THE WALL STREET JOURNAL - NOVEMBER 18, 1966

<u>GOP on the Offense</u> Revived Party Seeking More Positive Image With 'New Federalism'

More Local, State Activity With Federal Help Is Goal; Beating LBJ to the Punch?

But Unity May Shatter by '68

By JOSEPH W. SULLIVAN

Staff Reporter of THE WALL STREET JOURNAL WASHINGTON - Congressional Republicans are beginning to flex their new postelection muscles. And like the ex-weakling in the traditional beach scene, they're getting an exhilarating feeling that they can outfight the "big bully"-in this case Lyndon Johnson.

This new optimism is not based on prospects for ramming through specific GOP-sponsored legislation in a Congress still dominated by the Democrats. Rather, the Republicans plan to selze the initiative in political thinking from their foes and build a positive image for themselves.

At bottom, there's a sense that momentum from last week's big election gains may enable the GOP to break loose from its long defensive stance in Congress. By quickly advancing a new political motif of their own, Republican leaders, especially in the House, hope to shift the public focus away from the standard measure of the past generation: Namely, how liberal or conservative is the GOP's stand on Democratic welfare programs.

With the 1968 Presidential election in mind, moreover, these Republican strategists think they've hit on a theme that can unite party liberals such as New York's Sen. Jacob Javits, middle-roaders such as Gov. George Romney of Michigan and conservatives such as governor-elect Ronald Reagan of California.

Goldwater Goals, Reverse Reasons

In capsule form, the emerging strategy consists of pursuing many of the goals Barry Goldwater advocated in his 1964 Presidential bid but reversing the reasons for doing so.

The object will still be a much bigger role for state and local government and private enterprise in combating the country's ills. But instead of invoking the need "to preserve the tried and true solutions of the past," the stress will be on "modernizing" and "energizing" governmental structures to cope with the problems of the future. And instead of leaving an impression that they would dismantle parts of the Federal Government, the GOP strategists in Congress intend to project a vital role for Washington--in pumping back its revenues to the states, in promoting interstate compacts to deal with regional problems and in fostering "<u>Comsat.style</u>" corporations to enlist private enterprise in the war on poverty. "We aim to turn the political frame of reference in this country upside down," declares one of the most active of the youthful House GOP "activists" who helped install Rep. Gerald Ford of Michigan as House Minority Leader two years ago. "Creating new techniques and providing new resources for localities to take the governmental lead is going to be the progressive course, and reliance on an ever-growing Federal bureaucracy will be the hidebound, reactionary approach."

Several Possible Moves

To exploit the election's stimulus, House GOP leaders hope to move rapidly on several fronts:

-As the cornerstone of their domestic program, they're toiling to prepare a blueprint for a lump-sum, no-strings-attached distribution of Federal revenue to the states. After years of talking wistfully about such a scheme (along with former Johnson economic adviser Walter Heller) they finally have in hand a detailed draft that was prepared on commission by a Brookings Institution scholar, Richard Nathan.

This plan would pump out to the states a specified percentage of Federal income tax collections—perhaps 2% or 3% initially. The distribution formula would be weighted to favor poorer states, provide bonus money for states making the greatest revenue-raising effort of their own, and earmark 5% of the leadership and overall policy formulation role of state government."

-As a way to get an opinion-holding jump on the Democrats, there's talk of presenting a Republican "State of the Union" message in advance of Mr. Johnson's. Last January Mr. Ford and Senate Minority Leader Everett Dirksen of Illinois managed to get a halfhour of national television time to respond to the President's annual discourse. But several top strategists now believe the party's new, offensive posture would best be dramatized by going first. There's also strong, surprisingly widespread sentiment in these Congressional circles for sharing the talking-time with one of the GOP's progressive governors, perhaps John Love of Colorado or Daniel Evans of Washington, as a symbol of a party commitment to greater state-level vitality.

As a device to make their new theme stick in the public mind, party hands are groping for a catchy slogan. In a talk yesterday to the National Conference of State Legislative Leaders here, the House GOP's No. 2 man, Melvin Laird of Wisconsin, made a tentative move to preempt one of Mr. Johnson's own concoctions: "Creative federalism." In urging the state legislators to promote "a climate in America that enhances and encourages creativity and solution-finding at the state and local level," he proclaimed that "history can yet record that the decade of the 1960s was the period in which Americans rededicated themselves to the attainment of new heights . . . through a creative federalism that kept in step with modern times."

Mr. Johnson's Weapons

How much headway the GOP can make under any slogan remains to be determined. Despite Democratic Congressional losses, possession of the White House still gives President Johnson abundant resources for blunting the GOP thrust.

He could set a somber, wartime tone for the coming Congressional session and ridicule any GOP revenue-shaping plan as the height of fiscal folly at a time of overriding need to finance Vietnam fighting and to fight inflaTHE WALL STREET JOURNAL - NOVEMBER 18, 1966

GOP on the Offense: Party Hopes 'New Federalism' Will Help Image

Continued From Page One

tion at home. Or he might strive to persuade the electorate that he's better at "creative federalism" than the GOP, by pointing to such steps as a grant of broad latitude to the states in use of Federal public health funds and efforts to tailor the new "model cities" slumrebuilding program to each locality's special appears more nearly united on a course of needs. Or Mr. Johnson could deride the Re- action than at any point in recent years. publican offensive as warmed-over Goldwaterism, impractical for dealing with today's complex urban problems.

Within Congress, moreover, Democrats still hold the seats of power; by pushing bills to provide funds for Great Society programs which the GOP opposes, Democratic leaders could make the Republicans once again look like "aginners."

Nor is there any certainty that GOP forces will get or stick together on the course now projected. While Michigan's Gov. Romney is currently just as bent as Congressional party leaders on enlarging the sphere of state and local government, he could well decide next spring that immediate needs, say, for Federal school construction funds outweigh any distant commitment to an alternate, tax-rebate plan that can't be implemented until the GOP regains control of Congress.

Jockeying for the GOP Presidential .nomination also could precipitate a party split.

Laird of private collaboration with former Vice President Richard Nixon, and at some point this could provoke a Romney denunciation of their legislative course. Within Congress, too, the GOP's old liberal vs. conservative animosities could boil up at any point.

For now, though, the Congressional GOP "When I came back to Washington after the election, I was fully resigned to hear the conservatives talking up the returns as a mandate for putting a legislative blockade on everything," relates one self-styled House GOP moderate. "To my delight, though, many of them were just as revved-up as I am to launch a program of our own."

Committees and Cohesion

Organizational and staff build-ups launched two years ago have played a big part in fostering this cohesion. In the House, a GOP planning and research committee has reached consensus on numerous position papers, many of them developed with academic help. In addition, the new Republican Co-ordinating Committee has brought together Congressional leaders, five GOP governors, the party's former Presidential nominees and National Chairman Ray Bliss for numerous skull sessions and position-charting.

"After two years of sitting next to George Romney men already suspect Messrs. Ford and Romney at the Co-ordinating Committee meetings, we find ourselves agreeing on practically everything that comes up," remarks Rep. John Rhodes of Arizona, chairman of the House Republican Policy Committee, who's generally considered an ardent Goldwater conservative.

> Moreover, the party's capture of 47 more House seats solidifies the position of House GOP Leader Ford and gives him more freedom for taking the initiative; incoming freshmen lawmakers, by all initial soundings of Ford men, are mostly quite ready to follow the leader who has helped to brighten the party's face.

> "If we'd only picked up 20 seats or so, Jerry Ford would be looking over his shoulder every time he made a move, but now he's in position to get together with Ev Dirksen on a State-of-the-Union plan, say, and then sail right ahead with it," calculates one senior House Republican who opposed Mr. Ford's leadership bid two years ago.

The "Generational Gap"

In the Senate, the arrival of such engaging faces and articulate voices as those of Illinois' Charles Percy, Oregon's Mark Hatfield and Massachusetts' Edward Brooke may be worth more than all the organizational and tactical innovations combined, "Most of the things we're talking about are aimed in es-

sence at meeting the so-called generational gap. And I, for one, think the big bloc of younger, unaligned voters is going to identify just as much with a Percy or a Hatfield as a Bobby Kennedy," asserts one seasoned House hand.

When it comes to legislation immediately at hand, the GOP probably will go strong for curtailing Federal spending to deter inflation. Many party liberals, as well as conservatives, hit hard on this theme during their campaigns. There should be general agreement on curbing such "lower-priority" programs as rent subsidies, the national teacher corps and highway beautification as well as resisting any major expansion of school or antipoverty aid.

"I'm confident I can identify \$5 billion or so to cut by breakfast-time the morning after Johnson's budget comes up," says a senior member of the House Appropriations Committee.

Aside from such bipartisan undertakings as raising Social Security benefits or overhauling the draft, GOP lawmakers don't see much immediate chance of actually framing major legislation. As various Great Society programs come up for extension, though, there's hope for using the party's added voting power to give states and localities a bigger role. In the case of Federal school aid, which comes up for renewal in 1968, current thinking is to press for giving communities much more leeway to set their own priorities.

As for revenue-sharing with the states, few Republicans entertain any serious hope of getting such a program off the ground in the next two years. "We'll hold out revenue-sharing as the first order of business after we regain control of Congress in 1968," says a top party planner.

2.