

support of a debt ceiling increase would be his support of tax reform legislation.

— Comprehensive tax bills have already been introduced by Senator George McGovern and California's Rep. James Corman. Rep. Reuss is submitting a "bare bones" proposal closing the most obvious loopholes, and Senator Gaylord Nelson is drafting a detailed proposal.

— Aggressive junior members, spurred by Rep. Les Aspin of Wisconsin, succeeded in blocking 22 of 26 Ways and Means "members' bills," generally sacrosanct, special treatment measures sought by individual members of this powerful committee. They won by enlisting the aid of Wright Patman, populist chairman of the Banking Committee, who saw one bill as a "bank giveaway."

— A group of some 42 House members, led by Rep. Don Fraser of Minnesota, have joined forces to urge Wilbur Mills to attach a tax reform package to the revenue-sharing bill, soon to be taken up by the Ways and Means Committee and strongly desired by the White House.

These proposals will trigger the debate; it is up to the Democratic leadership to push Committee action. Rep. Mills personally has shown no enthusiasm for tax legislation this year, but, as in the case of his letter to the President, will move if pressed. The 247-147 February vote to cut the debt ceiling request shows that the reformers begin with a sizable force and are strengthened by GOP conservatives' historic aversion to deficit spending. If the Democrats are not afraid to hold the debt ceiling measure in hostage, they could force a White House showdown by June.

The weakness of the Democratic position is the Democrats. Their great temptation is to capitalize on the short-run value of the issue, lunging for the capillaries rather than the jugular. Sec. Connally and chief economic adviser Herbert Stein have shown that the Administration won't come around meekly. If sufficiently pressed, the Administration will move its own alternative, the "value-added" tax. The danger there is that the Administration will tie it to property-tax relief and school support, thereby making a politically sexy package out of the most regressive sales tax in history.

Patter v. Performance

In economics, as in foreign policy, the President has shifted, but here the swing has been more rhetorical than real. Vanished are fiscal responsibility, balanced budgets and all the sacred shibboleths of the Grand Old Party. The call is for an income floor for the poor, capitalism for the blacks, price controls for the consumers. One can hear the barker: "A revolution as profound, as far reaching, as exciting as the first revolution 200 years ago."

More elaborate artifices than cosmetics and lighting are needed to contrive an image for an entire administration. Battalions of in-house statisticians and communicators must expand the accomplishments and virtues of the regime, and obscure and distract from the failures. When, for instance, the Department of Labor's statistics are damaging, then the labor experts are muzzled. To sustain buoyant optimism, data must never contradict the message.

Pep Talk and Pep Pills—To explain the New Economic Policy, the White House has perfected a new semantics, a silver-lining style for all occasions. The devalued dollar is hailed as a "major breakthrough." Progress is measured in terms of slowing down backward motion: in the Orwellian jargon, "the rate of inflation is declining;" "the rise in unemployment is leveling off;" unpleasant developments are held to "acceptable levels." The budget is declared "balanced," on the theory that if projected against a "full-employment economy" the deficit would not be there. Faithfully the President coaxes the economy with encouraging words, like the jockey who keeps whispering to his lame mount that he is the winner.

Not all the stimulants are verbal. As the election approaches, stronger doses are prescribed: lower prime rates for big borrowers, reduced margins for stock speculators, federal

NCEC's Capitol Gains

As a result of NCEC's 3-year campaign finance reform effort, the tv blitz of 1968 and 1970 is dead. More important, special-interest givers who seek anonymity will no longer be able to conceal their generosity in unreported primary contributions, behind a proliferation of phony political committees, or by giving in the name of their wives or children.

When the NCEC-initiated Federal Elections Campaign Act takes effect on April 7, candidates will be limited in their advertising media spending. And throughout the primary and general elections all contributions and expenditures will have to be reported both in Washington and in the appropriate state capitol, with large givers (those over \$100 in aggregate) identified fully. This will provide the American electorate the first window on campaign finance in the nation's history.

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Gratified but never satisfied, the NCEC has moved on to another project which is certain not to be voted "most popular program of the year." It could be called the "Full-Time Congressman Act," or from another angle, the "Anti-Conflict-of-Interest Act." Soon to be introduced in both the Senate and House, this measure would, quite simply, require members of Congress to sever all active business connections after two years' service.

The NCEC is convinced that the alarming lack of public confidence in government and elected officials is one of the gravest problems America faces today. Public suspicion of politicians is heightened by the fact that many members of Congress remain associated with private law practices (whose clients often do business with the government), many serve as officers of banks (while frequently voting on matters directly affecting financial institutions), others are active in real estate development, contracting, and myriad other associations. To those who argue that such outside business is essential to meet the admittedly high cost of elective public service, we answer that if a salary increase for Congressmen is the price of honest government, we should raise the pay.

The object of the legislation is to end the use of public office for private gain. Members who respect the ethical restrictions on public officials will not object. Those who have something to hide, or to gain, will make every effort to kill it before it reaches public view.

projects for swing districts. The largesse of the Administration is spread across the groaning economy. Wall Street is given every stimulus to boost the Dow Jones index over 1100 by election day.

Stimulants are not cures, however, so the effects are short-lived and illusory. The cost of living progresses upward and 5 million remain unemployed. Rep. Morris Udall comments that "JFK's economics seemed to stop working just about the time Nixon discovered Keynes." The reason, says Udall, is "not that the old medicine has lost its potency, but that the new doctor doesn't know how to administer it. You have to know where to cut taxes and how to spend money. If you cut the wrong brackets and spend foolishly, you just deepen the recession and end up broke."

The "Raw Deal"—A Republican Senator stalked out of the Kleindienst-ITT hearings shaking his head. "You know," he said, "every Administration has taken care of its friends, but this crowd is so raw." The view on Capitol Hill is that the current back-door arrangements are not the same as the petty larceny of Truman's cronies or the improprieties of Eisenhower's Sherman Adams. This is not just bigger, but

different. As Senator Nelson bluntly described it, "Most politicians have constituents, this Administration has clients."

The current ITT scandal fits the pattern, with a \$400,000 convention contribution allegedly linked to a favorable anti-trust settlement. Last spring, when the Agriculture Department rejected the milk industry's petition for a larger price increase, the White House overruled the decision; later it was revealed that the milk producers had contributed over \$300,000 to the Nixon campaign, in \$2500 checks to scores of spurious entities such as the "Committee for the American Dream." Nor was it any surprise when Congress found that it was Mudge Rose, the Nixon-Mitchell law firm and Presidential advisor Peter Flanigan's former investment firm, which was selected to handle the U.S. Postal Service's \$10 billion bond flotation.

Laws and procedures are not violated so much as they are bent or stretched to legitimize propositions that would fail on their own merit. Unlike Harding's Teapot Dome gang, the officials who put together today's arrangements seek no personal gain. The President's Privy Counselors, Messrs. Haldeman and Flanigan at the White House, Mitchell and Kleindienst at Justice, Connally at Treasury, have acted to advance the Republican cause, to win the election, and to serve that insider's corporate club in which they believe.

This built-in "tilt" is reflected throughout the Executive Branch as the government provides an Ombudsman's Office for Troubled Corporations. Fealty to the corporate doctrine becomes the litmus test for appointment to the powerful "independent" regulatory agencies, typical examples being Wall Streeter William Casey as SEC Chairman and former international promoter Henry Kearns as head of the Export-Import Bank. Thus, as Nixon's Praetorian Guard is able to transmit its impulses and coordinate programs through a well-disciplined chain of command, corporate interest becomes national policy.

An old English jingle describes what is happening:

The law locks up both man and woman

Who steal the goose from off the common,

But lets the greater felon loose

Who steals the common from the goose.

Wherever Congressmen look they find slanted tax policies and interpretations, pressure for mergers, dubious SEC rulings. "Forget the theory," says Senator Nelson, "in practice Nixon economics is trickle-down Hooverism." Members note the way the Treasury opted for unemployment to cool inflation; the conversion of the 1969 and 1971 tax bills into billion dollar corporate relief programs; the vetoes of a public service employment program and a comprehensive day care bill; the bail-outs for big business, primarily Lockheed. Ironically, the \$250 million for Lockheed was shoved through Congress at the very time Britain's Conservative cabinet refused to rescue Rolls-Royce.

The veto of child care and the bail-out of Lockheed are woven into the fabric of this Administration. For business it is investment tax credits, accelerated depreciation, and direct subsidies for the least efficient, while working mothers are admonished to "try harder." In his last Congressional appearance before his death, Walter Reuther summed it up as "Park Avenue socialism and free enterprise for the ghetto."

The Effective Issue for '72

Redirecting the nation's economic course is the challenge. The case is there — it is the middle-class American's "life on the installment plan," threatened by the aggressive poor from below and prevented from moving up by the unbeatable treadmill of our American "prosperity machine." The problem is not one of villainy — though there are villains aplenty. It is a problem of complicity, and even the average citizen is not innocent.

Tax reform may sound like a dismally technical subject, but fundamentally it is a moral question. It was the issue of Rome, of the French and the American Revolutions. The scandal today is that, with full representation, U.S. taxation has been grossly unfair in its distribution of the benefits and burdens of our affluence. Moreover, the people's representatives have avoided it and are now afraid to deal with it.

Two Who Never Lost

Within a few days of each other, Edgar P. Snow and Dr. Frank Graham died. In their own ways, the paths of both these extraordinary men had crossed the National Committee for an Effective Congress. In 1948 Snow became one of the Committee's first members and supporters. As a Senate candidate in 1950, Dr. Graham was one of the first Southerners to receive major NCEC backing. More than this, a profound moral courage shared by these unique men joins them as parallel figures.

In the thirties Edgar Snow dared to depart from conventional journalism to record the emerging Chinese Communist phenomenon. He trekked to remote Shensi province to cover a "negligible band" led by an obscure figure — Mao Tse-Tung — while the world press clustered around Chiang Kai-shek. Snow's book *Red Star Over China* told how policies rooting out feudalism, corruption and backwardness would inevitably triumph.

His reporting won international acclaim, but America of the Joseph McCarthy period treated him with suspicion, labeling him an apologist and a Communist. During this benighted period Mr. Snow gallantly suggested to the Committee that his name might be a liability. His affiliation, he said, was too handy a weapon for extremists to exploit against progressive candidates the NCEC supported. With deep regret, the Committee finally accepted Snow's decision to resign.

Ironically, a week following Edgar Snow's death, the President and American press were retracing his steps — confirming a reality Snow foresaw 35 years ago.

Dr. Frank Graham, the diminutive, soft-spoken Southern liberal left the stamp of enlightenment on thousands of students who knew him as "Dr. Frank" during his 20 years as president of the University of North Carolina. Appointed to the Senate, he championed "decent wages" and "equal job opportunities for all people." He chose to make the selection to the Naval Academy by competitive examination. When the winner was a Negro, Dr. Graham appointed the youth, rebuking critics with the comment that he would not violate a procedure he had established.

Running in 1950 for a full Senate term, he was labeled pro-Communist, un-American, a traitor to the South. Without compromising, he led the 6-man Democratic primary, coming within 5000 votes of a clear majority. In the runoff he was narrowly defeated. His farewell address to the Senate, unmarred by bitterness, had these words:

In this America of our struggles and hopes, the least of these our brethren has the freedom to struggle for freedom; where the answer to error is not terror; the respect for the past is not reaction and the hope of the future is not revolution; where the integrity of simple people is beyond price and the daily toil of millions is above pomp and power; where the majority is without tyranny, and the minority without fear, and all people have hope.

Recalling this hymn to democracy, Tom Wicker of the *New York Times* wrote: "The hard men, the practical men, the so-called realists will never share or know that vision. But then they will never even know that, whatever the momentary situation, they can win nothing that matters; or that in the everlasting verities of the heart, Frank Graham never lost."

NCEC-supported candidates across the country could make this the testing issue of the '72 campaign, if they have the logistical backing to reach the people. The adoption of fundamental tax reform would result in a revolution more radical and unsettling to laggard institutions, from Congress to the colleges, from the banks to the party wards, than any militant "New Politics." It would change not only our economy and our government, but it would change us.

