

**Terry Sanford and the Delicate Balance of Politics: Creating the North Carolina Fund**

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In July, 1963, Governor Terry Sanford founded the North Carolina Fund as a non-profit organization to help fight poverty in North Carolina. During the five years of its existence, the Fund strove to enable the poor to help themselves by mobilizing the community.<sup>1</sup> In addition to community action programs, the Fund focused on the improvement of education. The Fund, which was ahead of its time, was used as a template for Lyndon B. Johnson's national "War on Poverty." Considering the conservative history of the South, it may seem strange that Sanford, a white man from North Carolina, was interested in the plight of the poor and that he began such a visionary program. However, the primary reason for his involvement in the North Carolina Fund was indeed a genuine concern for people living in poverty.

The North Carolina Fund was the natural result of Sanford's childhood during the Depression, when he himself lived in conditions close to poverty, and his time as Governor. Racial tensions were high when Sanford took office because of the 1954 *Brown v. Board of Education* U.S. Supreme Court decision that mandated desegregation. Opposition to this decision was high in North Carolina. While Sanford disagreed with desegregation, he could not openly voice his opinions on race because he could not survive politically if he did so. Similarly, the North Carolina Fund, which aimed at helping both blacks and whites, could not openly help blacks if it was to gain widespread support. Sanford viewed the support of the majority of North Carolinians as essential to the success of the Fund and the propagation of the ideas the Fund embodied. Thus, Sanford carefully balanced the concerns of the poor with those of conservatives within North Carolina. While this balancing act generated criticism from both sides, it was necessary for the implementation of the Fund given the political environment of the time.

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## Life Experiences

Terry Sanford was born on August 20, 1917, in Laurinburg, North Carolina 12 years before the Depression hit hard. By the time the stock market crashed in 1929, his father's hardware store had gone bankrupt, and Sanford had to work as a paper deliverer since the family had very little money. Working gave Sanford important interpersonal skills and independence. According to Howard E. Covington and Marion A. Ellis in *Terry Sanford: Politics, Progress, & Outrageous Ambitions*, "Working various jobs offered Terry an insight into people and the human condition that escaped the notice of some his age."<sup>2</sup> Sanford understood the drudgery of low-paid jobs, and this helped shape his later attitude of sympathy towards the poor.

Despite hardship, Sanford was given many opportunities and made some for himself as well. Because of monetary concerns, he attended Presbyterian Junior College after high school. However, he was very disappointed with his experience there and managed to get the funds together, partly with the help of loans, to go to the University of North Carolina (UNC). He thought that he would have been a different man had he not gone to UNC and was thankful that he had been given the opportunity. In order to supplement the loans he received, Sanford worked his way through college.<sup>3</sup>

Because he disliked jobs such as pumping gas, Sanford was very creative in his employment activities. He did not work the usual type of summer job available to a university student like himself. Instead, he convinced the owner of a small cabin on the edge of Pine Lake about twenty miles outside of Laurinburg to let him use the cabin free of charge for a summer camp program he wanted to run. With the help of friends, Sanford equipped the cabin with cots and called it Camp Pawnee. In the second year of the camp, he convinced a professor to help

him prepare a promotional pamphlet for the camp. Already, he was exhibiting his extraordinary persuasion skills and ingenuity, which would become so important for his career as a politician. He was even able to have a session free of cost to underprivileged campers, by convincing the Laurinburg Rotary Club to underwrite the fees of boys from the East Laurinburg mill for a separate session of their own. This idea was a precursor to his later activities geared towards helping the less fortunate.<sup>4</sup>

### **Political Foundations**

Upon graduation from UNC Sanford enrolled in law school, also at UNC. While Sanford was an undergrad at UNC, Dr. Frank Porter Graham, president of UNC at the time, highly influenced him. Graham was very liberal and believed in racial integration, which led many to accuse him of being a communist. Because of his views, legislators in the state and alumni of the school started a movement to remove him. However, the movement failed because of student support for him. Sanford was impressed that Graham stuck to his views despite criticism; Sanford also realized from this experience that in politics one should never be on the defensive.<sup>5</sup> Although Sanford did not really participate in campus politics as an undergrad, the politics surrounding Graham's presidency left a lasting impression on him. Later he said that he believed that his views on race were formed in part by Graham.<sup>6</sup> His political ambitions may have also begun to form at that time. By the time he got to law school, Sanford became involved in school politics. After his first semester at law school, Sanford ran to be legislative representative from Everett Dormitory, where he was the manager.<sup>7</sup> His political campaign, which was successful, was similar to the one he later employed in the gubernatorial race. He

enlisted his closest friends as area coordinators who had to find a person on every floor of each dormitory and in every fraternity house to turn out the vote on Election Day.<sup>8</sup> Sanford continued in campus politics and the next year became speaker of the legislature.

In the spring of 1941, Sanford proposed to Margaret Rose, and they were married on July 4. But his marriage, law school, and politics had to be put on hold because the nation had entered World War II. Sanford performed many different roles during the war including sky diving as a paratrooper. At the end of the war, Sanford worked on completing his last year of law school. Upon graduation, Sanford was offered a job as associate director of the UNC Institute of Government, a program developed by one of his favorite teachers that aimed at bridging the gap between law in books and law in action. Sanford worked there for a year, because he felt a sense of duty to his professor, but the work was not really what he wanted to do. Sanford was interested in pursuing his political interests, which he had begun to form during the first two years of law school. In May, 1948, the Sanford and his wife went to live in Fayetteville, which Sanford felt was small enough for a beginner in state politics. He opened up a law firm while setting the foundations for a political career by joining the Young Democratic Club in Fayetteville, of which he became president in 1949.<sup>9</sup>

By 1952, Sanford was elected State Senator from Cumberland County. It was quite a leap for a newcomer to Cumberland County politics, but the opportunity to run only arose once every couple of years. A term lasted for two years and there were only two seats for three counties including Cumberland County that rotated between the counties every term. Thus, a senator from Cumberland County was elected about once every four years. So, Sanford seized the opportunity and took office. After a relatively unremarkable two-year term, Sanford went back to working at the law firm but he continued to be interested in politics. Among other

activities, he networked with prominent Democrats and increased his own visibility. Having built a solid foundation, Sanford ran in the 1960 gubernatorial race and won with a campaign that centered on education and the technological development of North Carolina.<sup>10</sup>

Sanford became governor of North Carolina on January 5, 1961. As governor, he worked to ensure that all children had equal opportunities. Sanford truly believed that government could do something about social problems, specifically when it came to providing the less fortunate with educational opportunities. He realized the value of providing opportunity because of the opportunities he himself had received. “We must give our children the quality of education which they need to keep up in this rapidly advancing, scientific complex world,” said Sanford during his inaugural speech. “They must be prepared to compete with the best in the nation and I dedicate my public life to the proposition that education must be of a quality which is second to none. A second rate education can only mean a second rate future for North Carolina.”<sup>11</sup> Sanford knew that a second-rate education could not adequately prepare students to compete with those educated at first-rate schools, because his own experience at Presbyterian College was not comparable to his experience at UNC.<sup>12</sup>

### **Conception of the Fund**

The North Carolina Fund, incorporated in 1963, was one of many projects during the Sanford administration that focused on education. In particular, the Fund originally aimed to alleviate poverty through education of the poor. John Ehle, a renowned novelist in North Carolina and Sanford’s idea man while Sanford was Governor, proposed the idea of the North Carolina Fund and obtained Sanford’s approval. Ehle was inspired by the Grey Area projects,

which involved Ford Foundation grants to organizations in the slums of cities to determine how to bring people living in poverty into mainstream America. Ehle thought that the Ford Foundation would be a good source of funding for an anti-poverty program in North Carolina. However, he realized that the Ford Foundation had never contributed money to a statewide program like the one he was suggesting and he would have to make a good pitch. Thus, he contacted George Esser, a professor of law and government for the Institute of Government at UNC, because he had heard that Esser knew Paul Ylivasaker, of the Ford Foundation.<sup>13</sup>

Ehle, with the help of George Esser, began the delicate process of persuading the Ford Foundation to contribute funds. In order to do so, Ehle realized that the North Carolina Fund needed to include proposals similar to those that the Ford Foundation had already supported. In a memorandum to Terry Sanford concerning the Ford Foundation proposal, Ehle said, “This involves presenting North Carolina as the emerging, important leader of the South, and offering to cooperate with Ford in accelerating the state’s, and therefore the region’s progress.”<sup>14</sup> He went on to suggest three areas to be included in the sales pitch to the Ford Foundation. These included statewide area development, black education, and the arts because the Ford Foundation had a history of supporting programs that focused on those areas. The memorandum also stated, “These areas can involve Ford in a tremendous outlay of money. I suggest that all three be considered together, be presented by you, and that we try to fit into these patterns of activities some of the smaller project ideas which have come in.”<sup>15</sup> Ehle was concerned that all of the programs be lumped together, so that Ford would not selectively slash certain ones. The overall pitch was successful, and the Ford Foundation announced plans to contribute to the North Carolina Fund.

It is interesting that Ehle suggested private funding for the North Carolina Fund and that Sanford did not launch the North Carolina Fund within government. Given his previous success in working on education problems using the government, Sanford's switch to the private realm was surprising. He gave a couple of reasons for his decision to run the North Carolina Fund as a non-profit organization including the difficulty the state would have in helping the various communities of North Carolina. According to a Fund pamphlet entitled, "Program and Policies: The Comprehensive Community Experimental Program, "the answers to the problems in the mountain counties will not be found in the slums of our Piedmont cities even if there are some similarities."<sup>16</sup> Thus, the pamphlet stated, "While the Fund does not minimize the value of statewide action to find better ways to educate and motivate our people, and indeed the first grant from the Fund will probably go to a state agency to support a statewide experiment, we have a hunch significant results are more likely to come from experimental programs in a number of carefully selected communities."<sup>17</sup> Although this pamphlet was written after the incorporation of the Fund, it is still telling of the Fund's motivation. Private money meant that the Fund did not have to rely on the state bureaucracy and thus it could administer its programs in the different counties.

Many members of the state bureaucracy were publicly elected and thus had to make political statements. In many cases, different members of the bureaucracy had different political goals even from each other. Disagreements between elected state officials slowed down any decision making within the state bureaucracy. For example, Charlie Carol, Superintendent of Public Instruction, would have made implementation of the Fund considerably more complicated. Although the Fund was a non-profit organization, the Fund did need cooperation from the state government. Yet, even the limited amount necessary was difficult to obtain. As

long as Sanford was governor, Carol complied with the programs of the North Carolina Fund, but very slowly. When there was a change in governor, Carol was much less forthcoming in his cooperation with the Fund. Had the Fund not been privatized, state officials like Carol could have slowed the process down more.<sup>18</sup> This was not a phenomenon unique to North Carolina; previous anti-poverty programs had experienced similar problems. The North Carolina Fund had been forewarned that it was difficult to work with the government bureaucracy because officials in administrative bureaus and agencies developed specific organization interests and defended them instead of those of the overall program.<sup>19</sup> Thus, by choosing to become a non-profit organization, the North Carolina Fund minimized interactions with the state bureaucracy.

While coordination was definitely a consideration, Sanford may have had other motivations to use a non-profit organization and private money that he did not state. One reason may have been that getting taxpayer support for an anti-poverty program would have been difficult. Sanford had already found that financial support for his education improvements was difficult to find; he had resorted to a flat tax on food to pay for it.<sup>20</sup> People were not willing to finance social welfare programs if it meant raised income taxes. Sanford thought that an organization that relied on private money would have more support because it would not cost the taxpayers anything. He willingly accepted federal money when it became available, again probably because it did not require his constituent's approval.<sup>21</sup>

In addition, Sanford's progressive ideas, especially those concerning race, were becoming less popular politically. Ever since the 1954 *Brown v. Board of Education U.S. Supreme Court* decision that mandated desegregation, racial tensions were high in North Carolina. Three days before Sanford had announced his candidacy for governor, four black students from North Carolina A& T sat down at Woolworth's on South Elm Street in Greensboro

and refused to leave even though the store did not allow black patrons. As a result, 54 cities in nine states joined in a sit-in movement. Even many liberals were angered by the sit-in because they saw it as a disruption of public peace. Sanford could not afford to support the sit-ins. Given this environment, he also tried to avoid the issue of race in general. According to John Drescher in *Triumph of Good Will: How Terry Sanford Beat a Champion of Segregation and Reshaped the South*, “In that era, when Jim Crow ruled and segregation was ingrained in daily life, no mainstream white politician in the South advocated integration; to do so would have been political suicide.”<sup>22</sup> Because Sanford astutely avoided the issue of race during the campaign, he was elected

While Sanford was governor, racial tensions continued to rise and Sanford’s popularity declined. Sanford had only one more year in office when he created the North Carolina Fund and realized that a second term was unlikely. While Sanford hoped Bert Bennett, his campaign manager, would succeed him, he was not confident that would happen. He knew that his successor would be unlikely to be interested in an anti-poverty program or any other ideas a liberal like him supported. If the Fund were privately funded, Sanford could ensure its existence even after his gubernatorial term had ended. Thus, Sanford’s decision not to work within government to found the North Carolina Fund is understandable. Indeed, instead of Sanford’s choice for governor, Dan K. Moore was elected Governor when Sanford’s term ended.<sup>23</sup>

### **Public Relations and Reasons for Creating the North Carolina Fund**

Because of the decline of the popularity of his views, Sanford wanted to convince the public, including the conservatives, that an anti-poverty program was necessary, another way of

ensuring the success of the North Carolina Fund even after his own political demise. He managed to recruit a large variety of people to be members of the board of the North Carolina Fund with the help of the Fund's Executive Director, George Esser. A sampling of the members of the board provides evidence for this. Two of the prominent contributors to the North Carolina Fund, the Zachary Smith Reynolds Foundation and the Mary Reynolds Babcock Foundation, had their base in Winston Salem. Thus, James A. Gray and Dr. Hollis Eden, both from Winston Salem, were chosen to be members of the board. Dr. Samuel Duncan and John H. Wheeler added racial diversity to the board as prominent black men. Finally, Dallas Herring represented educational interests, but was somewhat of an anomaly because of his conservative views. Amazingly, the board members managed to get along and come to a consensus most of the time. Sanford's charisma was a very important factor in recruitment as well as cohesion.<sup>24</sup>

In addition to attempting to persuade political leaders of the worthiness of the North Carolina Fund, Sanford wanted to arouse the sympathy of North Carolinians. Publicly, Sanford always maintained that he originally conceived the idea for the North Carolina Fund after an encounter with poverty in the state. During a trip to the mountains, Sanford said that he encountered a little girl named Melissa. According to Sanford, she was having trouble in school, and Melissa's teacher told Sanford that the reason for her problems was that she just did not "fit in" or in other words that she was poor. Sanford said that this experience led to his understanding that if school was to have any meaning for children like Melissa, they would have to be taught to look at education with a fresh perspective.<sup>25</sup> He also reported that he had heard that a child in California had told a state reporter that she now looked at education in a new light after participating in an anti-poverty program in her state. Thus, Sanford told North Carolinians that he hoped to achieve the same effect on the children of North Carolina. In reality, Ehle had

come up with the idea for the North Carolina Fund as already mentioned. Nonetheless, Ehle convinced Sanford that the North Carolina Fund was a good idea. Sanford agreed and used the story about Melissa to convince the public. He told the public that he realized that the educational opportunities he had opened up were not enough; he needed to start an anti-poverty program as well.<sup>26</sup>

Sanford continued advocating for the Fund by telling the public other reasons that an anti-poverty program was necessary. According to Sanford, poverty was unacceptable in a land of so much wealth, and thus he wanted to stop the cycle of poverty and help children. For example, in a brief statement in response to a request for a definition of the reason for the North Carolina Fund, he said, “All of [poverty] withers the spirit of children who neither imposed it nor deserve it. These are the children of poverty who tomorrow will become the parents of poverty.”<sup>27</sup> This statement underlined Sanford’s concern that the cycle of poverty be ended whether or not poverty was self-imposed, because children could not help the circumstances into which they were born.

In addition to his concern that the cycle of poverty be stopped because of the suffering it caused, Sanford felt that poverty was un-American. In many speeches, Sanford and other members said that the goal of the North Carolina Fund was the democratic ideal of equal opportunity. In “A Policy on Economic and Human Resources,” Esser pointed out that the irony of American society is that American ideals suggested that no American citizen should live in poverty, yet the American capitalist way to some degree was responsible for poverty in this country. According to its founders, the North Carolina Fund was meant to work within the constraints imposed by our economic system in order to fully realize American democratic ideals.<sup>28</sup>

Helping North Carolina in particular and the South in general was also a goal of the North Carolina Fund. Poverty was a drain on the resources of North Carolina because the state had to pay for the social problems it caused. Problems such as school dropouts and substandard housing had a direct relationship to crime and juvenile delinquency, to increasing welfare rolls, to rising governmental costs, and low per capita income.<sup>29</sup> Sanford also thought that helping North Carolina would help lead the way for the rest of the South. In a letter to the physicist Dr. Edward Teller, trying to convince him to come and help with technology initiatives for the North Carolina Fund, Sanford said, “What any state in the South does will affect all Southern states, as one state moves the South begins to move.”<sup>30</sup> Far too many Southerners were leaving the state because of better opportunities in the North. He lamented that more investors did not choose to come to the South. He wanted North Carolina to be able to entice both its own people and outsiders to stay by offering better incentives like a good technological infrastructure.<sup>31</sup>

Because Sanford’s words were often carefully crafted with the help of political advisors, Sanford did not give all of his reasons for wanting to start an anti-poverty program. Some of the policies the Fund tried to implement were never explicitly mentioned publicly. For example, the Ford Foundation maintained that any programs it supported had to benefit blacks and whites equally. Sanford understood that would be hard to sell, but agreed to it. The same racial tensions that had made his campaign so difficult could be problematic for the North Carolina Fund.<sup>32</sup> Sanford learned that race could be a politically disastrous topic for him. In January of 1963, Sanford gave a speech in Chapel Hill on his views about race. Two weeks after his speech, a group of four hundred angry whites gathered to protest in the courthouse in Caswell County at the Virginia border.<sup>33</sup> Thus, Sanford chose not to explicitly mention race when describing the North Carolina Fund, although the Fund acted to help ease race related problems

by integrating its own staff.<sup>34</sup> In addition, the Fund's office was centered in the black business district of Durham and employed the services of a black attorney, John Wheeler.<sup>35</sup>

By helping the poor, the Fund also managed to focus on racial inequalities more broadly without overtly claiming to because the majority of the poor were black.<sup>36</sup> For example, the emphasis on education aided many more black people than white people. While Sanford was putting together his education program, he noted that many young blacks neglected or abandoned their education because they saw that they had no real opportunities.<sup>37</sup> Similarly, community action was designed to empower the poor, and thus black people, because power was just as important as money to open up opportunities. The North Carolina Fund insured that each community meet certain criteria such as being committed to viewing its problems as a whole and to involving its public and private community resources in a comprehensive way in the project. Public officials and civic leaders had to be willing to come together without regard for "narrow jurisdictional and professional boundaries"<sup>38</sup> meaning that racial discrimination was unacceptable. Even opening opportunities to the poor in this way was controversial. As Descher said, "But in calling for more opportunities for all, including those who had been denied opportunity, [Sanford] was treading where few Southern politicians would go. He was sending a signal to blacks that he knew they had been denied opportunities and he thought that was unjust."<sup>39</sup> Thus, the message was very subtle and Sanford rarely explicitly explained it.

### **Negative Perceptions of Fund Motivations**

Despite attempts to avoid negative publicity, the Fund was subject to some criticism. Ironically, many people thought Sanford was not genuine in his interest in the poor because of

his attempts to cater to more conservative North Carolinians in an effort to win them over. One letter dated October 2, 1964, by Bill McGhee, one of Sanford's constituents from Franklinton, criticized Sanford for "going at this situation the wrong way."<sup>40</sup> McGhee said that he had personally experienced poverty and that only people like him were qualified to figure out what to do about it. Among other things, he suggested that the town and county commissioners who "control everything" caused poverty. Thus, according to McGhee, the North Carolina Fund should not have been working with the county commissioners. By working with county commissioners, Sanford was allowing the process of helping the poor happen too slowly. Too often, the county commissioners acted as impediments to letting the poor help themselves. While Sanford may have thought that working with county commissioners was the only politically feasible route, he was -- according to McGhee -- actually undermining his primary purpose, which was to help the poor help themselves. However, without political support, he may not have been able to help the poor at all.<sup>41</sup> Sanford's relationship with the county commissioners was similar to his relationship to conservative North Carolinians. It was necessary that Sanford foster relationships with them in order for the Fund to work, but it in some ways hindered the Fund's goals.

The North Carolina Fund was also criticized from the opposite direction for inciting militancy among the poor. In the summer of 1967, riots broke out across the country. On July 27, 1967, Representative James C. Gardner of North Carolina claimed that the North Carolina Fund was responsible for a civil rights march that had occurred in Durham a couple days before and that had threatened to explode into violence until the National Guard was called.<sup>42</sup> He agreed that an anti-poverty program was a noble cause. However, he felt that because the Fund was receiving some of its funding from the federal government through the Office of Economic

Opportunity (OEO), encouragement of marches against the policies of the local government was unethical. Ironically, the Fund was using government money to combat the local government, at least according to Gardner. He called for a “complete investigation” of the organization.

Gardner demanded the suspension of Director George Esser because as Executive Director, Esser authorized many of the actions that Gardner saw as instigation for the riots and he called for the suspension of Howard Fuller, a black Durham staff worker, who had taken part in the demonstration.<sup>43</sup> As a result of Gardner’s accusations, McGeorge Bundy, president of the Ford Foundation, assessed whether he thought the money the Ford Foundation was giving the North Carolina Fund was being spent appropriately. According to an article entitled “Ford Foundation Praises N.C. Fund, Bundy did not have any problems with the North Carolina Fund. In fact, instead of having its finances withdrawn, he said that the North Carolina Fund “deserves commendation for a job well done.”<sup>44</sup>

Gardner and others also felt that the Fund was being used as a way to mobilize the poor to support the Democratic Party. In answer to that criticism, George Esser asserted that the Fund did not participate actively on the part of any one candidate or political agenda, but he did not deny that the Fund did try to get the poor to participate in politics. After all, helping the poor become integrated in democracy as envisioned in the community action programs implied a political mobilization of the poor. Esser compared the “citizenship education” advocated by the Fund to similar campaigns by League of Women Voters, Junior Chambers of Commerce, and other civic organizations.<sup>45</sup>

In reality, the Fund was involved in politics, but not in the way that Gardner envisioned. Sanford hoped to convince conservatives in the state that anti-poverty programs were necessary as evidenced earlier. Gardner’s criticism showed that the Fund was not able to persuade all

conservatives of its usefulness, although it did scare them because of its popularity. So just as being moderate caused the more liberal to think Sanford was not doing enough, it also led conservatives to believe that Sanford was too extreme. While both sides criticized him, their criticism proved that they were paying attention to the North Carolina Fund. Their efforts to criticize the Fund also show that they thought it was worth examining because Sanford had convinced them of its importance.

Because of Sanford's efforts, many of the programs started by the Fund are still in existence today as non-profit organizations. Two of these existing non-profit organizations include the North Carolina Low Income Housing Development Corporation and the Manpower Development Corporation.<sup>46</sup> The Fund was able to make a difference in at least the attitude of the poor. In an article entitled, "Realistic Approach Urged in Fight on Rural Poverty," *The Raleigh News and Observer* of Sunday, February 26, 1967, published excerpts from a statement by Esser before the National Advisory Committee on Rural Poverty on February 15, Esser spoke about some of the accomplishments of the North Carolina Fund. He said, "We have seen people who were supposed to be 'sorry,' get together, plan, work, and take new hope."<sup>47</sup> Their newly gained ability to organize was permanent. All over the state, poor people were learning that they could be self-reliant. Sanford's carefully calculated attempts to implement the North Carolina Fund had resulted in a new attitude among the poor and among many better off North Carolinians.

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Although Sanford may not have pursued his goals with as much determination as many activists thought necessary, he would not have obtained the limited success he did if he had not been politically moderate. Because of a political atmosphere negative to his ideas, he had to use all of his persuasion skills to create the North Carolina Fund and to ensure its continued existence. He knew that his ideas, formed in part because of his childhood during the Depression and his experiences with higher learning, were no longer popular and he had to pursue them outside of government.

In order to try to persuade a diverse range of people that his ideas were good, Sanford chose a diverse board for the North Carolina Fund. Sanford also worked hard to convince the public that the North Carolina Fund was a worthy cause. He told the public many of the reasons he empathized with the plight of the poor. For example, he believed that poverty had no place in a land so wealthy. Democratic ideals of equal opportunity were also important to him and he wanted to ensure southern prosperity. He did not explicitly say publicly that the North Carolina Fund also was aimed at alleviating the problems of racism. However, both blacks and whites were helped by the Fund with the majority of the aid going to blacks.

Despite Sanford's attempts to please everyone, the Fund was criticized for being too moderate and too extreme. Some North Carolinians felt that the North Carolina Fund was conceding too much to policy makers who were too conservative. Others felt that the Fund was doing too much to incite the poor to riot. Despite such criticism, the Fund was largely successful in its goals. Indeed, even criticism showed that both liberals and conservatives were paying attention to the North Carolina Fund. Both conceded that an anti-poverty program was necessary even if they did not agree on the method of coordinating one. The new attitude among the poor

in North Carolina that they have a right to be given opportunities to help themselves can thus be attributed in part to Sanford's efforts to make the North Carolina Fund a success.

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<sup>1</sup> *North Carolina Fund: Historical Note*. Accessed 2001 September 21. Available from ([http://www.lib.unc.edu/mss/inv/n/North\\_Carolina\\_Fund/hist.htm](http://www.lib.unc.edu/mss/inv/n/North_Carolina_Fund/hist.htm)).

<sup>2</sup> Covington, Howard E. and Marion A. Ellis, *Terry Sanford: Politics, Progress, & Outrageous Ambitions*, (Durham: Duke University Press, 1999), 17.

<sup>3</sup> *Ibid.*, 35.

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*, 116.

<sup>7</sup> *Ibid.*, 47.

<sup>8</sup> *Ibid.*, 49.

<sup>9</sup> *Ibid.*, 84-190.

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*, 238.

<sup>12</sup> Christensen, Rob, *Terry Sanford, Dead at 80: Giant in Politics for 40 years succumbs to cancer*. Accessed 2001 September 21. Available from (<http://www.pubpol.duke.edu/welcome/nando/sanfordat80.html> )

<sup>13</sup> George Esser, interview by Robert Korstad. November 13, 2002, Chapel Hill, NC.

<sup>14</sup> Memorandum to Terry Sanford from John Ehle dated January 23, 1963 in Box 525.1, Ford Visit I, the Division of Archives and History, Raleigh, North Carolina, 1.

<sup>15</sup> *Ibid.*, 1-2.

<sup>16</sup> The North Carolina Fund, Programs and Policies: The Comprehensive Community Experimental Programs in Box 525.11, Division of Archives and History, Governor's Papers, Terry Sanford, Raleigh, North Carolina.

<sup>17</sup> *Ibid.*

<sup>18</sup> George Esser, interview by Robert Korstad. November 13, 2002, Chapel Hill, NC.

<sup>19</sup> Greenstone, J. David and Paul E. Peterson, *Race and Authority in Urban Politics: Community Participation and the War on Poverty* (Chicago, The University of Chicago Press: 1976), 120.

<sup>20</sup> Luebke, Paul, *Tar Heel Politics*, (Chapel Hill: The University of North Carolina Press, 1990), 35.

<sup>21</sup> *Ibid*

<sup>22</sup> Drescher, John, *Triumph of Good Will: How Terry Sanford Beat a Champion of Segregation and Reshaped the South* (Jackson, University Press of Mississippi: 2000), 16.

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<sup>23</sup> Covington and Ellis., 345.

<sup>24</sup> George Esser, interview by Robert Korstad. November 13, 2002, Chapel Hill, NC.

<sup>25</sup> Covington and Ellis, 329.

<sup>26</sup> “Fund directors named, September session set, Corporation to Disperse \$10 million” in the News and Observer, Raleigh, North Carolina, July, 19, 1963, in Box 525.5, Division of Archives and History, Governor’s Papers, Terry Sanford, Raleigh, North Carolina.

<sup>27</sup> *Ibid.*, 1-2.

<sup>28</sup> “A Policy on Economic and Human Resources” speech by George H. Esser, Jr. Executive Director, the North Carolina Fund, Durham, NC, at luncheon meeting, annual convention of the National League of Cities, Boston, MA July 31, 1967 in the Robert Watts Hudgens Papers, Rare Book, Manuscript, & Special Collections Library, Duke University, Durham, North Carolina.

<sup>29</sup> *Ibid.*

<sup>30</sup> “Letter to Dr. Edward Teller” in Terry Sanford Papers, Series 3, Box 3531, Folder 1448, Manuscripts Department, UNC, Chapel Hill, North Carolina.

<sup>31</sup> *A Proposal to the Ford Foundation from the North Carolina Fund*, 5-6.

<sup>32</sup> Drescher, 62.

<sup>33</sup> *Ibid.*, 203.

<sup>34</sup> James L. Burney, interview by Margaret Bellis, Sunday, November 10, 2002, Raleigh, North Carolina..

<sup>35</sup> George Esser, interview by Robert Korstad. November 13, 2002, Chapel Hill, NC.

<sup>36</sup> *A Proposal to the Ford Foundation from the North Carolina Fund*, 2-3.

<sup>37</sup> Drescher, 171.

<sup>38</sup> *A Proposal to the Ford Foundation from the North Carolina Fund*, 23.

<sup>39</sup> Drescher., 132.

<sup>40</sup> “Letter to Terry Sanford” in the Terry Sanford Papers, Folder 1447, Manuscripts Department, UNC, Chapel Hill, North Carolina.

<sup>41</sup> *Ibid.*

<sup>42</sup> “Hill Defends Fund, Blasts Jim Gardner.” The News and Observer (Raleigh), July 27, 1967.

<sup>43</sup> *Ibid.*

<sup>44</sup> “Ford Foundation Praises North Carolina Fund.” The News and Observer (Raleigh), September 15, 1967.

<sup>45</sup> “N.C. Fund’s Esser Denies Gardner Charges.” The News and Observer (Raleigh), August 3, 1967.

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<sup>46</sup> George Esser, interview by Karen Kruse Thomas, October 3, 1995, Chapel Hill, NC.

<sup>47</sup> “Realistic Approach Urged in Fight on Rural Poverty” *The News and Observer* (Raleigh), February 26, 1967.