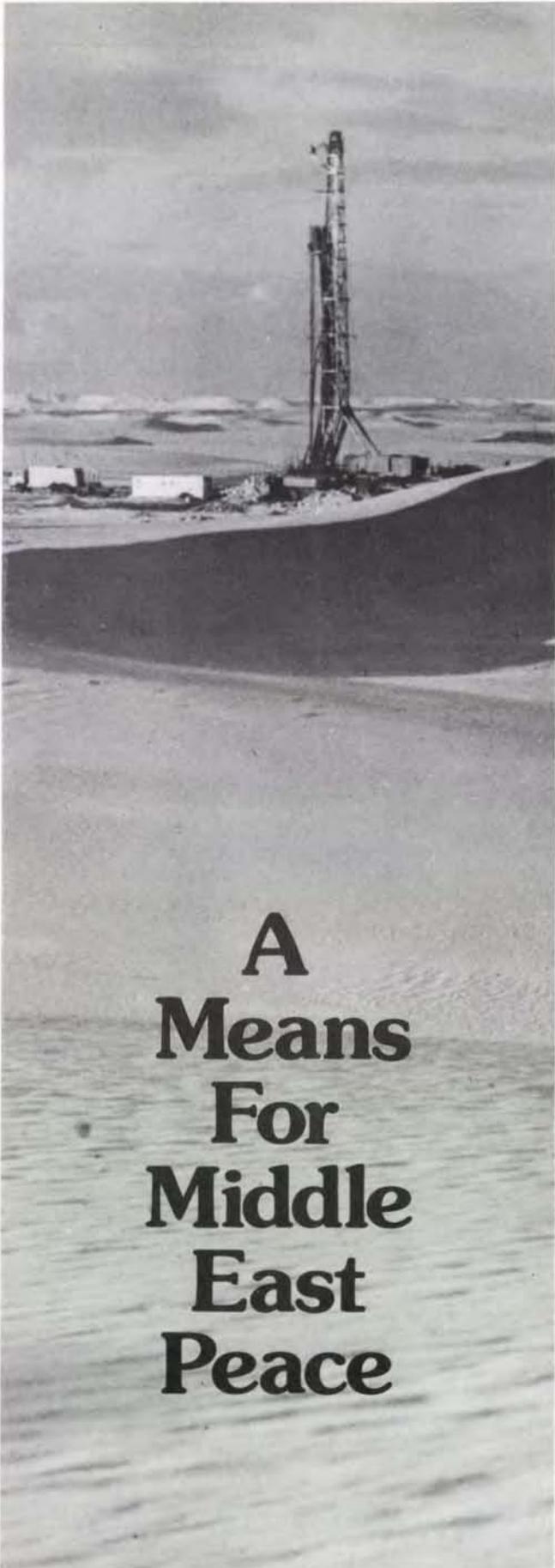
the following policy papers at \$1.00 each

- \_\_\_\_\_ copies of Free Trade Zone paper
- \_\_\_\_\_ copies of Neighborhood Democracy paper
- \_\_\_\_\_ copies of Small Business paper

Address to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Make checks payable and mail to:  
The Ripon Society, Inc., 800 Eighteenth Street, N.W., Washington, D.C. 20006

P.S. For additional subscription forms, feel free to make copies of this form.



# A Means For Middle East Peace

Photo: EXXON Corporation

## EDITOR'S NOTE

*No foreign policy issue seems as critical in its implications for world peace and the international economy as the achievement of a mutually acceptable peace between Israel and its principal Arab neighbors. The euphoria generated only a little more than half a year ago by President Sadat's visit to Jerusalem has dissipated as the negotiations have bogged down in recriminations and seemingly unbridgeable gaps.*

*In late December, 1977, the Ripon Society proposed for consideration by the principals to the Middle East peace negotiations a Free Trade Zone for the West Bank and the Gaza Strip. On May 20, 1978 this proposal was a central focus of a Ripon panel discussion which included representatives of the Israeli and Egyptian governments, as well as former Senator Hugh Scott and Senator James Abourezk. The spirited debate that ensued (Ripon Forum, June, 1978) suggested that some deep chasms existed between the Israelis and the Egyptians.*

*These gulfs in both perceptions and positions can not be readily bridged through semantics as President Carter is discovering. At least as significant as the competing claims of sovereignty and security rights is the atmosphere of distrust that characterizes relations between neighboring states in the region. The Carter Administration's moralistic pronouncements have squandered U.S. political leverage with the Israelis. Meanwhile the Administration's relatively unimaginative stance has disappointed moderate Arabs who have otherwise welcomed the appearance of greater U.S. sympathy for their cause.*

*In recent months, the Ripon Society has looked at a variety of suggestions to break the impasse in Middle East peace negotiations. Two such initiatives are set forth in this issue of the Forum by Dr. Seymour C. Yuter, an international lawyer and member of the New York State Bar. Dr. Yuter has developed two independent proposals, one calling for a Middle East Oil Defense Treaty Organization (MEODTO) and the other a detailed outline for a Middle East Free Trade Area (MEFTA).*

*The Yuter Free Trade Zone proposal provides a very detailed administrative framework, designed for study by specialists in the area. On a recent trip to the Middle East, Dr. Yuter discussed this proposal in some detail with officials of the Israeli, Egyptian, Jordanian, and Syrian governments. The proposal is being given detailed study by the Israelis. Both Yuter proposals are published in the Forum without any Ripon Society endorsement. It is the Forum's hope that the airing of various alternatives may provide additional impetus to the currently stalled peace negotiations.*

---

# Averting Armageddon

---

by S. C. Yuter, J. S. D.

Events in the Middle East seem to be leading inexorably to some tragic denouement for all of the principals:

- Driven by an obsession with absolute security, Israel is hesitant to press for peace now when it has clear military superiority in the region;
- The huge petrodollar surpluses garnered by Arab oil exporting states in consequence of OPEC mandated cartel prices provide virtually unlimited potential funding of conventional Arab forces on Israel's borders;
- To neutralize this seemingly inevitable Arab conventional military superiority, Israel will almost certainly feel compelled to demonstrate a nuclear capability;
- Arab confrontation states can be expected to develop or acquire an equivalent capability;
- Even before the Middle East explodes in some ultimate cataclysm, the artificially high OPEC oil prices will snuff out possibilities of economic advancement in numerous Third World oil importing nations;
- The Saudi royal family and the relatively conservative ruling classes of other Arabian Gulf oil states can expect increasingly to be the targets of internal coups or of subversion by radical Arab states;
- These same Arabian Gulf oil producers can also anticipate a potential threat to their security from either Israel or Iran.

In the last few months, the Middle East peace negotiations seem to have fallen apart in all but name. The gaps between the parties are a product of legitimate security concerns and the plentiful paranoia that will almost certainly be an unfortunate fact of life in the Middle East for years to come.

The playing out of a tragic scenario can be averted only by bold and imaginative action by the United States. This country is the only party with the ability to bridge the gaps

between the principals in the Middle East. There is, however, a serious limit, as President Carter is rapidly discovering, to what the United States can accomplish as a go-between. Arab insistence on Israel's total withdrawal to its pre-1967 borders and Israel's simultaneous insistence on near absolute security can not realistically be resolved in the context of the current negotiations.

The United States can permit the negotiations to sputter along in their present form eventually breaking down, undermining the positions of moderate Arab governments, and making another Middle East War all but inevitable. Alternatively, this nation could move boldly to secure both Middle East peace and a decisive break in the cost of energy to American consumers and to others around the world. To this end, I propose a Middle East Oil Defense Treaty Organization (MEODTO) under which:

- The United States would enter into a formal Senate-ratified defense treaty to defend the Arab Gulf oil against any threat, external or internal, as well as to defend the main oil routes.
- The Etzion Air Base (near Elath) would be expanded to include pre-1967 Israeli territory in proportion to the respective areas of Egypt to Israel (48.4:1); and Egypt and Israel would lease their land to the U.S. until the year 2000 for the establishment of the main Middle East Oil Defense Treaty Organization (MEODTO) Air Base under U.S. control.
- The Saudis would lease their 60 F-15s to the U.S. until 2000, to be flown by U.S. pilots and permanently committed to the defense of the Arab Gulf oil and oil routes, including the Red Sea and Suez Canal. A forward air base would be established at Dhahran for use during any emergency arising from any pro-Communist threat.
- In return, the Arabian Gulf states, especially Saudi Arabia, would free market their oil up to the limits of their present and future production capabilities;
- To sweeten the pot for the Saudis, the U.S. would agree to exert its best efforts to persuade the Israelis that it is in their self interest to permit the establishment of a fail-safe nonradical, nonmilitarized Palestinian State on the West Bank and in Gaza and turn over to the Saudis religious sovereignty over the Islamic holy sites in Jerusalem.

The advantage of such a bold American initiative would be considerable to each of the parties:

---

© S. C. Yuter, J.S.D., 1978.

- For the United States, the movement of oil to free market levels would mean a dramatic curbing of domestic inflation and a spur to economic growth. The MEODTO treaty should guarantee stability of oil supplies. The treaty would also provide a direct mechanism to insure that Arabian Gulf oil would not fall under control of radical, anti-American elements.
- To the Saudis, the anti-Communist treaty would also provide security against attacks from Israel, Iran, or other Arab states. The Saudi royal family would be firmly protected against a pro-Soviet coup such as that led by the Air Force in Afghanistan. Even with free marketing of oil, price levels would remain sufficiently high to assure adequate revenues for Saudi Arabia and other Arabian Gulf oil exporting states to proceed rapidly with development plans. Also, the reduction of oil revenues might facilitate the maintenance of traditional cultural values. Moreover, free marketing of oil would cut much more heavily into discretionary (e.g., foreign adventurist) expenditures of anti-Saudi "rejectionist" states.

### Conclusion

- To Israel, the MEODTO treaty would provide a means of avoiding "a death of a thousand cuts" in which oil de-

rived Arab revenues financed an inexorable buildup of Arab conventional force superiority. The treaty would virtually guarantee that Arabian Gulf oil would not fall under the sway of "rejectionist" Arab states. The treaty would also underscore the peaceful intentions of the Saudis.

- To all anti-Communist principals in the Middle East, the treaty would provide assurance that the U.S. would move credibly to checkmate the bold Soviet bid to dominate the Horn of Africa and the oil routes. This would be true even though the commitment in numbers of U.S. military personnel would be minimal.
- For Egypt, the treaty might break the impasse preventing both the return of territory in the Sinai and the establishment of peace with Israel. Enhanced Israeli confidence might lessen security concerns now separating the parties.

In an area as complex as the Middle East, no proposals for peace and security can be put forward with confidence that they will work or prove acceptable to the parties. Yet should the United States restrict its role to that of a mediator, occasionally chiding parties in a legalistic tone to "live up to" Resolution 242, etc., we can soon anticipate a dialogue of the deaf interrupted ultimately by the clashing cymbals of war. It is far better that we take risks for peace if we are to forestall the seeming inevitability of war.

---

## Bridging The Egypt-Israel Negotiation Gap

---

by S.C. Yuter, J.S.D.

A Middle East Free Trade Area—MEFTA—can be the key (*meftah* in Arabic) to bridging the negotiation gaps between the Egyptians and the Israelis, and the establishment of normal relations between Israel and its neighbors.

The MEFTA principles would be tested during a five-year period in an international free trade buffer zone (Mefta Zone) on both sides of the international Egypt-Israel border, with an extension in a strip along the Gulf of Aqaba. If successful, Israel would be obligated to apply the MEFTA principles to a settlement of the Palestinian and Golan issues, including the establishment of an independent nonmilitarized Palestinian State (like Costa Rica) on

the West Bank and in the Gaza Strip.

The Israeli West Bank settlements would remain, but they would become free trade, agricultural, tourist, commercial, and manufacturing sites of the international trade sector over which the Palestinian State would have no jurisdiction. The Sinai settlements in the Mefta Zone would also remain as part of the free trade sites allocated to Israel. International police would have exclusive jurisdiction over the Mefta Zone and the international trade areas in the Palestinian State.

The peace treaty would include a fail-safe guarantee to Israel. The guarantee would allow the Israeli Army to return to territories from which it withdrew in the event the Israeli Government alone determined that the provisions prohibiting remilitarization and terrorism had been substantially breached—subject to review by and the decision of the International Court of Justice at The Hague.

### Palestinians' Right

The right of the Palestinian residents of the West Bank and Gaza Strip to participate in the determination of their own



American Petroleum Institute

future would be assured by their representation in the treaty negotiations by the mayors of the capital cities of their ten districts—called the Council of Palestinian Mayors (COPM)—and the Palestinian residents of each district would vote by secret ballot to accede to or to reject the final peace treaty<sup>1</sup>. COPM would have no authority to represent Palestinians who are not residents of the West Bank or Gaza Strip.

During the five-year test period in the Mefta Zone the Palestinian residents of the West Bank and Gaza Strip would have administrative autonomy and the military government would be abolished in accordance with Prime Minister Begin's plan read to the Israeli Parliament on December 27, 1977.

A purpose of the test period in the Mefta Zone is to permit the moderate Arab leaders to demonstrate their cooperation with the international Egyptian, Israeli and UNEF police contingents in jointly controlling terrorism so that the success of the free trade zone is assured.

If the Mefta Zone is successful, the peace treaty provisions establishing the Palestinian State would come into force and the Israelis would completely withdraw from all of the territories occupied in 1967, except East Jerusalem, and then immediately return to the recognized permanent boundaries agreed to as secure in the peace treaty.

### Jerusalem

Jerusalem would remain a united city under Israeli administration until the year 2000, when its new status would come into force as a result of negotiations among all parties concerned during the preceding five-year period. If peace lasts until 1999, it is likely that an acceptable arrangement can be found for a unified City of Peace. With the establishment of the Palestinian State, however, religious sover-

eighty over the Moslem holy places in Jerusalem would immediately go to the Saudis as the religious leaders and the custodians of the principal shrines of the Islamic World.

### Shape Of Palestinian State

In MEFTA there would be no barriers to trade and the movement of capital. There would be no significant taxes, tariffs or other controls. Business and finance would flourish and provide employment for many Palestinian refugees. The Palestinians would provide a vast labor pool for construction, tourism, trading, manufacturing and agriculture. They could live comfortably, even on a modest wage scale since, living in a free trade zone, they could buy everything duty-free. Their taxes would be minimal, for there would be no military establishment to finance.

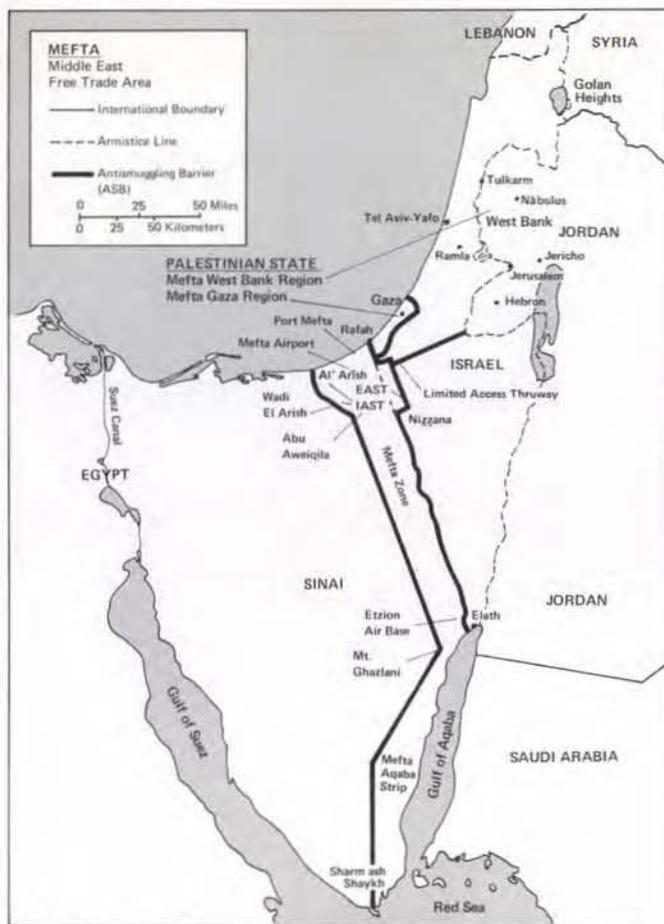
The Palestinian State should remain nonradical in view of the free market orientation of its economy, a federal form of government based on equal representation from each of ten districts, and the expected financial support of the moderate Arab oil-producing states, especially Saudi Arabia and Kuwait.

The basic theory is that international businessmen provide more security than international policemen. Moreover, the need to provide anti-smuggling barriers (ASBs) around the Mefta Zone and Palestinian State to prevent duty-free goods from being smuggled out and weapons smuggled in provides a rationale for straight-line borders wherever possible in order to permit radar surveillance of the ASBs. That facilitates negotiation of borders deemed secure by the Israelis.

### MEFTA Territories, Facilities And Business

MEFTA would comprise: the Mefta Zone running between the Mediterranean Sea and the Gulf of Aqaba on leased land on both sides of the international border and in an integral strip extending along the Gulf (Mefta Aqaba Strip); the West Bank Region and the Gaza Region, comprising the

<sup>1</sup> Seven of these districts are on the West Bank; three on the Gaza Strip. This corresponds roughly to the population ratio.



© S. C. Yuster 1978

Palestinian State; and the Golan Region. With the agreement of Lebanon, there could be a South Lebanon Region (south of the Litani River) connecting with the Golan Region to provide it an outlet to the sea.

The Northern end of the Mefta Zone adjacent to the Gaza Region would include a deep-water port, an international airport and an electric power-desalination plant to provide ample electric power and fresh water.

The plant would be located on the coastline between Yamit and the international border. It would be powered by Saudi gas sold at production cost and delivered to the Jordanian border at Aqaba-Elath via a Saudi-constructed pipeline; and from there to the plant via a U.S.-constructed underground pipeline in the Mefta Zone. The U.S. would also construct a parallel pipeline to supply desalinated water not only for industry and agriculture but to the cities of Elath and Aqaba (in equal amounts in return for the transit rights) and to the Mefta Aqaba Strip to expand tourism; also an underground power line paralleling the water pipeline. The production cost of the fresh water would be low enough to assure its profitable use for irrigation to make the desert bloom and employ countless Palestinian refugees who want to return to the land.

The Israelis would provide an unrestricted transit easement from the West Bank Region to the northern Mefta Zone for a limited access thruway to connect the West Bank and Gaza Regions. This would give Jordan unrestricted access to the seaport in the Mefta Zone via the West Bank Region.

Most of the Mediterranean beachfront and all of the Mefta Aqaba Strip in the Mefta Zone would be limited to tourism. Sites for self-contained communities speaking a common language, called Planned Unit Development (PUDs), would be provided for commerce, manufacturing and agriculture. Each PUD would include a residential section, shopping, schools, entertainment and religious and medical facilities. The PUD sites would be allocated internationally together with the tourist and office building sites under a priority system with Egypt, Israel, the Palestinian State (or a substituted Arab State, especially Saudi Arabia), given the higher priority in the choice and number of sites. Jordan would substitute for Egypt in the West Bank Region and Syria in the Golan Region. The PUDs would include the present Israeli settlements in the West Bank Region and in the Sinai.

### MEFTA Supervisory Authority, Administration And Finance

The Mefta Zone would be supervised by an international Mefta Supervisory Authority (MSA) consisting of Egypt, Israel and the Inter-Governmental Maritime Consultative Organization (IMCO), a UN specialized agency based in London having the objective of removing hindrances to trade. The Palestinian State would be included in the supervision of the West Bank and Gaza Regions. Jordan would substitute for Egypt in the supervision of the West Bank Region, and Syria for Egypt in the supervision of the Golan Region. Substantive issues not involving security would be decided by a two-thirds vote. Security issues would be decided by unanimous vote. The success of the five-year test period in the Mefta Zone would be decided by a two-thirds vote of Egypt, Israel and IMCO.

Responsibility for the administration of MEFTA would be lodged in a 19-member IMCO Trade Committee (IMCOT) elected by the IMCO Assembly (about 70 members) but governed by the provisions of the peace treaty as construed by the Mefta Supervisory Authority. The permanent members of IMCOT would include Egypt, Israel, the Palestinian State, Jordan, Syria, the United States and the Soviet Union. IMCOT would elect a Secretary-General and Deputy Secretary-General to run the MEFTA Administration, which would be comparable to a big city government.

IMCOT would also elect all of the commissioners who, with the approval of the Secretary-General, would be authorized to hire experienced civil servants to provide the necessary governmental services. The Mefta police force, however, would consist of trained policemen selected by and under the direct supervision of police co-commissioners appointed by unanimous vote of the Mefta Supervisory Authority, with the UNEF representing the IMCO police contingent. MSA would also appoint a three-judge Mefta Court by unanimous vote of Egypt, Israel and IMCO.

The services provided by the MEFTA Administration would be financed from the land rents charged for the tourist and office building sites and the sites for the manufacturing and agricultural PUDs. Water and electricity would be separately charged at cost. The rents would be large enough to pay off tax-free debentures sold to governments and private investors to finance start-up costs.

## Palestinian Government

Initially, a provisional Palestinian Government would be formed as follows: Each of the mayors of the ten capital cities would appoint three members to a provisional unicameral Parliament sitting in Bethlehem. The Parliament would elect a Prime Minister as head of the Palestinian State. The Prime Minister would appoint a Cabinet.

At the time the Palestinian residents of each district exercise their right to participate in the determination of their future by voting to accede to or to reject the peace treaty, they would vote for a governor of the district. The vote would be by general, direct, personal, equal and secret ballot in a referendum supervised by IMCO's UNEF police contingent. Thereafter the elected governors of those districts acceding to the peace treaty would each appoint the three members of Parliament.

The Palestinian State would have all the attributes of sovereignty except, like Costa Rica, it would have no army (only police with police weapons), and it would be subject to the other provisions of the peace treaty acceded to by its Palestinian residents, especially the obligation to suppress terrorism. And it would have no jurisdiction over the international trade sector.

Palestinian residents would be subject to the jurisdiction of the present local Palestinian courts.

Nonresident Palestinians could become residents of the Palestinian State if they could demonstrate that a job for the individual or head of the family was guaranteed. The international police would enforce immigration laws.

The jurisdiction of the Palestinian police would be limited to Palestinian residents holding passports of the Palestinian State. The international police would have jurisdiction over all non-Palestinians and those Palestinian residents who elect to hold a Jordanian passport only. Palestinian residents holding both Jordanian and Palestinian State passports would be subject to the jurisdiction of both the Palestinian and international police. The international police would also have geographical jurisdiction over all persons in international areas. Each police co-commissioner, including the Israeli co-commissioner, would have the right to take unilateral action anywhere in MEFTA to prevent terrorism and smuggling.

At the time of the peace treaty accession and governor votes, IMCO would also conduct a referendum among all of the Palestinian residents to determine the relationship of the Palestinian State to Jordan. If federation with Jordan is voted, then the Parliament would be known as the Palestinian Legislature and the Prime Minister as the Governor General.

*Mefta Zone:* The eastern border would be the present international (Rafah-Aqaba) border between Egypt and Israel (established in 1906) except for a 180 sq. km. (69.5 sq. mi.) rectangular strip on the Israeli side of the border between the Gaza Strip and Nizzana. This strip is designated the Egypt Agricultural Strip (EAST) because there Egypt would have the exclusive right to establish agricultural PUDs. To be even-handed, Israel would benefit from a 180 sq. km. (69.5 sq. mi.) strip, corresponding to the

Egypt Agricultural Strip, along the eastern edge of the Wadi El Arish between El Arish and Abu Aweiqila. It would be designated Israel Agricultural Strip (IAST) because there Israel would have the exclusive right to establish agricultural PUDs.

The western border would follow the Wadi El Arish (the ancient border between Egypt and Palestine, called the River of Egypt, bordering the eastern edge of El Arish) south from the Mediterranean coastline to Abu Aweiqila and then straight south-southeast, 26 km. (16.15 mi.) from and generally parallel to the international border, to Mt. Ghazlani, about 6.5 km. (4 mi.) from the Gulf of Aqaba coastline.

From Mt. Ghazlani it would go generally south along the Gulf of Aqaba terminating on the Red Sea coastline just south of Sharm El Sheikh (excluding Ra's Muhammad), thus encompassing the main Elath-Sharm El Sheikh road together with Sharm El Sheikh. The land comprising the Mefta Aqaba Strip is part of South Sinai, which historically was not part of Egypt.

These boundaries would include in the Mefta Zone both Egyptian and Israeli territories in proportion to their respective geographic areas—48.4:1.

To avoid sensitive questions of sovereignty, Egypt and Israel would each lease to IMCO its land falling within the Mefta Zone for a term ending on December 31, 1999. Thereafter, the term of each lease would automatically be extended by ten-year period unless the lessor gave IMCO five-years written notice of its intention to terminate at the end of the then-current term.

*Gaza Region:* The boundaries of the Gaza Region would be the same as the pre-1967 Gaza Strip boundaries. It would be divided into three districts: North Gaza District with Gaza City as its capital; Central Gaza District with Khan Yunis as its capital; South Gaza District with Rafah as its capital.

*West Bank Region:* It would generally comprise Judea and Samaria but exclude the unpopulated Judean Desert and Samaria Arid Zone pursuant to the plan of former Foreign Minister Yigal Allon in his Foreign Affairs article of October 1976, pp. 38-53, *Israel: The Case for Defensible Borders*. Additionally, the outer borders would be straightened to permit the use of radar to monitor the anti-smuggling barriers (ASBs) which would enclose each area of MEFTA to prevent the smuggling of duty-free goods out and weapons in. The West Bank Region would consist of seven districts, named for their capitals: Hebron and Bethlehem in Judea and, in Samaria, Ramallah, Nablus, Tulkarm, Jenin and Jericho (essentially a corridor between the Jordan River and the Ramallah District along the Jericho-Ramallah axis). These borders would provide security for Israel since no military forces would be permitted in MEFTA, only police.

The Israeli settlements in the West Bank Region would become Israeli PUDs in the international sector. Most new PUDs would be built along the outer borders of the Region and be linked with high-speed roads under the jurisdiction of the international police. ■



## The Race Is On In New York

In June, New York Republicans met for their first convention in nearly a generation that did not operate in the shadow of Nelson Rockefeller.

Often termed "dull" by a press still having trouble dealing with a New York Republican Party without Rocky at its head, the convention nevertheless produced a ticket with some glamor. That the party has truly moved into a post-Rockefeller era is reflected by the slate of candidates for state-wide office:

For Governor, Assembly minority leader Perry Duryea, who clashed with Rockefeller on numerous occasions, especially over his state spending programs now under attack from all directions;

For Lieutenant Governor, Bruce Caputo, the outspoken young freshman congressman from Westchester whose two terms in the state Assembly barely coincided with Rockefeller's reign;

For Controller, Erie County Executive Edward "Ned" Regan, whose previous run for controller on the Rockefeller ticket in 1970 led to a well publicized incident in which the governor deprecated Regan's chances for election;

For Attorney General, Michael Roth, whose service as State Liquor Authority chairman came after Rocky's departure for Washington.

The ticket reflects the party's arduous search for balance—a WASP, an Italian-Irishman, an Irishman, and a Jewish candidate were chosen. The ticket lacks only a female and New York City representative. (The Democrats, also ethnically balanced, lack an upstate candidate.) The balance of the ticket extends beyond geographical and ethnic considerations to a fine mesh of personalities and expertise which blend well on TV and in person. As one Republican observed at the June convention, "It's the

handsomest ticket we've had in years."

A post-convention tour of the state by the newly selected candidates and recent polls which show Duryea in the lead have left party leaders heartened about GOP prospects. So does the record of the Carey Administration. Hugh Carey seems politically inept and administratively weak. He is regarded as inaccessible. Many important interest groups have been turned away from his door. His record of appointment of minorities to state office is abysmal. The Joint Center for Political Studies recently determined that New York State had only nine minority aides to the Governor and State; the comparable figure for Pennsylvania was 79, for New Jersey, 91.

The large civil service is hostile to the governor, and its leadership may consider not endorsing him. Many state agencies are engaging in open warfare with each other. The State University has just lost a widely-publicized lawsuit against the State Education Department. The State Health Department has just won a spectacular lawsuit against the State University. The State Commissioner of Commerce publicly attacked the Commissioner of Environmental Conservation and the Commissioner of Education who shortly thereafter resigned their posts.

Carey's relationship with the Legislature also has not been entirely harmonious. He is the only governor in this century to have a veto overridden—this despite the fact that his own party controls one house. Carey's Lieutenant Governor recently refused to run with him, citing his aloofness and lack of accomplishment. She has since launched her own campaign for the Democratic gubernatorial nomination.

In Carey's behalf, he has cut taxes—an accomplishment of some political significance in 1978. His real achievements in this area have been considerably blunted, however, by his inability to control the state bureaucracy. When state agencies spend hundreds of thousands of dollars and man hours suing each other, it is difficult to claim efficiency or economy in government.

It may be possible that this paralysis at the center is responsible for the Carey administration's inability to confront

the deepening problems that face New York—problems that bear directly on voter choice. Heavy industry continues to leave the state. Attempts to emphasize “post-industrial” occupations have not been helped by the professional censure of almost the entire system of state public higher education. By one estimate, New York has lost 200 thousand jobs in the last four years.

The state, according to preliminary census figures, is actually losing population. The City fiscal crisis remains, even with federal bail-outs; the state’s financial responsibility legally cannot be entirely divorced from the City’s financial responsibilities. Despite a massive “I Love New York” public relations campaign by the Carey administration, the impression lingers among many businessmen and professionals remains that New York is a good place to avoid.

It is hard to tell in mid-summer what factors will decide this contest. In addition to the hard and persistent issues of taxes/spending and jobs, abortion and capital punishment have been major concerns during the last few months. On each, Carey has taken the “liberal” stand and Duryea the “conservative.” Although Duryea’s views are probably shared by a majority of voters (not necessarily a large majority), it is not clear that his position is shared by a majority of those swing voters who determine the outcome of New York elections, since these issues cut massively across party lines in New York as elsewhere.

One “issue” will clearly be present: Personality. David Garth has found that Hugh Carey’s face angers voters. So he must sell his candidate without selling his cameo. Carey’s wit shines sporadically on the stump, but hardly ever in small groups.

By contrast, Duryea is highly personable in the flesh, but somewhere austere behind a lectern. The Suffolk lobsterman’s inability to tell jokes was a major cause of press comment earlier this year. He has a running mate, however, whose youth and quick quips complement his own formality.

This race is a strategist’s paradise. With hard economic issues, with emotional social issues, and with asymmetrical personalities, there is much to be manipulated. Without question this race is a toss-up.

## Tennessee Cauldron Bubbling

Republicans stand an excellent chance of regaining the gubernatorial mansion in Nashville after four years of scandals and buffoonery under Democratic Governor Ray Blanton.

Under a state constitutional amendment approved by Tennessee voters this March, the Governor is eligible to run for reelection. Governor Blanton, immediately cited this vote as a 57 per cent endorsement of him for a second term. Some Tennessee observers suggested the second term amendment passed because Tennessee Republicans licked their chops at the prospect of facing Blanton.

Blanton’s weakness was underscored in a poll conducted by the University of Tennessee (UT) Bureau of Public Administration in late April. This poll, conducted in mid-February, was so devastating to Blanton that the University initially suppressed the poll results in apparent fear of suffering a budget slash at the hands of the Governor. Of those polled, 84 per cent said they would not prefer Blanton if he were to run for reelection. Eight per cent of those questioned thought the Governor was doing a good job.

This same poll reported in the *Knoxville News-Sentinel* showed that 87 per cent of Republicans favored Lamar Alexander, Blanton’s 1974 opponent, for the Republican nomination. Alexander’s primary opponent, former Reagan coordinator Harold Sterling, drew support of 10 per cent of Republicans. Howard Baker received a “good job” rating from 58 per cent of all voters, as compared with a 42 per cent “good” rating for Democratic Senator James Sasser and a 35 per cent “good” rating for President Carter.



Lamar Alexander

The UT poll showed 56 per cent of voters opposed to ratification of the Panama Canal Treaties, 36 per cent favoring ratification with amendments. The poll also revealed a strong socially conservative trend in the state, with 69 per cent supporting the death penalty for first degree murder, 71 per cent favoring stricter anti-pornography legislation and 66 per cent opposing passage of the Equal Rights Amendment.

Trial heats between potential Democratic contenders, not including Blanton, pointed to a hotly contested primary. Public Service Commission Bob Clement, son of the late Governor Frank Clement, was favored for the Democratic nomination by 31 per cent of those polled. Nashville Mayor Richard Fulton received 29 per cent, Knoxville banker Jake Butcher 27 per cent, and House Speaker Ned McWherter 11 per cent. McWherter has since withdrawn and Blanton has decided to stay on the sidelines. The Democratic free-for-all seems quite unpredictable at this point. Nashville Mayor Fulton already faces an added problem. The day Fulton announced for Governor, Daniel Power, a 34 year old civil engineer and urban planner, declared for the mayoralty of Nashville. Power,

who had gained a strong reputation in the administrations of former Governors Frank Clement and Winfield Dunn, has already mounted an impressive shirtsleeves campaign for the mayor's post, to be voted on in August, 1979. Power is assembling a bipartisan coalition and is pressing the theme that Fulton has seen the mayoralty as only a stepping stone.

At this point, the best bet for the governorship appears to be Alexander, a former White House aide and a skilled Nashville attorney. Alexander came across in too stiff a manner in the 1974 campaign. His country club image and the anti-Republican fallout from Watergate contributed to his defeat by Blanton. Since the election, he has gained valuable exposure in the Democratic stronghold of Nashville by serving as a local television commentator. He is now running a folksy campaign in the best Tennessee tradition. Alexander can almost certainly count on the Democratic primary contenders slicing each other up between now and the August 3 primary. These primary wounds and the general unpopularity of the Blanton Administration should give Alexander a distinct advantage.

### Bell Defeat Of Case Jolts Jersey GOP

On primary night the Case forces gathered for a pro forma early evening victory celebration. The four term New Jersey liberal Republican Senator had consistently proved the strongest vote getter in modern New Jersey history. Case's opponent was Jeffrey Bell, an articulate and intelligent conservative intellectual but also a person with minimal New Jersey ties. All the polls showed a decisive Case primary victory.

Unfortunately, as Clifford Case's supporters soon realized when election returns began filtering in, all bets are off when turnout is minimal. The Republican primary turnout of under 20 percent was the worst in half a century. In this setting the half million dollars that Bell had expended in his campaign—much of it raised out-of-state by New Right organizations—proved decisive. Bell made extensive use of direct mail, pressing his tax limitation theme and seeking to pull his potential supporters to the poll. Meanwhile Case seemed to be treating the primary as a mere annoyance. Until relatively late in the campaign he spent little time campaigning in New Jersey. Case did not call in his considerable chits from organized labor or pro-Israeli groups. A relatively sparsely funded Case campaign purchased no television spots.

Bell's slender three thousand vote margin was piled up largely in the smaller rural counties of New Jersey. While Case carried most of the major metropolitan areas, the anemic Republican turnout there prevented him from countering Bell's strength in small towns and rural areas.

In Case's defeat New Jersey Republicans lost their strongest candidate of the past generation. Considered by many the conscience of the Senate, Case had earned the respect of colleagues of all persuasions for the earnestness with which he pursued Congressional ethics reform. The New Jersey Republican used his Senatorial leverage on Republican

Presidents to assure the appointment of topflight U.S. attorneys to root out the Garden State's pervasive political corruption. Thanks to Case's initiative the aroma of New Jersey politics is now better than that of the state's petrochemical industry. Case also distinguished himself as one of the Senate's strongest proponents of civil rights and an enlightened internationalist.

Case will be missed by New Jersey Republicans and by his Senate colleagues. Yet one could not escape the conclusion after listening to the Senator's gracious and philosophical concession speech that he lacked the hunger for office that propels most politicians. In Bill Bradley, Case would have faced another "nonpolitical" politician, a younger Clifford Case—40 years younger to be precise.

While a race against the determined Bradley would have been rough, Case might have pulled out a victory. Now Jeff Bell faces a potential landslide defeat from his Democratic opponent Bradley who combines folk hero status, Rhodes Scholar credentials, movie star looks, with strong labor backing and an anti-politics appeal. This potent combination is causing many New Jersey Republicans who must run on a ticket with Bell to lose some sleep.

### Beall-Allen Pairing Brightens GOP Hopes of Recapturing Maryland Governorship

Aris T. Allen, M.D.



J. Glenn Beall, Jr.

This spring proved particularly excruciating for Maryland Republicans. Opportunity seemed to stare them in the face but nowhere could they find a strong candidate for governor. The conviction of Democratic Governor Marvin Mandel on various bribery related charges appeared to hand Republicans a potent issue. The withdrawal of the politically savvy Mandel from power removed the cohesion which had held Maryland's normally quarrelsome Demo-

cratic politicians together. Lieutenant Governor Blair Lee, a Montgomery blueblood, moved up to the post of Acting Governor. Lee used his semi-incumbency to get a leg up on party rivals for the 1978 gubernatorial nomination. Nevertheless, Lee faces a hard fight from several party rivals.

Lee's principal rivals seemed to be Baltimore County Executive Theodore Venetoulis and Attorney General Francis Burch. The Acting Governor stole a march on both of them this spring when he persuaded State Senator Steny Hoyer, candidate of the powerful Prince George's County Democratic organization, to drop out of the gubernatorial race and be slated instead as Lee's lieutenant governor ticket mate. Venetoulis, a handsome candidate with the backing of the state's teachers' organizations, has been trying to cultivate a Kennedyesque appeal that might attract liberals. Burch, a long-time officeholder was pursuing a conservative populist appeal. Burch's campaign was set back by public resentment over his leniency in a plea bargaining settlement of a case involving Father Guido John Carcich, a principal in the Pallotine Order fundraising scandal. Sensing defeat, Burch withdrew.

The outlook in the Democratic primary is murky but the Lee-Hoyer ticket still seems favored, even after revelations that Marvin Mandel helped to broker the pairing. Should the Lee-Hoyer ticket win the Democratic primary it is unlikely to go into the fall elections with a head of steam.

Republican hopes jumped exponentially when former U.S. Senator J. Glenn Beall, Jr. announced for the governorship. Beall announced that his ticket mate for lieutenant governor would be Aris Allen, the highly regarded Maryland Republican Chairman. A black doctor from Annapolis and a former minority whip in the House of Delegates, Allen is expected to be a strong campaigner.

Unable to shake the negative fallout from revelations of questionable fundraising in his 1970 Senate victory, Beall was toppled in 1976 by Democratic Congressman Paul Sarbanes. Sarbanes' rude and erratic conduct since going to the Senate has, however, worked to Beall's advantage. Beall's claims of being an effective legislator were of little avail beside Sarbanes' slick television advertising spurred by heavy out-of-state contributions. Sarbanes has become an embarrassment to his fellow Democrats in the Senate and his staff turnover is reputed to rival that of Bill Scott. Beall's stock has risen as Marylanders have begun to regret they replaced him with the abrasive former Rhodes Scholar.

Beall is expected to handily defeat a host of Republican primary rivals, the most formidable of which appears to be the party's 1974 gubernatorial nominee, Louise Gore. A Beall-Allen ticket should have the following strengths in the fall:

Beall's popularity in Western Maryland, an area he represented in Congress before going to the Senate.

Allen's strength in the Annapolis area and an ability to make inroads among black voters in Baltimore, the Eastern Shore and Prince George's County.

A strong Republican challenge for the County Executive post of Prince George's County being waged by former

Congressman Larry Hogan.

Potential appeal of the Beall-Allen ticket, a Maryland first, in politically liberal Montgomery County. The highly personable Allen and his wife, also an M.D., could be very effective vote getters in Blair Lee's home county.

Although victory is no cinch, Republicans now seem to have at least an even chance of regaining the Maryland Governor's Mansion.

## Hoedown In Richmond

It was a spectacle to be described in superlatives—the largest political party convention in American history; a full day of fingernail biting excitement. The approximately 10,000 delegates to the Virginia Republican Convention in Richmond June 3 gathered for one purpose—to choose a nominee for the U.S. Senate seat being vacated by William Scott. In less than six years as Senator the superconservative Scott had already made a mark for himself. Chosen by *New Times* as “the dumbest Member of Congress” Scott removed whatever doubt lingered by calling a press conference to denounce his tormentors. Demonstrating a keen interest in world affairs, the Virginia Republican traveled widely at taxpayer expense only occasionally fraying U.S. relations with his foreign hosts. Much to his Senate colleagues' relief, Scott decided to retire.

Scott's decision set off a four way scramble for the Republican U.S. Senate nomination. The contenders:

Richard Obenshain, former Virginia GOP Chairman and National Party Co-Chairman, outspoken conservative and strong proponent of the Southern Strategy.

John Warner, former Navy Secretary and Bicentennial Administrator, recent beneficiary of celebrity status from his marriage to Elizabeth Taylor.

Linwood Holton, Virginia's first Republican Governor of this century, a strong proponent of racial moderation and an inclusive Republican Party.

Nathan Miller, a personable, young state senator, who was widely viewed as plowing the ground for a future statewide run.

On the first ballot Obenshain carried about 40 per cent of the vote. Bunched closely together were Warner and Holton in second and third place respectively. Trailing fourth was Miller with strong support from his home Seventh Congressional District.

Holton and Warner's presumed strategy was to wait out Obenshain who would have difficulty expanding past his true blue conservative hard core to garner a convention majority. After losing ground on the second and third ballots, Holton withdrew. Holton's downstate support went to Warner while his Northern Virginia supporters splintered. Obenshain came within a hair's breadth of securing a major-

ity on the fourth ballot. The conservative frontrunner slipped on the fifth ballot. With Obenshain's momentum seemingly spent, Warner smelled a chance of victory and, acting as cheerleader, whipped his supporters into a frenzy.

The pivotal man in the convention was now Nathan Miller. If he were to withdraw and release his delegates uninstructed, Miller could anticipate that they would split providing enough votes to put Obenshain over the top. Former Governor Mills Godwin, a supporter of Obenshain, urged Miller to withdraw. Warner's forces had one argument—Obenshain was a sure loser to the expected Democratic nominee Andrew Miller while Warner stood a good shot at holding the Senate seat. A poll taken for Warner showed Holton running within three points of the former Democratic Attorney General, Warner within six points and Obenshain trailing by thirty-three points.

Entertaining strong future statewide ambitions, Nathan Miller was not about to incur the wrath of the conservatives holding the whip hand in the Virginia GOP. Miller withdrew without instructing his delegates, then Obenshain squeezed through to victory on the sixth ballot. The con-

vention deadlock was broken and with it virtually all Republican hopes of retaining Scott's seat.

The next weekend the Democrats as expected selected Andrew Miller to carry their banner. Their convention was a relatively humdrum affair but Democrats could hardly contain their joy that Republicans had offered them as luscious a target as Obenshain, whom some saw as a "smart Bill Scott." The Virginia Republicans' uncompromising conservatism would virtually concede the black vote, over 15 percent of Virginia's electorate. Also a native of the Richmond area, Miller could count on neutralizing Obenshain's strength there. Miller would expect to amass his victory margin by sweeping normally Democratic Tidewater and carrying Northern Virginia which has shown a strong preference for moderate candidates in recent statewide elections. Obenshain's strategy meanwhile seemed to be to attach a wild-eyed liberal tag to Miller who is widely regarded as a moderate. Few observers feel that this ploy will be any more successful than when Obenshain tried it in his unsuccessful run against Miller for Attorney General in 1969. ■



## View From Hawkins Gore

### Political Prisoners

by Hollis Colby

Well, I can tell you it caused a bit of a stir when folks in the Gore learnt from Mr. Andrew Young that the America for which seven generations of Hawkins Gore's finest had fought and bled in the name of freedom still had hundreds and maybe thousands of political prisoners. At first we was a mite indignant, but then the light of reason come to us and we decided to put his idears to a test.

Thus was launched the First Annual Hawkins Gore Political Prisoner Search, and by Jeezum it exceeded anybody's wildest expectations. In fact, we dang near drafted a letter to Mr. Andrew Young to apologize for initially thinking he was such a danged fool.

During Political Prisoner Search Week, which we prevailed upon the selectmen to declare the length and breadth of the Gore, each member of the Hawkins Gore Historical, Literary and Athletic Wagering Society went out to find one or more political prisoners. Luther Leach made the first discovery when he run into Silas Sanborn hosin' down the floor around the bulk tank. To Luther's cheerful greeting Silas exhibited a long face and pathetic demeanor.

"Sump'n the matter, Silas?" inquired Luther.

"Yer dang right, Luther," replied the sturdy dairyman.

"Luther," he continued, "I have been farmin' here since the name Calvin Coolidge was on everybody's lips for doing nothing down in Washington, God rest his soul. And last night me and Maw set down to figger out what we was worth. Well, we ain't worth much. We are \$120,000 in

debt and you know why?"

Luther didn't know.

"We are up to our lower lip in debt because of this here stainless steel bulk tank and them concrete floors. It was back in '61, I think, when the Feds who run this Federal milk order system told us we had to have stainless steel bulk tanks and concrete floors or else we couldn't ship milk out to Boston. I was milkin' 30 head and doin' tolerable well at the time. But I had to borrow a mess of money to put in all this new-fangled stuff, and then I had to build up the herd to 100 milkers to get my income up enough to pay off the loans. Now to feed 120 head thru the winter I had to have a lot more hay, and that meant a bigger tractor and baler, and on and on it went. With only one hired hand I was so busy I didn't have time even to put in firewood, so we switched to oil heat and you know what that costs. I reckon I am dang near a prisoner of debt nowadays."

"Would you say you was a political prisoner?" Luther asked hopefully.

"Waal, it sure was politics that brung me to this sorry pass," replied Silas, "so's I guess you could say I was a political prisoner." There was no doubt but what Luther had delivered his quota.

Meanwhile Ebenezer had come up with a beauty. He struck up a conversation with a feller who stopped at the store for gas. He was a mighty unhappy feller, and Ebenezer ast him what it was that was eatin' him so bad.

"Friend," replied the traveller, "I am a homebuilder. My mission in life is to build homes for the honest working man of Vermont, and thereby make an honest profit. But as I look ahead in life all I can see is the pit opening up before me."

Naturally curious, Ebenezer asked for elucidation.

"To taste of despair, friend, become a homebuilder," the visitor replied. "First off, I can't find no lots to build on anymore. That's because the environmental law requires all sorts of paperwork and appeals to the dubious compassion of a bunch of bureaucrats who never built nothin' more'n a nest feathered with our tax dollars. Lots bigger than ten acres I can find, because they aren't included in the environmental laws, but not many working folks want to buy \$9 thousand worth of excess land for a house."

"Then there's these building codes. I wouldn't mind a few standards, but every dang town has its own, and in some towns they have deliberately jacked up the requirements to make sure nobody can afford the houses. Most of my lumber I have to order from the Deep South or the Pacific Coast, not that our lumber ain't as good, but it all has to be stress graded at the mill to satisfy the Farmers Home Administration people, and there is no mill in this state big enough to employ a full time grader."

"And then there's the finance question. This state has a usury ceiling of nine percent. When money gets tight the bankers simply go out and play golf instead of making loans, because they can ship their excess funds off to New

York to be loaned out on supertankers and Big Mac bonds and the like, at a higher rate. I am a pathetic victim of fate and prisoner of circumstance."

"This sounds like you are a political prisoner," observed Ebenezer helpfully. The man agreed. "It is politics, politics behind all this," he said, "and if I am not a prisoner of it, may I swallow a toad and smile 'til Tuesday."

Perley Farnham made his discovery over a cup of coffee at the Silver Skidoo Diner in nearby Goose Green. "Perley," said Humphrey Gaskin, serving up a slice of rhubarb pie, "do you realize how much of a man's time can be spent filling out forms to satisfy the gov'mint? I only gross about \$90 thousand a year but I am beset with gov'mint paperwork. I have a tobacco license, Federal and state beer and wine licenses, a meat license and a milk license, a burglar alarm license and a vending machine license. Every one has an inspector, and then there are inspectors and auditors for minimum wage, OSHA, insurance, workmen's compensation, and weights and measures, plus building inspectors and the fire marshal. And I even have a license to collect rooms and meals taxes on behalf of the majestic state of Vermont, for which I get paid nothing to boot. Me and untold millions of small business people are prisoners of this infamous system!"

"Aha!" said Perley, "I 'spect you are a political prisoner, at that", to which the forlorn restaurateur nodded despairing assent.

Elias Bodgett didn't even have to go out to find his entry. It appeared before him in his general store in the person of Maude Hankins, who in the course of paying for some groceries with a mess of food stamps emitted this complaint.

"Lias," she volunteered, "you probably wonder why a woman like me, a widder with three youngsters, don't find work and get off these food stamps and the welfare. I would like to, Lias, I dearly would. But do you know what would happen if I worked my way up from \$4 thousand a year to \$8 thousand a year?"

Lias didn't.

"I'll tell you what would happen. By earning only \$4 thousand a year I get food stamps, AFDC and medicaid. I can live in this here public housing cheap, and I get that earned income credit on my income tax. Last week my Jimmy—you know what a way he has with figgers, 'Lias—set down and figured out what I would be out if I doubled my earned income. You know what? If I was to earn another \$4 thousand I would only have \$1,080 left because I would lose a lot of the benefits the gov'mint gives me for staying poor. I can honestly say I would earn \$4 thousand more if I could keep \$3 thousand of it, 'Lias, but I ain't havin' no truck with this 73 percent marginal tax rate business. I am just gonna go on bein' a prisoner behind this poverty wall."

Waal, at the end of the week I set down and added up all the political prisoners in Hawkins Gore, and calc'lated that if the rest of the U.S. was as bad off, this country has something like 67 million political prisoners. We all agreed that Mr. Andrew Young had the right idear after all, only his estimate was quite a bit too low. ■

# A Byrd Of Many Feathers

by Alan Crawford



Seldom if ever is Senate Majority Leader Robert Byrd criticized in the local press. So when it happens, it is news. It happened, in fact, last May. No sooner had Byrd issued passage of the Panama Canal treaties—having gone far out on a limb with his “active” support of them—than *The Martinsburg (West Va.) Journal* unearthed a newspaper column bearing the Senator’s byline and dated May 1974. In the column, Byrd flatly stated: “I am opposed to the United States turning over the Panama Canal to the Republic of Panama. There is much doubt about Panama’s ability to operate the canal or to provide for its security.”

It was not the first time Byrd’s utterances have had the audacity to snap back at him. Veteran Byrd-watchers will recall, for example, how in 1952 his opponent for the Democratic nomination to Congress—tantamount to victory in heavily-Democratic West Virginia—made hay of Byrd’s affiliation, some years before, with the Ku Klux Klan. Byrd acknowledged on a radio broadcast that, yes, he had indeed been a member of that Mystic Order—“from mid-1942 to early 1943”—because he was young and membership “offered excitement.”

“After about a year, I became disinterested, quit paying my dues and dropped my membership in the organization,” he explained. “During the nine years that followed, I have never been interested in the Klan.”

That is when his Republican challenger produced a letter in Byrd’s handwriting, dated April 8, 1946 and addressed to the Imperial Wizard. Identifying himself as a “former kleagle,” Byrd wrote that the Klan “is needed as never before,” that he was “anxious to see its rebirth here in West Virginia” and that he sought guidance from the Wiz in “rebuilding the Klan.”

Byrd, of course, had simply contradicted himself about his nine years of “disinterest,” but the information hardly damaged him. He was elected to the House, then to the Senate, and finally to the leadership of the Democratic party on Capitol Hill. His Klannishness, perhaps, remains an embarrassment and he dismisses it as “an indiscretion of my youth.” Given his subsequent record on civil rights, however, there’s some question whether what he experienced is not personal remorse but political regret.

His political philosophy is difficult to discern. It seems to follow, to an eerie extent, that of whoever sits in the Oval Office. Right now, that means he’s a Carter Democrat. His enthusiasm for the Panama Canal treaties, to which he had been unequivocally opposed only four years ago, is a good example. But there are more. After expressing “mixed emotions” over Carter’s choice of Paul C. Warnke as chief SALT negotiator, this one-time hawk totally abandoned the Jackson wing of the party and delivered for the President. Byrd concluded that the former aide to George McGovern is no “softie” but a “firm negotiator.”

The Majority Leader took particular pride, last summer,

---

*A note on the author: Mr. Crawford is a West Virginia journalist and a one time aide to former Senator James Buckley of New York. He has written for a number of national magazines.*

when he torpedoed Howard Baker’s attempt to deny Senate approval to the Carter Administration’s plans to withdraw U.S. forces from South Korea. Byrd proudly told his constituents that his actions “protected the President from a serious foreign policy defeat.”

The President, however, is not the only power in Washington for whom Byrd will perform chores to advance himself. *Newsweek* has called him “the party’s cloakroom major-domo,” and it fits. So does James Ridgeway’s conclusion that Byrd’s leadership “derives not from magisterial force of character but from qualities usually to be found in a head waiter.”

There is no task too menial for this Uriah Heep, whose motto is maddeningly appropriate: “It takes a big man to make a big job out of a small job.” Whatever small job is needed—whether it means summoning a dallying colleague from the Senate dining room or throwing unqualified support behind a Carter crony like Griffin Bell—Byrd delivers.

The obsequious Byrd did the dirty work for the entire U.S. Congress. Last April, he took up, almost singlehandedly, their defense of the unpopular congressional pay raise, which hiked the salaries of his colleagues by amounts that exceed the annual earnings of nearly half of the households of West Virginia. When constituents groused, Byrd fired back in his column (printed at public expense) a sermonette excoriating their “haywire values.”

When Richard Nixon was President, however, Byrd was downright stingy with the public purse. He opposed continuation of antipoverty programs and was, in fact, the only Democrat invited to address the 1971 convention of William F. Buckley’s Young Americans for Freedom in Houston. There he brought down the house with a rousing assault on the “monstrous and costly madness” of desegregation.

The highwater mark of Byrd’s flirtation with the American right came, of course, precisely when Nixon made the ambitious butcher from Sophia one of six persons whose names were submitted to the American Bar Association for possible appointment to the U.S. Supreme Court. (Never mind that Byrd has never practiced law and does not even belong to the bar.)

He made headlines, throughout this period, by attacking “welfare cheaters” and the “hypocritical, self-centered, selfish, long-haired, know-it-all students and pseudo-intellectuals and their scroungily-dressed girlfriends” who were happy, he said, to “encourage Hanoi and help kill American boys.”

He supported the Lockheed bailout and the SST. He opposed extension of the voting rights act and any change in the Senate seniority system. When Nixon nominated Clement Haynsworth and G. Harrold Carswell to the Court, Byrd—who thought he would be next—praised the selections. When they came under attack, Byrd said they were victims of a “lynching bee” organized by the “liberal establishment.”

Now that the Democrats control the White House, Byrd has totally reversed himself. During the last year he has thrown his considerable support behind a wide range of initiatives that are much-loved, in fact, by the very "liberal establishment" that he had just a few years back so roundly denounced. In addition to backing Warnke and the Panama Canal treaties, he has announced his support for "some form of" national health insurance, the Humphrey-Hawkins Full Employment bill, and public financing of congressional campaigns. He has worked to keep within the safe jurisdiction of the Democratic Congress the investigation of the Korean payoff scandal. He defended Bell's dismissal of U.S. Attorney David Marston. Eilberg, Flood, and Carter must be gratified and you can bet Bobby Byrd has made a note of it.

Strangely enough, Byrd remains about as popular with West Virginia voters as ever. As long as he is agile enough to entertain at local fundraisers with renditions of "Turkey in the Straw" on his trusty fiddle, he can reverse himself as often as it suits his purposes and still receive their blessings and their votes.

That is their concern. It is surprising, all the same, that Byrd continues to be so munificently rewarded by his Democratic colleagues in Washington who ought to expect better. By making him one of the most powerful individuals in this country, they are bolstering a cynicism in Washington which assumes that the American political system exists for the politicians—and not *vice versa*. ■

## BUREAUCRACY Marches On!

In case any of you readers have spent sleepless nights worrying about privation and malnutrition among our Federal civil servants you can relax. A book prepared by economist Sharon Smith and titled *Equal Pay in the Public Sector: Fact or Fantasy* (Princeton University Press) points out that on the average Federal employees are paid 13 to 20 percent more than they would receive in the private sector. Although the research on Ms. Smith's work was financed by Federal funds, her findings have been about as welcome as a skunk at a picnic. The book was one of the best kept secrets in the nation's capital until *The Washington Post Magazine* publicized it June 17.

Civil servants may be overpaid, but they are certainly not all sleeping on the job. Congressional testimony by top officials of the Small Business Administration on June 21 sounded more like the Friday Night Fights. SBA associate administrator Edward Lewis complained to a House Small Business Committee subcommittee that Patricia Cloherty, the agency's deputy administrator, was trespassing on his turf. Moreover, Lewis stated, conversations between the two sometimes ended abruptly. William Clement, associate administrator for minority business, grumbled that his 60 person staff had little authority. Icing on the cake was provided by SBA administrator A. Vernon Weaver, an Annapolis classmate of Jimmy Carter. The SBA honcho charged that his deputy Cloherty was "really running the agency" and the SBA's top minority business official had "no clout."

Bureaucratic dunderheadedness is not confined to government, even in the Carter era, as a recent item from Katharine Graham's favorite paper made clear. This concerned the case of *Coca Cola v. John Wong*. It seems that Mr. Wong runs Big Joe's Broiler on Irving Street in San Francisco. Big Joe's is a small diner with 15 seats, a lunchcounter, Mr. Wong and two waitresses, both of whom are recent Chinese immigrants. Last year proprietor Wong decided the Coca Cola syrup he was using cost too much, so he switched to a less expensive cola syrup manufactured by the Seven Up Co. Somehow this matter came to the attention of Coca Cola's main headquarters in Atlanta, Georgia.

After barely taking a pause to refresh themselves the Coca Cola bigwigs shot Wong a certified letter instructing him that neither he, his employees, nor his menu could refer to their cola brew as "Coke." Telephone calls and more letters followed from the people who would "like to teach the world to sing in perfect harmony."

Wong's two waitresses, both of whom were struggling with English, would, the Coke brass decreed, have to tell each customer ordering Coke that Big Joe's cola was another brand. The two waitresses dutifully complied and Wong posted a sign on his wall reading, "We don't serve Coke, but we serve a nice seven-up cola."

This certainly was not enough to slake the thirst of the people at Coca Cola central. The friendly folks from Coke sent several waves of representatives from the local office and Atlanta. The Cocapparratchiks insisted that Wong's waitresses should give a more complete spiel such as "We do not serve Coke. We have a product that looks like Coke, but it is not really Coke. It is a substitute cola."

As *Post* writer Cynthia Gorney relates, Wong turned down this ultimatum. Coca Cola responded through a San Francisco law firm by charging John Wong with "copyright infringement" and suing him for \$10,000. Pepsi, anyone? ■

# New Leadership Fund Targets 1978 Races

Fresh from some remarkable upset victories in 1977 in the Border States and Upper South, The New Leadership Fund, a moderate Republican political action committee, has made some initial candidate selections for 1978. The best known of the Fund's endorsees are Lamar Alexander, Republican gubernatorial candidate in Tennessee (see Political Potpourri in this month's *Forum*, p.13) and U.S. Representative William Cohen who is running for a U.S. Senate seat in Maine.



Olympia Snowe, candidate for Congress, Maine

The Fund played a significant role in victories last year by J. Marshall Coleman, now Attorney General of Virginia, and Mitchell McConnell, now Judge, i.e. County Executive, of Jefferson County, Kentucky's most populous county. Coleman is already viewed as a prime prospect to be the Republican gubernatorial nominee in 1981 when Virginia Governor John Dalton completes his term. McConnell has his hands full dealing with the shenanigans of Democrats who still control a majority of the Jefferson County Court, i.e. legislature. Nevertheless, the resourceful McConnell would seem well positioned from his Louisville base to play a pivotal role in the resurgence of the Kentucky GOP from its current battered state.

The New Leadership Fund seems likely to register another victory this year in the Upper South if Lamar Alexander's campaign maintains its present momentum. As Governor of Tennessee, Alexander could be expected to build a broadly based Republican Party with extensive involvement of young people and blacks. His victory would also underscore the arguments of fellow Tennessean Bill Brock that the Republican Party needs to reach out aggressively to normally non-Republican constituencies.

New England was the site of another impressive upset victory by a Fund endorsed candidate in 1977, now Hart-

ford City Councilman Sid Gardner. Gardner, one of the most knowledgeable individuals in the country in urban policy, earned his electoral spurs in overwhelmingly Democratic Hartford. The Fund's two prime New England endorsees this year are both found in the State of Maine. Congressman Cohen is now favored to topple incumbent Democratic Senator William Hathaway, although the Carter administration is pulling out all stops to rescue Hathaway. The Republican nominee for the Congressional seat Cohen is vacating, State Senator Olympia Snowe, is given an excellent chance of winning.

Another Fund endorsee for Congress, Wisconsin State Assemblyman Susan Engeleiter, faces a hard fight for the Republican nomination against veteran State Senator James Sensenbrenner. The two are competing in the Ninth Congressional District now represented by Congressman Robert Kasten. Kasten is leaving Congress to run for the Republican nomination for Governor of Wisconsin.

A third Fund endorsee for a seat in the U.S. House of Representatives, William Clinger, won a hard fought

## You probably haven't heard of **LYNN MARTIN**

And you probably wouldn't have for several years yet if it weren't for the New Leadership Fund.

In 1976 Lynn Martin won a seat in the Illinois House of Representatives, after four years on the Winnebago County Board. As a freshman legislator Lynn quickly gained a widespread reputation for her pragmatic and principled attitude toward state problems. She is a winner who knows the value of close attention to her district and has shown unusual effectiveness in keeping campaign promises to her constituents.



Now Lynn is running for the State Senate as one of five challengers whose victories over Democrats will return the Illinois State Senate to Republican control and to work with Governor Jim Thompson.

Lynn Martin is the sort of highly-qualified, rising Republican challenger that the New Leadership Fund was created to find and support.

Want to hear more about other candidates like Lynn Martin?

YES, tell me more about the New Leadership Fund and its candidates!

Name \_\_\_\_\_

Address \_\_\_\_\_

I enclose my first contribution to help rebuild the Republican Party with highly-qualified new leadership:

\$250.  \$100.  \$50.  \$25.  \$15

a copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington DC.

Suite 666, 800 18th Street, Washington, D.C. 20006  
202/638-7081

primary in the normally Republican Twenty Third District of Pennsylvania. Clinger is a long time activist in moderate Republican affairs and a former Chief Counsel of the Economic Development Administration. He hopes to capitalize on a strong Republican tide believed to be running in rural Pennsylvania.

The New Leadership Fund already had cause to celebrate in a Congressional race earlier this year when Manhattan Republican S. William Green upset Bella Abzug to capture the Eighteenth District seat vacated by New York Mayor



Congressman William Cohen

Edward Koch. So confident had Abzug been of victory that she had already begun negotiating with the Democratic leadership for committee assignments.

While gubernatorial, Senatorial and Congressional races normally have more glamor, the Fund has since its inception placed great stress on lower level offices. In these races

a modest amount of funds can have greater impact. This is particularly true if the money is available at the initial phase of a campaign. The moderate Republican PAC has sought to enhance its impact by focusing its resources on legislative candidates that have the potential of later running for higher office. This year the Fund has endorsed several candidates at the state legislative level including two in the Rockford, Illinois area—Lynn Martin for the 34th District in the State Senate and John Hallock for the 34th District seat in the State House being vacated by Martin to run for the Senate. In California the Fund is supporting Sunnyvale City Councilman Greg Morris' bid to capture the 21st Assembly District seat now held by Democrat Victor Calvo. A political associate of Pete McCloskey, who represents the area in Congress, Morris is given a decent chance of winning.

As Fund Executive Director Steve Livengood explains, "A large part of our job is to identify outstanding moderate Republican candidates who might warrant support from corporate, labor or public interest PACs. We try to target our money early to enhance a candidate's credibility and to maximize benefits. In the heat of the campaign we try to function as an intelligence source both for Fund endorsees and other moderate Republican candidates and for potential contributors."

The Fund is a long way from being able to provide comprehensive support for moderate Republican candidates as the National Committee for an Effective Congress does, for example, for liberal Democratic Congressional candidates. Nevertheless, The New Leadership Fund has grown steadily and demonstrated to date a remarkable ability to pick political comers. The Fund's success is all the more surprising because, unlike most PACs, it does not finance incumbents unless they are seeking higher office. This policy is based on a sound rationale: any incumbent worth his salt should be able to raise enough funds to wage a credible campaign. Non-incumbents, on the other hand, normally face much greater odds in raising money to run an effective race. ■

---

## Feedback: Letters and Brickbats

---

*Your assessment of the problems of small business is both helpful and informative. In particular, we find that many of the larger businesses actually are actively seeking government protection for regulations which would make it more difficult for the smaller competitor to enter the fray.*

*In particular, I was most impressed to talk with the vice president of a construction company which had gained some reputation for supporting the free-enterprise system. This officer proudly told me that his large company had found a way to deal with all of the crazy government regulations on quota systems and other social projects. He noted that while his competitors were out fighting against the 10% minority business set aside and the proposed quotas for women in construction that his group was*

*planning ways to comply with the regulation and take business away from those groups which stood on principle.*

*I agree with most of your recommendations for reinvigorating small business, with the exception of trying to reorient the SBA to become an advocacy agency for small business. I fear you are falling into the same trap of consumers who advocated the establishment of a consumer bureaucracy to protect their interests. The last thing that consumers need is another group of governmental lawyers arguing with other governmental lawyers about what is best for consumers. The same thing may well apply to small business.*

*I do concur with your suggestions that changes be made in the rates of taxation for the various activities of small business. In particular, a substantial raise in the level at which the highest tax on corporate profits applied would make some of the smaller businesses more profitable. In addition, something should be done to encourage a reali-*

zation of capital gains in small businesses, whether they are reinvested in small businesses or not.

Finally it would take a major revolution, but it would be nice to see the OSHA rules amended for small businesses to concentrate on the objective rather than the means—get all of the inspectors and citation writers out of the small business places and instead levy a series of progressively increasing fines for any working place injuries occurring to employees in those businesses. In other words, the small businessman would be given the responsibility and the authority for making sure his working place is safe; he would be penalized for accidents and not for painting his yellow lines in the wrong place or having water coolers of improper height.



I also take the liberty of enclosing a copy of my latest remarks on the subject of silly government regulations—the proposed EPA interim drinking water standards. This is another unwarranted expense which will be forced upon consumers and on some small businesses, such as laundries, merely to satisfy the demands of those who think government can guarantee a risk-free society.

If you have not looked at this one yet, I believe it is worth your attention.

**Christopher S. Bond**  
President  
Great Plains Legal Foundation

**Editor's Note:**  
Mr. Bond was formerly Governor of Missouri.

Ripon has produced a good paper for anyone interested in small business.

I certainly concur with the principal thrusts of the paper. Regulation does spur concentration, a fact too infrequently recognized. SBA must have as its primary role, an advocacy mission which parenthetically we believe is coming. Social Security and minimum wage increases have unquestionably had a profound and unfortunate effect.

My only criticism of the paper is focus. Disagreeing with many of my colleagues, I believe too much emphasis is placed on equity and venture capital. While these are indeed important concerns for some small firms, it is important for only a very small percentage of the entire population. Internal generation (the tax incentives which you mention) and debt financing are clearly the overwhelming sources of capital for operation and maintenance of small firms.

**James D. "Mike" McKeivitt**  
Washington Counsel  
National Federation of Independent Business

Correspondent Clara Link ("Feedback", April, 1978) is misinformed about Ronald Reagan. She said, "I was morally outraged at Ronald Reagan's suggestion that all California Republicans cease supporting the Republican National committee ...."

This is a suggestion Mr. Reagan never made. On the contrary, he has consistently supported the RNC and helped raise millions of dollars for it. Most recently, he was (along with former President Ford, John Connally, George Bush and others) co-chairman and a major speaker for a national closed-circuit televised dinner in April to raise funds for the RNC.

**Peter D. Hannaford**

**Editor's Note:**  
Mr. Hannaford is a member of Mr. Reagan's staff.

I have been reading the new FORUM and I want to say that the new format is super. Congratulations! And thanks for all the great work you are doing.

**Tom Raines**

I really like the new FORUM format! It'll sell your point of view much more effectively.

**Judith L. Gentry**  
Winfield, Kansas

# Ripon In The News

During the last few months, the Ripon Society has received considerable press attention for its release of three policy papers. The Ripon Policy Proposal published in the January, 1978 *FORUM* for a Free Trade Zone in the West Bank and the Gaza Strip was reported in the *Jewish Week-American Examiner* of January 15, 1978. This publication stated:

The paper cited the existence of 300 jurisdictions [that] have free ports or free trade zones, including Aquaba in Jordan, the Suez Canal cities in Egypt, Beirut, and Bahrain in the Middle East. Such areas generally provide for removal of taxes, tariffs and other controls that are barriers to free trade. They allow industries which are located there to operate with minimal taxes and restrictions on investment.

The Society suggested that such a zone on the West Bank could become a trade and investment gateway to surrounding countries and perhaps to the entire Middle East, replacing war-torn Beirut; and provide employment to the present Palestinian residents of the West Bank and thus assure stability to the area as a whole.

Richard Rovere in his "Letter from Washington" in the March 20, 1978 *New Yorker* laid out the Ripon proposal and commented:

It is a tidy, fetching idea, but it overlooks the fact that neither the Begin government nor the Palestinian Arabs view the matter in what the report calls the "proper economic context". The contexts for them are military, political, historical, and theological. The Israelis may hope that there will one day be economic cooperation on a rewarding scale, but they want security first—some of them thinking that it can be achieved behind the 1948 borders, others feeling that they must have tight military and police control of the West Bank and Gaza. The West Bank Arabs are hungry, and would surely enjoy the amenities that a free and flourishing international commerce would bestow, but like most people dominated by those they regard as foreign oppressors, they are at the moment more concerned about satisfying their need for national self-esteem than about creature comforts. If negotiations are to be kept going, neither the real-estate approach of the international lawyers nor the schemes of economic innovators are likely to be helpful. Military security and political independence head the agenda. In fact, they are the agenda.

The Ripon Policy Proposal for Neighborhood Democracy set forth in the March, 1978 *FORUM* drew the strong interest of Bernie Wynn, Political Writer for the *Arizona Republic*. Wynn reported:

A plan to allow neighborhoods to establish special districts to supplement regular municipal services is being advanced nationally by the Ripon Society. The eastern liberal Republican group has been involved for years in various proposals to reform government at all levels. However, the neighborhood concept is an attractive one for the giant urban centers where more and more citizens feel their wishes don't count.

After reviewing the proposal in considerable detail, Wynn continues:

Maybe it's just another pipe dream. But there is no doubt in my mind that the government closest to the people is the best form of government because it must be responsive. It seems to me that the idea is worth exploring in Arizona, particularly in Tucson and Phoenix.

The Ripon Policy Paper in the April, 1978 *FORUM* entitled "How to Reinvigorate Small Business" drew approving comments from *Washington Post* staff writer William H. Jones. In his column in the Business and Finance section on April 6, 1978 Jones stated:

... [It] might seem unlikely that an organized Republican group would call for creation of a new agency. But the Ripon Society, a research and policy organization whose members are GOP business, academic and professional persons, has done just that.

Although the Ripon Society bills itself as progressive, its new proposal is not at all radical.

The new agency's basic concern, expressed in a policy paper developed by John C. Topping, Jr., former chief counsel for the Commerce Department's Office of Minority Business Enterprise, would be small business.

Firestone and other Fortune 500 companies may have the resources to stand on an equal or even superior footing in endless litigation and regulatory proceedings. But what can a small business do to challenge what it might regard as unfair or needlessly burdensome regulation?

The Ripon Society and Topping have come up with a proposal that may have a responsive audience in the small business community—transforming the Small Business Administration from a financing agency to an advocacy agency for entrepreneurs. Thus, there would be a new agency but it would replace an existing one.

On April 10, 1978 Senator H. John Heinz III (R-Pa.) inserted the Small Business policy paper in the Congressional Record on page S5204. ■