

## ABSTRACT

MITCHELL, ROBERT WAYNE, Political Shifts During the Carter Years: North Carolina Conservatism and Stokes County's Perception of Tobacco, the Economy, and Foreign Policy. (Under the direction of Dr. Nancy Mitchell.)

This thesis explores political shifts in the 5<sup>th</sup> District of North Carolina during the years President Jimmy Carter occupied the White House. In order to demonstrate how national politics percolate down to the local, it also examines voting patterns, voter perception of several important issues, and the political survival of 5th District Democratic Congressman Steve Neal in a time of increasing GOP dominance. Sources included careful reviews of local newspapers, campaign literature, interviews, position papers, and polling data.

The 5th District of northwestern North Carolina and a rural county within that district, Stokes County, is examined as an example of the political shifts that occurred in favor of the more conservative Republican candidates. The intense rhetoric in opposition to Congressman Neal, a Carter loyalist, regarding the issues of tobacco, economics, and foreign policy are highlighted, for they played major roles in swaying the local electorate in the elections of '76, '78, and '80. In addition, this research considers the impact of national politics on local and state races at a time when President Carter was becoming less popular. This research also analyzes Congressman Neal's struggles to maintain his political life. Neal was successful, when other Democrats on the ticket, including N.C. Senator Robert Morgan and President Carter, were soundly defeated.

The ability of Congressman Neal to fight back against negative attacks and often outlandish rhetoric reveals the strengths and weaknesses of the Democratic Party in

the South, in North Carolina, and the 5th District. It also underscores how conservatism has come to dominate, with few exceptions, at the ballot box.

**POLITICAL SHIFTS DURING THE CARTER YEARS:  
NORTH CAROLINA CONSERVATISM AND STOKES COUNTY'S  
PERCEPTION OF TOBACCO, THE ECONOMY, AND FOREIGN POLICY**

by  
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Chair of Advisory Committee

To Jessie, for her patience and support of my peculiar interest  
in the political behavior of Stokes County voters.

## **BIOGRAPHY**

ROBERT W. MITCHELL was born and raised in Westfield, Stokes County, North Carolina. He received a BA in History from the University of North Carolina at Asheville, where he was active in Student Government and chosen as an Undergraduate Research Fellow and University Scholar. He is active in local politics, teaches Social Studies at West Stokes High School in King, NC, and raises tobacco and cattle with his father. He is married to Jessie Tucker Mitchell. They have a cat named Fletcher. Robert enjoys local history, traveling, barbecue, *The Andy Griffith Show*, and the Democratic Party.

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Thank you to Dr. Nancy Mitchell, for not letting me give up,  
to Mr. Graham Flynt, for his excellent sources,  
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*Political Shifts During the Carter Years: North Carolina Conservatism  
and Stokes County's Perception of Tobacco, the Economy, and Foreign Policy*

Introduction

This thesis began as an examination of what seemed to be a strong political shift by North Carolina Congressman Steve Neal (Democrat, Fifth District, 1974-94), from support of liberal policies in 1974 to support of more conservative policies in his reelection attempts in '76, '78 and '80. Such shifts are common among politicians seeking reelection when a member of their party is in the White House – especially when the president appeared to be out of touch with voters. However, my research reveals that Neal was a close and loyal supporter of the president. He disagreed with the president when he had to, but he remained a presidential and party loyalist through the Carter years. He did have to contend with major political and ideological realignment as the Democratic Party continued to lose once-loyal, conservative southern voters, a trend that took off in 1964 after the passage of the Civil Rights Act. Moreover, Ronald Reagan, a champion of the new conservative values, managed to appeal to conservative Democrats, especially in the South, and to bolster the GOP's numbers from the late seventies through his presidency.

Congressman Neal simply had to prove that, although a loyal member of a party with a strong liberal base, his views were not inconsistent with his constituents'. To this end, he distanced himself from his party when necessary, as in the area of tobacco policy.



A strong and capable politician, Neal successfully retained his seat, time after time, for a total of twenty years, despite his opponents' claims that he was a full-blooded liberal out of touch with his increasingly conservative constituents.

This paper will examine larger political issues of the time; where Neal, Carter, and the GOP stood; and how conservative Republicans successfully challenged the Democratic establishment in the South, particularly the Piedmont of North Carolina, and, more specifically, Stokes County. Stokes County was formerly a solid part of the Democratic column, yet was swept away by the GOP in the late '70s, remaining predominantly Republican to the present day. No Democrat has won a contested partisan election in Stokes County since 1992. The 1980 election was a bellwether for Republicans running on conservative issues. Steve Neal was one of a diminishing number of Democrats in Stokes County, the Piedmont, and even North Carolina, to survive the GOP's insurgency.

The conservative political shifts that occurred during Carter's presidency manifested in subtle ways and therefore are difficult to track. The Republicans were able to turn the Carter years into a referendum on liberal policies. When one compares the career of Steve Neal to that of U.S. Senator Robert Morgan, (D-N.C., 1974-80), it is clear that both were buffeted by the rise of conservatism in the Carter years. Conservative Republicans struck hard from '76 to '80 and ousted many southern Democrats at all levels of government. Neal worked hard to show his support for Democratic allies in the White House, but selectively distanced himself from the executive branch whose policies – particularly concerning tobacco, the economy, and foreign policy – were often unacceptable to his constituents.

The election of Jimmy Carter in 1976 had been important for southern Democrats, who remembered that Lyndon Johnson in 1964 had been the last Democrat to have enjoyed success in the Old Confederacy. Upon Carter's election, Democratic expectations in Stokes County, in North Carolina, and in the United States were high; people hoped for reform in Washington and for integrity in the White House. Yet what actually happened was quite different. Carter was given the benefit of the doubt early in his administration, for many people understood that he needed to "clean up" after the Nixon-Ford administrations. Yet by 1980, the same electorate held the president and Democrats in Congress responsible for the country's problems. In fact, by midsummer 1979, Carter's approval rating among the general public had dropped to a grim 29 per cent.<sup>1</sup>

Stokes County, like much of the South since the end of Reconstruction, had been dominated by the Democratic Party. The rural border county, located in North Carolina's northwestern Piedmont, provided few job opportunities other than work on small tobacco farms. But in the 1970s, the county was becoming the bedroom community of choice for those with jobs in Winston-Salem, just south of Stokes County in Forsyth County. Many of the new jobs required little education, and those at Winston-Salem's R.J. Reynolds tobacco factories paid quite well. Stokes County had a population of slightly less than 20,000 by 1976, increasing to 23,782 by 1979 and to more than 31,000 in 1980.<sup>2</sup> This growth was twice that of neighboring counties. Consistent with many rural counties, Stokes was socially and politically moderate to conservative in ideology, yet this new

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<sup>1</sup> Renka, Russell D. "Nixon's Fall and the Ford and Carter Interregnum." 3 March 2002. Online: <http://ustudies.semo.edu/ui320-75/Course/presidents/nixon/nixon%27sfall.htm>. 11 October 2002.

<sup>2</sup> Paul T. David and David H. Everson. *The Presidential Election and Transition 1980-1981*. Carbondale: Southern Illinois University Press, 1983 (66).

population was not to follow the Democratic political patterns of the previous generation; instead, new residents registered Republican at high rates. This shift in registration demonstrated growing conservative Republican trends across the South and forecast the success of national politicians such as Ronald Reagan, and Republicans' platforms reflected these trends by 1980.<sup>3</sup>

Here are the facts: Democrat Steve Neal of Winston-Salem (the urban center of Forsyth County) was elected to Congress from the Fifth Congressional District in his first bid for elected office in 1974.<sup>4</sup> Neal had strong ties to banking, business, and tobacco and had once owned a newspaper group that served many of the counties he later would represent; he sold this newspaper business before his first campaign in 1974. (This became an issue that will be explored later in this paper.) Neal was also well connected to the R.J. Reynolds fortunes; in fact, his great uncles were R.J. and W.N. Reynolds, founders of the R.J. Reynolds Tobacco Company. His grandfather had served as a judge in Patrick County, VA and as a member of the VA General Assembly.<sup>5</sup> Born in 1934 in Winston-Salem, he pursued his education at the University of California at Santa Barbara and performed graduate work at the University of Hawaii. Steve Neal was unlike the traditional “folksy” southern-lawyer type who typically served the Fifth Congressional District,<sup>6</sup> yet he upset incumbent three-term Congressman Wilmer “Vinegar Bend” Mizell, a former pro-baseball player. One could probably attribute Neal’s success in ’74

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<sup>3</sup> Paul T. David and David H. Everson. (66).

<sup>4</sup> The Fifth Congressional District, located in the Northwest Piedmont, included the counties of Ashe, Alleghany, Davidson, Forsyth, Stokes, Surry, and Wilkes.

<sup>5</sup> Michael Barone and Grant Ujifusa. *Almanac of American Politics 1982*. Washington, D.C.: Barone & Co., 1981 (825).

<sup>6</sup> Graham B. Flynt, interview. Lawyers such as Ralph Scott and Sam Ervin had earned a reputation as being “folksy.”

to the public's growing mistrust in government in general and the Republican Party in particular in the wake of the Watergate scandal.<sup>7</sup> Neal made the most of his political "outsider" reputation, as Jimmy Carter would two years later, and was swept into office in '74. However, to his opponents, Neal was far from an outsider, for he was wealthy and well-connected to "big business." When Mizell challenged Neal in a rematch in '76, he campaigned on the fact that Neal did not own a home in the Fifth District, and he characterized Neal as a Washington insider with little concern for voters of the district.<sup>8</sup> Mizell forced Neal to fight for his reputation. In a "Mizell for U.S. Congress" flyer distributed throughout the district, he blasted Neal as a pawn to special interests and a liberal who was "soft on defense" and flip-flopped on economic issues.<sup>9</sup> Neal made every effort to prove to the voters that he was in touch with their needs and values. Despite his support for President Carter, he was bound to respectfully disagree, on occasion, with many of the Carter campaign's chief aims. According to *Congressional Quarterly*, Neal usually voted overwhelmingly with the party leadership.<sup>10</sup>

Senator Robert Morgan, on the other hand, was more of a "team player" and remained doggedly loyal to Carter, even with Morgan's fairly conservative voting record. For example, in early 1977, Morgan voted along with Senator Jesse Helms in support of

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<sup>7</sup> Michael Barone and Grant Ujifusa. *Almanac of American Politics 1982*. Washington, D.C.: Barone & Co., 1981 (626).

<sup>8</sup> *Winston-Salem Journal*, 31 October 1976, A16.

<sup>9</sup> "Wilmer Mizell for U.S. Congress." Supplement to *The Suburbanite, King Times-News, Clemmens Courtier, Danbury Reporter, Stokes Record, Mt. Airy News, Alleghany News, Skyland Post, Lexington Dispatch, North Wilkesboro, Journal-Patriot*. 11 October 1976. Ironically, Congressman Neal's similar 1976 newspaper supplement tagged Mizell as a Nixon crony who "rode into Congress on Nixon's Coattails. He was, said Nixon, a valued member of 'The Team.' They served together, and they served the same masters. The day after Nixon resigned Mizell said, 'Richard Nixon has served this country faithfully and well throughout his long career.' "

<sup>10</sup> *Congressional Quarterly Almanac*, Vol. XXXVI, 1980 (6-H).

increased military spending, and against defense cuts, wetlands protection, federal funding for abortion, and lifting the Rhodesian chrome ban.<sup>11</sup>

The '76 rematch race between Neal and Mizell attracted much national attention. As an article in the *Winston-Salem Journal* explained, “[I]n Washington, home of the national Republican and Democratic parties and a variety of political splinter groups, the Neal-Mizell contest is seen as one of the key congressional races in the country. The groups are proving their interest by sizeable contributions of money and service to the two candidates.”<sup>12</sup>

Robert Beckel, executive director of the National Committee for an Effective Congress, believed the race between Neal and Mizell was a “classic confrontation of the new and old politics of the South,” with Neal representing “the clearest example of what new politics is all about.” Beckel’s committee provided Neal with \$1,366 in staff services, and the Democratic National Committee added \$2,000 to this sum, while the Republican National Committee donated \$5,000 to Mizell.<sup>13</sup> These sums were small, but certainly indicated that the national parties supported local candidates. Many of Mizell’s assistants came from out of state, including his West Virginian campaign manager and two staff members from Washington, D.C.<sup>14</sup> Mizell also invited speakers from Texas and Arizona, rather than in-state politicians, to speak at North Carolina conventions. It was evident that the Fifth District race was taking on national attention. All of this drove Neal to call Mizell “an out-of-state candidate, being financed with out-of-state money

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<sup>11</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1978*. New York: E.P. Dutton & Co., 1977 (626).

<sup>12</sup> *Winston-Salem Journal*, 3 October 1976, A1.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid, A16.

and being staffed with out-of-state people for the benefit of out-of-state interests.”<sup>15</sup> Neal attempted to make Mizell – not himself – the “beltway candidate” and noted that Mizell had accepted a high-ranking appointment from President Ford in the Commerce Department immediately following his ’74 defeat.

Although Neal was one of the House Democrats whom Republicans considered easily beatable in ’76, he was able to shake off Mizell by concentrating on an issues-based campaign, running on his record, of which he was proud. Yet, as explored later in this paper, Neal was not above slinging mud when it was necessary. His campaign helped him reaffirm his position in the Fifth District. He also obtained solid endorsements. The October 31, 1976 *Winston-Salem Journal* printed an article from its sister publication, the *Sentinel* newspaper, that read:

Neal is no liberal. He is a moderate whose voting record, on close scrutiny, shows a high degree of compassion and understanding for the problems of old people, minorities, average taxpayers, small farmers and small businessmen.

Neal also is clearly a fiscal conservative. He has been in the forefront of budgetary and fiscal reforms.... Perhaps most important, Neal has brought a new, open style to Fifth District representation.... [I]f anyone “went Washington” in the past two years it was Mizell, who deliberately absented himself from the district, not Neal, who was sent to the capital by the people.<sup>16</sup>

The article went on to state that Mizell offered an engaging, folksy manner – and little else. Neal, on the other hand, had an impressive record of representing his constituents’ best interests, and he obviously had a grasp of issues on both the local and national levels. Because of these qualifications, the article stated, the Fifth District had only one choice: returning Steve Neal to Congress.<sup>17</sup>

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<sup>15</sup> Ibid.

<sup>16</sup> *Winston-Salem Journal*, 31 October 1976, A5.

<sup>17</sup> Ibid.

When Neal was first elected in '74, it had been mostly because of the public's backlash against Nixon; in other words, he was elected because of the failures of a Republican, which the public perceived as the failures of the entire Republican Party.

The 1974 *Almanac of American Politics* stated:

When the votes came in, the result was an upset Neal victory. The Democrat had carried Winston-Salem's Forsyth County by a 55-45 margin, and he had carried every other county in the district except for the mountain-surrounded Wilkes, long Republican stronghold. It was one of the most stunning House upsets in 1974.<sup>18</sup>

Yet when Neal ran for a third term in 1978, he could no longer blame the Republicans for the nation's problems because the Democratic Party still had a solid majority in Congress, and Democratic President Jimmy Carter had been in office for nearly two years. Republicans, with fingers no longer pointed at them, did not hesitate to blame the current national problems on Carter. By '77, though Carter won "the great preponderance of congressional floor votes on which the President's Position was recorded," he often was pushed to withdraw or radically modify proposals even before they reached the floor.<sup>19</sup> The Republicans' blaming of Carter for problems would hit hard in '80, during Carter's unsuccessful bid for reelection. At this time, as the hostage crisis intensified and inflation and interest rates reached record highs, bitter resentment about the administration's ceding of the Panama Canal festered.

In 1974, the year of Neal's first political triumph, former North Carolina Attorney General Robert Morgan was elected to the U.S. Senate, filling the vacancy created by the retirement of Senator Sam Ervin. A Democrat from Lillington, in the eastern part of the

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<sup>18</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1974*. New York: E.P. Dutton & Co., 1975 (634).

<sup>19</sup> Renka, Russell D. "Nixon's Fall and the Ford and Carter Interregnum." 3 March 2002. Online: <http://ustudies.semo.edu/ui320-75/Course/presidents/nixon/nixon%27sfall.htm>. 11 October 2002.

state, Morgan would be a victim of the same changing political circumstances as Neal, eventually torn between his party, his people, and his president. However, largely because Morgan decided to unconditionally support Carter, he lost his seat in 1980 in a narrow defeat to an outspoken conservative, a relatively unknown political science professor John East of Greenville, North Carolina. Neal, who maintained an almost populist style not unlike the president, held onto his position in '80, but for the first time he lost in Stokes County and in a majority of the counties in his district. We know that President Carter also lost in '80 – and was stomped in Stokes County.<sup>20</sup>

The political trends prove interesting, and sometimes they make no sense. Local elections often followed national trends, as they did with the regional Democratic gains after Watergate in 1974, and local print media proves useful for future generations to understand the mindset of residents during earlier times. Yet with the exception of the newspaper accounts, there exists very little hard historical data that captures the mood of the local electorate in Stokes County and the Fifth Congressional District during these elections. One must use the few sources available to evaluate each election, the candidates, and the shifts they seemed to make in anticipating a new political climate. The sources include interviews (faulty as they may be) and the press, especially Steve Neal's weekly columns in the county's local papers, the *King Times-News* and the *Danbury Reporter*, as well as a regional source, the *Winston-Salem Journal*, a reputable daily newspaper that covered Stokes County and the rest of the Fifth Congressional District.

The local newspapers were excellent in the 1970s and early 1980s, offering a wealth of information and much depth of perspective about the political races. They

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<sup>20</sup> *Winston-Salem Journal*, 9 November 1980, B4.



covered a variety of political events, from high profile political appearances to local precinct meetings. Moreover, the newspapers were widely read and probably had some role in shaping attitudes and providing information that voters would likely take to the polls. According to Graham B. Flynt, a county historian and former Stokes County Democratic Party Chair: “Everyone subscribed to the paper back then. If you didn’t get the *Danbury Reporter*, you got the *King Times*. Everyone respected the paper, and I’m sure it shaped opinions.”<sup>21</sup> Major issues certainly came to local voters via mass media, especially television and radio. Yet it is difficult to measure their effectiveness, and many people say they are often “turned off” by negative campaign messages.

Foreign policy was a prevalent theme in the rhetoric of Congressman Neal, Senator Morgan, and President Carter, and their opponents. Perhaps many voters did not have a clear grasp of diplomatic issues beyond the rhetoric they heard on the campaign trail, but on a simplified level, the idea of foreign policy appealed to Stokes County voters because, when used effectively by a candidate, it could evoke strong emotion. The “Panama giveaway,” for example, was, for the voters of Stokes County who had been born and raised close to the land, like giving away their own farm.<sup>22</sup>

Jimmy Carter, coming from a Southern Baptist and agricultural background, seemed to share many of the values of Stokes County voters, especially during his 1976 campaign. Voters gave him a narrow victory in the county, in the district, and in the state in ’76. And yet they soundly rejected him in ’80. These same voters overwhelmingly had chosen Richard Nixon in 1968 and ’72, though locally, Democrats still won handily. Watergate probably affected their opinion of Republican leadership at the national level

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<sup>21</sup> Graham B. Flynt, interview. Subscription figures are unavailable.

<sup>22</sup> Ibid.

in 1976.<sup>23</sup> Similarly, in 1980, four years after Carter's election, voters' opinions of him, and therefore of the Democratic Party, had changed. Altering views of the national Democratic ticket can be seen by examining state and local races, particularly in '78 and '80. Many who supported Carter in '76 for his moral compass of honesty, integrity, and strength of character abandoned him in '80 for Ronald Reagan. As Haynes Johnson noted, "It took the support of the self-proclaimed Moral Majority of born-again Christians to give the United States its first divorced president."<sup>24</sup> By 1980, many in Stokes County labeled Carter as soft on Communism. This rhetoric, coupled with Carter's public relations failures (which Congressman Neal himself suggested to be a problem), led many voters to regard Carter as weak, sometimes inept, and fundamentally incapable of managing a bureaucracy as large as the U.S. government.<sup>25</sup>

On the local level, Stokes County Democratic candidates suffered tremendously in 1980; only one Democrat won a partisan election there: the long-time incumbent for Register of Deeds, former Republican Frances H. Burwell. Neal himself lost in the county, yet won in the district and thus was re-elected. One possible reason for his success was that Neal had spent much of his legislative energies from 1978 to '80 distancing himself from the "Carter clone" label, clarifying his position, and moving to the right (or at least the political center). Neal, like many southern Democratic members of Congress, avoided looking liberal and maintained a moderate to conservative voting record. Many of Neal's votes paralleled those of his conservative counterparts, including votes for increased defense spending, deregulation of natural gas (a Carter initiative), and

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<sup>23</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1976*. New York: E.P. Dutton & Co., 1975 (620).

<sup>24</sup> Haynes Johnson. *Sleepwalking Through History: America in the Reagan Years*. New York: W.W. Norton and Company, 1991 (49).

<sup>25</sup> *Danbury Reporter*, 12 September 1978, 3.

opposition toward new labor law revisions.<sup>26</sup> Neal’s votes considered “liberal” pertained to environmental issues (the Alaska Lands Bill), education issues (in favor of the new Department of Education), and some social issues (against the cap on food stamp monies).<sup>27</sup> The following chart shows how two national organizations – the Americans for Democratic Action (ADA), generally regarded as the premier liberal watchdog organization of the United States, and the Americans for Constitutional Action (ACA), the conservative equivalent to the ADA – ranked selected North Carolina politicians. The ADA gave its highest scores to the most liberal politicians and lower scores to conservatives. The ACA was opposite: it gave highest scores to conservatives and lower scores to liberals.

POLITICIAN	ADA RANKING liberal ranking	ACA RANKING conservative ranking
Senator Robert Morgan		
1976	25	100
1977	40	100
1978	25	96
Senator Jesse Helms		
1976	5	100
1977	0	100
1978	5	96
1979	5	100
1980	11	100
Representative Steve Neal		
1976	45	46
1977	40	44

<sup>26</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1980*. New York: E.P. Dutton & Co., 1979 (658).

<sup>27</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1982*. New York: E.P. Dutton & Co., 1981 (829).

1978	25	67
1979	32	58
1980	44	50 <sup>28</sup>

This data indicates that Neal in fact became increasingly conservative as the elections of '78 and '80 presented him with ultra-conservative challengers. In comparison, Morgan probably was not a liberal; as a matter of fact, Michael Barone characterized him as a type of candidate who “combined liberal and conservative appeals.”<sup>29</sup> His political reputation had been that of a conservative when he had managed the 1960 gubernatorial bid for I. Beverly Lake, a segregationist who had lost to the more progressive candidate, Terry Sanford, in the '60 Democratic primary.<sup>30</sup> Despite Morgan’s conservative background, he embraced many of the Carter initiatives – most divisively, the Panama Canal Treaties. He was not re-elected in '80.<sup>31</sup> On the other hand, Neal managed to be re-elected nine times between 1976 and 1992, and even won when the newly formed black majority Twelfth Congressional District took loyal Democratic votes from him after the 1990 census and redistricting.<sup>32</sup>

In 1980, Morgan lost to political newcomer John East, and many blamed this loss on his connection to Carter. As Michael Barone and Grant Ujifusa wrote in the 1982

*Almanac of American Politics:*

The barrage against Morgan concentrated on a few issues: his support of the Panama Canal Treaties...his opposition to the B-1 bomber, and his support of aid

<sup>28</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1980 and The Almanac of American Politics 1982*. New York: E.P. Dutton & Co., 1979 and 1981.

<sup>29</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1976*. New York: E.P. Dutton & Co., 1975 (624).

<sup>30</sup> Ibid.

<sup>31</sup> Paul Luebke. *Tar Heel Politics 2000*. Chapel Hill: The University of North Carolina Press, 1998 (176, 194).

<sup>32</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1982*. New York: E.P. Dutton & Co., 1981 (829).

to New York City. Morgan was unable to match this barrage and ended up running about even with Jimmy Carter, who barely lost the state; East had 50% to Morgan's 49%.<sup>33</sup>

Unlike Morgan, N.C. Governor James B. "Jim" Hunt, in a re-election bid, easily carried virtually the entire state – all but a handful of counties.<sup>34</sup> Perhaps one of the main reasons was that Hunt moved to the right, did not allow the conservative rhetoric to stick, and spoke like a conservative. Also, he had not had to vote up or down on Panama. In a letter to constituents in '78, Jesse Helms used Hunt's popularity to appeal to voters: he asked them to send him back to D.C. so he could continue to work with Governor Hunt to help farmers. Anti-Hunt rhetoric in '78 would be useless and a bridge that Helms, for strategic reasons, was not willing to cross. Paul Luebke described Hunt as a self-styled politician who embraced the best of the various political traditions.<sup>35</sup> In 1978, Jesse Helms' Democratic challenger, John Ingram, an outspoken supporter of Carter, posed no serious threat, despite the strong Democratic registration in the state. Helms had attracted a large following by leading the charge for solidly conservative values. He sought to redefine the Republican Party and believed that Republicans should be faithful to their conservative approach to economic and social policy.<sup>36</sup>

In Stokes County, Candidate Ingram and Senator Morgan were soundly defeated in '78 and '80, respectively, at the hands of men more conservative than they. Yet what is more interesting about these elections are local voters' changing views of Carter, and how these voters possibly held associated candidates like Ingram in '78 and Senator Morgan in '80 responsible for Carter's failures and liberal tendencies. Also, voters'

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<sup>33</sup> Ibid (817).

<sup>34</sup> Ibid (815).

<sup>35</sup> Paul Luebke (20).

<sup>36</sup> *Winston-Salem Journal*, 5 November 1978, B1.

opinions of Carter often filtered down to the local level and perhaps influenced local races as well – or at least the strong anti-Carter rhetoric did. This influence is evident in the “attack” style of campaign waged by local Republicans running on broad and patriotic national issues. Congressman Neal’s weekly column to the local Stokes County newspapers also serves as a gauge of the “moderate, rational, fiscally responsible and independent” image he hoped to present to voters, and of how he crafted a fine-tuned rhetorical position in the face of often outlandish attacks on President Carter and the Democratic party.<sup>37</sup>

The year 1976 was definitely a good year for Democrats. Carter received 6,647 votes to 6,030 votes for Gerald Ford in Stokes County. In addition, Carter won in all but 14 of North Carolina’s 100 counties. *Winston-Salem Journal* headlines proclaimed “Carter Leading,” “Carter Sweeping Southern States,” and “Carter Is Leading by Big Margin in North Carolina.” Other headlines read, “Hunt Wins Governor’s Race by a Landslide,” “Democratic Control Seems Likely,” and “Democratic Control of Congress Appears Assured.”<sup>38</sup> Paul Luebke wrote:

In November [Hunt] defeated his Republican opponent nearly two to one, while Jimmy Carter was winning the state with 56 percent over Gerald Ford. Subsequent events would prove 1976, in the aftermath of the 1973-74 Watergate scandal, a high-water mark for North Carolina Democrats.<sup>39</sup>

Jim Hunt, seeking his first term as governor in ’76, carried all but three counties in his landslide win, and received 7,174 votes in Stokes County to 5,432 for his opponent David T. Flaherty.<sup>40</sup> Hunt, like Neal, ran on populist and mainstream issues and carried six of the seven counties in the district; he lost only in Wilkes County. Steve Neal defeated his

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<sup>37</sup> Ibid.

<sup>38</sup> *Winston-Salem Journal*, 3 November 1976, A1,3.

<sup>39</sup> Paul Luebke (34).

<sup>40</sup> *Winston-Salem Journal*, 4 November 1976, A12.

Republican challenger Wilmer Mizell in the '76 rematch by a vote total of 6,534 to 6,173 in Stokes County. Of the seven counties in the district, Neal carried four – Forsyth, Stokes, Surry, and Alleghany – and lost the more traditionally Republican counties – Ashe, Wilkes, and Davidson.<sup>41</sup> A November 3 *Winston-Salem Journal* article noted:

Neal was asked how he was able to defeat Mizell or break even in rural Forsyth precincts. “Mizell has tried to picture me as a liberal,” he said. “In our recent polling, we asked people if they thought I was too liberal. They didn’t think I was, so that indicates that Mizell’s label for me didn’t stick in the voters’ minds.” ... The best indicators of Neal’s strength were his increased cushions in Winston-Salem and his reversals in some county precincts. He ran ahead in the Old Town, Belews Creek and Bethania precincts that Mizell carried in 1974, and cut into Mizell’s leads in other outlying areas.<sup>42</sup>

Neal’s victory thus ended the political career of “Vinegar Bend” Mizell, who just two years earlier had been considering a bid for U.S. Senate and had opted instead for his “safe” seat in Congress – which he lost and never regained.

In 1978, Neal faced the conservative and charming state senator Hamilton Horton, also of Winston-Salem. Neal’s victory was strong, yet the conservatives had made a formidable stand. Two years earlier, Neal had polled 98,389 votes and Mizell polled 82,846. In 1978, it was 68,779 for Neal, and 58,151 for Horton. Neal polled fewer votes in Stokes County, yet still won 5,740 to 5,015. Totals in the district as a whole that year were lower.<sup>43</sup> After this victory, many Democrats felt confident. Two days after the election, on 9 November 1978, headlines of the “Metro Edition” of the *Winston-Salem Journal* read, “Neal’s Victory May Deter Rivals in ’80.” This suggested that perhaps Neal now held a safe seat. With a solid victory in ’78, he too was rumored to have his

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<sup>41</sup> Ibid, A13.

<sup>42</sup> *Winston-Salem Journal*, 3 November 1976, A1.

<sup>43</sup> *Winston-Salem Journal*, 9 November 1978, A11.

eyes on higher office.<sup>44</sup> The Democrats' celebration, however, would be short lived. Neal would face another formidable challenger in his bid for a fourth term in Congress in 1980 – General Assemblywoman Anne Bagnal of Winston-Salem. The belief that Neal held a safe seat going into 1980 was wrong – the race was close.

Even though Neal picked up solid endorsements in '76, '78 and '80 from the *Winston-Salem Journal*, voters were prepared to reject Neal and his fellow Democrats.<sup>45</sup> The paper historically leaned Democratic but tried to be generally fair; for instance, it endorsed Senator Helms for re-election in '78 and cited that Helms “has learned the political ropes of Washington and the parliamentary ropes of the Senate.” Still, the *Journal* warned that its recommendation of Helms came with hesitation; Helms had earned a reputation as “the \$6 million man” and the *Journal* noted that he raised twice the amount of money ever raised by any Senate candidate.<sup>46</sup> Some felt that this reputation made Helms look as if he cared too much about money and not enough about his constituents. Regarding Steve Neal's '78 campaign, the *Journal* stated that his opponent:

...has tried mightily to kick up enough dust to obscure the essentially sound record of incumbent...Neal. Horton's effort has not worked, and voters should give Neal his third two-year term in the House of Representatives.... His politics, once somewhat to the left of the district's, have become more moderate. This movement has helped him to better reflect his constituency's desires in Congress.... One looks forward to another term of his solid service to the area and state.<sup>47</sup>

The endorsements by the *Journal* indicated that Helms maintained his right-wing position, while Neal had moved to the center. With virtually all successful North Carolina politicians – including old-time Southern Democrats L.H. Fountain

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<sup>44</sup> Ibid, B15.

<sup>45</sup> *Winston-Salem Journal*, 2 November 1976, A4; and 5 November 1978, A2.

<sup>46</sup> *Winston-Salem Journal*, 5 November 1978, B2.

<sup>47</sup> Ibid.



(Representative, Second District, first elected in 1952) and Walter B. Jones (Representative, First District, first elected in 1966) – running a conservative campaign, the '78 election was indeed a benchmark election for conservatives, who often won whether they were with the Democrats or the Republicans.<sup>48</sup>

Steve Neal's twenty-year political career represented a time of political and ideological shifts – none more apparent than the four years Jimmy Carter was in the White House. Incumbent Democrats faced many difficulties in their attempts to retain their seats; at first they campaigned on Carter's popularity, then struggled to escape his downfall. Carter pulled down many fellow Democrats with him, notably Senator Robert Morgan. Indeed, many Southern Democrats faced serious challenges by conservative candidates running on conservative issues, and many of these Democrats also lost. Although Neal was elected for an impressive ten terms, the bitter and hard-fought campaigns of '78 and '80 probably influenced his voting in Congress, keeping him in check and reminding him to vote in the interests of his conservative constituents whenever possible.

Neal survived the political shifts from '76 to '80. Not only did conservative issues become more popular, but there were large increases in Republican Party voter registration. Jimmy Carter's four years in office did not help Democratic candidates in North Carolina; this was especially true in the Fifth District and Stokes County.

Regarding the 1980 election, Paul T. David and David H. Everson noted:

The Republicans gained a net total of 33 seats in the House of Representatives, leaving the Democrats with a majority of 243 to 192. It was the best Republican showing in the House since 1956, when 201 Republicans were elected. Most of

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<sup>48</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1976*. New York: E.P. Dutton & Co., 1975 (645).

the Republican gains, moreover, came at the expense of incumbent Democrats, of whom 27 were defeated, an unusually large number.<sup>49</sup>

David and Everson also cited the Senate outcome in the 1980 election:

Before the election, Republicans had hoped to gain four to five seats in the Senate; *Congressional Quarterly Weekly* had predicted that they might gain two or three. In the actual outcome they gained twelve seats, for a Senate majority of fifty-three Republicans to forty-six Democrats and independent Harry Byrd of Virginia. This was a larger Republican majority in the Senate than the party had enjoyed at any time since the days of Herbert Hoover. Eighteen new Senators were elected, of whom sixteen were Republicans. As the result of elections in both 1978 and 1980, over half of the Republicans in the Senate – twenty-seven – were elected in those two years.<sup>50</sup>

The same rhetoric that netted conservatives measurable gains in '80 had been used in '76 and '78 as well. The anti-liberal rhetoric was thrown early at Representative Neal in his first bid for re-election in '76.

The shifts to the right usually centered on three major issues – tobacco, foreign policy, and economics – and voters looked critically at Carter, Morgan, and Neal when considering these vital issues. An examination of these issues shows how Neal delicately crafted himself as a “people’s politician” and maintained his political credibility.

Ironically, even though Morgan was defeated, in part because of his association with Carter and the rhetoric portraying him as an extreme liberal, Morgan’s voting record on three major issues was relatively moderate to conservative, with the major exception of the Panama Canal Treaties.

The issues of tobacco, economics, and foreign policy were ones that the voters of Stokes County seemed to care about most deeply. Other issues, such as energy policy (on which Neal was a leader) were important, yet it was to some extent a subset of

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<sup>49</sup> Paul T. David and David H. Everson (160).

<sup>50</sup> Ibid (159).

foreign policy, as it was often seen as an effort to wean the United States from its dependency on foreign oil. Still, the three major issues prove best suited for examining the shifting political climate of 1976 through 1980. The following three chapters survey the high stakes and volatility of these issues; how Carter, Morgan and Neal communicated these issues; and how their opponents exploited them for striking political gains. Looking at the rhetoric, mood, style and results of the '76, '78, and '80 elections enables one to gain insight into the political climate in the Fifth District and Stokes County during the Carter years. Although the political shifts manifest themselves in subtle ways, using Neal, and, to a lesser degree, Senator Morgan, one can get a sense of the dramatic political movements of those turbulent times.

## **Chapter One**

### **Tobacco: Neal's Fight to Out-Maneuver His Conservative Opponents**

Steve Neal quickly found his bid for a third congressional term (1978-80) challenged by an issue close to the voters of the Fifth District: tobacco. Tobacco was a volatile issue, a “sacred cow” that Democrats and Republicans alike in Stokes County, the Fifth District and North Carolina needed to defend in order to retain office. The Fifth District had historically grown some of the best brightleaf tobacco in the world. Many people worked on small family-owned tobacco farms, others worked for the R.J. Reynolds Tobacco Company in Winston-Salem, and others held tertiary jobs related to the tobacco industry. Most voters in the district had a direct interest in the success of R.J. Reynolds, the tobacco industry in general, and its backbone, the growers. Any candidate who suggested that smoking was wrong and that tobacco should be further regulated faced great scrutiny from local voters. Because it was politically dangerous to be labeled anti-tobacco, Steve Neal worked hard to defend his pro-tobacco record. He voted consistently and successfully to protect the tobacco price supports, develop stronger exports for North Carolina tobacco, and reduce the amount of tobacco being imported in

the United States. He touted his leadership as chairman of the House Subcommittee on International Trade as beneficial to farmers desiring the development of new overseas markets, particularly tobacco.<sup>51</sup> Yet Democrat Neal had to deal with the harsh reality that the standard bearer of his party, President Jimmy Carter, was seen as aggressively seeking measures to further regulate the industry.

Carter supported the Tobacco Support Program (New Deal era legislation that guaranteed farmers a set price for their tobacco should companies not buy it) and campaigned strongly as a friend to the farmer. He did not advocate any changes in tobacco policy or the support program. However, he did support efforts to curb tobacco use and wanted the government to play an active role in establishing the health risks of tobacco. He became associated with anti-tobacco policy because several leading Democrats in Congress, as well as Carter's own Health, Education, and Welfare secretary, Joseph Califano, were opponents of the industry. In fact, historians Burton I. Kaufman and Peter Bourne, a Carter confidant, who had frequent access to the president, rarely mention the issue of tobacco in their comprehensive histories of the Carter presidency.<sup>52</sup> The whole issue seems to have been a localized method used by Neal's opponents to group Carter and Neal with other Democrats who favored increased tobacco regulation.<sup>53</sup>

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<sup>51</sup> "Congressman Steve Neal: Serving all the people, all the time," *Winston-Salem Journal* newspaper supplement, 1978.

<sup>52</sup> Burton Kaufman. *The Presidency of James Earl Carter, Jr.* Lawrence: University Press of Kansas, 1993, and Peter Bourne. *Jimmy Carter: A Comprehensive Biography from Plains to Post-Presidency.* New York: Scribner, 1997.

<sup>53</sup> HEW Secretary Joseph Califano and Utah Democratic Senator Frank Moss were among the most vociferous opponents of tobacco.

One of the greatest political challenges Neal faced was communicating to the voters of his tobacco-dependent district that he in fact was a champion of tobacco regardless of other Democrats' desires – and the president's supposed desires – to handcuff the industry. In the 1976, '78 and '80 elections, Neal faced strong rhetoric from conservative opponents who viewed tobacco as his Achilles heel, for the Democratic Party had several members leading the charge against smoking. One example was Utah Senator Frank E. Moss. An article in the *Winston-Salem Journal* immediately after the '76 election, headlined "Tobacco Industry Foe Is Defeated," read:

The cigarette industry was relieved of perhaps its most persistent foe in Congress Tuesday when Sen. Frank E. Moss, D-Utah, was beaten in his bid for a fourth six-year term.

Moss ... was the chief sponsor of all the major antismoking laws enacted in the past decade.... Tobacco industry spokesmen said yesterday they considered Moss their most formidable opponent in Congress. He campaigned not only for health warnings on cigarette packages and the ban on radio and television cigarette advertising, but also against acreage controls and the tobacco farm subsidy program.<sup>54</sup>

Moss also had been associated with Democratic Senators Gary Hart of Colorado and Edward Kennedy of Massachusetts in an attempt to tax the levels of tar and nicotine found in cigarettes.<sup>55</sup> The *Winston-Salem Journal* let its readers know that, on his Senate desk, Moss kept a cigarette package wrapped in black with the word "Cancer" in large white letters.<sup>56</sup> He was a well-known enemy of tobacco whose name resonated with antipathy among local voters, at least when his name appeared in the news.<sup>57</sup>

With senators like Moss, Hart, and Kennedy leading the charge, it was easy to associate anti-tobacco positions with the Democrats. As early as July '76, Neal tried to

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<sup>54</sup> *Winston-Salem Journal*, 4 November 1976, A1 & 3.

<sup>55</sup> Senators Hart and Kennedy were not up for re-election in 1976.

<sup>56</sup> *Winston-Salem Journal*, 4 November 1976, A1 & 3.

<sup>57</sup> Graham B. Flynt, school teacher, interview by author, 2 January 2002, Germanton, N.C.

distance himself from this image. He criticized the General Accounting Office's recommendation that the regulation of tobacco and tobacco products be handed over to the Department of Health, Education and Welfare. He worried that HEW might become too strong a regulatory arm. Neal stated, "The opponents of the tobacco farmer and the tobacco industry are constantly looking for ways to put them out of business. If Congress adopts the GAO proposal, they will have found a way to do it." He added, "The GAO suggestion might seem innocent enough at first glance, but letting HEW get its foot in the packhouse door is like letting a camel get its nose under the tent."<sup>58</sup> Neal's concern turned into reality when HEW and its secretary, Joseph Califano, became aggressive promoters of anti-smoking legislation.

When Carter was elected in '76, Neal's troubles with tobacco had just begun. Yet Neal stood defiant of Carter's tobacco proposals to curb smoking when necessary and continued to openly speak against HEW Secretary Califano to clarify that he supported tobacco farmers and the industry itself. Moreover, Neal became a master of spin as he shifted blame toward the Republican Party for increased taxes on tobacco and increased regulations. Many Republicans had actually supported cigarette tax increases and some, including Neal's '74 and '76 opponent Wilmer Mizell, wanted to cut off export markets for tobacco. In his campaign literature, Neal charged that it was the Republicans who had led the fight against the tobacco farmer.<sup>59</sup>

By '78, Neal would consistently fight HEW over the regulation of tobacco and stand opposed to subjecting the tobacco industry to the "bureaucratic bungling of

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<sup>58</sup> *Winston-Salem Journal*, 5 August 1976, A6.

<sup>59</sup> Neal campaign newsletter, Fall 1978. Private collection of the late Holt Flynt.

HEW.”<sup>60</sup> A *Danbury Reporter* article would quote him as saying, “We all know what a mess HEW has made of welfare and how it has meddled with our schools. We certainly don’t want it interfering with an industry upon which the people of North Carolina depend so heavily for their livelihood.”<sup>61</sup>

“Tobacco politics is a hardball game,” wrote Califano.<sup>62</sup> Knowing the political consequences of an anti-smoking campaign, Califano was aware that his proposals were unpopular – particular in states such as North Carolina, Georgia, Virginia, Kentucky and South Carolina. North Carolina Governor Jim Hunt urged Califano to visit his state to speak with farmers. Following up on Hunt’s proposal, North Carolina Congressman Charles “Charlie” Rose (D-Seventh District) reportedly suggested that Califano would have to be educated by a “two-by-four, not a trip,” indicating little use for the HEW secretary.<sup>63</sup>

The political fallout that came from Califano’s anti-smoking campaign was fierce – and Carter made sure that it was *Califano’s* campaign, not his own. Carter’s first remark to Califano about the campaign occurred during a phone conversation 6 February 1978. Carter said, “I think your decision on smoking ... [is] correct. Unfortunately ... this is tough stuff for a governor, particularly a Southern one.”<sup>64</sup>

On February 28, 1978, seven weeks after the anti-smoking campaign began, Carter aide Jack Watson contacted Califano to report on the president’s meeting with Hunt and North Carolina Senator Robert Morgan. According to Watson:

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<sup>60</sup> *Winston-Salem Journal*, 5 August 1976, A6.

<sup>61</sup> *Danbury Reporter*, 1 July 1978, 16.

<sup>62</sup> Joseph A. Califano Jr. *Governing America: An Insider’s Report from the White House and the Cabinet*. New York: Simon and Schuster, 1981 (187).

<sup>63</sup> *Ibid* (187).

<sup>64</sup> *Ibid* (187-88). Brackets and statement within brackets not in original.



Hunt and Morgan had urged the President to direct [Califano] to ‘cool the rhetoric on the anti-smoking campaign, to stop using phrases like “slow motion suicide,” and to stop speaking about the subject of smoking.’ They argued that the anti-smoking campaign could kill any chance of beating Republican Senator Jesse Helms, and could even cost the Democrats one or two seats in the upcoming congressional elections.... “Hunt and Morgan told the President the anti-smoking campaign was devastating politically.”<sup>65</sup>

Watson also said that Hunt and Morgan believed Califano should go after alcohol instead of tobacco. The two believed that if North Carolina sued HEW, it could cost Carter the state in 1980.<sup>66</sup> Califano realized his anti-smoking campaign generated opposition. House Speaker Tip O’Neill told him in 1978 that he was “driving the tobacco people crazy.” Ted Kennedy even told Carter that he needed to get rid of Califano in order to win North Carolina – an odd confession coming from a future Carter opponent and liberal anti-tobacco statesman.<sup>67</sup>

One White House aide said, “With all the problems Carter has in North Carolina ... he doesn’t need an anti-smoking campaign.” Carter visited the state in August ’78 and even joked about Califano, stating, “I had planned to bring Joe Califano with me, but he decided not to come. He discovered that not only is North Carolina the number-one tobacco-producing state, but that you produce more bricks than anyone in the nation as well.”<sup>68</sup>

In 1978, the Fifth District, and particularly Stokes County, was heavily targeted by the Republican Party, which sent high-profile speakers on behalf of local, state, and district candidates. Senator Jesse Helms had become very popular in the Democratic

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<sup>65</sup> Ibid (188-89).

<sup>66</sup> Ibid (189).

<sup>67</sup> Ibid (196). Senator Ted Kennedy was a credible challenger to Carter’s bid for the Democratic nomination in ’80.

<sup>68</sup> Ibid (187,192).

county due to his conservative and uncompromising pro-tobacco and pro-farmer style, and probably would have won it easily even had he not visited. His visits were mostly for political posturing and to pound the tobacco issue as hard as he could, with the intention of helping local Republican candidates win the election. Helms had broad support and ran advertisements in the local newspapers that listed names of his popular local Democratic supporters.<sup>69</sup> Recalled Graham Flynt, “I remember hearing that Helms was coming to stir up the farmers, and that the ‘Democrats for Helms’ groups had formed with the sole intent of placing pro-Helms endorsements in the local papers. I hated it.”<sup>70</sup>

Neal spent plenty of time in the county as well. He attended small precinct meetings, farmers’ meetings, cookouts, and whatever else to which he was invited.<sup>71</sup> Headlines in the spring of 1978 regularly reported Neal’s attendance at these events. Yet his speech at one of them – a fundraiser in the town of King – came back to haunt him (or at least to make him backpedal). He suggested that the anti-tobacco rhetoric was only rhetoric and would never lead to change in the industry – which, as we know, it did. In his speech, Neal referred to Carter as “a great president who has the courage to take on big problems.... I think he will be one of our all-time great presidents.”<sup>72</sup> Neal also stated that “Democrats are going to be called on to protect the tobacco program from Republicans.”<sup>73</sup> Yet the obvious chief enemy of tobacco was Carter’s own Health, Education and Welfare Secretary, the former California Democratic Congressman Joe Califano. Califano had led the assault against the tobacco industry and helped launch a

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<sup>69</sup> *Danbury Reporter*, 7 October 1978, 4, and *Winston-Salem Journal*, 12 October 1978, A3.

<sup>70</sup> Graham B. Flynt, interview.

<sup>71</sup> Velmalene Leake, retired beautician and former Democrat county chair, interview by author, 27 September 1999, Danbury, North Carolina.

<sup>72</sup> *King Times-News*, 1 March 1978, 1.

<sup>73</sup> *King Times-News*, 1 March 1978, 1.

fierce anti-smoking campaign with HEW funding in '78. Echoing the sentiments of Senator Frank Moss, defeated in a re-election attempt in 1976, he had attacked tobacco at every opportunity and proposed new measures to cripple the mighty industry. Although Carter certainly wanted to address the public health issue of tobacco's role in the 90,000 lung cancer deaths a year in the United States, he did not support Califano's efforts to abolish the tobacco support program.<sup>74</sup> In his biography of Carter, Peter Bourne, who had served as Carter's special advisor on mental health, wrote:

Califano posed a particular problem. A man of considerable talent and ego, Califano knew that he was in the cabinet by virtue of his reputation as [President Lyndon] Johnson's chief of domestic policy and his close relationship with [Vice President Fritz] Mondale. He had never felt much loyalty to Carter, and pursued a largely independent course from the White House. He understood well the limits of influence the White House can exert over a cabinet officer. As an unabashed liberal who wanted to maintain his own favorable relationship with Democrats in Congress, he seemed to make only a halfhearted effort to sell the president's austerity measures. A reformed smoker, he launched a major anti-smoking campaign based on the health hazards of cigarettes. He did so knowing full well that Carter's political base was in tobacco-growing states. On one occasion, [North Carolina Governor] Jim Hunt ... called me and said, "Tell the president that if he cannot shut up Joe Califano, he can kiss North Carolina goodbye in 1980." Yet Carter could not shut him up.<sup>75</sup>

Ultimately, though, in 1979, Carter asked for Califano's resignation in a major shake-up of his cabinet; Carter was pressured by politicians like Neal and Morgan to rein in the chief opponent of tobacco. Califano never was a team player, and Carter recognized that he was a political liability. Popular among liberals, Califano was an easy target for pro-tobacco southern politicians.<sup>76</sup> To fill Califano's shoes, Carter moved Patricia Harris from the Department of Housing and Urban Development. Harris maintained a low profile in contrast to Califano's often boisterous anti-tobacco talk – to the satisfaction of

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<sup>74</sup> *King Times-News*, 25 January 1978, 5-B.

<sup>75</sup> *King Times-News*, 15 February 1978, 2.

<sup>76</sup> Burton Kaufman. (146).

Neal and local farmers. Many Southern Democrats, including those in Stokes County, were relieved. The department was later reorganized, however, as HEW split to create two separate departments.<sup>77</sup>

Yet while Califano was at HEW, he wreaked havoc on tobacco state Democrats. Morgan, an opponent of Califano, successfully introduced aggressive legislation to curb his influence. His bill limited Califano's authority to fund anti-smoking campaigns by redirecting other HEW funds.<sup>78</sup> Morgan sought to handcuff the HEW budget and limit where those funds could be spent. A *King Times-News* article referred to one of Morgan's statements in his "Report to the People:"

(Morgan) noted, "The secretary, who very recently was a two-packs-a-day man, announced he would use every method he could think of, from prohibiting smoking on airlines to higher insurance rates for smokers, to get his message across. What he advocated sound like simple harassment to those who smoke.... I doubt that anybody in the country is not aware of the health hazards that have been linked to cigarettes, and yet almost 40 per cent of our people continue to smoke, about the same percentage that smoked 14 years ago when the first report on smoking came from the surgeon general's office... The American public have made an informed choice...and have a right to be free from being harassed by Mr. Califano.... The bill I have introduced could be termed one small step to correct this lack of understanding on Mr. Califano's part."

Califano promptly reversed his position when pressured by President Carter and Agriculture Secretary Bob Bergland to encourage continued government support of the tobacco industry. Califano's own credibility took a tumble.<sup>79</sup> Neal, likewise, had introduced a similar bill that was met with success.<sup>80</sup>

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<sup>77</sup> Ibid (147).

<sup>78</sup> *King Times-News*, 15 February 1978, 2.

<sup>79</sup> *Winston-Salem Journal*, 1 July 1978, B5.

<sup>80</sup> "Bill Summary and Status for the 96<sup>th</sup> Congress." Online (20 March 2002). [http://thomas.loc.gov/cgi-bin/bdquery/R?d096:FLD003:@1\(Rep+Neal\)/bss/d096query.html](http://thomas.loc.gov/cgi-bin/bdquery/R?d096:FLD003:@1(Rep+Neal)/bss/d096query.html).

Governor Hunt and Senator Morgan met with President Carter in February 1978 to discuss their concerns about Califano's anti-smoking campaign. An article published the following day, headlined "Carter Cares About N.C., Officials Say," stated:

Hunt and Morgan said they talked privately with Carter about the proposed antismoking campaign of Joseph Califano, secretary of Health, Education and Welfare....

They said Carter listened sympathetically and showed deep concern ... but made no promises about intervening with Califano on behalf of the nation's leading cigarette-manufacturing state.

Hunt said that Carter repeated an earlier vow of support for the tobacco subsidy program and that the president asserted that the government should go no further than health warnings in trying to discourage smoking....

Hunt and Morgan said they specifically complained to Carter about "Califano's rhetoric" on the smoking-and-health issue, about proposals for increasing cigarette taxes and about new rules prohibiting smoking in certain government buildings.<sup>81</sup>

Yet it is important to again note that Califano was not the only one working against tobacco – nor was his party the only party working against it. Representative James P. Johnson, a Republican from Colorado, introduced a bill in March '78 that was, according to the *King Times-News*, "aimed at killing the tobacco program:"

The bill calls for an Agricultural Department study of how ending the tobacco program would affect the income of family farmers. It also would express a "sense of the Congress" that all federal support for tobacco should end.

Rep. Steve Neal, D-N.C., was severely critical of the Johnson bill and has begun a counterattack intended to convince other members of Congress that the legislation would be disastrous to tobacco farmers....

"In his zeal to protect us from our own personal choices, the gentleman (Johnson) has selected tobacco, which, to my knowledge, neither grows nor is manufactured in his state," Neal said. "He conveniently overlooks the fact that his district produces at least two agricultural commodities, sugar beets and grain, which can be detrimental to the health when used abusively as sugar and alcohol."

Neal suggested that Johnson ought to be willing to amend his bill so it also would eliminate federal support of sugar beets and grain....

"The point is that we can make the same argument against sugar beets that Mr. Johnson is making against tobacco," Neal said. "We could say the same thing about grain alcohol, butterfat, bacon, or just calories, for that matter.

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<sup>81</sup> *Winston-Salem Journal*, 1 March 1978, A1-2.

Frankly, however, no matter how it's used, the argument doesn't make good sense, because people reserve the right to choose what they will eat, and whether they will smoke or drink.”

Neal said Johnson's bill is part of a “three-pronged” attack on tobacco. The other factors, he said, are HEW Secretary Joseph Califano's anti-smoking campaign and legislation to stop cigarette smuggling by imposing stiff federal taxes on cigarettes.<sup>82</sup>

Thus, Neal had a Republican opponent working against tobacco and could turn around the rhetoric on the GOP. Neal steadily maintained his pro-tobacco position and often sought ways to reassure his constituents that he was representing their interests. In fact, he was. Neal worked hard for the industry and tobacco farmers, despite misleading attacks by his Republican opponents.

In mid-March of 1978, Neal welcomed President Carter to Winston-Salem. Neal called Carter's visit “an honor to the city and the Fifth District.” Sensing voter unrest over the tobacco issue, Neal added, “I am fully aware that many people are up in arms over the Califano mess, and I share that outrage. However, I believe that the people of the Fifth District are able, as I am, to disagree with the administration from time to time without losing confidence in, and the highest respect for, the President of the United States.”<sup>83</sup> The “Califano mess” to which Neal referred had placed many Democratic members of Congress on the hot seat by forcing them to strike a tenuous balance between supporting the party and president, and protecting their local political interest – which, in Neal's case, was tobacco.

Despite welcoming the president, Neal kept his distance. During Carter's visit, Neal stated, “I don't believe in rubber-stamping the recommendations of anybody, including the president,” and his tone could be harsh toward the president. As for

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<sup>82</sup> *King Times-News*, 29 March 1978, 2.

<sup>83</sup> *King Times-News*, 15 March 1978, 2.

Califano's anti-smoking campaign, Neal noted that he believed it "will never light up."<sup>84</sup> From mid-1978 through the November '78 election, Neal's weekly column in the *Danbury Reporter* and the *King Times-News* was either contrary to Carter or widely populist in its appeal, indicating Neal's anxiety about the election and his need to distance himself from the president's agenda.<sup>85</sup>

Hamilton Horton, Neal's 1978 conservative Republican challenger, increased the intensity of his rhetoric at the Stokes County Republican Party's annual Lincoln Day Dinner in early April '78. Addressing a partisan crowd, Horton commented on Neal's performance as a congressman and also on President Carter's recent visit to the district. Horton said that Neal "looked as if he was handcuffed to him [Carter]" and accused Neal of suffering from "mugwumpitis – his mug on one side and his wump on the other."<sup>86</sup> Horton claimed that even though Neal told voters of the Fifth District that he was in favor of a strong national defense, more jobs, and no tax increases (particularly on tobacco), in Washington he voted the opposite way. Horton only bothered to support the first charge: Neal voted against funding the production of the B-1 bomber. Horton claimed that not producing the bomber would leave the U.S. Military with obsolete aircraft, but, of course, the new aircraft's opponents saw the situation differently.<sup>87</sup> Horton did not explain his charges against Neal's record on employment and taxation; in fact, Neal had sought to address inflation<sup>88</sup> and had received a 76 rating out of 100 from the National Taxpayer's

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<sup>84</sup> Ibid.

<sup>85</sup> *Danbury Reporter*, 24 April 1978, 2; 14 June 1978, 1; and 27 October 1978, 2.

<sup>86</sup> *Danbury Reporter*, 17 April 1978, 1.

<sup>87</sup> "Comparing the Candidates." Ham Horton Campaign Flier, Fall 1978.

<sup>88</sup> "Bill Summary and Status for the 96<sup>th</sup> Congress." Online (20 March 2002). [http://thomas.loc.gov/cgi-bin/bdquery/R?d096:FLD003:@1\(Rep+Neal\)/bss/d096query.html](http://thomas.loc.gov/cgi-bin/bdquery/R?d096:FLD003:@1(Rep+Neal)/bss/d096query.html).

Union for his support of tax cuts and fiscal discipline.<sup>89</sup> Horton also suggested that President Carter was out of touch with North Carolina and was “lost [in the Fifth District] because he was in unfamiliar territory,”<sup>90</sup> perhaps suggesting that his views on tobacco were inconsistent with the local electorate – even though they usually were not. Former Democratic Party chairman Graham B. Flynt remembers receiving a yellow and black card from a Horton campaign worker at K&W Cafeteria in Winston-Salem. The card read: “Stop Carter and Califano. Vote Horton.”<sup>91</sup>

For the duration of the Carter presidency, Neal’s weekly column continued to state his own agenda and point out differences between himself and the Administration. One headline proclaimed, “Steve Neal Opposes Anti-Smoking Funding.” In the article, Neal launched an attack on Califano, who earlier had issued a new Surgeon General’s report on the dangers of tobacco and smoking. Neal touted his own efforts to introduce a bill that would prevent Califano from launching “an expensive propaganda campaign against tobacco.” Although Neal hoped the new legislative year would strengthen U.S. relations with Taiwan, solar energy legislation, energy policy reform, and budget reform, tobacco remained the issue he would have to constantly defend,<sup>92</sup> for it was often the issue closest to many of the voters. A *Winston-Salem Journal* article published right before the election stated that both Congressman Neal and his opponent Ham Horton “championed the interests of the tobacco farmer.”<sup>93</sup> Neal was safe on the tobacco issue if only his constituents would listen. However, the pressure did not end. It seemed during

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<sup>89</sup> Michael Barone and Grant Ujifusa, *Almanac of American Politics 1980*. Washington, D.C.: Barone & Co., 1979 (658).

<sup>90</sup> *Danbury Reporter*, 17 April 1978, 1.

<sup>91</sup> Graham B. Flynt, interview.

<sup>92</sup> *Danbury Reporter*, 5 January 1979, 2.

<sup>93</sup> *Winston-Salem Journal*, 5 November 1978, A1.



the Carter years that anti-tobacco positions were disproportionately higher among Democrats than Republicans. Thus, Neal – and several southern tobacco state Democrats – found tobacco the main issue for which they would have to fight to prove their support.

A *King Times-News* columnist wrote an article on January 31, 1979 condemning Califano and his efforts to wage war against tobacco. The article blasted the HEW secretary as being “out of touch” and “doing nothing at taxpayers’ expense,” and finally stated, “North Carolina’s tobacco farmers have been around longer than you have, Mr. Califano, and longer than HEW, and longer even than the United States Government. When you are gone, Mr. Califano, and all the readers of this column are gone too, we hope North Carolina tobacco farmers will still be here.”<sup>94</sup> Articles like this kept the pressure on Neal to distance himself from HEW, Califano, and even Carter while distinguishing himself as a staunch defender of tobacco and a champion of free enterprise. Local voters would associate HEW and Califano with Carter and might then associate Carter with Neal – a negative association that Neal sought to avoid.

In April 1979, an article titled “Neal Protests Senators’ Proposal on Tobacco” focused on a proposal by Democratic Representative Henry S. Reuss (Wisconsin) that tobacco farmers be “weaned away from tobacco.”<sup>95</sup> Reuss advocated a gradual phasing-out program like the war against opium and cocoa cultivation in Asian and South America.<sup>96</sup> Neal blasted Reuss by saying:

He’s talking about something here that he knows absolutely nothing about.... Mr. Reuss is another of those misguided people who believe the issue of smoking and health can be resolved by putting 600,000 tobacco farmers out of business.... Mr. Reuss simply does not understand the economic importance of tobacco. He

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<sup>94</sup> *King Times-News*, 31 January 1979, 2.

<sup>95</sup> The headline was incorrect; instead of a “Senator’s Proposal,” it was actually a proposal made by Representative Henry S. Reuss (D) from Wisconsin.

<sup>96</sup> *Danbury Reporter*, 31 January 1979, 2.

comes from Milwaukee, a city of breweries. Why doesn't he advocate that we close down the breweries...until they can learn to make wicker baskets or something?<sup>97</sup>

Ironically, Reuss had written a letter to the editor of the *Danbury Reporter* and *King Times-News* in 1978 praising Steve Neal's accomplishments in Congress.<sup>98</sup> In defense of tobacco, Neal proved he was willing to combat an old friend.

Toward the end of 1979, the midpoint of his fourth term, Neal defended tobacco again. One *Danbury Reporter* headline read, "Neal Opposes Recommendation to Start Anti-Smoking Ads." The article stated that Neal believed, "There are few Americans who are not aware of the surgeon general's warning that cigarette smoking is dangerous to your health. One study is reported to show that more people know about the warning than do the Bill of Rights or the Ten Commandments." For this reason, Neal believed, existing ads were doing their job and additional anti-smoking ads were not needed. Califano, the arch-enemy of tobacco, had been forced to step down from HEW in '79 but was still outspoken against the industry. Neal stated, "It almost seems that Joe Califano went over to the Federal Trade Commission when he was fired at HEW."<sup>99</sup> In other words, Califano still was an outspoken opponent against tobacco. Again Neal used strong language in attacking those who would go against tobacco. N.C. Republican State Senator I. Beverly Lake, who had his eyes on the governor's office in 1980, visited Stokes County and, at a county GOP dinner, denounced Califano, Governor Jim Hunt, Congressman Neal, and President Carter, and stated, "It's time for politicians who

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<sup>97</sup> *Danbury Reporter*, 19 April 1979, 2.

<sup>98</sup> *Danbury Reporter*, 16 February 1979, 2.

<sup>99</sup> *Danbury Reporter*, 13 December 1979, 2.

support President Carter to make it clear to him that these attacks on tobacco must stop.”<sup>100</sup> From the White House to the State House, tobacco was a fire brand issue.

In Stokes County, regardless of the office or the office-seeker, tobacco was a link to the voter, a political force that, if wielded correctly, could possibly unseat even the best candidates. Although Stokes County was not heavily populated in 1980, it still drew considerable attention from the heavyweight political contenders. “Governor Hunt speaks to Stokes Supporters” read a headline with a large photograph of the governor greeting constituents at the King American Legion.<sup>101</sup> Hunt told the crowd that he understood the needs of a rural county and vowed to continue what he termed his “economically conservative government” if re-elected. “We are cutting down the growth of government, as well as the number of employees,” he said, and added that he understood the importance of tobacco and was proud to be governor of the state that was the largest producer of tobacco. He asked the 150 Democrats there to “work their heads off” to give him a strong victory in Stokes County.<sup>102</sup> Neal’s weekly article in the same edition stated, “Neal and Others To Fight Proposed New Tax on Cigarettes.” Califano and northeastern liberals in Congress had proposed the bill.<sup>103</sup> It was evident that the astute North Carolina politicians knew where they needed to be on the divisive tobacco issue if they were going to win. Neal and Governor Hunt – and even Senator Robert Morgan – understood this.

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<sup>100</sup> Ibid.

<sup>101</sup> In addition, State House Speaker Carl Stewart, running for Lieutenant Governor, swept through the county, visiting the county seat of Danbury, and received a sizable front page photo in the 1 May 1980 edition of the *Danbury Reporter*.

<sup>102</sup> *Danbury Reporter*, 17 April 1980, 1.

<sup>103</sup> Ibid.

Yet unlike Hunt and Neal, Morgan never successfully communicated to voters that he too was a champion of popular, conservative local issues. Having come from the eastern part of the state, where many of his neighbors raised tobacco, he had an economic interest in the success of the tobacco industry and was perceived by many as a true “friend of the farmer,” constantly aware that his constituents depended on tobacco for their wellbeing. Although the tobacco industry itself was primarily found in the larger cities of the Piedmont, most of the tobacco was grown in the eastern part of the state, particularly just due east of Morgan’s hometown, Lillington. Morgan ran countless advertisements proclaiming his support for farmers.<sup>104</sup> He also was a team player, close to President Carter’s side; this link proved disastrous for his political viability, as attack after attack linked Morgan to the president’s shortcomings and damaged his credibility, his independence, and ultimately his electability among voters of North Carolina. The savvy politicians Neal and Hunt were articulate and got their mainstream issues across to their voters. Morgan, on the other hand, was complacent; he wrongly believed he was popular among conservatives and thus held a safe seat.<sup>105</sup>

Tobacco was a major issue, and remained so throughout the 1980 race between Neal and Republican challenger Anne Bagnal (N.C. Senator of Winston-Salem), when Neal won by a slim margin. Governor Hunt, however, was popular with a well-known pro-farmer record and had come to dominate the politics of the state as no other governor had done in twenty years. His issues were narrow and he proved faithful to them.<sup>106</sup> It is

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<sup>104</sup> Paul Luebke. *Tar Heel Politics 2002*. Chapel Hill: The University of North Carolina, 1998 (114).

<sup>105</sup> Michael Barone and Grant Ujifusa, *Almanac of American Politics 1980*. Washington, D.C.: Barone & Co., 1979 (817).

<sup>106</sup> Michael Barone, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1982*. New York: E.P. Dutton & Co., 1981 (817).

fair to say that the political casualties of being associated with the wrong side (anti-tobacco factions) were surprisingly limited in North Carolina, especially given the virulence of the rhetoric. State Democrats had worked hard to prove their support for the Golden Leaf, and had some success – although not completely, as they were beginning to lose on the tobacco issue, which is a trend that has continued to this day.<sup>107</sup>

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<sup>107</sup> Paul Luebke. *Tar Heel Politics 2002*. Chapel Hill: The University of North Carolina, 1998 (117).

## **Chapter Two**

### **Politics as Usual: Government Spending, Inflation, the Rhetoric of Economics, and “Ten Cent Cheap Shots”**

Steve Neal’s battles were certainly not limited to tobacco. He faced steady opposition as early as 1975, when his challenger Wilmer Mizell blamed the freshman congressman for high inflation and a stagnant economy. Republicans were not going to miss an opportunity to blame the sluggish economy on Democratic spendthrifts in Washington. A *Winston-Salem Journal* newspaper headline in ’76 read, “Taxes, Spending: Congress Ends 2 Fighting Years,” referring to the fact that Democrats supported a budget that was \$4 billion more than President Ford had recommended.<sup>108</sup>

In *Jimmy Carter’s Economy: Policy in an Age of Limits*, Historian W. Carl Biven described the economy Carter inherited as one beyond the administration’s control. Carter was deeply concerned about curbing inflation, controlling spending, and dealing with unemployment. A fiscal conservative, Carter supported tax cuts and zero-based budgeting, and opposed deficit spending, partly because of his experience as a governor

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<sup>108</sup> *Winston-Salem Journal*, 3 October 1976, B1.

with the constitutional requirement to balance the Georgia state budget.<sup>109</sup> Congressman Neal shared Carter's enthusiasm for reinvigorating the dismal economy. Neal, only a second-year congressman, was already (at the time of Carter's election) climbing the ranks of congressional committees, serving on the Banking, Finance, and Urban Affairs committee, and such subcommittees as Domestic Monetary Policy, International Development Institutions and Finance, and Investment and Monetary Policy. He became chairman of the latter subcommittee in 1978.<sup>110</sup>

Yet Neal's main economic agenda was curbing inflation. In 1974, when he was appointed chair of the House Banking Committee's newly created subcommittee on domestic monetary policy, he became the first freshman to hold a subcommittee chairmanship in 25 years. Neal contended that the Federal Reserve had caused 60 per cent of the inflation in the United States since 1953, and that the Federal Reserve was too political and that its behavior was "destructive." Neal was becoming an authority and quite a leader in finance, and he saw an opportunity to promote ambitious economic change. He charged that the Federal Reserve chairman, Arthur F. Burns, "tried to jack up the economy to get Richard Nixon re-elected," a charge that Carter himself had said.<sup>111</sup> Neal insisted that, to keep inflation low, a slow and constant rate in the increase of the money supply was necessary. He concluded that Congress needed to first halt government spending, then cut taxes.<sup>112</sup>

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<sup>109</sup> Biven, Carl. *Jimmy Carter's Economy: Policy in an Age of Limits*. Chapel Hill: University of North Carolina, 2002 (65).

<sup>110</sup> Barone, Michael, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1982*. New York: E.P. Dutton & Co., 1981 (829).

<sup>111</sup> Biven (98).

<sup>112</sup> *New York Times*, 11 July 1976.

Jimmy Carter recognized inflation, high interest rates, and high unemployment as the chief economic crises facing his administration and the country at the beginning of his term.<sup>113</sup> His proposals included the spending limits that Neal sought; and in addition, Carter recommended voluntary wage and price guidelines, fiscal restraint, and credit restrictions. Carter supported light tax cuts and was determined to limit spending, a priority during his days as Governor of Georgia. And he knew that inflation would have to be lowered. Yet Carter's economic policy seemed to change quarter by quarter as new economic measures, figures, and projections were issued.<sup>114</sup> Carter's policies seemed, at times, reactionary, not pro-active, and therefore were not encouraging to consumers.

In 1977 Neal introduced a bill to reduce inflation and prevent recession through regulating the money supply, yet due to lack of support, the bill failed to reach the floor. Carter certainly would agree with Neal's basic ideas, yet the president's economic team identified different measures. The White House was encouraged by second quarter, 1978 economic growth, yet quickly turned pessimistic upon learning that the unemployment rate was sure to rise and even the short growth would slow down.<sup>115</sup> Neal again proposed controlling the money supply in 1978, while Carter worried that a restrictive monetary policy might lead to an outright recession.

Carter's initial 1976 economic plan would consist of tax cuts of 25 billion dollars, which many liberal Democrats opposed; these cuts would take effect during the early days of his presidency.<sup>116</sup> Neal and Senator Morgan were reluctant to support major tax

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<sup>113</sup> Kaufman, Burton. *The Presidency of James Earl Carter, Jr.* Lawrence: University of Kansas, 1993 (58).

<sup>114</sup> *Ibid* (58).

<sup>115</sup> *Ibid* (100).

<sup>116</sup> *Washington Post*, 31 October 1976, C4.



cuts, although both supported the smaller tax cut initiatives on Carter's behalf.<sup>117</sup> In a 1977 response to a major tax cut called the Kemp-Roth Amendment, Neal said:

I believe we must first cut spending, then cut taxes. We must lessen the deficit, which is a principle cause of inflation. Inflation is the cruelest tax of all.... Let me point out that I love to vote for tax cuts and have done so consistently.... Tax cuts are the easiest of all votes to cast, politically, because they are always popular and therefore require no courage or commitment.<sup>118</sup>

Neal had a self-styled fiscal discipline of his own.<sup>119</sup> Yet he could not solve the nation's economic woes from the lower house of Congress. And according to Burton Kaufman, inflation had replaced unemployment, wage stagnation, and slow growth as the nation's premier economic problem – and inflation was much harder to handle than the others.<sup>120</sup>

Neal often faced the brunt of Republicans' criticism when spending was an issue, even though he was a tireless champion of creative ways to achieve fiscal discipline. As early as 1976, the political rhetoric of calling Neal a "tax and spend liberal" was heating up. An October 1976 article in the *Washington Post* read, "The hottest congressional fight is the rematch between freshman Rep. Stephen L. Neal (D) and ex-Rep. Wilmer D. (Vinegar Bend) Mizell (R), rated a toss-up."<sup>121</sup> Mizell ran hard on economic issues, sharply criticizing and questioning Neal's economic policies and arguing that Neal had failed to show fiscal restraint and that he voted with liberals, although he was only two years on the job.<sup>122</sup>

Mizell even invited former Governor Ronald Reagan, the champion of conservative causes (including fiscal conservatism), to appear at a fundraiser on his

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<sup>117</sup> Graham B. Flynt, school teacher, interview by author, 27 September 1999, Germanton, N.C.

<sup>118</sup> "Congressman Steve Neal Reports from Washington," newsletter, 1977.

<sup>119</sup> *Winston-Salem Journal*, 1 August 1978, B3.

<sup>120</sup> Kaufman (106).

<sup>121</sup> *Washington Post*, 31 October 1976, C4.

<sup>122</sup> Mizell for Congress bulletin, 1976. Private collection of the late Holt Flynt of Germanton, N.C.

behalf in October 1976 at Winston-Salem's Benton Convention Center. The headline of the article covering the event read, "Reagan Attacks Congress at Mizell Banquet," indicating that one of the reasons for Reagan's visit was to criticize the state's Democratic congressman and opponent of Mizell, Steve Neal. Indeed, Reagan stated:

I believe that the present Congress, of which Wilmer Mizell's opponent [Steve Neal] is a member, has been more irresponsible than any other in our lifetime.... When Jimmy Carter and [Walter] Mondale talk about unemployment and the unjust tax structure, I'd like them to tell me which Republican Congress is responsible for this. Everything that is bothering us today could have been corrected by the Democratic Congress during the 22 years they have been in power.<sup>123</sup>

Before the visit, Ed Armfield, Mizell's campaign manager, estimated the fundraiser dinner would raise approximately \$10,000 – "just a little less than what Neal is going to get out of big labor," he said. To those who asked, Reagan said he would refer to his former opponent for the Republican nomination, President Gerald Ford, only once or twice, but would "mention Carter's name an awful lot."<sup>124</sup> The article continued: "Asked about his future in presidential politics, Reagan smiled and said, 'Right now I'm more interested in doing what I can to prevent Jimmy Carter from becoming president.'"<sup>125</sup> By criticizing both Neal and Carter in the same speech, Reagan implied that the two were cut from the same cloth.<sup>126</sup>

Yet Neal was able to prove his Republican critics wrong. In fact, as suggested, he was a strong advocate of curbing inflation and pursuing sound fiscal policies. A December '76 *Washington Post* article, "House Banking Unit Gives Money Supply Key

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<sup>123</sup> *Winston-Salem Journal*, 20 October 1976, B1.

<sup>124</sup> *Ibid.*

<sup>125</sup> *Ibid.*, B1-2.

<sup>126</sup> *Ibid.*

Economic Role” proved that Neal, chair of the House Banking subcommittee reporting on money supply, was serious in wanting to decrease inflation:

Rep. Stephen L. Neal (D-N.C.)...said the report shows that while a big boost in money growth temporarily increases output, over the long run it retards rather than stimulates the economy....

Neal said the study shows “that for each 1 per cent drop in the rate of inflation we can achieve now, we can expect on average a 1 per cent rise in the rate of real GNP (gross national product) next year. Thus, bringing inflation down will increase production and employment and reduce unemployment.”

Conversely, he said, an increase in inflation results in a like decrease in economic production the following year. “For each 1 per cent rise in the consumer price index in the current year, on average, real GNP decreased 1 per cent in the next year.”<sup>127</sup>

During a visit to Mt. Airy, in Surry County (Stokes County’s western neighbor), Neal “condemned the Ford administration...for what he said is its failure to stop inflation:”

Neal told about 200 supporters at a \$25-a-plate supper here that the Democratic majority in Congress is responsible for slowing down inflation. “His [Ford’s] program was to create more recession to combat inflation,” Neal said.

With slogans very similar to Carter’s, Neal talked of a “new spirit in this country” and a “new trust and new faith in our system.”

Neal, who has been waging a barb-filled campaign against his opponent, Wilmer Mizell, attacked Mizell only once last night – by saying Mizell is distorting the issue of tax reform. He did not elaborate.<sup>128</sup>

Even after Neal’s victory in ’76, his opponents continued searching for ways to criticize him on the issue of inflation and the lackluster economy. Hamilton Horton, his ’78 challenger, attacked his record in a campaign handbill, citing: “In 1974, Steve Neal called inflation our number one problem. In 1976, Steve Neal called inflation our number one problem. In 1978, Steve Neal is still calling inflation our number one problem. It’s time to stop talking and do something.”<sup>129</sup> Horton’s rhetoric was tough and targeted. Inflation

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<sup>127</sup> *Washington Post*, 11 December 1976, B9.

<sup>128</sup> *Winston-Salem Journal*, 10 November 1976, B7.

<sup>129</sup> *The Yellow Jacket*, 1978, 3. Private collection of the late Holt Flynt of Germanton, N.C.

was indeed Neal's problem as well as the president's, but it was beyond their control.<sup>130</sup> When Carter entered the picture, the attacks worsened. By '78, with Carter having two years under his belt and showing few successes in curing an ailing economy, Democrats had to brace themselves for the rhetoric to come.

Layoffs and inflation strained Jimmy Carter's relationship with the labor unions. Recognizing that Senator Edward M. "Ted" Kennedy of Massachusetts could be a formidable opponent in '80, Carter did everything he could to introduce legislation that would favor labor on health insurance and unemployment compensation. However, Carter and the liberal Kennedy were often at odds over labor; Kennedy charged that Carter had not done enough on behalf of labor. In fact, Carter had too many other problems, and, given budget constraints, found himself at times without labor's blessing.<sup>131</sup>

Overall, Carter's support for labor during his four years in office was scattered, and, like Neal, he faced strong criticism in the 1980 campaign because of his wavering position. Carter received criticism from liberals who claimed he was not pro-labor enough, whereas Neal faced attacks from '76 through '80 charging that he was too close to "big labor."<sup>132</sup> Yet an October '76 *Washington Post* article had stated, "As in many other Southern states, Carter's early lead has melted under the GOP attack on his 'liberal' or pro-labor positions." Those positions apparently eroded quickly.

The *New York Times* demonstrated Neal's awareness of finance and public opinion in an article titled "Vote on Loan Plan for Third World Nations Postponed by Sponsors, Who Feared Defeat." The 1978 article read:

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<sup>130</sup> Biven (87).

<sup>131</sup> Kaufman (102-115).

<sup>132</sup> *The Yellow Jacket*, 1978, 3. Private collection of the late Holt Flynt of Germanton, N.C.

Two Democratic congressmen postponed today a vote on a controversial bill that would authorize \$1.7 billion in United States loans to third world nations suffering from huge balance of payment deficits because of mounting oil prices.

Representative Henry R. Reuss of Wisconsin, chairman of the House Banking Committee, said he and Stephen L. Neal, chairman of the panel's subcommittee on trade, had made the move....

"It looked as if we took it up on Monday or Tuesday it would fail," Mr. Reuss said in a telephone interview. "We had not done enough of an educating job. Neither the White House or the Treasury had done enough educating either."

The bill, sponsored by Mr. Reuss and Mr. Neal, of North Carolina, would approve a contribution from the United States to a \$10 billion fund of the International Monetary Fund. The bulk of the fund – \$8 billion – would come from oil-rich Arab countries, Mr. Reuss said.

Both Mr. Reuss and Administration spokesmen remarked that defeat of the bill could be very damaging to the Carter administration in terms of its commitment to give social consideration to the needs of the world's poorer countries.<sup>133</sup>

Neal continued to share his opinion with the public on various economic issues.

In a *Washington Post* op-ed titled "The Unhappy History of Trade Protectionism," he

wrote:

Protectionism is not the answer to our economic problems.... Unemployment is still high. Inflation persists. Our industries face strong competition at home and abroad from the aggressive traders of Europe, Japan and the rapidly developing Third World. We are importing more foreign goods than ever, but the demand for American products overseas has been sluggish. As a result, our trade deficit exceeded \$3 billion last year, and the dollar's value has been depreciating.

I am keenly aware of how those economic stresses make protectionism seem attractive.... But I sense that some of my colleagues are tempted to go beyond limited administrative measures that assist distressed industries on a selective basis. They would shove aside the administration's trade negotiations and legislate broader measures reminiscent of [the] Smoot-Hawley [Tariff Act of 1930]....

If Smoot-Hawleyism didn't work in the 1930s, it obviously won't work in today's interrelated world economy. The United States now exports one-sixth of everything it manufactures and one-third of its farm products ... and this trade supported at least 4.5 million jobs in the United States. All this is at stake, remember, when we play the protectionist game – a game always played by more than one.

Indiscriminate protectionism would have other serious consequences. It would deprive consumers of the wide choices and lower prices made available by

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<sup>133</sup> *New York Times*, 4 February 1978, 9.

imports. It would accelerate inflation by eliminating import competition. It would jeopardize our foreign relations and undermine a generation of efforts to build a peaceful and productive world. In particular, it would poison our relationships with the emerging countries of the Third World, who need trade to survive, to pay debts, to modernize and – significantly – to continue to be able to buy our products....

If we keep trying ... many trade barriers eventually can be eliminated by negotiations and by the working of market forces. The important thing is that we continue to move toward freer trade, inch by inch if necessary, and that we not retreat in panic to wholesale protectionism achieved by political logrolling in Congress.<sup>134</sup>

Neal emphasized the importance of learning a lesson from history – particularly the lesson on protectionism. Actively supporting policy changes, and with a platform as head of the Banking Subcommittee, Neal was becoming a leader in the U.S. House of Representatives. And as the economy soured, Neal’s leadership ever more made him an open target for his critics.

In June of 1978, George Bush, who at the time was director of both the CIA and the Republican National Committee, visited the town of King in Stokes County on behalf of Ham Horton, Steve Neal’s formidable Republican rival.<sup>135</sup> Jesse Helms also visited for two days, June 23-24, to campaign for himself and for Horton.<sup>136</sup> While in the county, Helms spoke of Carter’s liberal labor reform legislation, stating, “I can tell you this, there’s going to be another filibuster if [the Senate and the Carter administration] call it up again.” On the cover of the *King Times-News*, opposite a photo of Helms was a picture of Steve Neal receiving the conservative American Security Counsel “Coalition for Peace Through Strength Award.”<sup>137</sup> Democrats and Republicans continued to appear head-to-head from June through November in the *King Times-News*. Often, the issue was

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<sup>134</sup> *Washington Post*, 19 July 1978, A15.

<sup>135</sup> *King Times-News*, 14 June 1978, 1.

<sup>136</sup> *King Times-News*, 21 June 1978, 1.

<sup>137</sup> *King Times-News*, 28 June 1978, 1.

the lackluster U.S. economy. But when the issues were absent, strong attacks against Neal and his previous ownership of that same paper was center-stage.

By late summer, Horton had changed his rhetoric, with attacks that were more personal and more direct. In a 2 August 1978 *King Times-News* article headlined “Candidate Attacks NYC Loan Package,” Horton referred to Neal’s vote for congressional sponsored legislation regarding a New York City bond guarantee and loan package as “a case of throwing \$1.65 billion into that city’s financial sewer. It was a vote for New York, not for the Fifth District.” He then posed the question, “Does Mr. Neal represent the Fifth District of North Carolina, or New York City?” and even called Neal “naive” in his decision to support the legislation. Such loan packages were basically routine in the House, often receiving bi-partisan support, yet Horton drew attention to this particular instance in an attempt to advance his campaign.<sup>138</sup>

Neal offered no follow-up in his next weekly article, but continued to state his disagreement with President Carter on various issues. On the subject of civil service reform, Neal wrote, “I disagree with the president,” but added, “No president in a hundred years has seriously tackled this problem, and I’m glad we’re dealing with it.”<sup>139</sup> In a letter to the editor on September 6, 1978, Congressman Henry S. Reuss, chairman of the Committee on Banking, Finance, and Urban Affairs of the U.S. House of Representatives, defended Neal’s voting and attendance record, which Ham Horton had apparently questioned.<sup>140</sup> Reuss touted Neal as a reformer. At times even Hamilton Horton could not deny Steve Neal’s political success, as stated in the *Winston-Salem Journal* days before the ’78 election:

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<sup>138</sup> *King Times-News*, 2 August 1978, 1.

<sup>139</sup> *King Times-News*, 9 August 1978, 2.

<sup>140</sup> *King Times-News*, 6 September 1978, 2.

[I]n the closing days of Congress [Neal] ... got through Congress a bill to let the furniture industry devise its own approach to meeting flammability standards, and he helped pass another that will ... protect textiles in the current trade talks in Geneva.

Horton, who campaigned hard against excessive government regulation, gave Neal some praise for the bill that Neal took from a furniture industry lobbyist.<sup>141</sup>

Yet this praise from Horton was a rare exception.

Just before the 1978 election, the *King Times-News* ran an editorial cartoon depicting Hamilton Horton as taking “ten-cent cheap shots” at dummies of Steve Neal at a carnival, with the caption stating, “Excuse me, Sir, I think I’m running out of dimes.”<sup>142</sup> This cartoon drew scathing criticism from local Republicans, who drafted a letter signed by nearly 150 outraged citizens:

We realize that Steven Neal used to own this newspaper...but that does not excuse totally one-sided coverage of the current congressional campaign. Your editorial page cartoon is just one example.... The major source of news for Stokes County or any other county should not be a campaign brochure, under the guise of a newspaper, for one candidate or one political party at the expense of the subscriber. We appeal for fair and equal coverage to all candidates, so that we can make up our own minds who to vote for. If this type of coverage continues, we will be forced to take the only recourse available, for us and our friends, to look elsewhere for a fair source of news.<sup>143</sup>

Another attack on the cartoon, from Robert Slate of King, stated:

Dear Editor,

In the October 4, 1978 issue of the *King Times-News*, there appeared a cartoon which depicted Congressional candidate Ham Horton taking ‘cheap shots’ at the present Fifth District Congressman Steve Neal.

I am quite perturbed that you would allow such garbage to be printed for the consumption of your subscribers and the many businesses who you sell your advertising to, which, of course constitutes a great portion of your income.

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<sup>141</sup> *Winston-Salem Journal*, 5 November 1978, A17.

<sup>142</sup> *King Times-News*, 4 October 1978, 2.

<sup>143</sup> *King Times-News*. 18 October 1978, 1. Many of those who signed are now familiar names in the Stokes Co. Republican Party.



I sincerely believe that it is contingent upon the management of your publication to tell the public just what these cheap shots allude to, with a full explanation as to why this bias exists in your paper.

In the same edition, the editor responded, “Steve Neal at one time owned the *King Times-News*... We did not purchase any political obligation to Representative Neal or any other politicians. Our newspapers are independent and from time to time have opinions which will be aired both in editorials and in illustrations.” In addition, the paper included a political cartoon showing elephants surrounding and attacking the *King Times-News* building, and shouting, “I’ll huff and I’ll puff...”<sup>144</sup> The newspaper was resolute in defending its right to print whatever it deemed appropriate. Neal indeed had owned the paper but had sold it entirely before his ’74 campaign –although this fact seemed to be lost beneath the heavy rhetoric centered around his past ownership of the newspaper group.

An October 11, 1978 headline read, “Neal Ahead in *Times-News* Poll,” and included partisan responses from several voters. One voter stated, “Frankly, I think Horton is running a mud-slinging campaign. I guess he just doesn’t have anything on Neal.” Other comments were strictly one-sided and revealed that many voters were lining up along party lines.<sup>145</sup> In the following weeks, the newspaper questioned voters on the street regarding what qualifications they looked for when choosing a member of Congress and what issues were important. Wade Millsap of King, responding to the qualifications question, noted, “I didn’t know they had any qualified ones to choose from,” suggesting that voters were growing frustrated with the campaign.<sup>146</sup> Some specified the economy as a key issue, while others simply said “jobs.” The ’78 *King*

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<sup>144</sup> *King Times-News*, 18 October 1978, 2.

<sup>145</sup> *King Times-News*, 11 October 1978, 1.

<sup>146</sup> *Ibid*, 3.

*Times-News* poll revealed the following numbers: out of 400 voters surveyed, 41% supported Neal compared to 21% for Horton. With 38% undecided, the local paper claimed on October 11 that the race was “too close to call.”<sup>147</sup> Even though Carter, according to most Republicans, was a liability,<sup>148</sup> the *Winston-Salem Journal* took an editorial position in favor of the president:

The combination of events has made Carter a desirable commodity on the hustlings rather than the distinct liability he was fast becoming until recently. Politicians – like everyone else – love a winner, and candidates now seeking Carter’s campaign support no doubt are forgiven by the president for their earlier wish to stay away from any White House connection.<sup>149</sup>

The question would be, “Would Neal want the president’s help?” Indeed he would. Neal saw Carter as a winner and remained loyal to the president and the Democratic Party, despite many of Carter’s choices that were unpopular among Fifth District voters.

Steve Neal was competent and at ease in the area of fiscal policy, used his knowledge to his advantage, provided leadership on economic issues, and proved not to be a tax-and-spend liberal, despite the allegations of his opponent. Neal’s re-election by a surprisingly comfortable margin in ’78 suggested that voters saw him as a responsible, solid Democrat. Yet Republicans succeeded in winning positions for many of their candidates. A headline in the *New York Times* read, “Carter’s Coattails Aren’t Enough to Uproot Republicans In the South.” The article stated, “Despite a series of campaign appearances in the Southeast by President Carter, Republicans held onto key Senate seats that provide their party’s political beachhead in the President’s native region.”<sup>150</sup> The conservative trend was real, and it was evident in the conservative rhetoric used by the

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<sup>147</sup> Ibid.

<sup>148</sup> *Winston-Salem Journal*, 1 November 1978, A4.

<sup>149</sup> Ibid.

<sup>150</sup> *New York Times*, 9 November 1978, A24.

local GOP and the issues they put at the forefront – namely antiabortion, tax cuts, and increased defense spending. Neal, a faithful Democrat associated with President Carter, would have an increasingly difficult political future – unless he could convey to the public that he was no liberal and was no “Carter clone.”

The economy’s problems, and how to remedy them, remained a major concern for Democrats. An article in the *1979 Congressional Quarterly Almanac*, titled “Session of the 96<sup>th</sup>: A Contradiction,” read as follows:

Members came to Washington in 1979 spurred by a nationwide anti-government mood. Legislators, even some of the more liberal ones, talked bravely of the need to limit federal spending. They agreed that the influence of Uncle Sam had become too pervasive and needed to be curbed.

That rhetoric continued through the year, but this session of Congress probably will not be remembered as a conservative one that restrained the powers of government.

It more likely will be recalled as just the opposite: a session where members voted for massive new spending efforts and laid the groundwork for significant new federal involvement in the lives of American businesses and citizens.<sup>151</sup>

In many ways, the economy never ceased being an issue from the ’78 election through November ’80 when voters would go to the polls to vote for president, senators, and members of Congress. Neal would feel increased pressure and plenty of tough talk regarding four years of high inflation, long lines at the gas pump, and skyrocketing interest rates. In ’80, Neal faced Republican Anne Bagnol, a state senator with a conservative record. As in previous elections, Neal faced no opposition in the primary. Carter himself faced serious opposition in the ’80 Democratic presidential primary from Senator Edward Kennedy, who recognized the strength of economic issues when he constantly blasted Carter in stump speeches, proclaiming, “No more high interest rates.

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<sup>151</sup> “Session of the 96<sup>th</sup>: A Contradiction.” *1979 Congressional Quarterly Almanac*, 1980 (11).

No more high inflation. And no more Jimmy Carter.”<sup>152</sup> Kennedy implied that Carter had betrayed liberalism and failed to address traditional Democratic and liberal economic issues. Many voters also felt that Democrats had failed on social issues, foreign policy, and Democratic core issues involving middle class, kitchen table economics. Carter prevailed in the primaries and convention, but was politically wounded in the process. He never gained the wholehearted endorsement from Senator Kennedy. But this did not matter to many Southern Republicans and conservative politicians who loved to link Carter to Senator Kennedy and radical liberalism. This was particularly ironic since many prominent national liberals considered Carter not liberal enough.<sup>153</sup>

Ronald Reagan again appeared in the Fifth District as the keynote speaker at the Fifth District Republican Convention in Winston-Salem, just three days before the May 1980 primary. As the November election approached, the Stokes County Republican Party cashed in on the popularity of Reagan and national issues. In a half-page political ad in the *Danbury Reporter*, the candidates for Stokes County’s local offices were pictured with captions stating that Republicans would work for “wiser use of tax dollars, limited government ... reduced employment, a strong economy based on the free enterprise system, strong national defense ... [and] the right of families to teach values and traditions.”<sup>154</sup> About the Reagan campaign, Peter Dailey, deputy director of the Reagan-Bush Committee, stated:

One of the most important things we tried to do during the campaign was to keep the focus.... [T]he Republican National Committee had done a superb job of setting the agenda as far as focusing on the economy which was *the* single issue before the campaign, during the campaign, and today. That was the issue we felt

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<sup>152</sup> *America’s Political Parties – The Democratic Party: 1960-1992*. West Long Branch, NJ: KULTUR / WhiteStar, 1992. Videorecording.

<sup>153</sup> *Ibid.*

<sup>154</sup> *Danbury Reporter*, 23 October 1980, 2.

we were the strongest in dealing with, and we wanted to stay with it as long and as hard as we could, not be diverted into a separate battle even when the media turned their guns.<sup>155</sup>

The Republican rhetoric that focused on the economy was strong and effective, and probably captured both the mood and the attention of local voters. A question posed at the bottom of the ad asked, “Is inflation eating a hole in your pocketbook? If so, vote Republican for a change.”<sup>156</sup> Hits like this one greatly damaged the Democrats, for local Republican candidates were churning national issues into local ones – unlike local Democratic candidates, who avoided national politics because of Carter’s increasing unpopularity. Local Republican candidates also seemed determined to convince voters that no Democrat worked hard enough to fight inflation. Neal combated these charges, yet he lost the ’80 congressional race in Stokes County with 6,556 votes to Anne Bagnal’s 6,802.

President Carter was also defeated handily in the 5<sup>th</sup> district and Stokes county; he received 5,964 votes, and Ronald Reagan received 7,275.<sup>157</sup> For Neal, the urban vote had been stronger than usual and propelled him to a narrow victory in the Fifth District. Yet the economy had shaken North Carolina Democrats and Neal certainly did not hold a safe seat in Congress. In subsequent elections, not covered in this paper, Neal would continue to face strong, formidable, ultra-conservative opponents, but would narrowly win. Neal would be considered a beatable incumbent without a President to lean on throughout the

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<sup>155</sup> *The Campaign for President: 1980 in Retrospect*. Ed. Jonathan Moore. Cambridge, Mass.: Ballinger Publishing Co., 1980 (209).

<sup>156</sup> *Ibid.*

<sup>157</sup> *Danbury Reporter*, 6 November 1980, 1.

1980s.<sup>158</sup> The economy had damaged Neal, and Carter was proof that economics could be a trap.<sup>159</sup>

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<sup>158</sup> Barone, Michael, Grant Ujifusa, and Douglas Matthews. *The Almanac of American Politics 1982*. New York: E.P. Dutton & Co., 1981 (829).

<sup>159</sup> Biven (86).

## **Chapter Three**

### **Carter's Foreign Policy**

During the Carter presidency, two major foreign policy events damaged the popularity of both the president and the Democratic Party: the Panama Canal treaties and the Iran hostage crisis. Although there were multiple foreign crises in Carter's four years in office (and several successes that often seemed to go unnoticed), Panama and Iran had the most negative rhetorical mileage. In fact, Carter's 70 per cent approval rating began dropping shortly after his inauguration, when in August he sent the Panama Canal Treaty to a cynical and pessimistic Senate. This occasion sparked right-wing Republicans, led by Ronald Reagan and in anticipation of the 1980 election, to use powerfully nationalist rhetoric when addressing the public. Many believe Carter should have been praised in 1978 for a successful economy that had 3 per cent-plus real growth, but "a very widespread public perception of Carter's personal and political ineptness crept outward from Washington circles to the nation at large."<sup>160</sup>

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<sup>160</sup> Renka, Russell D. "Nixon's Fall and the Ford and Carter Interregnum." 3 March 2002. Online: <http://ustudies.semo.edu/ui320-75/Course/presidents/nixon/nixon%27sfall.htm>. 11 October 2002.

At home, Steve Neal found the local electorate interested in tobacco and economic issues, but with an occasional appetite for foreign affairs. Neal wrote many weekly columns during the Carter years that discussed foreign policy, and a specific angle that he favored when considering diplomacy: energy policy. At times, the '78 campaign seemed to be entirely about Carter's decision to turn over the Canal, while in '80, as Carter received widespread support for his commitment to free the hostages, he also was rebuked for failing to bring them home. Furthermore, in '80, he was continually attacked by Republican Challenger Ronald Reagan regarding Panama, though the event was well in the past.<sup>161</sup>

Whether President Jimmy Carter's foreign policy was successful is left to scholarly debate. However, public opinion in Stokes County of his initiatives abroad was unrelentingly negative; many disagreed with his decision to cede the Panama Canal, and others thought he should focus less on Africa and human rights, which they considered distractions.<sup>162</sup> Yet Neal believed strongly in these issues; in November '78, he stated, "I will continue to work for human rights in this country and around the world and to stand up for those people who have no way of making their own voice heard in Washington."<sup>163</sup>

Initially, Carter's handling of international turmoil solidified his image as a leader. Yet the longer the Iran crisis lasted, the weaker Carter looked. Also, he did not support aggressive military action after the Iranians seized the American Embassy – and

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<sup>161</sup> *Winston-Salem Journal*, 12 September 1980, A4.

<sup>162</sup> From author interviews with Stokes County residents.

<sup>163</sup> *Winston-Salem Journal*, 4 November 1978, A12.



most Americans wanted military action.<sup>164</sup> As for the Panama Canal, even though presidents going back to Eisenhower embraced the idea of the treaties, Carter faced strong conservative opposition to relinquishing the Canal. Opponents of the president, including Ronald Reagan and Jesse Helms, argued that the Canal Zone was an essential part of the United States territory. Carter noted in his diary on August 9 that he had sent a telegram to members of the Senate asking them not to speak against the treaty. “Apparently it worked with most of them,” he wrote, “except a few nuts like Strom Thurmond and Jesse Helms.” Seventy-eight percent of American citizens opposed giving up the Canal, while only 8 percent thought it should be relinquished. According to Paul Luebke, the canal “giveaway” was used by Republican candidate John East “to upset incumbent Democratic U.S. Senator Robert Morgan” in 1978.<sup>165</sup>

Rural Stokes County was quite removed from U.S. diplomacy, but its citizens remember various diplomatic ventures of Carter’s tenure. What these residents remember, and why, may shed some insight on Carter’s skills as a communicator. These residents’ memories may also demonstrate Congressman Neal’s ability to position himself and reveal how informed or misinformed the public was in foreign policy. Moreover, how these residents misremember is another point worth examining. Carter’s success as a leader rested, at least in part, on the opinions of those who remember his presidency and the decisions he made while in office. Yet there is more at stake than merely Jimmy Carter’s legacy. What is interesting is that the memory of important events in U.S. diplomacy and foreign policy is shaped by the rhetoric of the times, not by

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<sup>164</sup> Peter Bourne. *Jimmy Carter: A Comprehensive Biography from Plains to Post-Presidency*. New York: Scribner, 1997 (459-60).

<sup>165</sup> *Ibid* (393).

their actual results. This is perhaps true of issues like tobacco and economics, but it is especially true of foreign policy.

When Carter visited Winston-Salem on March 23, 1978, a reporter from the *Danbury Reporter* was there to cover his speech, which was on foreign policy. The article discussed local public perception toward the event:

When I first mentioned to people that I was going to be inside Wait Chapel listening to President Jimmy Carter speak on foreign policy last week, the reaction was predictably mixed. Some people told me that it should be the greatest thrill of my life and some others told me I would probably be bored senseless.<sup>166</sup>

Carter had secured Senate ratification for the first Panama Canal treaty (with N.C. Senator Robert Morgan on board) on March 16, 1978, just a week before his visit to Winston-Salem.<sup>167</sup> Before the canal issue, President Carter was popular in Stokes County, as evident at the ballot box in November '76. Even the *Washington Post* recognized Carter's success in the southern states; an article titled "Carter Scores Impressive Victories Across His Native South" stated, "Carter ... seemed on the way to restoring an almost Solid South to the Democratic Party." Another article stated, "Jimmy Carter won in North Carolina, a state that Richard Nixon carried twice," thus emphasizing Carter's appeal to members of the opposing political party.<sup>168</sup> Yet after the canal issue, Carter's opponents smelled blood, and they sought to make him look as weak as possible. At roughly the same time, local public opinion was fermenting and beginning to sour. Steve Neal was in a bitter campaign for re-election as early as February of 1978. He was very aware of public opinion.

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<sup>166</sup> Bradley Dunlap. "A Glimpse At The President," *Danbury Reporter*, 23 March 1978.

<sup>167</sup> Jimmy Carter. *Keeping Faith: The Memoirs of a President*, New York: Bantam Books, 1982 (173).

<sup>168</sup> *Washington Post*, 3 November 1976, A15.

Neal and his Republican opponent, Hamilton Horton, were also aware of the president's growing unpopularity. Throughout '78, Horton took advantage of Carter's weakness. At an April Republican fund-raiser in southern Stokes County, he told the partisan crowd of 150 that at Carter's recent visit to Winston-Salem, Steve Neal had been "wrapped up in the president."<sup>169</sup> Moreover, Horton criticized the Carter administration's foreign policy and addressed public opinion polls that showed strong opposition to U.S. relinquishing of the Panama Canal. Horton noted, "Every peaceful move that we make toward the communists, they take as a sign of weakness."<sup>170</sup>

Carter's swing through Winston-Salem stirred the partisan fires of the November elections some seven months away. His visit attracted much attention, and obviously Democratic candidates who associated with him exposed themselves to the charge that they were his loyalists. Yet during Carter's visit, Neal suggested that he was not a puppet of the administration regarding any issue. Neal spent the remainder of the summer of '78 distancing himself from the president and defending his autonomy as a member of Congress.<sup>171</sup>

Congressman Neal confronted a public that was furious at Carter's Panama policy, congressional tobacco regulation, and long lines at the gas pumps. Energy policy would have to be Neal's savior, and he manipulated it throughout '78 to gain favor with his constituents. To Neal, successful foreign policy began with sound energy policy. Headlines in the *Danbury Reporter* read "Time for Energy Policy, Neal Says" and

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<sup>169</sup> Bradley Dunlap. "Horton Raps Steve Neal in Stokes Banquet Address," *Danbury Reporter*, 20 April 1978.

<sup>170</sup> Ibid.

<sup>171</sup> Special Release: "Neal Hails Carter's Visit To District," *Danbury Reporter*, 16 March 1978.

“Neal’s Oil Bill Passes 267-125 in House.”<sup>172</sup> Congressman Neal became a leader on the issue of energy, and he used his knowledge and experience to deal effectively with energy policy while sidestepping the Panama issue through the ’78 election. The Panama issue was one he could afford to skip, for as a member of the House – not the Senate – Neal did not have to vote on this issue. Nevertheless, the issue was so toxic that it put Neal on the defensive. Horton reminded audiences that Neal’s man in the White House had shown weakness by making gestures that would appease the communists.<sup>173</sup> Neal never associated his policy with any of Carter’s own energy initiatives, which stressed resource conservation and less dependence on others for oil. In addition, in early 1978, Neal introduced to Congress his own legislation that called for a refocused look into solar energy options. A *Winston-Salem Journal* article discussed this legislation:

The House of Representatives has agreed to consider a bill by Rep. Steve Neal, D-N.C., which would hasten the development and use of solar energy equipment in the United States.

Neal’s bill would create a \$5 billion Solar Energy Development Bank to make long-term, low-interest loans for the purpose of buying and installing solar energy units in homes, apartments, and commercial buildings....

“I believe the Solar Bank would give solar energy the boost it needs to become a highly practical source of energy for homeowners and business operators,” Neal said.

.... Neal said he thinks the time has come to push ahead swiftly with development and use of solar equipment.<sup>174</sup>

As Neal wrestled with energy policy, tobacco regulation, and Panama, the people of Stokes County were forming opinions on Carter’s policies – in particular, the Panama Canal. Remembering the canal treaty, Sue Briggs, 62, a lifelong Stokes County resident and retired school teacher, regretted Carter’s decision. “You don’t ever sell land,” she

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<sup>172</sup> *Danbury Reporter*, 7 August 1978, 2.

<sup>173</sup> *Danbury Reporter*, 20 April 1978, 1.

<sup>174</sup> *Winston-Salem Journal*, 1 March 1978, B16.

told me in 1999. “They can’t make any more of it. I supported keeping troops down there. It was a major shipping route.” A loyal Democrat and Carter supporter, she hesitantly noted that Carter was “too kind in foreign policy” and that he seemed a bit “naive.”<sup>175</sup>

Velmalene Leake, 65, a retired beautician and member of the Stokes County Board of Elections, did not support Carter’s policy. When first asked if she agreed with Carter’s policy toward the canal, she quickly said, “No,” and then opted for “not sure.”<sup>176</sup> Leake then stated that “the average citizen doesn’t know much about foreign policy,”<sup>177</sup> and vindicated Carter by saying, “He did the best job he possible could.”<sup>178</sup>

Graham Flynt, 38, a Stokes County school teacher and former Stokes County Democratic Party Chair, held a different view. He noted, “I didn’t care about the Panama Canal Zone. I supported Carter.”<sup>179</sup> In response to the canal being such a hot-button issue, Flynt explained:

I didn’t even see it as an issue. The way we took Panama was wrong. We took it by devious means. We were American imperialists. It’s hard for the average American to understand that. I thought it was important to build better bridges with the people of Latin America, and giving back the canal was more than a gesture, it showed U.S. concern and showed that gunboat diplomacy was dead.<sup>180</sup>

The memories of Briggs, Leake, and Flynt might typify the various views expressed by rural residents of Stokes County in that they differ. These views also reveal an uncertainty about why the canal was given back and under what circumstances. Had the Carter administration communicated more effectively, perhaps all three recollections

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<sup>175</sup> Sue Briggs, interview by author, 27 September 1999, Walnut Cove, North Carolina.

<sup>176</sup> Velmalene Leake, retired beautician and former Democrat county chair, interview by author, 27 September 1999, Danbury, North Carolina.

<sup>177</sup> Ibid.

<sup>178</sup> Ibid.

<sup>179</sup> Graham B. Flynt, school teacher, interview by author, 27 September 1999, Germantown, N.C.

<sup>180</sup> Ibid.

would have mentioned the benefits that could be gained through better U.S.-Latin American relations. Yet, as historian Gaddis Smith noted, “For many Americans, the canal was like a flag itself, a symbol of national identity and pride. Giving it up was unthinkable.”<sup>181</sup> For many Americans in Stokes County, right wing rhetoric and “national pride” were more important than establishing favorable relations with the people of Latin America. Perhaps there was nothing Carter could have said to convey his and the previous administration’s message that relinquishing the canal was the best decision.

Editorials about the canal in the local papers were quite mixed, but some –often ill informed – unabashedly spoke against Carter’s plans for the canal. In the *Stanley News and Press*, an Albemarle newspaper in Stanley County, which resembles Stokes in its demographic composition, one article suggested that the relinquishment of the canal was “a very bad precedent” and then suggested that the U.S. could end up with only 13 colonies.<sup>182</sup> The *Chapel Hill News* reported, “If Panama wants the canal so bad, let them dig one themselves.”<sup>183</sup> With elections coming, such press coverage dogged the re-election bids of many of the treaty supporters.

As President Carter wrote, “Some fine members of Congress had to pay with their political careers for their votes during these long and difficult months.”<sup>184</sup> Fortunately for Steve Neal, he was not one of them. He edged out Hamilton Horton in the ’78 elections in November, and in January began his third term in Congress. Neal was an effective

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<sup>181</sup> Gaddis Smith, *Morality, Reason, and Power: American diplomacy in the Carter Years*, New York: Hill and Wang, 1985 (111).

<sup>182</sup> WHCP, listing of North Carolina’s newspaper editorials and their opinions on the canal issue, no date.

<sup>183</sup> Ibid.

<sup>184</sup> Carter, *Keeping Faith*, 1982 (185).

campaigner who touted his experience and his support of tobacco in a firmly Democratic district. He successfully fudged the Panama issue.<sup>185</sup>

However, North Carolina's junior U.S. Senator, Democrat Robert Morgan, paid dearly for his continued unconditional support of Carter and the canal treaty. Unlike Congressman Neal, Senator Morgan could not escape close association with Carter's Panama policy. Morgan perhaps thought he had some leeway in 1978 because his Senate seat was not up until '80. He probably hoped that by '80, voters would forget any hard feelings that they had once harbored toward him. Yet election returns proved that the minds of the residents of rural Stokes County and all of North Carolina had not forgotten that on Panama, Morgan had been a Carter clone.

A letter from President Carter to Senator Morgan on March 22, 1978 exemplified their alliance. Carter noted, "Your constant public support helped to change the nation's opinion [on Panama]. Thanks!"<sup>186</sup> He added, "The [Panama Treaty] vote was a great victory for our future in Latin America."<sup>187</sup> Yet the vote was a shot in the foot for Senator Morgan's re-election bid, especially amid the vast propaganda coming from the Republican National Committee (RNC) and Ronald Reagan. For example, Reagan and the RNC sent out a mailer about the Panama Canal Treaties to Republican constituents on November 4, 1977:

I need your immediate help to prevent our country from making one of the most serious mistakes in its 200 year history. Unless you and I act now, one of the most vital shipping and defense waterways will be in the complete control of the anti-American, pro-Marxist dictator, General Torrijos.... Working together, you

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<sup>185</sup> Luebke (176).

<sup>186</sup> Letter from Jimmy Carter to Senator Robert Morgan, 22 March 1978.

<sup>187</sup> Ibid.

and I can defeat Mr. Carter and the Democrats who vote repeatedly to weaken U.S. security and our national interest.<sup>188</sup>

Reagan's rhetoric was strong and had a profound impact among the rural voters in Stokes County. Resident James P. Stowe, 43, of Lawsonville, remembers it when he thinks about Panama. "Reagan was a show-person, and you remembered what he said," he commented. "I didn't want to give up the canal. It was an investment, and you'll never know if we'll need it." Yet Stowe admitted that he really didn't know much about the issue. "Carter had good ideas," he added, "but the people didn't get it. I thought he was a good president. He did his best for the people. He had high morals. People have more respect for him now than they did then, if they reflect back."<sup>189</sup>

Factual accounts of the ramifications of the Panama Canal Treaty were hard to find in Stokes County. In February '78, the *Christian Crusade Weekly*, a right-wing newspaper with a large circulation among conservative voters, bore the headline "The Soviets' Little-Known Treaty with Panama," and stated: "One of the strongest objections to the giveaway of the Panama Canal is the fact that it will fall into the hands of the Soviet Communists."<sup>190</sup> Notice the use of the words "fact" and "giveaway." It is easy to understand why it was hard for Carter to get his message across.

All the while, Senator Morgan stuck with the President in what retrospect proves was a show of loyalty – not just to Carter, but also to improved relations with Latin America and to U.S. security. On October 9, 1980, aboard Air Force One, President Carter, looking ahead to November elections, penned a brief letter to Morgan in which he

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<sup>188</sup> Ronald Reagan, Republican National Committee mass mailing to Republican constituents concerning Panama, 4 November 1977.

<sup>189</sup> James P. Stowe, textile worker, interview by author, 8 October 1999, Lawsonville, North Carolina.

<sup>190</sup> "Soviets' Little-Known Treaty with Panama," *Christian Crusade Weekly*, 15 February 1978.



said, “Bob, I’m proud to be on the ticket with a man like you.”<sup>191</sup> One month later both men faced defeat.

Perhaps most revealing of public opinion towards the Canal Treaty and Carter’s other foreign policy initiatives abroad are the many polls taken during the presidency. For instance, the Gallop Poll on October 23, 1977 found that “[t]he more Americans know about the Panama Canal treaties, the more likely they are to favor Senate ratification of the pact, lending support to President Jimmy Carter’s thesis” that this was a positive step for U.S. policy toward Latin America.<sup>192</sup> This certainly supports the fact that the Senate did come around, though reluctantly, to ratifying the treaty. Yet American opinion remained at times as low as just 17% in favor of the treaties, as on October 20, 1977.<sup>193</sup>

Even during the Ford administration public opinion had been solidifying against ceding the canal. Not surprisingly, Ronald Reagan was leading the charge. Reagan even went so far as to tell a West Virginia audience on May 4, 1976 that he “would risk war with the Panamanians if that was required to hold onto the canal.”<sup>194</sup> The popular Reagan rhetoric was, “We bought it, we paid for it, we built it and we intend to keep it.”<sup>195</sup> This statement was pervasive and had solidified in the minds of at least some of the residents of Stokes County long before Carter made an issue of it. Stokes County resident Graham

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<sup>191</sup> Letter from President Carter to Senator Robert Morgan, Democrat-NC, written aboard Air Force One; Carter Library, Atlanta, Ga.

<sup>192</sup> George Gallup, “Support for Panama Treaties Increase With Knowledge,” *The Gallup Poll*, 23 October 1977. Copy of poll found in Carter Library, Atlanta, Ga.; no page available.

<sup>193</sup> Louis Harris, *The Harris Survey*, 20 October 1977. Copy of survey found in Carter Library, Atlanta, Ga.; no page available

<sup>194</sup> David M. Maxfield, “The Panama Canal: What the Argument is About,” *Congressional Quarterly*, 8 May 1976 (1093).

<sup>195</sup> *Ibid.*

Flynt noted, “Reagan made it a negative issue even before Carter could explain what he had in mind.”<sup>196</sup>

To underestimate Reagan’s contribution in swaying public opinion against the treaty would be to overlook the degree of domestic politics involved. The ceding of the canal was not necessarily a foreign policy issue; in many ways, it was domestic, for it was used as an election issue. In ’78 and ’80, even local candidates were running on the canal issue, or rather against it. In Stokes County, Republicans took control of the board of commissioners in ’78 for the first time in the twentieth century. Carter’s popularity was so low that many Democrats seeking reelection distanced themselves from him, largely due to the canal issue.<sup>197</sup>

The reasons for this are confusing, yet revealing, and offer some insight into the public psyche. An article in the *Congressional Quarterly* on May 6, 1976 noted:

There is no question that Reagan’s arguments strike a patriotic chord in conservative Americans, many of whom are unwilling to redefine the U.S. role around the world.... Reagan tells his audiences that the passageway between the Atlantic and Pacific is as much a part of the United States as Alaska or the Louisiana Purchase.<sup>198</sup>

The Republican National Committee voted overwhelmingly in October

’78 to oppose the Panama Canal treaties. It charged that the treaties “cede United States rights of military security, dilute United States power to develop unilaterally a sea-level canal and transfer authority to determine military priority in time of war.”<sup>199</sup> Moreover, the RNC resolution denounced Carter’s foreign policy as “fragmented, reactive, inconsistent and dangerously weak.”<sup>200</sup>

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<sup>196</sup> Graham B. Flynt, interview by author.

<sup>197</sup> Ibid.

<sup>198</sup> David M. Maxfield (1093).

<sup>199</sup> Terrence Smith, “Canal Pacts Opposed by G.O.P. Committee: Panama Charges Panama Treaties Cede Rights and Dilute Power,” *New York Times*, 1 October 1978. Carter Library, Atlanta, Ga.; no page available.

<sup>200</sup> Ibid.

Relishing the vulnerability of canal treaty supporters and candidates in the upcoming '78 elections, the "Truth Squad," composed of conservative members of Congress (North Carolina's own Jesse Helms was ringleader of this loud and politically boisterous group) formed to propagandize and defeat the treaty while making it a top campaign issue for the '78 and '80 elections. Paul Weyrich, Director of the Conservative Caucus and "Truth Squad" supporter, stated, "[W]e'd be foolish not to take advantage of the issue just as the liberals used Watergate to get some of their own elected."<sup>201</sup> Blatant and overt, the politics of the canal treaty were downright nasty and scary at times.

Democratic Congressman Larry McDonald, of Atlanta, Georgia, wrote a letter to his constituents that exemplified the scare tactics employed by Republicans and the few Democrats who disagreed with their president. Almost echoing Reagan, McDonald wrote, "First of all, we built it. We fortified it. We paid \$161,938,571 for it."<sup>202</sup> He added:

Over 100,000 men and boys died building the Canal.... If we give up the Canal, it will be like another no win-Vietnam-like surrender – broadcasting to the world that the U.S. is nothing but a paper tiger.... Now, you tell me – if the Communists control the Canal Zone, do you really think our oil tankers will be given easy right-of-way? With no control of the Canal, the Communists will be able to cut us from our own Alaska oil.<sup>203</sup>

In a hand-written postscript, McDonald added, "We must create total uproar over the Carter Administration's plan to give away The Canal. The enclosed bumper strip for your car can help alert all patriotic Americans to the problem!"<sup>204</sup> This fervent outcry

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<sup>201</sup> Walter Taylor, "The Panama Canal Treaty Battle," *The Washington Star*, 22 January 1977. Carter Library, Atlanta, Ga.; no page available.

<sup>202</sup> Larry McDonald, Congress of the United States, 7th District Georgia, letter to constituents, October 1978. Carter Library, Atlanta, Ga.

<sup>203</sup> Ibid.

<sup>204</sup> Ibid.

against the canal treaty most likely contributed to the memories of the Panama Canal debate that rural residents of Stokes County still hold.

In his memoirs, President Carter noted the political stakes surrounding the canal and the '78 and '80 elections:

Twenty Senators who voted in favor of ratifying the first treaty in 1978 were up for reelection later that year. Of those, six did not run, seven were defeated, and only seven returned for another term. The Panama Canal treaty vote remained a vital political issue until the elections two years later, when another one-third of the senators were up for election. Eleven more of the senators who supported the treaties were defeated in 1980 – plus one President.<sup>205</sup>

North Carolina's Robert Morgan was one of the eleven defeated in '80. Perhaps Morgan was naive when he wrote about Carter in his September '78 *Report to the People*: "Press reports which pictured him (Carter) as inept will be muted ... and there will be less talk in Washington about a one-term President."<sup>206</sup> Naturally Senator Morgan could not have predicted his own political fate and certainly not President Carter's, with the Iran crisis lurking just around the corner. Yet Morgan's confidence and continued support of the president was his own political poison, and he seemed never to deny that he stood firmly with Carter and his principles of government. This may have been admirable, but it was not politically advantageous in North Carolina, and especially in Stokes County, where John East – who ran mainly only Reagan's coattails – overwhelmingly crushed Senator Morgan at the ballot box. East received 7,115 votes to Morgan's 5,807. The headline on

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<sup>205</sup> Carter, *Keeping Faith* (184).

<sup>206</sup> Senator Robert Morgan, "The President Comes Back." *Report to the People*. Newsletter No. 181, 22 September 1978.

November 6, 1980 read: “Stokes Voters Handed Republican Candidates Ronald Reagan and John East, U.S. Senate Candidate, Landslide Victories.”<sup>207</sup>

Senators who supported the canal treaties were forced to produce their own fact sheets and propagandize in support of the president. South Carolina’s junior U.S. Senator, Democrat Fritz Hollings, unleashed his own views in *The Fritz Hollings Report*, in which he answered the charges of his critics by writing, “Treaty opponents paint a picture of a Red-run Panama. *The truth is that Panama is controlled by neither the Soviet Union nor the United States.* If there is a preponderance of influence, it is more nearly a United States-controlled nation.”<sup>208</sup>

The Panama Canal treaty was finally ratified in September 1979 despite some last minute reformulating which nearly unraveled everything. Writing about the outcome, Carter added, “Were the treaties worth what we paid for them? There is no doubt that the answer is ‘Yes!’ We are a nation that believes in equality, justice, honesty, and truth.”<sup>209</sup> And so without an overwhelming mandate from the people, the U.S.-built canal passed over to the Panamanians (officially at midnight December 31, 1999), reminding the voters of Stokes County, at least, that Carter gave away a national symbol. Gaddis Smith sums it up well, “Ordinarily, a president grows stronger by winning a hard political fight. But Carter’s narrow triumph, while it prevented possible disaster abroad, gained him no credit at home.”<sup>210</sup>

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<sup>207</sup> *Danbury Reporter*, 6 November 1980, 1.

<sup>208</sup> Senator Ernest F. “Fritz” Hollings, “Setting the Record Straight,” *The Fritz Hollings Report*, November 1977, 1. (Italics in original.)

<sup>209</sup> Gaddis Smith (115).

<sup>210</sup> *Ibid.*

Foreign policy would remain in the minds of Stokes County residents until the very last day of the Carter presidency. Energy was constantly in their thoughts, but Soviet aggression and the Iran crisis emerged as the paramount foreign policy issues from '79 through noon on January 20, 1981. Neal supported “[t]ough action against the Soviets.”<sup>211</sup> Neal also “advocated calm in dealing with the Iran situation.”<sup>212</sup>

James Stowe of Stokes County remembers Carter’s presidency as a failure. “He was a more humble president than we’d had,” Stowe said. “People perceived that as a weakness.”<sup>213</sup> In addition, Stowe commented that Carter “wasn’t prepared for that type of job.”<sup>214</sup> Indeed, on November 4, 1979 – the day that 76 hostages were seized in the American Embassy in Tehran, Iran – marked the beginning of the 444 days in which the good folks of Stokes County reevaluated their president and his close supporters.

Unfortunately, the important Camp David Accords, in all their historic proportion (Israelis and Egyptians agreed on a framework for peace in the Middle East), hardly resonated in the minds of the residents of Stokes County. Many simply do not remember who was involved or why. Perhaps without a vocal opposition to the Accords, like the Reagan campaign against the Panama Canal treaties, little public debate centered around the topics of Israel and Egypt. Some historians might argue that Camp David was Carter’s crowning achievement. Yet the events at Camp David were pushed to the back burner with all the boiling talk on Panama still spewing hot and uncontrolled throughout the nation. In his weekly articles, Neal rarely focused on the Camp David Accords. He

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<sup>211</sup> “Rep. Steve Neal Supports Tough Actions Against the Soviets,” *Danbury Reporter*, 31 January 1980, 2.

<sup>212</sup> “Neal Advocated Calm In Dealing With Iran Situation,” *Danbury Reporter*, 15 November 1979, 2.

<sup>213</sup> James P. Stowe, interview by author.

<sup>214</sup> *Ibid.*

accepted them as a great achievement for a President who, at the time, was still quite popular.

Yet the popularity did not last, as noted by Patrick H. Caddell, president of the Cambridge Survey Research and Carter's pollster:

[The nation] had a president who, all spring [of 1980], had been wrestling with the problem of becoming steadily unpopular in ways that he had not been in previous years of his administration when he had also not been particularly successful in his political rankings. There was a growing sense of frustration, too, of not having command of the country or even the attention of the country.<sup>215</sup>

Carter's unpopularity was one of the reasons certain Republicans felt confident about challenging his presidential position.

Well-informed Stokes County schoolteacher Graham Flynt noted, "I thought the Camp David Accords would assure Carter's reelection. It was remarkable that Carter could persuade the Israelis to give up land they had purchased by blood."<sup>216</sup> President Carter faced many difficult questions concerning the Middle East, but with Camp David he enjoyed some well-deserved success. "Only by listening to the voices in each nation and by examining more closely the history of the people themselves is it possible to approach the answers to these questions," noted Carter on the conflicting views among the people of the Middle East concerning peace.<sup>217</sup>

Not only did many Stokes County residents not know the answers Carter had suggested; they were not even aware of the questions. Velmalene Leake said, "I just don't remember much about that. There were so many other things going on, foreign

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<sup>215</sup> *The Campaign for President: 1980 in Retrospect*. Ed. Jonathan Moore. Cambridge, Mass.: Ballinger Publishing Co., 1980 (21).

<sup>216</sup> Graham B. Flynt, interview by author.

<sup>217</sup> Jimmy Carter, *The Blood of Abraham: Insights into the Middle East*. Boston: Houghton Mifflin Co., 1985 (19).

policy wasn't on my mind."<sup>218</sup> Likewise, James Stowe added, "Carter had good ideas, but the people just didn't get it."<sup>219</sup>

Senator Robert Morgan was interested in engaging his constituents in the Camp David situation, but given the shadow of Panama (and later the hostage crises), he had little success. In his *Report to the People* in 1978, he wrote, "There is sure to be tough negotiating ahead as Israel and Egypt try to hammer out a peace treaty, but the fact that the two old enemies have agreed to try is one of the most dramatic stories of this decade." In praise of the Camp David agreements, Morgan added, "But politics aside, the Camp David agreements have given the world new hope that peace can be achieved in one of the most volatile areas on earth and all who played a part in the Camp David talks deserve full credit."<sup>220</sup>

How then could something so critical in the course of human history be overlooked, forgotten, and simply ignored by segments of the public? One should keep in mind that many of those who do not remember Camp David are registered voters, and even political activists. It is evident then that there was simply too much foreign policy and domestic political meat on the table and the people of Stokes County could not digest it all. Carter was not able to explain his policies well. Moreover, with Reagan sound bites still prevalent, many voters saw only the propaganda of foreign policy, and not the substance.

However, the Iran hostage crisis caught the eye of Stokes County and certainly the mass media. "The press played up the hostage crisis," noted Graham Flynt. "The

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<sup>218</sup> Velmalene Leake, interview by author.

<sup>219</sup> James P. Stowe, interview by author.

<sup>220</sup> Senator Robert Morgan, *Report to the People*.



American people expected instant results, and the press – with their day 24, day 25, day 26, day 444 – made the people think that Carter wasn't doing anything. But I knew Carter was doing all he could do short of dropping bombs on the Iranians.”<sup>221</sup> Carter, in his memoirs, recounts the initial days of the embassy takeover as being “the beginning of the most difficult periods of my life.”<sup>222</sup>

The *Danbury Reporter* profiled the Iran hostage crisis and published accounts of some of the local Stokes County responses regarding what to do about the impending situation. ““Bomb ’em”” was what Westfield resident Hobert Shelton recommended. “It’s going to be hard to get the hostages out. I believe they’re going to have to bomb the Iranians before they release them.” An opposing view came from another Westfield resident, Lavina Stewart, who proposed, “Negotiate – that’s what they ought to do. I’m not one for people killing people. If they turn (the Shah) back over, all (the Iranians) are going to do is kill him.” Yet Roy Willard of the Collinstown community in Stokes County explained why the Shah should be sent back to Iran. “That’s the whole problem. I would ship him back right now if they would turn the hostages loose. That’s one life against about 40-some,” he said.<sup>223</sup>

U.S. national prestige, security, and bargaining power were on the line, yet for many of the impassioned citizens of Stokes County, a quick release of the hostages was all that mattered. Mary Owens of Westfield echoed such sentiment: “I feel sorry for (the hostages). I think they ought to send them back without (Americans) having to fight for

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<sup>221</sup> Graham B. Flynt, interview by author.

<sup>222</sup> Jimmy Carter, *Keeping Faith* (459).

<sup>223</sup> “Residents Discuss Iran,” *Danbury Reporter*, 6 December 1979, 1 and 7.

them.”<sup>224</sup> Gaddis Smith wrote, “[I]t was inconceivable that the Shah would be delivered to the Ayatollah ... [a]nd an abject apology for having supported the Shah in the past was out of the question.”<sup>225</sup>

Graham Flynt sympathized with Carter throughout the crisis. “I don’t think the American people understood the delicacy of this matter,” commented Flynt. Flynt recalls the failed rescue mission in his own words:

I remember, while in college, that the helicopters crashed in Iran. Then I learned that it was a secret rescue mission in the desert. I recall Carter saying ‘its all my fault.’ If Reagan had been president he’d probably covered it up or lied about it in order to look strong. I didn’t like the Iranians, the Ayatollah. They did this to spite Jimmy Carter. It made Carter look weak.<sup>226</sup>

Other residents of Stokes County remember differently. James Stowe, for example, says he does not directly blame Carter for the Iran crisis, but insists that Carter could have done more to free the hostages. Gaddis Smith concluded that Carter was indeed limited in his options: “Carter could have punished Iran within days of the seizure of the hostages if he had been willing to sacrifice their lives for American ‘honor.’ To his lasting credit, he did not take that course, even though he might have been more popular at home had he done so.”<sup>227</sup> Neal supported the president’s efforts and urged calm in dealing with Iran.<sup>228</sup>

Carter recognized the gap between himself and the public. “The erosion of our confidence in the future is threatening to destroy the social and political fabric of

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<sup>224</sup> Ibid, 7.

<sup>225</sup> Gaddis Smith (203).

<sup>226</sup> Graham B. Flynt, interview by author.

<sup>227</sup> Gaddis Smith (245).

<sup>228</sup> Steve Neal, editorial, *Danbury Reporter*, 15 November 1979, 2.

America,”<sup>229</sup> he said. Yet with the compounding crisis in Iran, energy shortages, and a recession he inherited, Carter could not put the necessary spin on his presidency to convince the American people he deserved a second term.

Carter could not communicate like his successor, Ronald Reagan, and this worked to his utmost disadvantage in 1980. Gaddis Smith said, “Jimmy Carter entered office believing that the failure of his predecessors was moral. He promised a government and especially a foreign policy as ‘good as its people.’”<sup>230</sup> The people of Stokes County remember him as a moral man, but not a successful leader. Perhaps Carter’s assumptions about who America needed and wanted (in terms of leadership) were simply wrong.

The memories of the rural residents of Stokes county regarding key foreign policy issues center around simple and watered-down rhetoric designed to incite emotional response and unrest. There was no such rhetoric surrounding the thirteen days at Camp David. But one would have to enter a cone of silence to not hear the vast amounts of propaganda piggybacking on the public discourse regarding Panama and Iran during the Carter years. For some, Carter was just “a good man.”<sup>231</sup> To others, he was “too nice.”<sup>232</sup> This is all their memory will grant them. Yet perhaps if Carter could have articulated a message and convinced a wondering public of his foreign policy initiatives, then their memories of him would have been of a leader, of a champion of Democracy, or as “Jimmy Carter, an American hero.”

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<sup>229</sup> *Major Problems in American Foreign Relations: Volume II: Since 1914*. Thomas G. Paterson and Dennis Merrill, eds. Lexington, Mass.: D.C. Heath and Co., 1995 (710).

<sup>230</sup> Gaddis Smith (241).

<sup>231</sup> Harry Beasley, retired laborer, interview by author, 24 October 1999, Lawsonville, North Carolina.

<sup>232</sup> Sue Briggs, interview by author.

## Conclusion

It is evident that the political climate of Stokes County changed so drastically from 1976-80 that long-considered safe seats for Democratic candidates were no more – and that GOP dominance in the South was real. The shortcomings of the Carter presidency resonated throughout the South and the Fifth District – particularly in Stokes County, where conservative Republicans dominated at the polls, setting a trend that has continued to this day. Their rhetoric consistently portrayed Jimmy Carter and his supporters as liberals, and in the Fifth Congressional District, Jesse Helms made “liberal” a dirty word as early as ’72.<sup>233</sup> Congressman Steve Neal recognized this early. Neal’s success in the Fifth District was unique; his campaigns showcased his accomplishments while insisting that he was not a clone of the president. In addition, Neal kept a close ear to local voters, and adapted to a changing political climate despite the relentless criticism he encountered.

For Neal, the key issues were tobacco, the economy, and foreign policy, and these were three issues that local voters perceived as major problems for President Carter. Yet

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<sup>233</sup> Paul Luebke. *Tar Heel Politics 2000*. Chapel Hill: Chapel Hill Press, 1998 (171).

Neal was fully aware of the sensitivities of voters on tobacco and he stood against members of his party, the presidential cabinet, and sometimes the president himself to protect the crop. Although he understood and acknowledged the health issues of tobacco, he fervently opposed tax dollars funding anti-smoking campaigns. Neal's position remained clear, and apparently voters trusted him and believed he was a guardian of the golden leaf.

With regard to the issue of inflationary economy, Neal's record was clear and solid, but still the opposition poured on the rhetoric. State and local Republicans blamed the Democrats who controlled Congress for failing to curb inflation. Neal was an expert on economic issues. However, his challenger in '76, Wilmer Mizell, offered scathing criticism of the Democratic Congress's handling of the economy. In '78, Hamilton Horton echoed the campaign rhetoric of '76 by blasting Neal on taxes and inflation. In '80, Neal felt the heat from the intense anti-Carter rhetoric coming from conservative Republican campaign challenges everywhere. His opponent in '80, Anne Bagnal, dipped into the economic issues bucket quite often. For Neal, where there was criticism directed at Carter, there was criticism directed at him. The poor economic conditions hurt the working class people the most, therefore increasing Carter's vulnerability on economic issues.

Finally, foreign policy was a hotly contested issue. Although Neal's challengers often oversimplified the issue, the voters seemed to cling to ideas that Carter was soft, naive, and ill-prepared to represent the U.S. in diplomatic matters. For the most part, Neal played his foreign policy cards with cautious optimism and usually engaged the economic particulars of given issues while dodging others. Still, most voters

remembered Carter's foreign policy as weak and misguided. This view meant that local voters lost confidence in the Democrats' ability to deal with global issues, and it showed in the 1980 election. As stated by Paul G. Kirk, Jr., national political director of Kennedy for President:

Basically when the people went to the polls on November 4<sup>th</sup> and wielded their awesome power, thinking about their own lives and the country and its direction, the verdict was a resounding no, they were not satisfied with the record of the four years [of the Carter administration].<sup>234</sup>

Like Carter and Neal, Senator Robert Morgan faced criticism on the three issues of tobacco, the economy, and foreign policy (especially Panama), yet the rhetoric hurt Morgan more and he never recovered politically. Morgan was stuck with the president as an ally, even though in '80, Carter was most often a liability. Unlike Neal, Morgan was unsuccessful at repudiating positions that his opponents claimed he took on certain issues. Ultimately, Morgan was a victim of targeted conservative rhetoric aimed to portray him as the left-wing liberal he was not.

As for North Carolina Governor Jim Hunt, he played his political cards well. He used words like "conservative" and "responsible" to describe his agenda. Fortunately for Hunt, he could always point out that his job was limited to North Carolina and that his interests were always consistent with those of the local voters.

The elections of 1976, '78, and '80 in Stokes County were intensely fought. They tell much about political change, the power of rhetoric, and the importance of candidates

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<sup>234</sup> *The Campaign for President: 1980 in Retrospect*. Ed. Jonathan Moore. Cambridge, Mass.: Ballinger Publishing Co., 1980 (255).

adapting to changing political environments; in many ways, they presaged the modern political scene.

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