Watergate, Inflation Working Against Incumbents in Pa.

By Spencer Rich

PITTSBURGH—In Pennsylvania, where ticket-splitting is common, the smart money says that both Republican Sen. Richard S. Schweiker and Democratic Gov. Milton Shapp will handily win reelection to second terms.

But double digit inflation, taxpayer revolt and Watergate have created some uncertainties. Schweiker, liberal, antiwar, with a strong pro labor record, is up against Democrat Pete Flaherty, a handsome, charismatic, conservative Irishman who looks and sounds like Jack Kennedy with a big nose.

Flaherty's chief campaign issue is inflation and the economic downturn, which he blames on overspending by the U.S. government. Hitting Schweiker every day as one of the biggest spenders in Congress, he is greatly aided by the reputation he earned as mayor of Pittsburgh, he beat the machine twice to win election, he faced down the Teamsters and the garbagemen, and he lowered taxes when everywhere else they were going up.

Schweiker has a \$700,000 war chest and the backing of the state AFL-CIO and other big unions. He detached himself early from Watergate, calling for President Nixon's resignation last May, months before other Republicans dared do so. He is widely known throughout the state, and he has been very popular, holding onto some conservative pockets with the same opposition to gun control that enabled him to win an upset victory in 1968. His polls show him way ahead everywhere but in Flaherty's native west.

Flaherty, a Democrat without labor money, will end up with less than \$200,000 to spend, little TV, hardly any organization of his own, and scant recognition in the eastern part of the state (although he is putting \$85,000 into a TV campaign in Philadelphia to wind up the campaign).

By all accounts Flaherty should lose, and lose big. But his amazing success in beating the bosses in Pitts burgh, plus the possibility that it will be a big Democratic year nationwide, with inflation the top issue all over, has created uneasiness in some GOP circles, especially since Flaherty's reputation as a tax-cutter seems to be well established in the public mind.

In the governor's race,

Shapp, 62, a cable TV millionaire who plays the violin and writes songs and poetry in his spare time, is opposed by Drew Lewis, 43, a business executive and Schweiker friend.

Democrat Shapp, who won by 500,000 votes in 1970, looks and sounds like a stern but wise and kind Jewish grandfather. Running as a man of compassion and business acumen, he claims he rescued the state government from near bankruptcy and has fostered rent aid to the elderly poor and similar public benefits to disadvantaged groups.

Early in the year his polls showed him leading the little known Lewis 60 to 20, with 20 per cent undecided.

But Lewis, a very good campaigner in small and medium-sized groups, has moved through the state

tirelessly, focusing on regular GOP voters plus the young. He has been closing the gap, greatly helped by a mini-Watergate scandal in the Shapp administration.

Lately, Lewis has been concentrating on demands for "integrity" in state government. Aided by the corruption issue and charges that Shapp has imposed a state income tax, he claims he is only a few points behind and about to move ahead.

Shapp aides and most nonpartisan observers dispute this, and Shapp said last week he will win by 500,000 if 3.3 million of the 5.5 million registered voters turn out.

Observers say Shapp isn't likely to win by that, but is still comfortably ahead. The corruption issue is hurting him, however.

No one charges him with any personal wrongdoing, but rather with being soft on corruption and kickbacks within his administration.

Frank Hilton, recently fired as secretary of property and supplies, and William R. Casper, state Democratic treasurer who also holds a state job, have been indicted, and the Philadelphia Inquirer has endorsed Lewis, opposing Shapp "on the strength of the integrity and corruption issue alone."

Shapp, who has labor support and who spent heavily out of his own pocket in 1966 (when he lost) and 1970 (when he won), expects to spend \$1.2 million this year. Lewis said he'll spend the same abount. But efforts to tar Shapp with a mini-Watergate have been somewhat undercut by Democratic countercharges that Lewis has been taking big same amount. But efforts to ers and friends of former President Nixon, namely, Richard Mellon Scaife, Pittsburgh millionaire associated with the Mellon Bank family, and F. Eugene (Fitz) Dixon.

Some months back, when Lewis was short of funds, he borrowed \$250,000 each from Scaife and Dixon (who is the chairman of his campaign committee). Lewis snorts that the loans were perfectly open and above board, that he is paying 14 per cent interest and is paying them off from fund-raising dinners.

Democrats hold a 400,000 advantage in voter registration, though the GOP led by 150,000 four or five years ago.

Both Schweiker, whose religion is a little-known Protestant German group called Schwenkfelders, and the Roman Catholic Flaherty, are 48. Flaherty, who captured all three nominations in 1973 when he ran for re-election as mayor, is generally conservative, and could siphon off many Republicans and conservative Democrats who resent Schweiker's liberal, antiwar stance and criticism of Mr. Nixon. Flaherty's style—a loner against the big interests—has been hugely successful in his home area, but whether he can translate it to a big victory in Philadelphia with Shapp strong there is the big question.