

RIPON FORUM

Ripon Policy
Proposal on the
West Bank

January 1, 1978

Vol. XIV, No. 1

50 cents

Washington Window

ASSESSING CARTER'S START

Slip slidin' away. That is the most succinct way to sum up Jimmy Carter's first year in office. He came to office with a deep reservoir of public confidence. That reservoir has been thoughtlessly dissipated as surely as have America's reserves of petroleum. The high point of Carter's first year in office was his Inauguration Day walk down Pennsylvania Avenue. It's been all down hill.

The FORUM predicted as much in its May 15, 1976 issue:

Jimmy Carter is the piper of American politics. His tune is reassuring, the people follow, but no one knows where he is going. It is going to be a crushing psychological blow to the American electorate when it follows Carter trustingly down Pennsylvania Avenue and into the Potomac River.

When John F. Kennedy was elected President in 1960, his rhetoric lifted national aspirations and hopes. It was inspiring rhetoric which the record of his Administration's accomplishments never quite matched. The raised expectations of John Kennedy, however, may have had an important impact on the subsequent disillusionment, alienation, and skepticism which infected and sickened American political attitudes in the late 1960s and early 1970s. When the Camelot sheen wore off politics, the public mood shifted rather abruptly in the opposite direction.

Once again, Jimmy Carter is raising public aspirations. In one of his oft-quoted statements and in his own quiet style, Carter says: "Nowhere in the Constitution of the United

States or the Declaration of Independence, or the Bill of Rights, or the Emancipation Proclamation, or the Old Testament or the New Testament do you find the words 'economy' or 'efficiency.' Not that these words are unimportant. But you discover other words like honesty, integrity, fairness, liberty, justice, courage, patriotism, compassion, love---and many others which describe what a human being ought to be. These are also the same words which describe what a government of human beings ought to be."

These are stirring words. They're disturbing ones for the same reasons. Jimmy Carter should read two recent articles in the Village Voice by Phil Tracy, in which he noted: "It is now a well-enshrined platitude that the American people are disillusioned with their government in general and Washington in particular. For some reason most people in Washington seem to feel this is basically just a public relations problem. Every jackass politician in town has stood up at one time or another and babbled, 'We have to restore the people's faith in government. But as far as I can see, this disillusionment has very little to do with PR. It has to do with reality.'"

The problem with Jimmy Carter's first year in office is that it often has far too much to do with PR and far too little to do with reality. The result has been predictable, if a poll released in December by Louis Harris can be believed:

A striking 58 percent of Americans feel disenchanted with the power structure of the nation. This is only one percentage point less than last year, when the Harris Index of Alienation

reached its highest level since the index was first recorded in 1966...

By 60 to 35 percent, a majority feels that 'the people running the country don't really care what happens to you.' This is the highest figure ever recorded on this particular issue...

By 61 to 33 percent, Americans feel that 'what I think doesn't count much anymore.' Eleven years ago, only 37 percent shared this feeling.

Evidently, Carter has not had much of an impact on either reality or the perception of reality. Testing reality has become a favorite journalistic endeavor. It consists of making lists of actions taken to fulfill Carter's campaign promises. A Washington Post survey found that about half of the promises surveyed were kept, less than one-fifth were not, and the rest were "in limbo." Progress toward many of the most important---like balancing the federal budget, reducing inflation to four percent, and simplifying the tax structure---fell into the latter category.

As egregious as these failures have been, however, they are in a sense overshadowed by Carter's public relations failures. New Times' Robert Shrum, who served briefly as a Carter speechwriter, has written, "Absorbed in administrative detail, (Carter) has slighted the presidential power of public persuasion. Seldom has a President been so well positioned to exploit that power. Carter's symbolism and his image as a forthright nonpolitician brought him fresh to the center of the national stage. But he has stood there nearly mute."

Carter drew particularly heavy criticism for his abysmal Election Day speech on energy. It was a speech that Carter allegedly wrote by himself, and it showed. Carter's disdain for speechwriters is apparently as great as Hamilton Jordan's disdain for neckwear. Columnist Nicholas von Hoffman, one of many journalists who commented on Carter's inability to enthuse the American people, was prompted to write: "The talk around town is that President Carter is going to be a one-term President, but the question is when is he going to start serving it. His energy speech ...was so poor it had to have been made by someone who hopes to be President some day, not by one who is."

Carter's transcontinental barnstorming tour last fall was similarly uninspiring. It was hardly stirring enough

to raise the roof on a shack, much less a barn. "What is odd is that this most disciplined of men is somehow failing to impose a discipline on his government or to restrain his own habit of getting lost in the details of his programs or to convey a sense of competence and direction---mastery in short---to the American public," wrote Newsweek columnist Meg Greenfield after the trip.

TIME Magazine's Hugh Sidey has suggested that the root of many of Carter's subsequent problems is his own mouth: "Much of his talk is unnecessary, a lot of it ineffective, some of it troublesome." It is difficult to remember a memorable Carter line. Only "Bert, I'm proud of you" stands out. And much of what the President has said has later had to be revised by events which betrayed his tongue.

Carter's efforts to "depoliticize" the Justice Department have made a mockery of his campaign pledge. Deputy Attorney General Peter Flaherty quickly abandoned his pledge to spend four years in Washington when he saw an opportunity to run for governor of Pennsylvania. Flaherty himself had been at odds with Attorney General Griffin Bell over the choice of a U.S. Attorney for western Pennsylvania. Their public disagreement on his nomination was almost as embarrassing as Carter's comment when asked about the political significance of Flaherty's departure: "I don't know. I was not involved in hiring him." It would be hard for Carter to disassociate himself from Bell's firing of outstanding Republican prosecutors like Detroit's Philip Van Dam and New Jersey's Jonathan Goldstein. For those dismissals directly contradict Carter's campaign pledges. According to a November survey by TIME magazine, of 86 judges and U.S. attorneys appointed by Carter, only one was a Republican. As the Detroit News editorialized, "Now go back and read Jimmy Carter's promise again."

Other unfulfilled Carter promises have created real problems for him with the constituencies which elected him President. There has been a persistent undercurrent of black criticism of the Administration as black teenage unemployment has continued to rise and a meaningful urban policy remains unrealized. "We discover we've voted for a man who knew the words to our hymns but not the numbers on our paychecks," State Sen. Julian Bond (D-Ga.) said recently. U.S. Rep. Charles B. Rangel (D-N.Y.) has

delivered a similar message:

Adult unemployment in my district is 17 percent. It is 40 percent---and we think actually 50 percent---among black teenagers. It is very dangerous, very explosive. The President emphasizes hope and encouragement but there is...a failure to be plugged into anything. Our leaders have no relation to the people who are swelling the streets.

The Carter Administration seems to make little attempt to get its message across. No high-ranking White House official showed up at the annual Congress of Cities, for example.

Nor did Jimmy Carter show up at the annual convention of the AFL-CIO, breaking a long presidential tradition. It is no secret that George Meany is not enamored with the current Administration. Labor Secretary Ray Marshall's description of labor-Administration relations as "dynamic tension" is the kindest front that can be put on the old Democratic-labor alliance. The "tension" has arisen over the Carter Administration handling of minimum wage and common situs legislation and is bound to be exacerbated by the continuing flow of U.S. manufacturing jobs to cheaper foreign competitors.

Along with blacks and labor, liberals early joined the ranks of the disillusioned. Last July, Sen. George McGovern(D-S.D.) led off the attack on his party's leader in a speech to the Americans for Democratic Action:"... we will not be a cheering section for tinkling symbols signifying nothing. We will not agree to substitute cold technocracy for compassionate values.

We will never be, as one Carter adviser wrote of some other Democrats, among 'the easiest to dominate.' We do not happen to have what that advisor called 'a willingness to accept any status quo that provides...power and patronage.'" One liberal group, the American Civil Liberties Union, issued a report about the same time which was critical of the Carter Administration's stand on abortion, secrecy, and wiretapping, and which concluded,"...the Carter Administration has a poor civil liberties record."

Moreover, the Administration has succeeded in alienating both pro-deregulation and anti-deregulation forces in the natural gas debate. Carter's abandonment of his deregulation campaign pledge cost him a few friends in states like Louisiana, Oklahoma and Texas. His abandonment of anti-deregulation senators lost him a few friends in the Congress' upper house. While Jimmy Carter was accusing the oil lobby of all manner of moral turpitude, deregulation foe James Abourezk(D-S.D.) noted:"All governments lie. For a long time, I knew that, and I was aware of it. There is one thing I never thought would happen, and that is that Jimmy Carter would lie."

In the pursuit of "comprehensive" programs and in order to redeem specific campaign pledges, Carter has had to build different constituencies for individual programs. The result is that rather than solidify his original broad-based coalition, Carter has created distrust among virtually all his original constituencies. Areas of agreement with the President are viewed as aberrations



from the norm rather than proof of Carter's trustworthiness. In his campaign, for example, Carter promised agricultural price supports "at least to equal production cost." During the course of 1977, however, American farmers reached new levels of frustration as Carter renegeed on wheat support promises. The strong support Carter enjoyed in rural areas of the Midwest in 1976 seemed to be slip, slidin' away.

Carter's relations with the business community have been equally ragged--particularly after the resignation of Office of Management and Budget Director Bert Lance. The President's economic goals have been hard to fathom. Business planning has been disrupted by confusion over the Administration's tax reform/reduction goals. According to an end-of-the-year survey by the Hill and Knowlton public relations concern, financial editors expressed an "overwhelming pessimism about Carter's leadership; most editors believe the Carter Administration's lack of consistent economic policy, reflected in uncertainty and a lack of confidence by business and consumers, will be a major factor in the course of 1978." Carter has muffed opportunities to restore business confidence. Commenting on a mid-December speech by Carter to business leaders, the Boston Globe's Curtis Wilkie noted: "Instead of following a prepared speech designed to cultivate good will from skeptical businessmen, Carter chose to meander extemporaneously about the real and imagined accomplishments of his Administration. He did not hold the crowd spellbound."

Carter's inept foreign policy has been mangled by more than inept translation. It is hard to understand exactly what the President desires, carnally or otherwise. Though he attacked former President Gerald Ford for "freeing" Eastern Europe during the 1976 campaign debates, Carter adopted the same line of thinking in Warsaw at the year's end. His defense of the policies of the Polish government led columnist Mary McGrory to comment: "...Jimmy Carter went to Warsaw and without firing a shot, liberated the Poles again. He accomplished this at a press conference which was as banal and self-serving as his year-end television interview the night before he left."

Carter's oblique defense of political and religious freedom in Poland was exemplary of the double standard



on human rights which has prompted criticism of his policies from both the right and the left. The Left is critical of the President for being insufficiently tough with human rights violations in countries like South Korea, the Phillipines, and Iran. Carter's speeches in Poland and Iran prompted liberal New York Daily News columnist James Wieghart to conclude:

With almost a year in the presidency, Carter should know by now that merely saying something is so doesn't make it so. Trying to gild the lilly on the degree of personal freedoms accorded to the Poles by their authoritarian communist government does not make (Poland's Edward) Gierak look good as much as it makes Carter look foolish or dishonest. Attempting to sell the Shah of Iran as a great humanitarian leader, committed to the Iranian version of the American Bill of Rights is equally short-sighted. On the other side of the ideological spectrum, Carter's new African policy has drawn conservative criticism that only white contravention of human rights ---such as by Rhodesia and South Africa ---has been vigorously criticized by the Carter Administration. The abuses by black dictators have gone relatively unchallenged, conservatives claim.

Carter's handling of the Middle East demonstrated his ability to pursue a diagonal foreign policy. The joint statement the U.S. issued last year with the Soviet Union on the Middle East apparently jolted the Israelis into a more flexible bargaining positioning. In so doing, the ensuing dialogue between Israel's Begin and Egypt's Assad completely isolated the Soviet Union from the peace process in which they were supposed to be engaged.

Carter's Middle East policies also betray an ad hoc approach to foreign relations which is alien to the more comprehensive approach followed by Gerald Ford and Henry Kissinger. The negotiations between Assad and Begin and the solidification of the American oil supply from Saudi Arabia have obscured the larger question of U.S. relations with the Soviet Union. Frozen out of the Middle East and out of Asia by the joint antagonism of India and China, the U.S.S.R. has limited outlets for its international influence. There is a limited market for Soviet power in Africa, but it hardly compensates for the quiet mugging the U.S.S.R. endured in the Middle East. The Russians will be looking for a new outlet for their frustrated ambitions while Carter is preoccupied by the disposition of the West Bank.

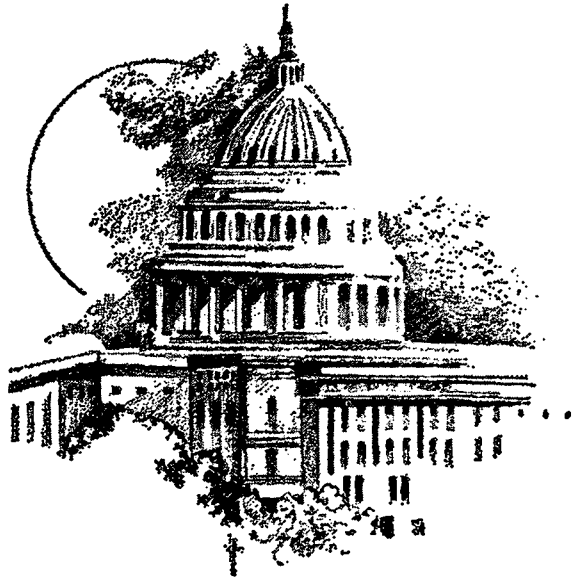
While individually Carter's foreign policy initiatives have merit---the Panama Canal treaty, for example ---they betray a strategic void in American thinking. So far, Carter and company have operated with modest success as international fire-fighters, but they have yet to be tested by a major conflagration. And they have not built the kind of support in Congress or in the electorate which would enable them to handle such a crisis with confidence. While the media has focused on the Administration's problems with the barons of the Senate, more disturbing are Carter's problems with less powerful senators: The Washington Star's Phil Gailey recounts one story:

Richard Stone, a Florida Democrat who heads the Senate Foreign Relations subcommittee on the Middle East, sounds like comedian Rodney Dangerfield when he talks about his relations with the White House: He doesn't get no respect.

Since he took over the subcommittee earlier this year, he says he has been ignored and humiliated by President Carter's foreign policy aides.

Things have improved recently, he says, but it will not be easy to forget the shabby treatment he feels he has been handed during his first year on the Foreign Relations Committee.

While Stone has struggled to communicate with the Carter Administration on the foreign policy perspective of American Jews, his Florida colleague, Sen.

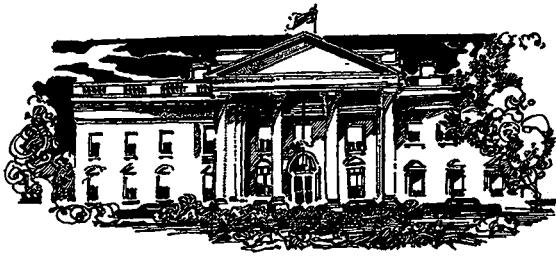


Lawton Chiles (D), has been concerned with the administration's unresponsive attitude toward open government. Carter's 1976 campaign pledge to issue an executive "sunshine" order has not been redeemed. Chiles, who sponsored an "open meeting" bill which passed Congress in 1976, has said, "What this act needs is some executive leadership and I don't find it..."

Carter's problems with Congress have been a regular topic for media dissection. The President seems truly incapable of the ego stroking and arm twisting that are necessary to obtain passage of his legislative proposals. Jimmy Carter, who communicated so superbly when he was a politician on the stump, can't seem to communicate as President---whether with politicians or the public. Not all of the problem, of course, is Carter's. But the public presumes that a President can work effectively with a Congress dominated by his own party.

It also presumes that he can work effectively with his own cabinet. That may be as much Carter's problem as his relations with Capitol Hill. The President seems to have a limited ability to orchestrate the government. With his predilection for detail mastery, he seems more like a policy composer than a policy conductor. His cabinet seems to be a rather faceless lot who seem to have difficulty winning the allegiance of their own nominal constituencies.

The Boston Globe's Curtis Wilkie points out, for example, that the troubles of the President's energy program represent the deficiencies of Energy



Secretary James Schlesinger in dealing with Congress rather than the omnipotence of the oil lobby:

Schlesinger is the quintessential egghead of the Cabinet, with his thoughtful, pipe-smoking manner and his impressive vocabulary. "He condescended Carter by being smart, by making him feel that he was conferring a favor on him by treating Carter as his peer," said one White House source.

However, Schlesinger did not treat the members of Congress as his peers and he is resented on Capitol Hill. And the energy plan lies in limbo.

It is strange that so many of Carter's problems should arise from keeping Schlesinger in the Cabinet when so many of his predecessor's problems arose from firing the same man as defense secretary.

Another cabinet failing was outlined by columnist Carl Rowan:

Someone extremely close to Carter said to me the other night: "When last were you propositioned by a member of this cabinet?"

I had to admit that while I have been hustled for columns by sub-cabinet members, I've rarely heard from what may be the most docile, unaggressive cabinet since I came to town almost 17 years ago.

"The sons-of-bitches are hiding out," was the way one Carter confi-

dant described his cabinet.

He remembers how Henry Kissinger made a temporary hero of Nixon, and how Mel Laird, John Connally, Arthur Goldberg and yes, for a while even Earl Butz, helped their Presidents.

Carter can't govern the country alone, but he has to learn how to make the Congress, the Cabinet, and the public work for him rather than against him. To do that, he has to become a better politician---develop a better sense of his own priorities, concede the necessity for political compromise, assuage the bruised egos on Capitol Hill, make a speech or two worth listening to, and maybe even crack the whip on his staff and cabinet to make them more responsive to political goals.

It may, however, be too much to expect that Jimmy Carter will change. The master of detail may not be able to make the transition to master of government. The great campaigner may not be flexible enough to be the great compromiser. The pressures of the Presidency may strain Carter's confidence. He may have a hard time controlling restive factions of his own party. Visions of Pat Moynihan and Jerry Brown may disturb his sleep. And he may begin to ponder anew the old question, "Why not the best?" ■



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THE RIPON FORUM is published semi-monthly by the Ripon Society, Inc., 800 18th St., N.W., Washington, D.C. 20006. Second class postage rates paid at Washington, D.C. and other mailing offices. Contents are copyrighted © 1976 by the Ripon Society, Inc. Correspondence addressed

to the editor is welcomed. (Ripon FORUM, Box 226, Charlestown, Mass. 02129.)

In publishing this magazine the Ripon Society seeks to provide a forum for fresh ideas, well-researched proposals and for a spirit of criticism, innovation, and independent thinking within the Republican Party. Articles do not necessarily represent the opinion of the National Governing Board or the Editorial Board of the Ripon Society, unless they are explicitly so labelled.

SUBSCRIPTION RATES are \$15 a year, \$7.50 for students, servicemen, and for Peace Corps, Vista and other volunteers. Overseas air mail, \$6 extra. Advertising rates on request. Please allow five weeks for address changes.

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A FREE TRADE ZONE: AN APPROACH TO THE WEST BANK PROBLEM

FOREWORD

This is the first of a series of policy proposals which the Ripon Society will present to inject new ideas into the political mainstream during the present period of Democratic incumbency.

In the past Ripon has tried to spot the idea "whose time has yet to come." Among its major policy papers have been: revenue sharing(1965); contact with China(1966); procedural rights for the mentally ill(1967); negative income tax(1967); an all-volunteer army(1967); new initiatives in minority business enterprise(1968); a voucher approach to college education(1969); a statistical analysis of the record of G. Harrold Carswell (1969); an analysis of the politicization of the Justice Department(1970); independence for Bangladesh(1971); and proposals to expand the base of property ownership in American(1970-1973).

Since 1973 Ripon's focus has been largely in the area of restoring the health of the Republican Party within the American two-party system. Its book, Jaws of Victory(Little, Brown: 1973), showed in an analysis of campaign finance, political organization and voting patterns that the American electorate had undergone numerous changes of which the most important was the emergence of professions as a force equal to that of business and labor in American elections. It has urged the Republican Party to open itself to this new force, as well as to minorities and trade union members. In addition, it has initiated convention resolutions and legal actions, thus far without success, to correct malapportionment and other problems in Republican Presidential nominating conventions.

During 1978 the Society also plans to issue other policy papers on topics

including an alternative to public financing of elections and a viable foreign aid program.

INTRODUCTION

Despite efforts for peace in the Mid East, including those made recently by Egypt and Israel, disparate views of security and entitlement have so far prevented the parties from reaching any lasting settlement. The cornerstone of any such settlement must be an agreement regarding the status of the West Bank. Such an agreement must take note of the differing political aims of the parties involved and attempt to reconcile their apparently contradictory claims within a common framework.

One unexplored way to reconcile these objectives is to establish all or part of the West Bank and Gaza Strip as a free trade zone, benefiting Arabs and Israelis economically and serving as a basis from which to resolve major political and strategic issues. By setting the problem in the proper economic context, the intensity of the political dispute might be lessened. The free market orientation of such a Zone would ensure the permanent exclusion of the Soviet Union from influence in the area and preempt the possibility of a radical socialist Palestinian state on the model of Cuba. Though the political and administrative problems regarding sovereignty, treaty-making authority, security and administration of social programs would remain to be negotiated, the stakes would be lowered for all concerned.

For any West Bank free trade zone would be like the "the night watchmen state" of classical theory: It would encourage the freest possible movement of goods and people with minimum regulation by government, the minimum possible taxation and treaty-making au-

thority, and hence the minimum ability of any West Bank government to mount a military establishment, threatening to Israel or Jordan or a social revolution threatening to Saudia Arabia. Though the Free Zone draws on a view of the state that has gone out of fashion elsewhere, its classical advantages of nonbelligerency and economic openness are now uniquely serviceable in the explosive Mid East.

A FREE TRADE ZONE

Many precedents exist for such a free zone. Trade has been recognized as a maker of peace for centuries. As Alexander Pope wrote, "What man could ravish, commerce could bestow. And he returned a friend who came a foe." In recent history, Danzig and Tangier have provided examples of free ports with special international status. Since the end of Second World War, free ports and free trade zones have proliferated as a means of stimulating the economy of host countries. Ranging in size from a few acres to several hundred square miles, free zones invariably attract commerce by removing barriers to commerce---taxes, tariffs, and other controls. Well-established free trade zones, open to users from virtually all countries, can be found in Hong Kong, Singapore, and Ireland. (For a complete list, see the accompanying chart.) Among nations now in the process of establishing free trade zones are Sri Lanka, Liberia, Senegal, and Egypt in the Suez Canal area.

Liberal tariff policies and low taxes have prompted enormous growth in Singapore and Hong Kong for more than a generation. Freedom of capital movement has made Switzerland, and more recently the Bahamas, into major financial centers. As with its counterparts in other areas of the world, a West Bank Free Zone would offer special conditions to attract commerce. Tariffs and other barriers to trade would then be negligible.

Industries situated there could enjoy low taxes. Foreign investors, assured of minimal controls and levies, could be expected to provide the main impetus for development. Within an appropriate political framework, the Free Zone might foster Switzerland-like banking services and an export-oriented industrial sector. It would have a near-term potential for becoming a trade and

investment gateway to surrounding countries and later for fulfilling the same function for the Mid East as a whole---as wartorn Beirut did in the past.

Such a free trade zone would provide employment to many West Bank residents and thus provide stability to the area as a whole. Present inhabitants of the West Bank would be prime beneficiaries from creation of the free trade zone. If the experience of past free ports and free zones is a guide, living standards could improve greatly by virtue of the expansion of job opportunities. With such growth, Palestinians would become more prosperous and have a greater stake in stability for the area.

The establishment of a governing body for the area would also provide an opportunity to ease conflict. A Free Zone Authority could be created which would allow for representation from Israel, Jordan and even Egypt while at the same time providing for the maximum amount of self-determination for West Bank and Gaza Strip residents. The purpose of the Zone Authority would be to see that a maximum degree of self-determination prevailed among residents of the West Bank. All who lived there would receive the benefits of formal equality under a civil order---including protection against forcible loss of land. Individuals would be left free to undertake peaceful pursuits, unhindered by attempts of neighboring groups to advance their interests by political means at the expense of any others.

The authority would thereby safeguard the interests of West Bank residents. However, because of minimal taxing authority, it would be unable to support a military buildup threatening to Israel or Jordan. From a base in Jerusalem, all parties involved in the West Bank could play a role in administering the Free Zone. Functional responsibilities could be divided among Israel, Jordan, and the authority itself in the West Bank and Israel, Egypt, and





the authority in the former Gaza Strip. Apportioning of these responsibilities (such as police, security, roads, water and sewer facilities, schools and health facilities) would be a more fruitful subject for discussion than the present all-or-nothing debate over whether the West Bank should immediately be set up as a sovereign nation. The question of sovereignty would be much more tractable once its open meaning is settled. It would, of course, be asserted in any case to guarantee that within the Free Zone Authority, there would be no private armies such as has been the undoing of Lebanon, and that its borders would be kept closed to terrorists and invaders. Beyond that, everything is open to give and take.

Elected West Bank representatives might exercise merely local government functions or agreed-upon kinds of international representation. Nothing in setting up a Free Zone Authority would preclude discharge by elected officials of many attributes of statehood either at the outset or at a later date.¹ But as with demilitarization in the defense sphere, Free Zone privileges in the economic sphere limit the hostile uses to which sovereignty can be put. Funding for the services provided by the authority could be provided by the countries involved, as well as by outside aid. Additional revenues, if necessary, could be raised by the authority itself through taxes on commercial transactions in the Zone.

Beyond establishing freedom and economic opportunity, a Free Zone could ultimately assure further benefits to the Arab countries, to Israel and to residents of the West Bank. If the Arab countries and Israel were to agree to a real peace---a peace in which goods and services flowed freely across na-

tional boundaries---the Free Zone might take an additional step to safeguard Palestinian interests. It could protect existing residents of the West Bank from loss of their land through sale as well as force.

Retention of land ownership by this policy would put Palestinians in an enviable position relative to a sweeping expansion in trade and investment. Equally important, the "non-alienation" policy would create---in a literal rather than a political sense---a Palestinian homeland. The policy, of course, would not preclude long-term leasing of land to new settlers, or ownership by the settlers of land on the West Bank once held by the Jordanian government as a result of an earlier annexation, but neither would it make such steps inevitable. As on other matters, the Free Zone concept provides a less inflammatory context in which to discuss long-standing disputes.

SUMMARY AND CONCLUSION

There are many difficulties to be faced in establishing a Free Zone on the West Bank, including important questions of legal and administrative authority. However, the approach may be a timely one, in view of the increasingly free enterprise orientation of Israel and of major Arab spokesmen. It might resolve West Bank political issues in a way acceptable to most, if not all, of the parties in the Mid East. In the near term, it would provide an economic boost to Arab countries, Israel and the Palestinians in an environment offering freedom to any peaceful enterprises. The free zone concept might also be adapted to the peculiar needs of Lebanon. In the longer term, it could greatly expand commerce between Israel and the Arab countries while protecting Palestinian ownership of land within the constraints of providing security for Israel and the Arab states.

Contributor Notes: This Ripon Policy Paper was prepared by Mark Frazier, director of Report Studies for the Sabre Foundation in Santa Barbara, California, and editor of a forthcoming book on local government services. The paper was reviewed by a Ripon Society committee chaired by Samuel A. Sherer, Ripon vice president for research.

1. Bear in mind that White Russia and the Ukraine are members of the United Nations.

Appendix: Existing Free Ports
and Free Trade Zones

COUNTRY	TYPE OF FACILITY	LOCATION	COUNTRY	TYPE OF FACILITY	LOCATION
<u>Middle East</u>					
Bahrain	FTZ	Mina Sulman			
Egypt	FTZ	Suez Canal Area			
Jordan	FTZ	Ismailia			
Lebanon	FTZ	Aquaba			
	FTZ	Beirut			
	FTZ	Tripoli			
Libya	FTZ	Tripoli			
Morocco	FTZ	Tangier			
South Yemen	Free Port	Aden			
<u>Africa</u>					
Djibouti	Free Port				
Liberia	FTZ	Monrovia			
Mauritius	FTZ	Port Louis			
Morocco	FTZ	Tangier			
Togo	FTZ	Lome			
<u>Asia</u>					
China (Taiwan)	FTZ	Kaohsiung			
	FTZ	Nantze			
	FTZ	Taichung			
Hong Kong	Free Port				
India	FTZ	Kandla			
Korea	FTZ	Iri			
	FTZ	Masan			
Malaysia	Free Port	Labuan Island			
	FTZ	Bayan Lepas			
	FTZ	Pulau Terejak			
	FTZ	Prai			
	FTZ	Prai Wharves			
	FTZ	Sungei Way			
	FTZ	Telok Panglima Garan			
	FTZ	Ulu Klang			
	FTZ	Batu Berendam			
	FTZ	Tanjung Keling			
Philippines	FTZ	Bataan			
Ryukyu Islands	FTZ	Naha			
Singapore	Free Port				
<u>Latin America and Caribbean</u>					
Bahamas	FTZ				Freeport
Bermuda	FTZ				Freeport
Brazil	Free Port				Manaus
Colombia	FTZ				Barranquilla
	Free Port				San Andres Island
	Free Port				Providencia Island
Dominican Republic	FTZ				La Romana
Mexico	FTZ				San Pedro de Macori
	FTZ				Coatzacoalco
Netherlands Antilles	FTZ				Aruba
	FTZ				Curacao
Panama	FTZ				Colon
Uruguay	FTZ				Colonia
	FTZ				Nueva Palmira
<u>Europe</u>					
Austria	FTZ				Graz
	FTZ				Linz
	FTZ				Solbad Hall
	FTZ				Vienna
Denmark	FTZ				Copenhagen
Finland	FTZ				Hanko
	FTZ				Helsinki
	FTZ				Lappeenranta
	FTZ				Turku
Germany (Federal Republic of)	FTZ				Bremen
	FTZ				Bremerhaven
	FTZ				Cuxhaven
	FTZ				Emden
	FTZ				Hamburg
	FTZ				Kiel
Gibraltar	Free Port				
Greece	FTZ				Piraeus
	FTZ				Thessaloniki
Ireland	FTZ				Shannon International Airport
Italy	FTZ				Trieste
	FTZ				Venice
Spain	FTZ				Barcelona
	FTZ				Cadiz
	FTZ				Vigo
	Free Ports				Canary Island
					Ceuta, Melilla
Sweden	FTZ				Gothenburg
	FTZ				Malmo
	FTZ				Stockholm
Yugoslavia	FTZ				Bar
	FTZ				Belgrade
	FTZ				Koper
	FTZ				Novi Sad
	FTZ				Ploce
	FTZ				Rijeka
	FTZ				Split
	FTZ				Zadar

Source: U.S. Department of Commerce, Free Trade Zones and Related Facilities Abroad, 1970, (updated to 1977). This chart was adapted from Alvin Rubushka, Leasing Income and International Space Freeports (Hoover Institution), December, 1977.

Politics: Tennessee

"I'LL BE THE JUDGE"

Gov. Ray Blanton is something else. The gubernatorial mouth and the gubernatorial foot are never out of biting distance these days. It is nothing short of amazing that Blanton does not swallow some toes.

Blanton's latest outrages---and they are only the latest---revolve around his use of the state's executive Lear Jet. He told his office in mid-December that he was going duck hunting in Arkansas. Instead, Blanton collected a bodyguard, an appointments aide, a physician and a friend (who also happens to be a member of the state Alcohol Beverage Commission) on a fishing trip to Jamaica.

When the state adjutant general was informed of the pleasure trip, he said he'd bill the governor at a rate of \$350 per hour for the trip---almost half the going commercial rental rate. On his return from Jamaica, Blanton told the press he doubted if he would pay the plane tab for his trip though "I might change my mind and pay. I don't know." He indicated that the jet came with the job and that since he was on 24-hour duty, he needed it.

Blanton was not always so enthusiastic about the virtues of his jet. In fact, his high-altitude life style is particularly controversial because he sharply criticized former Gov. Winfield Dunn(R) for purchasing the craft during Blanton's 1974 campaign for governor. The current incumbent promised to sell the vehicle if elected---a promise he now denies he ever made:"During the campaign, I criticized Gov. Dunn for buying, it, but I never said I'd sell it." He did, however, at one point take bids on the aircraft. It was not sold because the bids were too low. Instead, the jet has undergone two expensive alterations---one, in order to allow it to fly into the state's smaller airports.

After his return from Jamaica, Blanton claimed the trip was partially state business. He said he attend an agricultural conference with the intention of discussing soy beans with Britain's Prince Philip. Unfortunately, Blanton's path did not cross that of the Prince. And Blanton's soy bean diplomacy caught farm officials within his own administration unawares.

A secondary reason for the Jamaica junket, according to Blanton, was to get a physical examination by his physician in "a much nicer climate." Physicals aren't fun, according to the governor. In a series of copyrighted articles, the Memphis Commercial Appeal revealed that Blanton's Jamaican foray was merely the latest in a series of expensive forays.

Much more expensive, for example, was a personal trade mission to Japan and Europe in October. The hotel bill for his five-day stay in Japan came to over \$2,000---including a gubernatorial massage. Even more costly was Blanton's 1975 trip to the Middle East when he rented a Lear Jet for \$38,000. Blanton seems to have made Florida a frequent winter stopover for the state-owned Lear. And when he visits Washington, his hotel bill runs \$200-300 per night ---not including the expensive limousine service he uses.

Blanton's travel habits might be of purely local interest were it not for his reaction to criticism of his behavior. He has refused henceforth to answer any "negative" questions from the press. The non-no's that may have prompted the gubernatorial manifesto were queries from the Memphis Commercial Appeal about phone calls from the governor's office to the office of a female employee of the Appalachian Regional Commission. Some of the calls were made while Blanton was in Japan and some from the Lear jet. In a December 19 press conference, Blanton said:

Now, I have probably read 15 or 20 newspapers this weekend, and periodicals. I have watched various news programs and I've come to the conclusion that there has to be a turnaround in this--- I've been thinking about it for some time---and when you listen to the public, which I do on almost a daily basis...the message I'm getting is the public is tired of the negativism of the news media. And if I don't respond to that and don't take some action on it, then I feel like I'm derelict in my duty...

So as of today, unless you---and I'm speaking to all of you---report a positive side of an issue, I'm refusing to answer the negative questions. Now if you report the positive side, we'll go into a critique on all the negative questions you

want to.

And I'm challenging here today the President of the United States and all other elected officials to follow this precedent. Now unless you have a positive side of an issue, don't ask me a negative questions because I don't intend to answer it.

Asked how it would be determined whether the "positive" side of the news was being presented, Blanton said, "I'll know." Blanton would certainly not leave such a decision up to the press since he has frequently doubted the

"average intelligence of the Capitol Hill news media." Though he has frequently interrupted reporters with a simple "Wrong!" it has been the governor himself who has often had his facts crooked. As David Fox of the Nashville Banner wrote this fall:

It is not a question of whether the press is thin-skinned. And it is not a question of the press' lack of intelligence.

It is a question of class, and when Blanton succumbs to his fits of anger and backbiting, he is showing a distinct lack of that commodity. ■

Ripon: Update

OREGON It might be a dull political year unless former Gov. Tom McCall(R) injects some life in the state's politics by running for governor. McCall, whose political visibility was raised by the release of his autobiography (McCall the Maverick), has until March to make up his mind if he'll run as a Republican. If he chose to run as an independent, McCall would have had to change his registration in early January. Under a curious Oregon law, independents must hold a convention in order to get on the November ballot. McCall must gather 1,000 voters in one room at one time if he chooses that option. Awaiting McCall's decision are two other Republicans already committed to a race against Gov. Robert Straub(D): State Sen. Victor Atiyeh, who received 42 percent of the vote in his 1974 race against Straub; and House Minority Leader Roger E. Martin, a six-term legislator. Of the two, Atiyeh is the older, quieter, and more statesmanlike. Martin is more flamboyant and more partisan. But according to polls taken by the Portland Oregonian, neither could beat McCall. And neither could Straub, who pales by comparison with Oregonians' memories of the flashy former newscaster. As always, the issue will be Oregon's livability and how to maintain a balance between the environment and development. Straub will be spared an intraparty challenge as Portland Mayor Neil Goldschmidt(D) has apparently decided not to run against either Straub or Sen. Mark O. Hatfield(R). Hatfield may not face any serious opposition from either party. At the moment, there are no tough challengers for any of Oregon's four Democratic congressmen. Putting their ambitions on the back burner for

now are State Treasurer Clay Myers(R) and Secretary of State Norma Paulus(R), who would like to run for governor but has not intention of entering a crowded primary.

NORTH DAKOTA Republicans are focusing on legislative elections all across the country this year in anticipation of congressional and legislative reapportionments after 1980. In North Dakota, Republicans already control the Senate and have exactly half of the House seats. Nevertheless, they're particularly anxious to capture two thirds of the lower house and keep their commanding lead in the Senate. Their object is not reapportionment in the next decade but the future of the U.S. Senate seat now held by Milton Young(R) in this decade. Young would like to retire but would prefer not to let Democratic Gov. Arthur A. Link appoint former Democratic Gov. William Guy to the post. If the GOP can capture veto-proof margins in both houses, it can change state law to require a special election to fill a potential Senate vacancy. According to Minot Daily News columnist Dick Dobson, "Republican chances of achieving veto-proof majorities in both houses must be rated at least fair. (U.S. Rep. Mark) Andrews, the party's top vote-getter, will head the GOP ticket, and his coattails should help legislative nominees." Dobson also suggests that Guy, who narrowly lost the 1974 Senate race to Young, may want to challenge Andrews in 1978 to maintain his campaign credibility for 1980. The Democrats need a serious candidate against Andrews to reduce his drawing power at the top of the ticket. Andrews himself would be the GOP's top candidate for Young's seat.

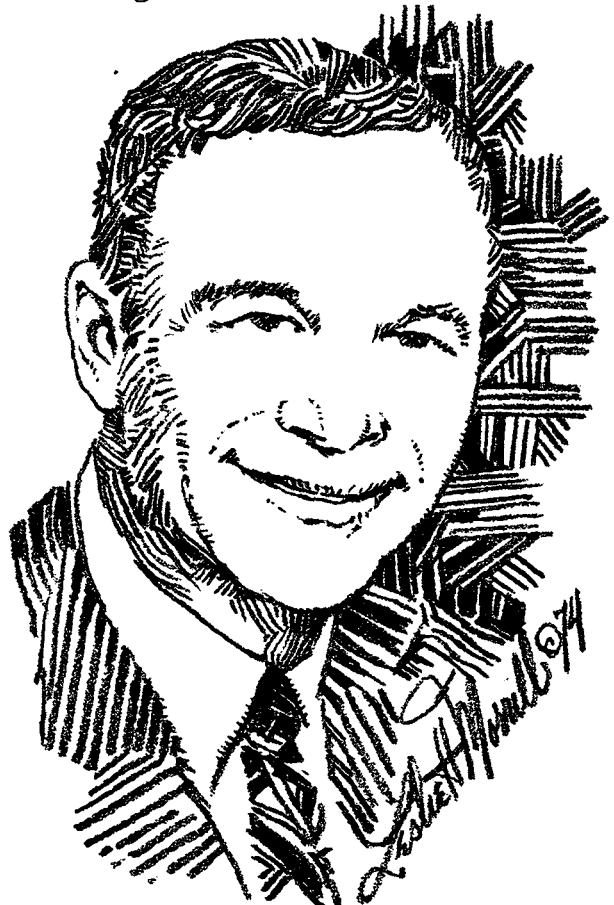
SOUTH DAKOTA

The decision of U.S. Rep. James Abdnor (R-2nd) not to seek the Republican Senate nomination in South Dakota leaves the way open to his GOP colleague from the 1st C.D., Larry Pressler. Abdnor was apparently convinced by polls that he could not defeat Pressler in a party primary. The 35-year-old two-term attorney may yet face opposition from Republicans upset by what they view as his political opportunism. He is, however, the prohibitive favorite at the polls though he may face a stiff challenge in the general election from former Rapid City Mayor Donald V. Barnett (D). Back in 1970, Barnett was narrowly edged out of the Democratic congressional primary in the 2nd C.D. The winner was James G. Abourezk, the man he and Pressler now seek to succeed in the Senate. The GOP contest to succeed Pressler will be between former State Chairman Leo Thorsness, a POW who ran unsuccessfully against Sen. George McGovern in 1972, and State Treasurer David Volk, who headed the Ford campaign in the state in 1976. Volk's more moderate image and winning record at the polls may be the key to the district. The Democratic candidate is Thomas Daschle, a young former aide to Abourezk. In both the congressional and Senate races, a swing factor may be farmer dissatisfaction with the Carter Administration. The GOP hopes that the normal pendulum of South Dakota politics will also swing in the party's direction in the gubernatorial race. Attorney General William Janklow (R) is the leading Republican candidate to succeed Gov. Richard F. Kneip (D) in a three-way race. Although Kneip has a relatively creditable record, Republicans hope that after eight years of Democratic rule, the voters will give the GOP a chance.

MINNESOTA

Tough is the best way to describe 1978 for Minnesota Republicans. Not only will Sen. Wendell Anderson (D) and Gov. Rudy Perpich (D) be tough to beat, but the GOP could lose the House seat now held by U.S. Rep. Al Quie (R-1st) and will be pressed to the wall by a challenge to U.S. Rep. Bill Frenzel (R-3rd). At one point, Sen. Anderson appeared to be an old school smoothie who may have applied too much grease to his Senate entrance to please Minnesota voters. Published polls indicated that Anderson's self-appointment to Vice President Walter Mondale's Senate seat was not popular with the voters. Anderson's prospects

for reelection have risen has prospects for a serious intraparty challenge have dropped precipitously. U.S. Rep. Donald Fraser (D-5th) seemed an all-but-announced candidate. Then in December Fraser switched his sights abruptly to the seat now held by Sen. Hubert Humphrey (D). With Humphrey's consent, Fraser became the heir apparent to the post should Humphrey's illness totally incapacitate him. The GOP has been counting on intra-party enmity to Anderson to soften him up for the general election. It also hoped that the easygoing, open style of Perpich would contrast with the more manipulative style of Anderson. Perpich projects an aura of Minnesota-style independence while Anderson seemed and seems a more preeminently political creature. Anderson's problems are image-centered while Perpich's difficulties are substantive leadership ones. He has a poor staff while Anderson had a highly political one. Anderson, however, is a far better speaker and campaigner than Perpich or Fraser---an advantage that might be more visible as the election nears. He will be opposed by GOP National Committeeman Rudy Boschwitz, a wealthy plywood company executive whose name and visage have become familiar com-



AL QUIE

modities as a result of his company's television advertising. His company ads are now off the air, but his political ads have replaced them. Anderson used congressional recording facilities to denounce Boschwitz's early advertising kickoff. Boschwitz has the GOP field to himself because U.S. Rep. Bill Frenzel took himself out of the race. Frenzel now faces State Sen. Hubert Humphrey III(D), whose reputation as a legislative lightweight is over-

shadowed by the sentimental significance attached to his family name. He must first defeat two other Democratic challengers, however: Michael Freeman, son of former Gov. Orval Freeman, and State Rep. Paul Petrafeso, whose has a strong organization to make up for his weakness in the area of political lineage. The GOP has a fight in turn for the nomination to oppose Perpich. U.S. Rep. Quie is the favorite as a result of his strong reputation as a Capitol Hill leader in the education field. While Quie is strong in name recognition, stature, and competence, his opponent, attorney David Durenberger is considered the flashier, more aggressive candidate. Quie's ten terms in Congress did not prepare him for a stiff political campaign though he is admirably prepared to be the state's chief executive. His problem is to hold on to his large lead until the GOP convention is held. Although Perpich has not had time as governor to become unpopular, he has shown a willingness to take unpopular stands. Quie's task is to portray himself as better gubernatorial material. His dairy farm roots and access to the many branches of the Twin Cities media are a vital foundation for his campaign. Although Quie carried his own district easily, most of the other elected officials within its boundaries are Democrats. Former Secretary of State Arlen Erdahl is the leading GOP candidate, but it could be a very tight race for the Republicans. Meanwhile, Republicans are also thinking about the Humphrey seat. Frenzel would be the logical GOP choice for the nomination, but U.S. Rep. Tom Hagedorn(R-2nd) has indicated he too may be interested.

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ALABAMA Gov. George Wallace(D) (D) may not necessarily be the next senator from Alabama. Sen. John Sparkman (D) has yet to rule out another race and it appears likely that former Alabama Supreme Court Justice Howell Heflin will run for the Democratic nomination if Sparkman does not. Both Wallace's potentially messy divorce case and his shaky physical condition cast doubt on his ability to defeat a strong candidate in the Democratic primary. Columnists Jules Witcover and Jack Germond have suggested that Wallace needs the Senate post for the free government medical care he would receive. Certainly the loss of the governorship would deprive Wallace of an expensive range of personal services. But Wallace may not be up to the strain of congressional

service suggests Birmingham News reporter James Free, who notes: "No senator can, nor is expected to attend all sessions of all his committees and subcommittees. But they strive to get around to hearings for the important witnesses or decisions. And more often than not this means two or three different committee locations, plus office and floor chores. This is rough on young, ambulatory senators and nearly impossible for the elderly or infirm. Especially burdensome is movement from the Senate of-

fice buildings to and from the Capitol, for there is no ramp from the subway level to the elevators in the Capitol. This is ironic in a legislative body that approved standards for new U.S. buildings requiring ramps and other facilities giving access for the physically handicapped." The GOP still has no candidate. It tried to recruit Admiral Thomas H. Moorer, former chairman of the Joint Chiefs of Staff, but discovered that he was both ineligible and disinclined to run.

Politics: Connecticut

WILL GRASSO DO WHAT SHE SAYS?

Only the governor knows for sure. She says she will run for a second term, but there are persistent rumors that she will not. The speculation has continued despite Gov. Ella Grasso's repeated announcements---beginning nearly two years before the election---that she will indeed be a candidate.

Grasso's problems stem in large measure from her own party. She has been a distinct disappointment to many of the special interests who supported her original election in 1974 ---labor unions, state workers, urban residents, and liberals---who thought she would be a traditional liberal Democrat, expanding government and spending lavishly. Grasso discovered, however that given the state's sagging economy and strained finances, she was unable to fill her campaign pledges.

This angered her own Democratic supporters. The governor found herself at persistent odds with the Democratic legislature. Twice, the legislature rejected her budgets. Her problems were compounded when her friend and longtime mentor, State Democratic Chairman John M. Bailey, died early in her term. Bailey was the man who had traditionally whipped the Democratic troops into line. The last time Bailey had failed to do that was in the late 1960s when the Democratic legislative leadership had revolted against Gov. John M. Dempsey. It warms Republican hearts to recall that the aftermath then was Dempsey's decision to retire and the eventual victory of Republican Thomas Meskill.

After Bailey's death, Grasso supported Housed Democratic Majority Leader William A. O'Neill for the party chair-

manship. When she later attempted to oust him, she was unsuccessful. O'Neill still supports Grasso for reelection, but other former supporters like Hartford City Councilman Nicholas Carbone have been leading a drive to have her replaced as the Democratic nominee. Liberal Democrats belonging to the Caucus of Connecticut Democrats have also been looking for a candidate who would support a state income tax. Labor leaders would prefer a governor who did not oppose "quits and fires" unemployment compensation.

Two logical candidates to oppose Grasso would be U.S.Reps. Toby Moffett (D-6th) and Christopher Dodd(D-2nd). Dodd, at least, appears to have his eyes on the Senate, where his late father served. So the candidate around whom Grasso opponents may be forced to coalesce is Lt. Gov. Robert Killian(D). Back in 1974, Killian had also sought the governorship, but he had been persuaded by Bailey to accept the Democratic nomination for lieutenant governor instead. With the support of the Hartford Democratic organization, Killian could do quite well in 1978.

What is ironic about Grasso's current dilemma is that her political problems have perpetuated while the state's economic, fiscal situation, and relations between the executive and legislature have improved. Nevertheless, polls continue to show her to be running poorly. And clearly, the Republicans in the state hope to capitalize on the disension that a Democratic primary would engender.

The GOP itself will probably have a primary for the gubernatorial nomination. But the state party leadership under

Chairman Fred Biebel believes that it can keep it civilized. Four men are currently competing for at least 20 percent of the voters at the party's nominating convention this summer: State Sen. George Gunther, a party maverick; State Senate Minority Leader Lewis B. Rome, State House Minority Leader Gerald F. Stevens, and U.S.Rep. Ronald Sarasin. (R-5th). Sarasin is widely viewed as the frontrunner. A poll taken by former state environmental affairs commissioner Dan W. Lufkin last year showed both he and Sarasin running strongly against Grasso. Lufkin's apparent decision not to enter the race is an asset for Sarasin since he too would have had strong organization support.

Sarasin has several advantages going into the campaign. He has turned a formerly Democratic district into one which gave him 67 percent of the vote in 1976. Moreover, three of the state's last four governors ran for that office from their seat in Congress. In 1970 and 1974, the candidates of both parties were members of the House of Representatives. Furthermore, Sarasin has garnered an impressive reputation for his work on the Youth Employment Act passed last year. A provision from Sarasin's own sug-

gested legislation was included in the final version of the bill. It would test the notion that disadvantaged youths could be broken out of the poverty cycle by assuring part time school year jobs and full time summer jobs to such youth if they completed their high school education. Sarasin patterned his proposal after the federally-sponsored college work-study program.

Sarasin will continue to have to generate headlines from Washington while Rome and Stevens make waves in the General Assembly. Meanwhile, both Republicans and Democrats will wait to see if Grasso makes up her mind, or to see if, having been made, it is subject to change. ■

NOTICE TO READERS

With this issue, the FORUM converts to an expanded 16-page monthly format. This size and production schedule will allow the FORUM to print the kind of policy proposals which are featured in this month's insert.

RIPON FORUM

Published semi-monthly by the Ripon Society, 800 18th St., N.W., Washington, D.C. 20006. Second class postage paid at Washington, D.C. and other mailing offices.

MSWILLING 0002426123199CF01
DANIEL J SWILLINGEN
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WASHINGTON DC 20003