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Inside Report . . . *By Rowland Evans and Robert Novak*

LBJ's Elite

PRESIDENT JOHNSON'S daring and controversial fund-raising gimmick for the 1966 congressional campaign, hitherto undisclosed, offers Democratic Party contributors the right to buy a gilded invitation to a formal White House party.

The price is \$10,000 each. It may seem high, but already an estimated 100 contributors, most of them in New York City, have gladly paid it.

So secret is the new group of \$10,000 contributors, unofficially known as the "Elite President's Club," that some high officials in the Democratic National Committee have never heard of it. The "Elite President's Club" is a spectacular jump in size of contribution and prestige from the old, non-elite President's Club, which requires a mere \$1000 membership fee.

Although the new club has had a success in New York and in other selected areas, it is running into serious, sometimes bitter opposition from old-pro Democrats from other states. The reason for this opposition is simply stated. The Elite Club moves the Democratic Party's fund-raising operations even further away from the rank-and-file Party member than the original President's Club, which started back in 1961 under President Kennedy.

The proposition that big-time donors to a political party deserve some special recognition, such as an ambassadorship to a small-time country, is as old as the Republic. But the new club of presidential elites seems to carry this political precept into new territory.

TO THE critics, the new plan gives the Democratic Party, the traditional party of the people, the aura of a



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rich man's club more in keeping with the Republicans than the Democrats.

In at least one state, a state that is full of fat-cats ambitious for White House recognition, Party leaders have flatly refused to sell membership tickets to the \$10,000 club, even though the incentive of a guaranteed invitation from President Johnson to a White House party would undoubtedly find eager prospects. Their resistance stems also from the fact that local leaders at the state, city and district levels are angry at what they regard as a cold shoulder from the National Committee and the White House. These local leaders, accustomed to doing business with Washington without ritual or formality, find a lack of sympathy for their problems here. They are particularly unhappy at the tight control exercised within the White House, often by Presidential Assistant W. Marvin Watson Jr., over the National Committee.

On top of this the sale of \$10,000 tickets to White House social functions is simply one more grievance.

The moving force behind the President's most exclusive club are Arthur B. Krim, president of the United Artists and finance director of the National Committee, and the President himself.

KRIM WAS prevailed on by the President to become the Party's chief fund-raiser only after several weekend visits to the LBJ Ranch in Johnson City, Tex. Confronted with a massive, long-concealed Party deficit (still close to \$2 million), and under orders to raise a campaign fund, Krim decided that the Party's poor financial position justified the new club. He was strongly encouraged by the President. Finally, most of the Party's desperate efforts to raise money in the traditional way—by small contributions from many Democrats—have been dismal failures. In desperation, Krim has turned to the fat-cats.

Privately, Krim has said that the original President's Club, limited to \$1000 contributors, was a sound money-raising device. In the Washington of the 1960s, he has said, \$1000 can't buy much of anything, including political favors. Presumably, he feels the same complacency about contributions ten times that large.

The Hatch Act limits a single political contribution to \$5000, but there are several ways for members of the new club to evade that restriction. The quick success of the plan in New York indicates that it won't slow down because of resistance by local professionals. Having discovered the value of an invitation to a White House party, the ticket-sellers won't stop now, no matter how much the scheme seems to conflict with President Johnson's formal plan, sent to Congress last month, to provide tax deductions for political contributions up to \$100. That plan is supposed to encourage small-time giving.

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