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January 5, 1976

MEMORANDUM FOR:

BO CALLAWAY

FROM:

FRED SLIGHT *FS*

SUBJECT:

Reagan's Proposed \$90 Billion
Plan and Its Impact On New
Hampshire

In follow-up to my memorandum to you of December 30, 1975, I attach a breakdown of actual Federal outlays in New Hampshire for FY 1975, which would appear to be affected by Ronald Reagan's proposal to reduce the FY 1976 budget by \$90 billion.

Several observations are warranted:

1. Reagan's proposal has been "floated" but not released, consequently the specifics which are necessary for a thorough and accurate analysis are non-existent.
2. Our understanding of the proposal's elements is based on news articles such as those authored by Stout, Ottenad, and Buchanan.
3. Actual state outlays for FY '76 will not be available for almost another 12 months, therefore Reagan's plan has been evaluated on the basis of its apparent impact on the FY '75 disbursements.

Using the conclusions of Dick Stout in terms of programs terminated or drastically altered by the Reagan proposal, approximately \$27,694,000 in Federal funds to New Hampshire in FY '75 would have been affected. This figure is especially significant given the fact that New Hampshire's state budget this year is only \$330.4 million. Let me emphasize that this is probably a conservative figure as an additional \$85,045,000 could very well be involved in part or in whole. Programs that would appear to be directly impacted on are indicated with an asterisk (*).

Before we go public with any of this, I think it is crucial that these figures and conclusions be reviewed by appropriate individuals. This can be an added topic for tomorrow's meeting.

Attachments

cc: Stu Spencer
Bob Marik
Peter Kaye ✓
Bruce Wagner

\$415.1M



ACTUAL FEDERAL OUTLAYS TO
NEW HAMPSHIRE FOR FISCAL YEAR 1975

I. EDUCATION, MANPOWER, & SOCIAL SERVICES

Department of Health, Education & Welfare

<u>Amount</u>	<u>Program Category</u>
*\$1,087,000	Child Development -- Head Start
65,000	Educ. Deprived Children -- Urban & Rural School Grants
378,000	Educ. Deprived Children -- Handicapped
84,000	Educ. Deprived Children -- In State Institutions
150,000	Educ. Deprived Children -- State Adminis- tration
2,744,000	Educ. Deprived Children -- LEAS
95,000	Upward Bound
	(\$4,603,000 - SUB-TOTAL)
\$ 392,000	Handicapped Pre-School & School Programs
20,000	Handicapped Teacher Education
65,000	Handicapped Early Childhood Assistance
	(\$ 477,000 - SUB-TOTAL)
\$ 205,000	Higher Educ. -- Land Grant Colleges & Universities
-- 225,000	Higher Educ. -- Strengthening Develop. Inst.
12,000	Higher Educ. -- State Post Secondary Educ.
2,333,000	Higher Educ. -- Work Study
30,000	Higher Educ. -- Cooperative Education
111,000	Higher Educ. -- Graduate Facilities
22,000	Higher Educ. -- (other outlays from OE)
* 39,000	Special Services Disadv. Students in Higher Education
	(\$2,977,000 - SUB-TOTAL)
\$ 14,000	National Defense Student Loan Cancell.
2,563,000	National Direct Student Loans
119,000	Student Loan Insurance Fund
1,606,000	Supple. Education Opportunity Grants
	(\$4,302,000 - SUB-TOTAL)
\$ 37,000	Rehabilitation Services & Facilities -- Special Projects
2,998,000	Rehabilitation Services & Facilities -- Basic Support
2,000	Rehabilitation Training
	(\$3,037,000 - SUB-TOTAL)



I. EDUCATION, MANPOWER, & SOCIAL SERVICES (cont'd)

Department of Health, Education & Welfare (cont'd)

<u>Amount</u> (cont'd)	<u>Program Category</u> (cont'd)
\$ 694,000	Special Programs for the Aging
(\$ 694,000 - SUB-TOTAL)	
<u>\$16,090,000</u> -----	<u>TOTAL (H.E.W.)</u>

II. COMMUNITY & REGIONAL DEVELOPMENT

Department of Commerce

<u>Amount</u>	<u>Program Category</u>
*\$ 619,000	Regional Action Planning Commission
* 115,000	Economic Develop. Administration (Dev. Grants & T/A)
<u>\$ 734,000</u> -----	<u>TOTAL</u>

ACTION

<u>Amount</u>	<u>Program Category</u>
*\$ 30,000	Volunteers in Service to America (VISTA)
<u>\$ 30,000</u> -----	<u>TOTAL</u>

Community Services Administration

<u>Amount</u>	<u>Program Category</u>
*\$ 855,000	Community Action
* 150,000	Community Economic Development
* 155,000	Community Food and Nutrition
* 308,000	Emergency Energy Conservation
* 350,000	Legal Services
* 146,000	State Economic Offices
* 28,000	Summer Youth Recreation
<u>\$1,992,000</u> -----	<u>TOTAL</u>



III. COMMERCE & TRANSPORTATION

U.S. Postal Service

<u>Amount</u>	<u>Program Category</u>
\$46,263,000	Postal Fund
<u>\$46,263,000</u> -----	<u>TOTAL</u>

Department of Transportation

<u>Amount</u>	<u>Program Category</u>
*\$ 408,000	Grants-in-Aid for Airports
*\$ 1,318,000	Urban Mass Transportation Fund
<u>\$ 1,726,000</u> -----	<u>TOTAL</u>

Department of Agriculture

<u>Amount</u>	<u>Program Category</u>
*\$ 151,000	Watershed Works of Improvement
* 85,000	Resource Conservation & Develop. Operations
* 179,000	Resource Conservation & Development
* 212,000	River Basins Surveys & Investigations
* 547,000	Soil and Water Conservation
* 131,000	Soil Survey
* 125,000	Watershed Planning
* 379,000	Watershed & Flood Prevention Oper.
<u>\$ 1,809,000</u> -----	<u>TOTAL</u>

Department of Interior

<u>Amount</u>	<u>Program Category</u>
*\$ 38,000	Construction, Corps of Engineers (Civil)
<u>\$ 38,000</u> -----	<u>TOTAL</u>

IV. INCOME SECURITY

Department of Agriculture

<u>Amount</u>	<u>Program Category</u>
*\$11,434,000	Food Stamp Bonus Coupons
*537,000	Other Food Stamp Program Costs



IV. INCOME SECURITY (cont'd)

Department of Agriculture (cont'd)

<u>Amount (cont'd)</u>	<u>Program Category (cont'd)</u>
*\$ 3,318,000	National School Lunch Program (Cash)
207,000	Non-Food Assistance to Schools
16,000	Food Distribution -- Other Program Costs
88,000	School Breakfast Program
199,000	Special Food Service Program for Children
743,000	Special Milk Program
42,000	Supple. Food -- Women, Infants & Children
36,000	State Administrative Services (FNS)
<u>\$16,620,000</u> -----	<u>TOTAL</u>

Department of Labor

<u>Amount</u>	<u>Program Category</u>
*\$ 85,000	Food Stamps Assistance
<u>\$ 85,000</u> -----	<u>TOTAL</u>

V. LAW ENFORCEMENT & JUSTICE

Department of Justice

<u>Amount</u>	<u>Program Category</u>
*\$ 3,006,000	Law Enforcement Assistance Administration Grants
<u>\$ 3,006,000</u> -----	<u>TOTAL</u>

VI. REVENUE SHARING

Department of the Treasury

<u>Amount</u>	<u>Program Category</u>
\$19,953,000	Local Assistance to State and Local Governments
<u>\$19,953,000</u> -----	<u>TOTAL</u>



VII. NATIONAL DEFENSE

(Dollar amounts in this category not capable of being calculated.)

VIII. HEALTH

Department of Health, Education & Welfare

<u>Amount</u>	<u>Program Category</u>
*\$ 735,000	Health Facilities Construction Grants
48,000	Health Maintenance Organization Service
292,000	Health Professions Capitation Grants
* 8,000	Health Professions Scholarships
56,000	Health Professions Student Loans
45,000	Health Services Develop. -- Project Grants
(\$1,184,000 - SUB-TOTAL)	
*\$ 100,000	Mental Health -- Hospital Improvement Grants
531,000	Mental Health -- Training Grants
58,000	Mental Health -- Children Services
592,000	Mental Health -- Community Mental Health Centers
463,000	Mental Health -- Research Grants
(\$1,744,000 - SUB-TOTAL)	
\$ 203,000	Nurse Train Improvement -- Special Projects
32,000	Nurse Traineeships
125,000	Nursing Capitation Grants
*34,000	Nursing Scholarships
89,000	Nursing Student Loans
(\$ 483,000 - SUB-TOTAL)	
*\$ 316,000	Family Planning Projects
* 666,000	Maternal and Child Health Services
(\$ 982,000 - SUB-TOTAL)	
<u>\$4,393,000</u> -----	<u>TOTAL (H.E.W.)</u>



January 6, 1976

John Breen --

The following figures are based on news reports of Reagan's plan and how programs would be altered or terminated.

They are based on the FY 1975 disbursements.

On this basis, about \$27,694,000 in federal funds to New Hampshire would be affected. This year's state budget is \$415.1 million. However, an additional \$85,045,000 could be involved. The programs directly involved are indicated with an asterisk (*).



REAGAN/WALLACE IN '76?

Dear Friend,

What role should American conservatives play in the 1976 elections? You must help answer this important question.

The answer you give...the conclusion reached on this extremely crucial issue by the Conservative Movement may determine the future of our free society.

The very foundations of our nation are under severe attack. Time is running out. But there is hope.

All across the nation, conservatives are beginning to organize and plan for the 1976 elections. They are working now to insure the election of a conservative to the Presidency of the United States!

They realize that freedom in America hangs in the balance.

That is why Young Americans for Freedom recently co-sponsored a Political Action Conference in Washington, D.C. At this meeting, more than 500 conservative leaders from every state in the nation gathered to chart a course of action for the 1976 elections.

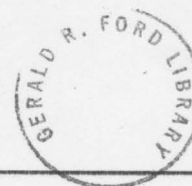
The delegates listened to conservative favorite Ronald Reagan and they organized the COMMITTEE ON CONSERVATIVE ALTERNATIVES.

I am privileged to serve on this Committee headed by U.S. Senator Jesse Helms which includes active supporters of Alabama Governor George Wallace and Ronald Reagan.

One of the most important tasks of this Committee is to reach a decision on the following question:

HAS THE TIME COME FOR CONSERVATIVES TO FORM A NEW CONSERVATIVE PARTY?

The answer reached by this Committee may well determine the fate of our nation.



I want you to participate in this decision. I will present your views and those of other American conservatives directly to the Committee.

The Committee is already meeting to make its decision. For that reason, I urge you to complete the enclosed poll and return it to me at once.

We are putting absolute top priority on the tabulation of these polls in order that conservatives from across the nation may have a voice in this crucial issue.

So...complete the enclosed poll and do me one more favor...include your check payable to the CONSERVATIVE MOVEMENT FUND.

Young Americans for Freedom has created this Fund to underwrite the cost of organizing conservatives across the nation and to poll thousands of conservatives for their answer to the enclosed question.

We must face the fact that unless the essential organizational work is completed now, conservatives cannot be successful in the 1976 elections.

PLEASE...give my request top priority. Complete the enclosed poll, and return it along with your contribution to the CONSERVATIVE MOVEMENT FUND.

Remember. The months are slipping by. Time is very short. Whatever you can send, \$10 or \$1,000 (or more!) is urgently needed today!

The conclusion reached by American conservatives on this issue and the extent of funds received may well determine the future of our nation.

Sincerely,

Ronald F. Docksai

Ronald F. Docksai
YAF National Chairman

P.S. In order that you may keep informed on the state of the Conservative Movement and the decision reached on the enclosed question, I am going to put your name on the list to receive a special issue of the YAF newsletter Dialogue which will report on these events. However, in order for me to do so you must complete and return the enclosed poll. Please do it today. Thank you.

P.P.S. I am going to send a copy of William Rusher's exciting new book, "The Making of the New Majority Party" to all donors of \$25 or more.



Yes! Now more than ever before the Conservative Movement needs my help. My check is enclosed (amount indicated) to assist during months that lie ahead:

\$20 \$50 \$75 \$100 \$250 \$500 \$1,000 \$2,500
\$5,000 \$10,000 \$ _____ Other

(Please make necessary corrections in address shown below and if not already shown please indicate whether Mr., Mrs., Miss, etc.)

329
MR. DOUGLAS MCKEEVER
1002 BOWY TOWER
ENID OK 73701

Make all checks payable to: Conservative Movement Fund and return along with your completed poll in the enclosed, pre-paid reply envelope.

CONSERVATIVE MOVEMENT POLL

Has the time come for conservatives to form a new Conservative Party?

Yes No Undecided

Note: Because the results of this poll are to be tabulated at the earliest date, please complete and return as soon as possible. Thank you.





All who contribute
\$25 or more will
receive a copy
of Bill Rusher's
exciting new
book!



Help YAF Cut Costs
Place 1st Class Stamp Here

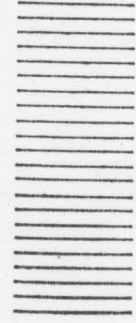
First Class
Permit No. 34
Sterling, Va.

BUSINESS REPLY MAIL
No Postage Stamp Necessary if Mailed in the United States

POSTAGE WILL BE PAID BY

Conservative Movement Fund

YAF
Route 2, Box 65
Woodland Road
Sterling, Virginia 22170



**REAGAN/WALLACE
IN '76?**

BURK, RT



January 14, 1976

TO: PETER KAYE

FROM: FRED SLIGHT

Attached is a copy of a brochure which the Reagan Committee has recently prepared and which will probably be circulated in mass at the YRLC.



Researcher

Cares about what young America thinks.



1976 is supposed to be a great year for America. At home, there aren't enough jobs for young people. Senseless government quotas and bureaucracy threaten to strangle our economic and personal freedom. Every day our government becomes less and less deserving of our trust, and more and more unconcerned with our real needs.

It seems as if no one in government really cares anymore, particularly about the needs of young people. Jobs, individual liberty, faith in government, have all become cliches for politicians to use in their campaigns, and forget after their election.

A recent national poll showed that the number of young people who think our government is run by special interests, believe government doesn't care what they think, and who have lost faith in our elected officials has doubled in the last ten years.

In California, Ronald Reagan said he was going to reverse the trend toward bigger and more expensive government, and he did. Ronald Reagan said he was going to make government more responsive to young people, and he did.



Ronald Reagan cares about what young America thinks. Ronald Reagan represents a solution. Other candidates must bear the responsibility for creating and perpetuating the mess in Washington.

If you want to be part of electing the next President of the United States, if you are tired of the politicians and their empty promises, if you want to turn this country around to represent the needs of young people, then join us.



RONALD REAGAN ON YOUTH ISSUES

Education

during the eight years of the Reagan Administration, funds for the State colleges were increased from \$167 million to \$480 million annually, an increase of 163 percent, while enrollment increased 78 percent. The University of California system budget increased under Reagan from \$240 million to \$493 million, up 105 percent, while enrollment increased 43 percent.

State student scholarships and loans increased from \$4.7 million to \$43 million under Ronald Reagan, an increase of 914 percent.

Youth Dialogue

As Governor, Reagan and students from all over California had unrehearsed "rap" sessions where the students would ask the Governor any questions on their minds. These video taped sessions were then distributed, without editing, on a State network of public broadcast and cable systems all over California so that young people and others who watched would have a better understanding of government.

During those many, many hours Governor Reagan was on the receiving end of very direct questions on every conceivable subject from these high school and college students.

Personal Freedom

"Individual liberty depends upon keeping government under control."
Ronald Reagan



Mail this form to:
YOUTH DIVISION-CITIZENS FOR REAGAN
1835 K Street NW; Washington, D.C. 20006

Yes, I want to help elect Ronald Reagan.

Name _____

School Mailing Address _____

Permanent Home Address _____

School Phone _____

Yes, I want to set up a Youth for Reagan Unit in my town/campus.

Please forward names of other young people who support Ronald Reagan. You will receive official YFR materials and instructions.

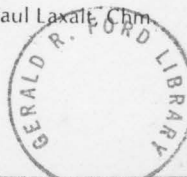


What can you do?

- You can join thousands of other young Americans and work for Ronald Reagan, right in your own area. We'll tell you how.
- You will be able to play a vital role in winning your state for Ronald Reagan by helping your statewide Citizens for Reagan committee.
- You will receive special Youth for Reagan leadership memos, organizational manuals and campaign materials to maximize your effectiveness in your town or campus.
- You can be an important part of the most exciting and challenging Presidential Campaign in this century.
- You can work for Ronald Reagan at the Republican National Convention in Kansas City.

YOUTH DIVISION
CITIZENS FOR REAGAN
1835 K Street NW
Washington, D.C. 20006

Paid for by the Citizens for Reagan, Sen. Paul Laxalt, Chairman
Henry M. Buchanan, Treasurer



P. Kaye ✓

FYI

Skip

1/20



The Reagan Record

As a two-term governor of California, one of the largest political entities in the world in terms of both population and budget, Ronald Reagan proved to even the most skeptical that his common sense philosophy of government works. He also demonstrated beyond any doubt that he possesses the leadership and the administrative skill to govern effectively. His accomplishments benefited everyone in the state.

During Ronald Reagan's eight years as governor of California...

- the number of people on the welfare rolls decreased by 400,000, saving taxpayers \$2 billion. At the same time the truly needy received a 30% increase in benefits.
- an inherited \$900 million deficit was turned into a \$500 million surplus.
- in spite of tremendous population growth and a corresponding increase in state services, the size of state government remained virtually unchanged.
- legislation was passed which brought massive tax relief to California's property owners—resulting in a \$378 million saving to homeowners and a \$110 million saving to renters.
- government positions were filled not with political "buddies" but with experienced, highly qualified individuals who were not seeking government careers but could be counted on to tell the governor if they found their job or department unnecessary—which a number of them did.

A recent article in *The Richmond News Leader* described Governor Reagan's record as "astoundingly successful," adding:

"The catalogue of Reagan's accomplishments as governor is important because it is so uncommon. And it suggests that what has been done in California could be done nationally."



Nancy and Ronald Reagan outside their home in California.

Ronald Wilson Reagan was born on February 6, 1911, in Tampico, Illinois. He married the former Nancy Davis in 1952. The couple has two children: a daughter, Patricia Ann, and a son, Ronald Prescott. Reagan also has two other children, Maureen and Michael.

He attended public schools in Illinois and was graduated from Eureka College in Eureka, Illinois, with a degree in economics and sociology. In college he was president of the student body, captain of the swimming team, and a three-year letterman in football.

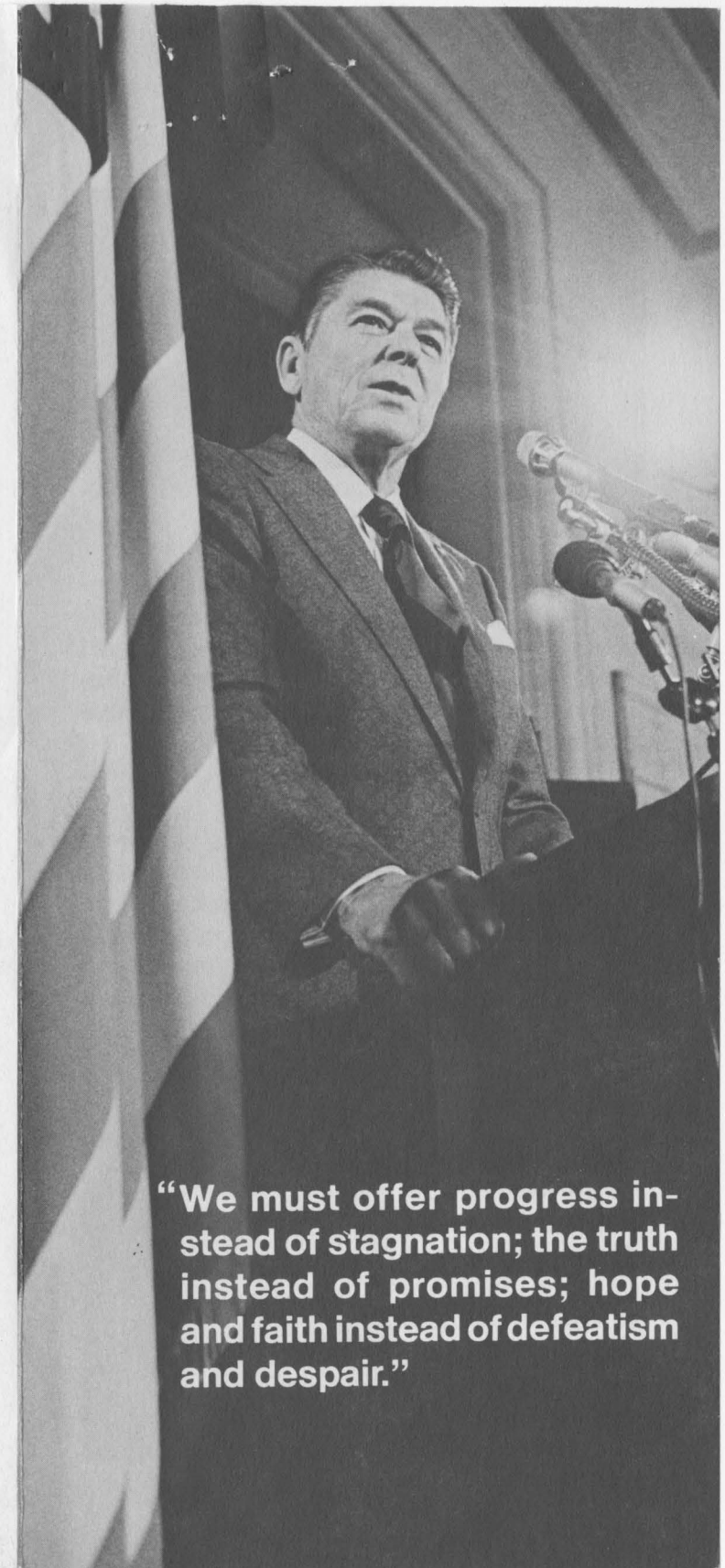
A second lieutenant in the U.S. Cavalry Reserve before World War II, he served for four years in the Air Force from 1942 to 1946. He was discharged with the rank of captain.

Ronald Reagan began his career as a sports announcer. He became a film actor in 1937 and appeared in 50 feature pictures and on television. He served as president of the Screen Actors Guild for six terms, and was president of the Motion Picture Industry Council for two terms.

He was elected governor of California on November 8, 1966, and was re-elected on November 3, 1970. He did not seek re-election to a third term.

Since leaving office Reagan has done a daily commentary on approximately 300 radio stations, written a syndicated weekly newspaper column and spoken to numerous civic, business and political groups around the nation.

Paid for by Citizens for Reagan.
Chairman, Senator Paul Laxalt, Treasurer, Henry M. Buchanan.



"We must offer progress instead of stagnation; the truth instead of promises; hope and faith instead of defeatism and despair."

A statement made by Ronald Reagan at a press conference in Washington, D.C. on November 20, 1975.



Thank you for coming.

I've called this press conference to announce that I am a candidate for the Presidency and to ask for the support of all Americans who share my belief that our nation needs to embark on a new, constructive course.

I believe my candidacy will be healthy for the nation and my party.

I am running because I have grown increasingly concerned about the course of events in the United States and in the world.

In just a few years, three vital measures of economic decay—inflation, unemployment, and interest rates—have more than doubled, at times reaching 10 per cent and even more.

Government at all levels now absorbs more than 44 per cent of our personal income. It has become more intrusive, more coercive, more meddlesome and less effective.



Our access to cheap and abundant energy has been interrupted, and our dependence on foreign sources is growing.

A decade ago, we had military superiority. Today, we are in danger of being surpassed by a nation that has never made any effort to hide its hostility to everything we stand for.



Through détente we have sought peace with our adversaries. We should continue to do so, but must make it plain that we expect a stronger indication that they also seek a lasting peace with us.

In my opinion, the root of these problems lies right here—in Washington, D.C. Our nation's capital has become the seat of a "buddy" system that functions for its own benefit—increasingly insensitive to the needs of the American worker who supports it with his taxes.

Today it is difficult to find leaders who are independent of the forces that have brought us our problems—the Congress, the bureaucracy, the lobbyists, big business and big labor.

If America is to survive and go forward, this must change. It will only change when

the American people vote for a leadership that listens to them, relies on them, and seeks to return government to them. We need a government that is confident not of what *it* can do, but of what the people can do.

For eight years in California, we labored to make government responsive. We worked against high odds—an opposition legislature for most of those years and an obstructive Washington bureaucracy for all of them. We did not always succeed. Nevertheless, we found that fiscal responsibility *is* possible, that the welfare rolls *can* come down, that social problems *can* be met below the Federal level.

In the coming months I will take this message to the American people. I will talk in detail about responsible, responsive government. I will tell the people it is they who should decide how much government they want.

I don't believe for one moment that four more years of business-as-usual in Washington is the answer to our problems and I don't think the American people believe it either.

We, as a people, aren't happy if we are not moving forward. A nation that is growing and thriving is one which will solve its problems. We must offer progress instead of stagnation; the truth instead of promises; hope and faith instead of defeatism and despair. Then, I am sure, the people will make those decisions which will restore confidence in our way of life and release that energy that is the American spirit.





Did you know?

that during Ronald Reagan's eight years as Governor of California...

- ★ the number of individuals on the welfare rolls decreased by 400,000, while at the same time those truly needy individuals received a 43% increase in benefits!
- ★ a predicted \$750 million deficit became an \$850 million surplus which was then returned to the taxpayers!
- ★ in spite of a tremendous population growth and a corresponding increase in state services, the size of state government remained virtually unchanged!
- ★ a trail-blazing bill was passed which brought massive tax relief to California's property owners resulting in a \$378 million saving to home owners and \$110 million saving to renters!
- ★ swift, decisive action by the Governor prevented radical elements from seizing control of the University of California!

With these and many more solid accomplishments under his belt, it should be readily apparent to everyone that Ronald Reagan is the **one** individual with the expertise, the administrative savvy to return the United States to the position of greatness it once occupied.

A Reagan economic policy dictated by restraint will provide top return for our tax dollars as contrasted with the bureaucratic blunders and general ineptness of many previous administrations—America has had enough rampant inflation and crippling recession.

Freedom has enemies—foreign and domestic. Ronald Reagan will maintain a constant vigilance to protect American interests at home and abroad. Liberty can exist only if tempered with responsibility.

REAGAN

The Spirit of '76!

The Reagan Record

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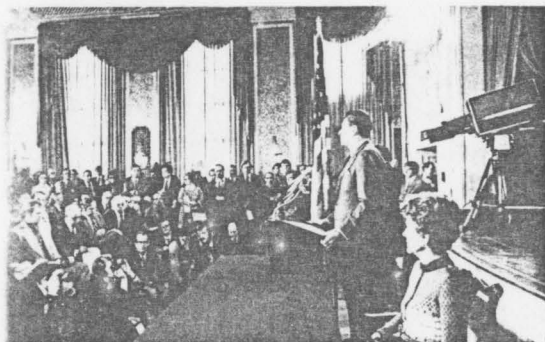
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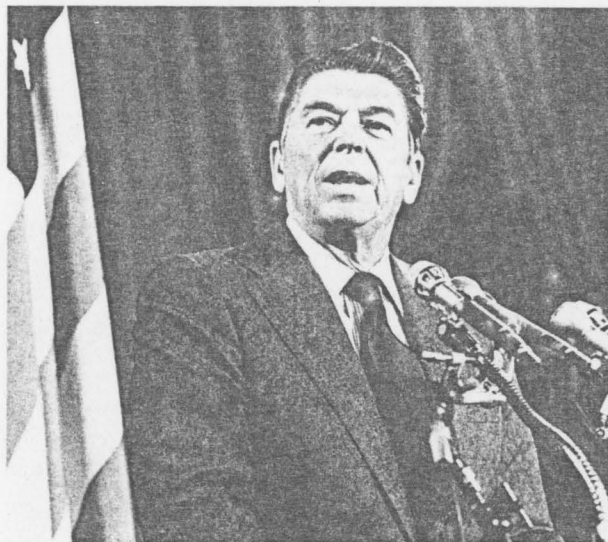
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In my opinion, the root of these problems lies right here—in Washington, D.C. Our nation's capital has become the seat of a "buddy" system that functions for its own benefit—increasingly insensitive to the needs of the American worker who supports it with his taxes.

Today it is difficult to find leaders who are independent of the forces that have brought us our problems—the Congress, the bureaucracy, the lobbyists, big business and big labor.

If America is to survive and go forward, this must change. It will only change when

the American people vote for a leadership that listens to them, relies on them, and seeks to return government to them. We need a government that is confident not of what it can do, but of what the people can do.

For eight years in California, we labored to make government responsive. We worked against high odds—an opposition legislature for most of those years and an obstructive Washington bureaucracy for all of them. We did not always succeed. Nevertheless, we found that fiscal responsibility is possible; that the welfare rolls can come down, that social problems can be met below the Federal level.

In the coming months I will take this message to the American people. I will talk in detail about responsible, responsive government. I will tell the people it is they who should decide how much government they want.



I don't believe for one moment that four more years of business-as-usual in Washington is the answer to our problems and I don't think the American people believe it either.

We, as a people, aren't happy if we are not moving forward. A nation that is growing and thriving is one which will solve its problems. We must offer progress instead of stagnation; the truth instead of promises; hope and faith instead of defeatism and despair. Then, I am sure, the people will make those decisions which will restore confidence in our way of life and release that energy that is the American spirit.



REAGAN
for President

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GOVERNOR RONALD REAGAN'S

STAND

ON ISSUES



REAGAN
The Spirit of '76!

JANUARY 5, 1976

GOVERNOR RONALD REAGAN'S STAND ON ISSUES

1. AMERICA

"Three and a half centuries ago, peoples from across the sea began to cross to this great land, searching for freedom and a sense of community they were losing at home. The trickle became a flood, and we spread across a vast, virtually unpeopled continent and caused it to bloom with homesteads, villages, cities, great transportation systems, all the emblems of prosperity and success. We became the most productive people in the history of the world."

"Two hundred years ago, when this process was just beginning, we rebelled when, in our eyes, a mother country turned into a foreign power. We rebelled not to overturn but to preserve what we had, and to keep alive the chance of doing more. We established a republic, because the meaning of a republic is that real leadership comes not from the rulers but from the people, that more happens in a state where the people are the sculptors and not the clay."

"Two hundred years ago it was London that turned into a foreign power. Today, and it is a sad thing to say, it is Washington. The coils woven in that city are entrapping us all, and, as with the Gordian knot, we cannot untie it, we must cut it with one blow of the sword."

2. ABORTION

Governor Reagan is philosophically opposed to abortion on demand. He allowed modified legislation to become law to cover instances of medical necessity.

3. BALANCED BUDGET

At Governor Reagan's Washington News Conference on November 20, 1975, he was asked:

"Would you accept a \$40 billion deficit next year?"

After outlining some of his ideas for how Federal expenditures should be reduced, Governor Reagan concluded:

"I believe we have no choice. This government must get back as quickly as possible to a balanced budget. I think the only difference between the national government at the moment, and New York City, is the national government has a printing press."



On a recent Florida visit, Governor Reagan commented:

"Yes, you can balance the budget. I have described balancing the budget as difficult, but not impossible. It's like protecting your virtue -- you have to learn to say no!"

4. BUSING

Governor Reagan is opposed to forced busing. "Busing failed in its intended purposes, and did nothing but cause bitterness on both sides." "It is insulting and demeaning to infer that a black child can only get an education by sitting between two white students.*" (*Quotation by a prominent Black leader, used by the Governor in his speeches.)

5. CALIFORNIA RECORD

While Governor Reagan was in office, his policy was one of "cut, squeeze and trim." He froze the hiring of employees as replacements for people retiring and for those leaving state services.

While the state had a tremendous growth rate, government remained essentially the same size. It managed to absorb a work-load increase of as much as sixty-six percent (66%) in some departments, without an increase in taxes.

The Governor inherited a deficit from his Democratic predecessors and turned it into an \$850 million surplus. He then took that money and returned it to the people in a one-time tax rebate.

Due to his good fiscal common sense practices, forty (40) of the state's fifty-eight (58) counties were able to reduce their property taxes.

All of these things he was able to accomplish while working with a hostile Democrat State Assembly.

Critics point to the fact that the actual budget went up thirty percent (30%) while he was in office. These figures are misleading in that over that same eight (8) year period, inflation went up over forty percent (40%), and at that time California was the fastest growing state in the Union.

Governor Reagan gives the following details:

"The California budget did increase during the eight years that I was Governor. But, I think you have to understand that every state has its own system and its own way of doing



things with regard to budgeting. Some states don't show in their budget the same things that others do. Now the truth of the matter is, a great part of California's budget consists of money that must show in the budget as income and outgo because it is collected by the state, but it is then (this great portion of the budget) returned directly in subventions to school districts and to local governments. In the case of California, when we began nine years ago, only one-half of the California budget was in subventions to local government. When we finished, more than two-thirds of the California budget was going back to local government and to the school districts. The actual portion of the budget which runs the state of California, over which we have administrative control or legislative control for that matter, that portion of the budget over a period of eight years, only increased thirty percent (30%). Inflation alone over that period was forty percent (40%). You add to that the fact that California was one of the fastest growing states in the Union and you have the situation that in constant dollars the actual administration of the state of California was costing less at the end of eight years than it did eight years before."

The critics don't like to admit that Reagan's budgets balanced and that his accomplishments were despite the bitter resistance of a hostile legislature and an entrenched bureaucracy. Only the people were on his side!

6. CAPITAL PUNISHMENT

Governor Reagan is for capital punishment, believing that it is an important deterrent to crime.

7. COMMON SITUS PICKETING

In his nationally syndicated radio broadcast on November 5, 1975, news conference, Governor Reagan took a strong slap at compulsory unionism and how this would be enhanced if President Ford allowed the Common Situs Picketing bill to become law. He said flatly that the bill should be vetoed and concluded: "At stake is a person's right to a living, whether or not he chooses to join a union." President Ford and his Secretary of Labor, John Dunlop, supported the bill, apparently more concerned with pleasing big labor bosses than in protecting the rights of workers. The President then made a 180 degree turnabout and vetoed the bill, only after extreme pressure from adverse public opinion and the threat of Governor Reagan's soaring popularity in the polls.



8. CUBA

"According to some estimates, the Soviet Union is spending a million dollars a day to keep Castro afloat, as a result mainly of our trade ban. So the issue is not simply a U.S.-Cuban issue, but a U.S.-Soviet issue as well. My own belief is that if the Soviets want to continue to have Cuba as a political and military base in this hemisphere, they should continue to pay for the privilege."

9. DECENTRALIZATION

"So long as the system continues to function the way it does now, we are going to see expenditures at every level of government soar out of sight. My goal is to reverse this: to tie spending and taxing functions together wherever feasible, so that those who have the pleasure of giving away tax dollars will also have the pain of raising them."

"We can and we must reverse the flow of power to Washington; not simply slow it, or paper over the problem with attractive phrases or cosmetic tinkering. This would give the appearance of change, but would leave the basic machinery untouched. What I propose is nothing less than a systematic transfer of authority and resources to the states -- a program of creative federalism for America's third century."

"The proposals I have outlined will bring howls of pain from those who are benefiting from the present system, and from many more who think they are. But we must turn a deaf ear if this nation and this way of life are to survive."

"The simple fact is the producing class in this nation is being drained of its substance by the non-producers -- the taxpayers are being victimized by the tax consumers. We may be sure that those in Washington and elsewhere whose life style depends on consuming other people's earnings while working people struggle to make ends meet, will fight to the last limousine and carpeted anteroom."

10. DEFENSE

"Some people will always say that when so much destructive power is involved, numbers do not matter. But I've never been able to understand why those who say numbers don't matter are invariably the same people who are most anxious to limit the numbers via a SALT agreement. In the real world, balance of destructive power matters greatly,



both factually and psychologically. If we are going to have a SALT II agreement, the President should order his negotiators to get real equality in every area. If not, it would be better to start from scratch."

"When you think about it, of all the functions of government, defense is the only one that is 'uncontrollable' in the sense that our requirements depend wholly on the actions of others. In periods of extreme peril such as World War II, over 90 percent of all federal expenditure went to the military; at other times when there was far less visible threat, it's been less than 10 percent. If we are really serious about getting arms agreements, the only way to do so on the basis of equality is to be ready to surpass the Soviets, should negotiations fail. If the Soviets are sure we'll continue to spend less on defense than they do, they have no rational reason to permit parity in nuclear weapons or any other kind."

He is for a strong defense budget. Some reorganization may be necessary to cut wasteful spending. "You spend what you have to spend to maintain superiority." "If you're second, you're last."

"In general, the Soviets are increasing their investment in defense at a rate of three-to-five percent annually, while we are decreasing our effort by three-to-five percent each year."

"Their single-minded obsession with military power is even more starkly apparent in their strategic nuclear program. For all we know the security of Europe is intimately bound up in the capabilities of U. S. strategic forces. Soviet planners continue to invest massive resources in every major arena of the nuclear competition."

"They have outdistanced the forecasts of even the most worried observers who all too often were looked upon as unreasoning doom criers. In fact, in the mid '60's we were assured optimistically by many that the Soviets had accepted a position of nuclear inferiority."

"In the later '60's, it was confidently predicted that growth in Soviet strategic forces would stop at parity."

"Today, the motives of the Soviets are being questioned by many analysts who see them investing ever-greater sums in their strategic program with apparently no natural limit short of total superiority."



"Why? What purpose do they have for their mushrooming nuclear force? Prestige? Diplomatic leverage? Or (and we have to ask this) first strike capability?"

11. DETENTE

"Too often in our pursuit of detente, we act as if a concession on our side is automatically helpful to the process as a whole. But if you think about it, nothing could make detente less meaningful, either to the United States or to the populations of the communist nations, than an unending series of one-sided American concessions. If our adversaries can get what they want -- formal recognition, liberalized trade, technical help, what have you -- without making any modifications in their foreign or domestic policies -- then the basis for true friendship is erased."

"It's only by a change in the nature of communism -- a movement away from the policies of aggression abroad and repression at home -- that communism and the west will be able to live together in harmony. If the communists get the prestige and material aid they want without having to change any of their own policies, the seeds of future conflict will be continually nourished, ready to sprout anew with little or no warning."

"We must always remember that the Soviet Union, through the Communist parties of the world, is an international corporation, complete with an extensive apparatus not only of subversion but of public relations. A black eye such as the expulsion of Alexander Solzhenitsyn harmed Soviet interests around the globe. The more we focus our attention on internal Soviet repression, and focus our demands in this area, the better chance that over the years the Soviet society will lose its cruelty and secrecy. Peace could then be ensured, not only because the Soviets fear our deterrent, but because they no longer wish to blot out all who oppose them at home and abroad."

"The general idea was that those discussions would reduce or eliminate the sources of international tension and mutual suspicion. Anticipating the effects of such efforts, every nation of our Alliance has reduced its real efforts in defense ever since and in spite of the Soviet invasion of Czechoslovakia. Perhaps we've indulged in wishful thinking. Our understanding of detente was evidently not the same as the Soviet's understanding of detente. A few figures make the point. In the three years 1972, '73 and '74:



- The Soviets increased their forces deployed in Eastern Europe from 525,000 to 625,000, while both Europe and America reduced theirs.
- The Soviets produced 9,000 new Main Battle Tanks; our country produced fewer than 1,400.
- The Soviets produced 13,200 armored personnel carriers; we produced 2,500.
- The Soviets out-produced us nine-to-one in artillery pieces, 3,600 to 400.
- They added ten (10) new divisions; the U.S. added a single brigade -- one-third of a division."

12. EDUCATION

"The United States built the greatest system of public education the world has ever known -- not at the federal level, not even at the state level, but at the level of the local school district. Until a few years ago, the people had direct control over their schools -- how much to spend, what kind of courses to offer, whom to hire. Is it an accident that as this local control gave way to funding and control at the federal and state levels, reading and other test scores have declined? The truth is, a good education depends far more on local control and accountability than on the amount of money spent."

13. ENERGY

"The one thing we shouldn't forget is this: if we relax government controls on natural gas, nuclear plants, oil shale, and offshore drilling, we won't have to talk about invading the Middle East. Instead, we could surpass the Middle East as the world's chief exporter of energy."

Governor Reagan favors incentives for those who would explore and develop new sources of energy. He favors building up our nuclear power plants, gassification of coal and oil and developing solar energy technology. He opposed the Democrat sponsored energy bill recently signed by President Ford. That bill will increase our vulnerability to the OPEC monopoly, through decreased domestic production and increased dependence on imports of at least one million barrels a day. President Ford made another of his



complete turnarounds on this bill, first opposing and later switching to support it despite the long range damage to our goal of energy independence.

14. EXTREMISM/POLLS

Some of Governor Reagan's opponents are trying to bill him as an extremist. To that he answers that they should look to his California record. There is nothing extremist in the way he ran the state, which is reflected in the fact that he was elected by the people of California -- who represent a diverse range of opinions similar to the entire population of the country, and these same people re-elected him to a second consecutive term.

A California poll taken immediately after he left office showed more than seventy percent (70%) of the California citizens rated him favorably.

More recent national polls show him the frontrunner in the presidential race among both Republican and Independent voters. He obviously appeals to many Democrats too, since the same polls show Governor Reagan leading Democrat contenders nationwide among all voters. His record and philosophy clearly represent the thinking of a broad cross-section majority of Americans. It is common sense and responsible, exactly the opposite of extremist.

15. E.R.A.

Governor Reagan has endorsed strong statutory legislation to correct any remaining legal inequalities between the sexes. He does not believe a constitutional amendment (ERA) is the answer to the problem. The amendment is open to too broad an interpretation by the Supreme Court, and he feels that in the long run it would take away privileges currently provided to women. (Example: factory privileges and certain other working provisions which would be eliminated on the grounds of discrimination against men.) Governor Reagan feels the ERA would "open a Pandora's Box."

16. FEDERALISM

"This country is bursting with ideas and creativity, but a government run by bureaucrats in Washington has no way to respond. If we send the power back to the states and localists, we'll find out how to improve education,



because some districts are going to succeed with some ideas and other districts are going to fail with others, and the word will spread like wildfire. Successful programs and good local governments will attract bright people like magnets, because the genius of federalism is that people can vote with their feet."

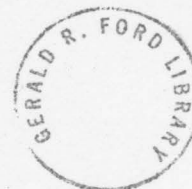
"I am calling for an end to giantism, for a return to the human scale -- the scale that human beings can understand and cope with; the scale of the local fraternal lodge, the church congregation, the block club, the farm bureau. It is the locally-owned factory, the small businessman who personally deals with his customers and stands behind his product, the farm and consumer cooperative, the town or neighborhood bank that invests in the community, the union local. It is this activity on a small, human scale that creates the fabric of community, a framework for the creation of abundance and liberty. The human scale nurtures standards of right behavior, a prevailing ethic of what is right and what is wrong, acceptable and unacceptable."

17. FEDERAL SPENDING

"Every minute I speak to you the federal government spends another \$700,000. I'd stop talking if they'd stop spending, but Washington is spending a billion dollars every day and goes into debt a billion and a third dollars every week. As a result, real spendable weekly income of the average American worker is lower than it was a decade ago -- even though in these ten years that same worker has increased his productivity twenty-three percent (23%). In the words of Jefferson, that is taking from the mouth of labor the bread it has earned."

"The absorption of revenue by all levels of government, the alarming rate of inflation, and the rising toll of unemployment all stem from a single source: the belief that government, particularly the federal government, has the answer to our ills, and that the proper method of dealing with social problems is to transfer power from the private to the public sector, and within the public sector from state and local governments to the ultimate power center in Washington."

"Nationally, we must return to a balanced budget. If people must run their households on a balanced budget, the government should be made to do the same. We must reverse the trend of the federal government running everything and return the powers to the state and local



governments, where they belong. The best government is still that government closest to the people."

"When government gets involved where it has no business, things go wrong. Government should not be trying to protect us from ourselves, it should only protect us from others. Too often government is not the solution to the problem -- government is the problem."

"The Democrats need only to look at New York to see what the full implementation of their philosophy can achieve."

18. FOREIGN POLICY

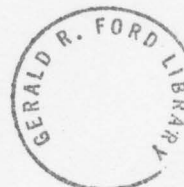
"In the area of foreign policy, I firmly believe that the United States must protect its own interests. Frankly, I'm skeptical of some of the things we've been doing or seem close to doing. Has the free world anything to gain by our recognition of the repressive dictatorships of Cuba or Communist China? Can we afford to give control of the Panama Canal to an antagonistic and unstable Panamanian dictatorship? What does detente really mean? What are we getting in return when we make "deals" with the Soviet Union? Have the Communists changed? Can they be trusted? I don't like the answers I come up with."

19. GUN CONTROL

The Governor feels that the present proposals do nothing to stop guns from getting into the hands of criminals. He proposes some kind of legislation similar to that adopted in California: when a person is convicted of a crime using a hand gun or other deadly weapon, five (5) to fifteen (15) years is added on to his sentence, and judges are prohibited from giving probation to these individuals.

20. JUDICIARY

Regarding judicial appointments, Governor Reagan has strongly supported the concept of judicial restraint and strict interpretation of the constitution. He said: "We need some one to interpret, not legislate."



21. LAW AND ORDER

"A truly free society is also a safe society. Our courts must stop papering cold-blooded killers and terrorists. Quite simply, we must return law and order to our streets. We must appoint judges who crack down on the lawbreaker, not the law-abiding citizen. Repeat offenders must be kept off the streets, and capital punishment must be restored in cases of vicious and premeditated murder. We must return to the concept of swift and sure punishment meted by judges as concerned about the rights of the victim as they are about the rights of the accused."

22. MARIJUANA

Governor Reagan is against legalization of marijuana or further reduction of penalties.

23. MONOPOLY

"Monopoly is evil -- whether by government, by business or by labor."

24. NEW YORK CITY

When Governor Reagan was asked how he felt about bailing out New York City, he responded:

"New York City has given us a picture on the wall of where the nation is heading if we don't quit following the same path they followed. I think it is wonderful that the Democrats are holding their convention there. They'd better take a look and see that this is what their philosophy has brought about. New York City for the last twenty (20) years or so has been increasing its revenues by about eight percent (8%) a year. Before anyone talks about bailing out New York City, we'd better wait and find out if New York City will revamp its style and set up a program to live like the rest of us and get themselves out of trouble." The Governor pointed out that all the rest of the cities of over a million in population operate at an average annual cost per capita of about \$650, while in New York City it is an astronomical \$1,466. He concluded: "They have four times as many public employees, which is the largest, most populous state in the Union. They've brought trouble on themselves."



When President Ford recently switched his stand on New York City, his bail out bill narrowly passed in Congress. Ironically, all of Florida's G.O.P. congressmen, including Ford's state campaign chairman, Lou Frey, voted against the bill.

25. NINETY BILLION DOLLAR FEDERAL SPENDING CUT

Governor Reagan has proposed a program to reduce federal spending and return control of many social welfare programs to state and local governments. The program is based on Governor Reagan's experience in California, such as the reorganization of welfare programs, resulting in improved efficiency and very important savings to the taxpayers.

Federal authority has clearly failed to do the job. It has created more problems in welfare, education, housing, food stamps, medicaid (welfare medical care), community and regional development, and revenue sharing, to name a few. The sums involved and the potential savings to the taxpayers are large. Transfer of authority in whole or in part in all these areas could reduce the outlay of the federal government by more than \$90 billion, using the spending levels of Fiscal 1976.

With such savings, it would be possible to balance the budget, making an initial \$5 billion payment on the national debt, and cutting the federal personal income tax burden of every American by an average of twenty-three percent (23%).

Note well: Not included in this proposal are transfer of governmental functions which are national rather than local in nature and others such as social security and medicare, which are handled through trust arrangements outside the general revenue structure and should be left under federal administration.

Opponents and liberal bureaucrats have been quick to criticize Governor Reagan's program to cut the federal bureaucracy and save the taxpayers billions. They cannot deny that net savings to taxpayers would be enormous, even in cases where increased state and local funding might be needed. Programs not needed or wanted by state or local citizens could be dropped entirely. The programs that continued would eliminate the massive and costly federal bureaucracy. The government closest to the people would administer programs more effectively and economically, providing better services at reduced cost.



26. PANAMA CANAL

Governor Reagan favors retention of sovereignty over the Panama Canal. He met recently with Panamanian exile leaders who oppose the current leftist military dictatorship. He strongly opposes the efforts of the Ford administration to negotiate a new canal treaty with Panama, replacing the pact of 1903.

27. REGULATION

"In our regulatory agencies dealing with non-monopoly industries, we must set a date certain for an end to federal price fixing and an end to all federal restrictions on entry."

28. SOCIALISM

"Let's take a good look at a huge nation that's had fifty (50) years to put into practice a completely socialist system: the Soviet Union, which has more territory than the United States, a larger population, and vast natural resources. Now, you know we could match their socialist Utopia. It would take a little doing. We'd have to cut our paychecks by seventy-five percent (75%), move sixty (60) million workers back to the farm, abandon two-thirds of our steel-making capacity, destroy forty (40) million TV sets, tear up fourteen (14) out of every fifteen (15) miles of highway, junk nineteen (19) out of every twenty (20) autos, tear up two-thirds of our railroad track, knock down seventy percent (70%) of our houses, and rip out nine-tenths of our telephones. Then all we'd have to do is find a capitalist country that would sell us wheat on credit to keep us from starving."

29. SOCIAL SECURITY

"We must reform our major trust funds to ensure solvency and accountability. Particularly important is the need to save social security from the colossal debt that threatens the future well-being of millions of Americans, even while it overtaxes our workers at a growing and exorbitant rate."



30. TAXES

"Government taxes forty-four percent (44%) of every dollar -- that is too much, and wrong. Regarding taxes, we should index taxes so that the wage earner is not required to pay more because of inflation. And we should rewrite the tax laws so that you don't need a lawyer to fill out your tax return."

(In California) "We also turned over -- for the first time in almost a quarter century -- a balanced budget and a surplus of \$500 million. In those eight years, we returned \$5.7 billion to the people in rebates, tax reductions and bridge-toll reductions. All this is contrary to the will of those who deplore conservatism and profess to be liberals -- yet all of it is pleasing to the citizenry."

31. TAX REFORM

"We must radically simplify our method of tax collection, so that every American can fill out his return in a matter of minutes without legal help. Genuine tax reform would also make it more rewarding to save than to borrow, and encourage a wider diffusion of ownership to America's workers."

32. WELFARE

"For years, the fashionable voices have been calling for a federal take-over of welfare. If there is one area of social policy that should be at the most local level of government possible, it is welfare. It should not be nationalized -- it should be localized. If Joe Doaks is using his welfare money to go down to the pool hall and drink beer and gamble, and the people on his block are paying the bill directly, Joe is apt to undergo a change in his life style."

33. WELFARE REFORM

(Before Governor Reagan in California): "We were the welfare capital of the world, with sixteen percent (16%) of the nation's caseload. California's caseload was increasing by 40,000 a month."

The Reagan administration initiated major welfare reform programs which reduced waste, excessive bureaucracy and abuses such as fraud, overpayments and underpayments.



These reforms resulted in improved programs for the truly needy, while reducing the overall burden on the taxpayers. Governor Reagan summarized:

"Today, the needy have had an average increase of forty-three percent (43%) in welfare grants in California, but the taxpayers have saved \$2 billion by the caseload not increasing by 40,000 a month. Instead, there are some 400,000 fewer on welfare today than then."



RONALD REAGAN ON SOCIAL SECURITY

"The flagship of the liberal cause is social security."

"Social security dues are a tax for the general use of the government and payment of that tax does not automatically entitle anyone to the receipt of the benefits. The benefits are a welfare program which can be cancelled or curtailed by Congress at any time."

Speech, Amarillo, Texas
March 2, 1964

"Do not exchange freedom for the soup kitchen of compulsory insurance."

Arizona Republic, May 23, 1964

"At the same time, can't we introduce voluntary features that would permit a citizen to do better on his own, to be excused upon presentation of evidence that he had made provisions for the non-earning years?"

A Time for Choosing, television
speech for Goldwater, November, 1964



-1-

Social security has "changed from an insurance concept when it started to a welfare concept now. It should be made voluntary."

Los Angeles Times, Jan. 22, 1965

Reagan said he had never favored social security being voluntary but had favored "excusing an individual from contributing to social security if he proved he had ~~made~~ adequate provision for his retirement years."

Campaign tour, Fresno,
Sacramento Bee, Oct. 16, 1966

Reagan says he supports social security, but "I am critical of some aspects. For example, you cannot name your beneficiaries as you want to. Also, I think we could explore the idea, perhaps to permit those who want to go on private plans to do so, provided they submit a record each year of such participation."

KNX Firing Line call-in show,
Los Angeles Herald-Examiner,
October 25, 1966



"I still believe we could explore whether a man who could do better on his own" should be allowed to purchase a voluntary private retirement plan in lieu of the federal compulsory program.

KNX Firing Line call-in show,
Los Angeles Times, Oct. 25, 1966

"Every wealthy young people (sic) ~~under forty~~ years of age in this country are paying in probably more than twice as much as they can hope to get back from social security. If they have the money, in their own hands, they could go into the open insurance market today and buy an insurance (policy) that would pay them more than double and give them a life protection policy from the first day at the same time. There are plans that are being discussed by a number of economists. One very interesting plan is one that would legitimize that imbalance . . . I just offer this as an example of the thinking of some knowledgeable people. This one would stop the payroll tax, and make the employer's share of social security be given in the paycheck to the worker, so that he would have in effect a raise of pay. He's no longer paying the tax. But, you then create retirement bonds that have an annuity effect, in other words an insurance feature with them. Retirement bonds, the worker would have to buy ten percent of his income in bonds or \$2,500 worth, whichever was



less. Those who have been paying in would be given bonds in the amount of the money they have already paid in, and start from there on the buying of additional bonds. But another feature of this system that once they have those bonds, under this plan it is proposed that they could if they saw a better chance to invest those bonds in say a private pension plan, they could do it, which would make the government competitive with private pension plans and there's never anything wrong when you've got competition instead of monopoly.

Speech, Houston, Texas, Dec. 2, 1970

"Maybe someplace down the road someday, there might come a time where you could introduce some other features into it, but right now all of the plans that I know of being talked about by economists are based on plans in which the compulsory features of participation would remain."

Speech, Conway, New Hampshire
Jan. 5, 1970



Reagan Runs Into Trouble in Florida Over Issues of Abortion, Social Security

BY RICHARD BERGHOLZ
Times Political Writer

DAYTONA BEACH, Fla.—The issues of Social Security and abortion laws gave Ronald Reagan trouble Saturday when he brought his Republican presidential campaign back to Florida.

The former California governor conceded he once had suggested that participation in the federal Social Security program be made voluntary—a move that his critics, including President Ford's campaigners, contended was intended to destroy Social Security.

Reagan talked also about the fact that although he currently opposes liberalized abortion laws, he once as governor signed a bill loosening abortion restrictions. He said he now thought he had been misled by the medical profession and had made a mistake on the issue.

The Republican presidential candidate, at a 35-minute news conference, first in more than a week, clearly was on the defensive.

Earlier, he had dismissed as "absolutely false and without foundation" a charge by Ford's campaign staff that he (Reagan) had repeatedly suggested voluntarism for the Social Security program during and after the days he campaigned actively for Barry Goldwater in the 1964 presidential campaign.

Goldwater himself had suggested Social Security participation be made voluntary and his critics in both the Republican and Democratic parties hit hard at him for his stand.

Now, Reagan is particularly sensitive to similar criti-

cism in this state, where retirees make up an important segment of the GOP.

When first asked about his former views, Reagan told a news conference that his quotes had been taken "somewhat out of context." He added that, among other improvements in the system, he had believed the Social Security program "could have made provision for those who could do better on their own, but they should be able to do so (provided only that) they gave evidence to the government that they had made provisions for their own nonearning years."

Because such a choice would assure some form of retirement protection, Reagan said, he did not consider his proposal was "totally voluntary."

But now, Reagan said, the system has a projected deficit of \$2.25 trillion and "today, if we are going to straighten out that (deficit), it obviously is going to involve all of us."

"There can't be any lessening of these features until you get this program on a sound actuarial basis where everyone is going to be guaranteed that they are going to get what they have been promised."

As he had previously, Reagan refused to spell out what reforms he had in mind to cure the deficit problems or to say how he would finance any changes in existing rules.

"One of the failures of Social Security as a pension program is that the funds do not grow, they are not invested, as they would be in the industrial might of America," he said.

Unlike privately funded plans, Social Security beneficia-

are "totally dependent on the money that they contribute," he said.

He said under the Social Security officials had been "playing fast and loose" with the program's annual trust fund and said "as a matter of fact, it isn't there available in cash for the people; much of it is in government bonds."

"I don't know how the government justifies giving itself an 'I-owe-me.'"

Reagan frequently has said he considers abortion "the taking of a human life" and that he is unalterably opposed to it—even to the point of supporting a proposed constitutional amendment if necessary to stop "abortions on demand."

But Saturday, for the first time, Reagan discussed with newsmen why he had signed a liberalized abortion bill as governor of California, a law now in effect in the state.

He said he did not view the measure put on his desk as an "abortion on demand" bill because it provided that abortions could be performed only when a medical doctor concluded that a woman's health, including her mental health, was jeopardized by the continued pregnancy.

"I had permanent health danger in mind," Reagan said, and, in the case of mental illness, "derangement for the rest of her life."

But after signing the bill, he discovered that some doctors, particularly psychiatrists, would certify dangers of dubious magnitude simply to satisfy a woman's desire for an abortion, Reagan said.

"I did not foresee the mental health section of the law would be used this way," he said.

Reagan said he had been misled by the medical profession and had made a mistake on the issue.

The GOP candidate was also questioned sharply about his continued use of what he terms as an example of welfare fraud—a woman in Chicago who, he said, obtained as much as \$150,000 in one year in fraudulent welfare claims, using 80 different names and 30 different addresses.

A copy of the Reagan staff briefing paper on the incident, obtained by newsmen, showed that Reagan already had been informed that the woman had, in fact, been charged with only one count of fraud totaling \$7,000, that the prosecutor in charge of the case felt it was the only case strong enough to warrant prosecution.

Reagan said he knew this. "Maybe I have been careless at times in not saying 'reported fraud,'" he added.

But he said the Illinois state legislative advisory committee on public assistance had filed a report accusing the woman of the large number of fraudulent acts and "I didn't think this was a case of going to court to prove it—you know from welfare records what the facts are."



Daytona Beach News Journal

Sunday February 8

Reagan said the growing deficit in the social security system might be alleviated by investing its trust funds in the stock market. He said he hasn't come up with a firm plan for where the money would come from to make the changes he says are necessary in social security, but said; "I know of no pension fund outside social security where people are totally dependent on the money they contribute."

Miami Herald Sunday, February 8

Republican Presidential candidate RR Saturday suggested investing social security money in the stock market as a possible solution to a deficit he says is growing in the social security system.

Reagan said that he had not yet come up with a firm plan for where the money would come from to make the changes in social security that he says are needed. But he said that one alternative could be "investing social security trust funds in industry."

(made following a state JC convention meeting at which RR spoke)



F/Social New

Painful Truth on Social Security

By JIM WRIGHT
Assistant Editorial Director

IF THERE were such a thing as a Presidential Medal of Honor, it should go to Gerald Ford, for courage above and beyond the call of political expediency. He has voluntarily faced an unpleasant fact while running for office.

In his State of the Union message, President Ford said right out loud that we'd better start doing some serious worrying and some additional paying on Social Security. That may not be politic, by standard rules, but it is certainly appreciated.

As a citizen, politician-watcher, taxpayer and potential recipient of Social Security, I'm glad to see somebody face up to this issue. It is a matter that directly affects the present paychecks and future security of 90 per cent of us American workers. Yet you don't hear much straight talk about the system from political candidates. Since 1964, it has become taboo for them.

It was in that year, you'll recall, that Barry Goldwater suggested some changes in the Social Security system. As subsequent events have proved, the GOP candidate was right in warning us about the shakiness of the system, but at the time, Lyndon Johnson's mediemen turned Goldwater's words against him.

REMEMBER THE Democrats' TV spot showing a pair of hands tearing up a Social Security card? The idea was supposed to be that Goldwater's intention was to deny all the old folks their pensions, starve widows and orphans and break the crutches of the disabled.

For obvious reasons, it's easy to panic

people who are dependent on Social Security, and the anti-Goldwater twist worked like a charm. Regardless of whatever points in common they might have had with Goldwater ideologically or politically, those who could not get by without their Social Security checks helped to bury Goldwater at the polls.

While Goldwater was making so bold as to suggest structural changes in Social Security, his colleagues that same year in Congress were making the customary change prior to an election: They passed the popular election-year "sweetener," upping the benefits.

Congress had made it a practice to buy the votes needed for reelection by passing a bill to increase benefits, increase the number of people eligible to draw them, or both.

THANKS TO Goldwater's disaster, that's about the only kind of public attention Congress gives the Social Security system any more: Buying votes with it.

And so, today, the Social Security system is in dire straits. But President Ford, in his State of the Union message, became one of the few American leaders with the courage to point this out.

Ford's warnings are not based on the ideology of the system, which is at least debatable, but on the numbers:

"Simple arithmetic warns all of us," he said, "that the Social Security Trust Fund is headed for trouble. Unless we act soon to make sure the fund takes in as much as it pays out, there will be no security for old or young."

Social Security was originally sold to workers as a way whereby they could put away money as insurance against old age or disability. In fact as the benefits and the number of people drawing them have climbed, the system has become a straight transfer of funds: Money is taken from the earnings of those working and transferred to those who are drawing Social Security.

AND THE long and short of the problem is that as the amount drawn out grows long, the amount paid in grows short. The American people are living longer, but having fewer children than in years past. If you reduce this great societal system down to a familial one—the original Social Security—the trend is clearer: When there are four grandchildren in the work force supporting one surviving grandparent, there's no problem. When there is one grandchild supporting four grandparents, there is a big problem.

Obviously the grandchild in the latter situation has to bear a heavier burden financially than one of the grandchildren in the former.

And because our national system is growing more like the latter and less like the former, the President told us right up front in this election year that we who now work are going to have to pay out even more in the future "to make sure the fund takes in as much as it pays out."

THAT'S AN obvious truth, but it's the sort of hard reality that people running for national office do not like to face. If we allow the system to go on paying out more than it takes in, then it will collapse, regardless of which party controls the White House or the Congress. Arithmetic doesn't play favorites.

As one who has been paying Social Security taxes for 32 years now—we had child labor in those days—I have a close personal interest in seeing that the system survives. In another 22 years, I'd like to hope, the system I have supported will begin supporting me.

A rather large majority of Americans now alive have the same interest in the continuation of the system on a sound basis. The President may find that speaking to that interest is not as politically poisonous as it has been considered until now.



WRIGHT



1500
2D The Houston Post
TUES. JAN. 27, 1976

Xc. Zapanta
Watts

Post/commentary

Squaring the accounts

President Ford, in calling for a Social Security tax increase in his State of the Union message, confirmed warnings sounded with increasing frequency over the past few years: The Social Security system is headed for trouble if its dwindling emergency trust funds are not replenished.

Congress should go along with Mr. Ford's recommendation for a three-tenths of one per cent increase in the tax rate—from the current 5.85 per cent to 6.15 per cent—beginning next January. The tax is levied on an income base fixed by a formula in the law. Last year it was collected on the first \$14,100 of income, this year it will be on the first \$15,300 and next year it will be on the first \$16,500. If Congress approves the President's proposed rate increase, it will raise \$4.2 billion in new revenue for the Social Security Trust Fund.

The trust fund has been dealt a one-two punch by inflation and recession in the past few years. The fund, which stood at \$45 billion at the beginning of last year, has declined by \$2.5 billion. The prospect of continued high inflation and progressively larger payments to Social Security recipients to cover cost-of-living increases has led actuarial experts to warn that the fund will be depleted by the early 1980s if steps are not taken to rebuild it.

For the sake of the 30 million citizens now receiving Social Security payments and the millions more of us who have been paying into the program with the expectation of collecting future benefits, its solvency must be protected. This can be done by one or more of the following methods: Continue raising the Social Security tax rate or the income base on which it is levied, curtail benefits or at least restrain their future expansion, transfer general revenue funds into the system's trust fund.

The use of general revenue money has been advocated to bail out the program if it gets in trouble. And some general funds are already being used to support part of the Medicare program. Beyond this, however, it should be avoided since it would subvert the concept of Social Security as insurance and turn it into welfare. The soundest approach—in line with the tax increase Mr. Ford wants—is to stick to the pay-as-we-go system, adjusting the payroll tax paid by the employee and the employer to keep the program fiscally sound.

Congress should also exercise more restraint in expanding coverage, the cost of which must be paid from Social Security funds. Congressional failure to raise revenue to pay for past expansions has contributed substantially to the program's financial burdens.

Finally, the government should give the public its best assessment of the condition of the Social Security program and the projected costs of keeping it solvent. Conflicting statements by federal officials and persistent rumors of problems in the system have created a climate of confusion and uncertainty about it. Since, one way or another, we will have to pay the bill, we are entitled to a faithful accounting.



For release: **IMMEDIATELY,**

Contact: Peter Kaye (202) 457-6430

MIAMI--Ronald Reagan's vaunted welfare reform program was a failure that ended up costing Californians an additional \$100 million, HEW Under Sec. Marjorie Lynch said today.

"During the 8 years of Reagan's governership," Mrs. Lynch told a news conference here, "welfare rolls for families nearly doubled--from 729,357 to 1,384,400 recipients and the cost went from \$32.3 million to \$104.4 million.

"Under Reagan, Californian's welfare costs went up 143 per cent; under his predecessor, Edmund G. Brown Sr., they were up 83 per cent."

Mrs. Lynch said Reagan's prepaid health plan idea for Medicaid recipients was scandal-ridden and has been investigated by a number of federal and state agencies.

His Community Work Experience Program, she added was poorly designed, incompetently run and touched only .6 of one per cent of welfare recipients. In taking issue with Reagan's claim that he reduced welfare rolls in California by 400,000, Mrs. Lynch said he takes credit for a decline in the national unemployment rate which lowered welfare rolls across the country.

"His policies did little to cause or assist that," she said.

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THE REAL RONALD REAGAN WELFARE RECORD

One of the cornerstones of Ronald Reagan's campaign is the image of him as a strong, effective reformer of California's welfare system.

This theme was set in a letter from Senator Paul Laxalt, R-Nev., Chairman of Citizens for Reagan:

"...as Governor of California he was successful in reducing the number of individuals on welfare rolls by 400,000, while at the same time those truly needy individuals received a 43% increase in benefits."

That's the rhetoric. The truth is that Reagan created a worse situation -- one which cost Californians an additional \$100 million.

The deception in Reagan's claims is that he takes credit for a decline in the national unemployment rate which lowered welfare rolls across the country. His policies did little to cause or assist that.

In fact, most of his major reforms were failures. His prepaid health plan idea for Medicaid recipients was scandal-ridden and has been investigated by a number of Federal and State agencies. The General Accounting Office found Medicaid prepaid health programs to be so poorly run by the Reagan Administration that more than 50 percent of the



money went to administrative costs instead of health care.

Reagan's plan to force welfare recipients to work was a total failure. Yet he now apparently proposes to institute his welfare philosophy all over the country.

Let's look more closely at Ronald Reagan on his welfare record.

Q. In general, how successful was Reagan's record on welfare?

A. Not very. The Reagan plan was never fully enacted by the Legislature. Much of what did become law either was invalidated by State and Federal courts or by the Department of Health, Education, and Welfare as being illegal. The programs that remained did not clean up the welfare mess. In some instances, they were incompetently run and scandal-ridden. Forty major lawsuits were lodged against the plan and 32 were successful. In addition, class action lawsuits overturned most of the regressive provisions of the proposals. In general, the only major provision that remained was the "flat grant" schedule, and that increased benefits for 80 percent of the caseload.



Q. Did Reagan's plan actually reduce the welfare rolls by 400,000?

A. No. In 1971 and 1972 the nationwide unemployment rate declined and welfare rolls across the country dropped. California got extra help through a simultaneous decline in the migration of the unemployed into the State.

When Reagan took office in 1967, the annual migration rate into the State was 233,000 persons. By 1971, when Reagan instituted his policies, the rate had declined to 44,000.

Welfare rolls likewise were already well on the decline when the Reagan welfare policies went into effect in October, 1971. Between March and October, 1971, welfare rolls in California declined by more than 110,000 from 1,638,816 to 1,527,601 recipients. Ronald Reagan takes credit for this decline, although his policies were not even in effect yet. When unemployment began to rise in 1974, extended unemployment insurance benefits kept the welfare rolls from rising rapidly.

An additional factor contributing to over-estimations of the caseload reductions was the fact that 20,000 "recipients" were removed from



the rolls due to a correction in the accounting procedures in the largest county, Los Angeles, where persons had previously been counted twice if they received general assistance and emergency AFDC in the same month.

During the eight years of Reagan's governorship, welfare rolls for families nearly doubled; from 729,357 to 1,384,400 recipients and the cost went from \$32.3 million to \$104.4 million. The aged blind and disabled programs went from a caseload of 397,400 in January, 1967, when he took office to 609,000 when he left in January, 1975.

Q. But didn't Reagan's policies save the California taxpayers \$1 billion as he claims?

A. No. The record indicates that the Reagan plan cost California taxpayers an additional \$100 million. These increased expenditures were in such areas as training, job development, day care, family planning, etc. Beyond that, the cost of reinstating those illegally eliminated from welfare has been estimated at \$25 million.

When Reagan instituted his plan in 1971, welfare costs were averaging about \$90 million per month. For his program to save \$1 billion in two years,



welfare costs would have to have been reduced by \$46 million per month. In other words, they would have to average \$44 million dollars per month in 1972 and 1973. Yet, in 1972 and 1973 the monthly average was about \$90 million. Simple arithmetic alone demonstrates that the Reagan plan generated no dramatic savings and the claims of its supporters are clearly wrong. A. Alan Post, California's respected Legislative Analyst, pointed out that under Reagan, California's welfare costs went up 143 percent; under his predecessor, Edmund G. Brown, Sr., they were up 83 percent.

Q. To put welfare recipients to work, Reagan instituted a Community Work Experience Program. How well did this work?

A. It didn't. This was a poorly designed program and it was incompetently run. It was difficult to administer and never touched more than six-tenths of one percent of welfare recipients. Finally, it was strongly resisted by California's counties.

Although the program was intended to have 59,000 participants in the first year in 35 counties, it barely managed 1,100 participants in 10 counties, mostly in rural, farm areas.



While intended to move welfare recipients into regular jobs, only 262 participants found work as a result of the program. The additional cost of running this program was \$1.5 million. To significantly affect the welfare caseload, CWEP would have had to add \$2.5 billion to California's welfare costs. In effect that would triple those costs. Two years after its inception, the Legislature moved to abolish CWEP as a total failure.

Q. What about Reagan's reforms for the Medicaid program?

A. A major Reagan program was the prepaid health plan concept for Medicaid. The program was a scandal. It was mismanaged and poorly regulated by the Reagan Administration. It has been investigated by the Legislature, by the Justice Department, by the General Accounting Office and by other Federal and State agencies. They found it to be a total rip-off.

Most of the money never got to the poor in the form of medical care. Instead, it was siphoned off on the way down by "administrators." In Los Angeles, for example, less than 50 percent of the program funds went to health care. Of the \$56.5 million paid over a two-year period to 15 plans by the State,



only \$27.1 million was spent for health care services. Typical was a plan which received \$9 million from the State. Of this, \$5.5 million went for administrative expenses and profit.

Welfare recipients were tricked or coerced into joining many prepaid plans. The medical care often was of very low quality, even though many doctors were earning more than \$100,000-plus salaries.

Q. Given this situation in California, haven't Reagan's views on welfare changed since he has become a national candidate?

A. Apparently not. To implement what he calls "creative federalism," Reagan would cut from the Federal budget most of the appropriations for social welfare and medical services for the poor.

It then would be up to the States to decide whether they wanted to continue these services with their own revenues or to abandon them.

As for the poor, he added, they could migrate to States that have adequate welfare programs.

"You can vote with your feet in this country," he said. "If a State is mismanaged, you can move elsewhere."



One of the biggest myths in American politics is the image of Ronald Reagan as a tight-fisted fiscal conservative.

In reality, Reagan was the biggest taxpayer and spender of any governor in California's history.

Lou Cannon, a political writer for the Washington Post and author of a Reagan biography, wrote in a recent article:

"At times Reagan seems to be the various things his advocates and his adversaries say about him. What Reagan says and what Reagan does are frequently contradictory. And he left a conflicting legacy after two four-year terms in the governorship."

Nowhere are the Reagan rhetoric and the Reagan record in more conflict than in the field of fiscal policy.

Let's compare the rhetoric and the record.

A letter from Sen. Paul Laxalt, R-Nevada, who is chairman of Citizens for Reagan, set the theme of the campaign.

The senator said Reagan would tell the American people "that as governor of California he was successful in:

--creating and returning an \$850 million surplus to the California taxpayers.

--keeping the size of the California state government constant.

--originating and signing a massive tax relief bill which resulted in a \$378 million saving to California's property owners and a \$110 million saving to renters."



That's the rhetoric. In detail, let's look at the record.

Q. What about the Reagan campaign claim that as governor, he created and returned an \$850 million surplus to the California taxpayers?"

A. The \$850 million surplus was not the result of any savings in state government. Rather, it was a serious miscalculation. In 1967, Reagan, in effect, 'overtaxed' Californians through an enormous \$943 million tax increase. While the tax increase was permanent, the rebate was a one-shot temporary form of relief in 1969 -- the year preceding his bid for reelection.

Q. And the claim of a "massive tax relief bill which resulted in a \$378 million saving to property owners and a \$110 million saving to renters?"

A. This was in no way the result of sound management of the state. The property tax relief was achieved by other federal and state revenues. Specifically, they were a federal revenue sharing surplus, a major increase in the state sales tax and a strong business climate.

Q. What about the Reagan campaign boast that he kept "the size of California state government constant?"

A. Under Reagan, the state budget more than doubled in eight years from \$4.6 billion to \$10.2 billion. The number of state employees increased from 113,779 in 1967 to 127,929 in 1975.



Q. Yes, but don't inflation and the growth of California's population contribute to that budget increase?

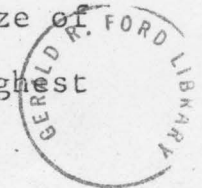
A. Doubtless they do. But it is significant to note that under Reagan the state budget increased an average of 12.2% yearly. Under his successor, Edmund G. Brown, Jr., the increase has been 6%. And while California's population grew 1% a year during Reagan's eight-year administration, it grew 3% a year during the 14 preceding years under Governors Edmund G. Brown, Sr. and Goodwin J. Knight.

Q. How did Reagan balance the state budget during those years that it more than doubled? By practicing fiscal economies?

A. By no means. Under Reagan, there were three huge tax increases totalling more than \$2 billion. In 1967, there was an increase of \$967 million -- the largest state tax hike in the nation's history. Of this, \$280 million went for a one-time deficit payment and future property tax relief. In 1971, the increase was \$488 million with \$150 million for property tax relief. In 1972, the increase was \$682 million with \$650 million for property tax relief. Much of this property tax relief was short term. But the overall tax increases were permanent.

Q. How was this money raised?

A. By all sorts of taxes. State personal income tax revenues went from \$500 million to \$2.5 billion, a 500% increase. Top bracket levies were increased from 7% to 11%. The size of the brackets was reduced so that taxpayers reached the highest



bracket more quickly. And personal exemptions were reduced. Finally, after adamantly denying he would ever do so, the governor agreed to a system of withholding state income taxes.

Bank and corporation taxes went up 100%. The state sales tax rose from 4% to 6%. The tax on cigarettes went up 7 cents a pack and the liquor tax rose 50 cents per gallon. Inheritance tax rates also were increased and collections more than doubled.

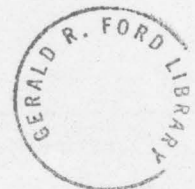
Q. But didn't taxpayers benefit from local property tax relief?

A. Hardly. Under Reagan, the average tax rate for each \$100 of assessed valuation rose from \$8.84 to \$11.15. Under predecessor Pat Brown the increase was much less in dollars and percentage -- from \$6.96 to \$8.84. And in the six years of Republican Knight's administration it was still less -- from \$5.94 to \$6.96. One reason for the big increase under Reagan -- from \$3.7 billion to \$8.3 billion -- is that the state paid a steadily smaller percentage of school costs -- one of the biggest reasons for local property taxes.

Despite periodic efforts to provide relief, there has been a substantial increase in the burden carried by most property owners. Inflation and higher assessments have helped wipe out any savings. Only \$855 million of the record \$10.2 billion budget in Reagan's final year was for tax relief for homeowners and renters.

Q. What did Reagan have to say about all this spending?

A. Nothing very consistent. In his first inaugural message



on January 5, 1967, he said "we are going to squeeze and cut and trim until we reduce the cost of government."

On July 9, 1967, he said in a televised speech that as long as California grows in population and as long as the country is in an inflationary spiral "we will have a record breaking budget every year....and that is roughly 8%."

On Oct. 2, 1967, Reagan was asked in Milwaukee about his comment that he balanced the budget without new taxes. He replied: "We raised the old ones about \$1 billion."

Q. Many of Reagan's supporters claim that the reason for the huge budget increases in his administration was because of increases in assistance to local governments?

A. That's true. And under the same logic, we could eliminate about \$60 billion from the federal budget spent for assistance to the states. Extending that bookkeeping system to foreign aid and assistance to individuals, nearly three-fourths of the federal budget could be disregarded. If Reagan is going to continue to criticize the growth of the federal budget, he has to accept similar criticism on the growth of California's budget while he was governor. He can't have it both ways.



Jack Anderson

Mr. Ford, Backstage

The experience of ascending the pinnacle of power can change a man.

At the President's beck, civilian and military leaders gather to listen to his counsel. Assistants materialize at the press of a buzzer; military aides attend him; servants cater to his whims. It is enough to turn the head of a saint.

We consulted our backstairs White House sources, therefore, to find out what effect his heady experience has had on Gerald Ford. He is still the same plodding, unpretentious guy.

There is an average-American quality about him, an easiness of manner, an engaging sincerity. He hulks through the White House corridors, full of friendliness, taking a personal interest in the lowliest secretaries and domestics.

In the backrooms, he has an easy, locker-room camaraderie with men, a courteous graciousness toward women. During the social hour, he often mixes drinks for his guests rather than wait for a White House steward to serve them.

Ford's favorite pet is a golden retriever named Liberty. On Christmas Day, 1974, Liberty had an accident on the presidential rug. Stewards rushed to clean up her mess, but Ford waved them away. He got up from his Christmas dinner and cleaned the rug himself. "No one should have to clean up after someone else's dog," he said.

White House workers like to take Liberty out for walks, but the President doesn't feel dog-walking is part of their job. When other family members don't walk Liberty, Ford tries to do it himself.

Once, in the middle of the night, the President of the United States, with a massive staff at his call, quietly slipped out of bed, put on a bathrobe and led Liberty outside to answer nature's call.

Ford's worst two days in the White House began on the dark, rainy Friday that his wife went into the hospital for a cancer operation. Out of a sense of duty, the President sat through an economic conference he could have avoided.

He also kept a commitment to speak at the closing session the following morning while his wife underwent surgery. His only concession to his personal feelings was to cut the speech short. Between visits to the hospital, he also kept appointments with important foreign dignitaries.

Our sources remember it was a gloomy, depressing time, with the President scarcely hiding his anxiety. At the end of his most arduous hours, he was escorted to the White House elevator by Richard Keiser, his Secret Service look-alike, and Major Robert Barrett, the military aide. Both men shared the same grim mood.

Still, just before the elevator door shut to take the President upstairs to the living quarters, he interrupted his personal thoughts and spoke quietly to his two escorts. "Thank you, Bob. Thank you, Dick," murmured Gerald Ford.

At the end of a presidential flight, he makes it a point to poke his head into the cockpit and thank his pilots. On a trip back from Detroit, it was raining too heavily at Andrews Air Force base for the President to take the customary helicopter hop to the White House. He headed for the backup limousine for the drive to the White House.

Suddenly, he noticed the helicopter, which had been standing by. He turned abruptly, walked through the rain to the helicopter and thrust his head inside to thank the astonished crew for waiting.

Those who know Ford intimately say he is a most considerate and compassionate person. On a visit to Los Angeles, he stayed in an upper floor of the Century Plaza hotel. During a ride downstairs to a press conference, the elevator began to malfunction, shutting up and down. The President's aides grew nervous, and the elevator operator was terrified. Ford calmed him down, saying quietly: "Don't worry, it will work. You'll get us there."

When Sen. Ted Kennedy's son went to the hospital for a bone cancer operation, the President placed a private call to Kennedy to inquire about the outcome and to express his personal good wishes.

When Jordan's King Hussein visited the White House on April 29, 1975, Ford invited Sen. George McGovern, D-S.D., to the formal state dinner. McGovern, a pariah to previous White House occupants was deeply moved by Ford's gesture.

During the dinner, the Republican President went to McGovern and told the 1972 Democratic standard bearer: "No matter what, this house belongs to everyone, now more than ever."

During the Greek-Turkish crisis, the President visited Chicago to speak to the Veterans of Foreign Wars. Greek-Americans who disagreed with his foreign policy gathered outside his Chicago hotel to chant their disapproval. Upstairs in the presidential suite, an associate remarked to Ford: "That must really bug you."

"No," replied the President as he watched the protesters, "they're good people. I can understand their feelings. They are my friends."

There is nothing suave or subtle about Gerald Ford—none of those sophisticated mannerisms which Americans are inclined to distrust. One of the first pictures the White House released of him showed the new President working with one foot propped on his desk. Most of his predecessors took themselves much too seriously to permit a picture of such relaxed informality. But Ford has brought a warmth to an office which in less than a decade had gone from the chieftainship of Camelot to the deviousness of Byzantium.



Democrats are failing to yield a real winner;

Even Ford critics — plus his doctor

Reagan is having trouble in N.H.

find good things to say

By WILBUR ELSTON

News Associate Editor

For a few days at least, things seem to be coming up roses for President Ford.

He gets a clean bill of health on his annual physical examination. A special NEC poll shows a sharp rise in the public approval of his conduct of the presidency. And he regains the lead over Ronald Reagan in the public opinion polls on their battle for the GOP nomination for president.

Even some journalistic critics become kind to the President. He gets a few friendly words from "Scotty" Reston, the New York Times columnist. For a



Wilbur Elston

change, keyhole-peeper Jack Anderson quotes a pro-Ford source in the White House. And even the Washington Post finds Mr. Ford cannot be all bad because his Democratic critics are beginning to sound like the President himself on some issues.

THE PRESIDENT GETS GOOD marks for his handling of the budget briefings for the press and his presentation to the public. Even more important, his reports on economic conditions showed recovery to be continuing and inflation declining, although unemployment still is troublesome.

Some of the more favorable public attitudes toward the President simply reflect the volatility of public opinion this early in the 1976 campaign. Part of it no doubt reflects the increase in public confidence in the nation's economic future.



But part of it also stems from the fact that the press is now beginning to apply the harsh light of publicity to Mr. Ford's foes in the presidential race. Then it is discovered they do not have all the answers to current problems, either.

Thus, Mr. Ford does not look so bad to Republicans after they see the suave Ronald Reagan having foot-in-mouth trouble in New Hampshire and elsewhere with his proposal to cut \$90 billion from the federal budget without boosting taxes on the local and state level.

Even to some Democrats, Mr. Ford looks pretty good in comparison with some Democratic candidates. In Iowa, former Gov. Jimmy Carter of Georgia won more delegates in the precinct caucuses than anybody else, but the uncommitted delegates exceeded his own in number.

Even in Mississippi, Gov. George Wallace of Alabama won the most delegates — but did not capture a majority — and the uncommitted delegates ran second in total and well ahead of Carter in third place.

It is true there are good explanations for the large number of uncommitted delegates. Many Democrats find it too early to make a decision on the grounds that today's favorite may not even be in the running by national convention time. And candidates who are weak in some states prefer to have their delegates stay uncommitted rather than expose their lack of strength to public view.

BUT THERE IS ANOTHER explanation, too, for the good showing of the uncommitted. While it is early in the campaign, none of the Democrats has emerged as a front-runner — and, in fact,

some people cannot see a real winner in the crowd.

That helps explain why Sen. Hubert Humphrey of Minnesota is still regarded as a potential Democratic nominee. He is not running in the Democratic primaries, denies he is a candidate but admits he would be delighted to have his party nominate him for a second chance at the presidency he so narrowly missed winning back in 1968.

Because he always has something to say and usually says it well — even if at too great length — he is still welcomed on television and radio talk shows and by newspapermen seeking an informed opinion on the state of the Democratic Party.

He also is on good terms with the President, despite their political differences. He predicts Mr. Ford will be the GOP nominee and Mr. Ford reciprocates by predicting Humphrey will be the Democratic nominee.

All of this makes it sound as if there is a kind of "old boy" clique in American politics — and, of course, there is. Mr. Ford and Sen. Humphrey served together in Congress for a long time and so they are old personal friends, even though they are also political foes.

If Humphrey and Mr. Ford became the nominees, they would not be quite so friendly but the two old pros would wage a much less rancorous campaign than Humphrey and Richard Nixon did in 1968.

Humphrey rates high in the Democratic polls because he is regarded as the best second choice by almost every Democrat who does not regard him as the No. 1 candidate. And so he is regarded as having a chance at the nomination — if no other Democratic candidate catches fire

in the primaries and if nobody gains a commanding delegate lead.

In the GOP, Mr. Ford must be regarded as the favorite simply because he is the incumbent. Even Reagan, who got off to a fast start, appears to have slowed down. Unless Reagan catches fire in the early primaries, Mr. Ford will win the nomination going away.

True, by the end of the week, the cloud of euphoria that had surrounded the President was being somewhat dissipated. The Democratic Congress, which had returned to Washington from its winter holiday determined to show up a Republican President, began to take actions to do just that.

As expected, the House overrode Mr. Ford's wishes and barred any further U.S. aid to Angolan anti-Marxist forces despite the prospects of victory by the Soviet-backed Popular Movement for the Liberation of Angola.

IN ADDITION, CONGRESS overrode Mr. Ford's veto of a \$45 billion health, welfare and labor appropriation the President had described as a "classic example of unchecked spending." The bill will add more than \$1 billion to Mr. Ford's budget.

House and Senate intelligence committees also continued to reveal the secrets of the CIA and the FBI to the world in a fit of masochistic finger-pointing that damaged the nation's reputation and the Ford administration's ability to conduct foreign policy.

Yet even the Democrats' continuing attacks on the President, and the presidency, could not completely erase the impression that Mr. Ford is looking and acting more presidential — and winning new support for his election campaign.

THE DALLAS TIMES HERALD EDITORIALS

2-B**** Thursday, January 22, 1976

Mr. Ford's budget

THE ISSUE: *The need for Congress to join the President in making some hard spending choices.*

HIS 1977 BUDGET. President Ford said, makes some hard choices between what the nation wants to do and what it can do.

Certainly it is high time that such choices be made, after a federal government spending spree which will see the 1976 fiscal year deficit rise to somewhere around \$76 billion.

Whether the President goes far enough in making the "hard choices" to hold down spending will be argued. But actually the ceiling on expenditures set in the budget is without doubt the very minimum possible with an often spendthrift Congress. Unfortunately, in fact, the history of this Congress does not augur well for holding spending during the next fiscal year within the limit set by the President.

And that is true even though the limit exceeds the estimated expenditure for the current fiscal year.

President Ford proposes a total outlay during the next fiscal year, beginning on Oct. 1, of \$394.2 billion. His budget estimates federal revenues for that year of \$351.3 billion, leaving a deficit of \$43 billion.

Federal expenditure for this year is expected to amount to \$373.5 billion, leaving the government in the red by \$76 billion.

Thus the deficits for the two fiscal years would amount to a staggering \$119 billion. The total could, of course, go higher than that

if Congress refuses to stay within the 1977 limitation of \$394.2 billion proposed by Mr. Ford.

And Congress may well do so. For many of the cuts in spending proposed by the President could be politically unpopular. Particularly is this true in the area of welfare.

Though President Ford proposed no sweeping changes in welfare programs, he did call for reduction in expenditures for some of them, such as the food stamp program.

Here, he asks Congress for reforms which would reduce the cost of food stamps by \$900 million annually, setting that item in the budget at \$4.7 billion. That, it seems to us, is about the minimum that should be cut out of this abuse-ridden program.

One sizable expenditure increase proposed by Mr. Ford will be controversial in Congress. He asked an increase of \$8.9 billion in defense spending, proposing a total expenditure of \$100.1 billion.

The President is on solid ground here for two reasons. First, United States defenses must be kept strong. Second, the U. S. must negotiate from such strength in the arms limitation talks with Russia to obtain the kind of effective agreement which in the long run can justify reducing huge defense expenditures.

Overall, this is a politically realistic budget. Any other kind would be useless. Congress now begins its own budget process, and we urge it also to make some hard choices between what the nation wants to do and what it can afford to do.



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Friday, January 23, 1976

Page 10-A

President Ford's budget: A sound, brave challenge

For all its ponderous pages of detail, its charts, tables and appendices, an American President's annual budget is no more or less than a set of proposals to the Congress, which in turn must dispose. Thus in the nature of the democratic dialectic—and in President Ford's budget for fiscal year 1977—much is proposed that may not be expected.

When they are visible within such a budget, however, broad purposes reflect broad concepts of national policy. Clearly visible in Mr. Ford's new offering is a concept of America in a state of perishable recovery from real and still very threatening economic disruption—based on inflation and on an extended doldrum of the productive economy.

We believe that is the only sound and responsible way to read today's economic circumstances. There are any number of specifics in the budget which demand detailed examination—some, especially major parts of the defense request, are deeply debatable. But the basis of the budget is responsible and it is sound.

There will be no absence of debate. It is an election year. Mr. Ford's magistracy so far has been most dramatically one of executive-legislative confrontation on spending bills: vetoes and overrides in ceaseless cycle.

With due respect for the patriotism and decency of many in the Congress, in the next nine months the corridors of the national Capitol can be expected to echo with mixed choral renderings of the LaFollette Rule. Sen. Robert LaFollette's survival advice to Pennsylvania's own George Wharton Pepper more than a half-century ago was: "I make it a rule never to vote for a tax measure or against any appropriation."

It is demonstrably difficult to campaign biennially for a House seat on the assertion that "I have been restrained." It is only slightly less difficult to run in that manner for the Senate every six years—or the White House in four.

Yet if the United States is going to

put a significant portion of the presently unproductive one-quarter of its industrial capacity back to work—and is going to provide substantial and enduring relief for its millions of unemployed citizens—it first must stabilize the national economy. For all the humane intentions of the proliferating and expensive social welfare and improvement programs of the last decade, stability is not going to be achieved by shoveling out more freshly printed money which immediately depreciates all other money—and many other values.

As the still far from conquered inflationary troubles have raged on, there has been increasing tendency, even among politicians of the LaFollette Rule tradition, to recognize the validity of that principle. The Congress has made much of its own budgetary discipline.

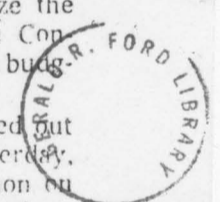
But as George Melloan pointed out in the Wall Street Journal yesterday, "When Congress completes action on the appropriations in the 1976 budget, it will have overshot President Ford's initial target of a year ago by \$24 billion and its own first target by nearly \$8 billion."

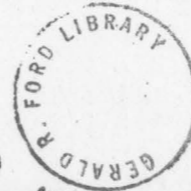
Mr. Ford's new budget requests spending of \$394.2 billion and proposes receipts of \$351.3 billion—a projected deficit of \$43 billion.

If that came to pass—and it most certainly will not, at least in the specifics outlined by Mr. Ford—it would yield a \$33 billion reduction, from the current fiscal year to the next, of inflation-tinder. That, in our judgment, is still a lot of inflammable fuel. But it is a responsible reduction.

Mr. Ford has thrown down the glove—to the Congressional majorities and to the candidates who will be running for national office for the next nine months. His challenge, as it is broadly projected in the budget, is a courageous and a sound one.

The most interesting, and the most important, question of America's Bicentennial year will be how the other candidates—and their constituents—will rise to that challenge.





The Atlanta Constitution, Jan. 26, '76

Joseph Kraft

Budget Speech Gives Ford the Last Laugh

Just before the President presented his budget at a press conference last week, a reporter asked a White House aide whether Ford was going to have to stand through the full 90-minute session. "Why don't you get him a stool?" the reporter suggested. "Because," the aide laughed, "he might fall off."



As it happens, Ford has had the last laugh. His budget presentation showed a rare mastery over the numbers and the detailed programs of the government.

The figures themselves advance his political prospects with his own party, the Democratic Congress and the country as a whole. The weak point is that a 19th century economic philosophy restrains the President from actions which could bring down both inflation and unemployment far more rapidly than presently planned.

The chief characteristic of the new budget is its bias against big govern-

ment programs and spending. The underlying philosophy, as enunciated in the Economic Report last week, is that private business activity will assure steady growth in years to come.

Accordingly, the federal government does not need to play a stimulative role. Tax cuts to spur private consumption and investment are to be matched by equal reductions in federal spending. Social Security increases are to be paid for by the beneficiaries. Expensive health, education and food stamp programs are to be reorganized and scaled down.

Virtually all signs indicate that opposition to big government and big spending fits the mood of a public which has had it with Watergates, Vietnams and Great Societies. Probably the most impressive of the many signs is the attitude of the two political parties.

On the Republican side, Ford faces a challenge for the nomination only from the conservative candidate, Ronald Reagan. The former California governor is the white knight of citizen government as opposed to entrenched, self-serving bureaucracy. Ford's budget, accordingly, should insulate

him against the Reagan assault and help him win the nomination.

The Democrats, in obedience to the national mood, have also eschewed the politics of big spending. The brightest new faces in the party — Jimmy Carter who won the Iowa precinct caucuses and Govs. Jerry Brown of California and Mike Dukakis of Massachusetts — advertise themselves as pennypinchers. That old stager, Edmund Muskie, plucked at least one tightwad chord in the Democratic response to the President's State of the Union message. The Senator from Maine told the voters to ask leaders who "promise more government benefits and services . . . how much will they cost?"

Precisely because of the joint bias against big spending, my belief is that the Republican President and Democratic Congress, while having some differences, will leave off the constant bickering which marked 1975. It is notable that Ford did not threaten to veto any spending which breached his \$394.2 billion budgetary ceiling. Equally that the Democrats on the new Budget committee of the Congress are seeking White House support in curtailing the legislative and appro-

priation committees. In effect, the centrists in both parties are in a kind of collusion to deny the presidential nomination to the extremists in both parties.

The price for all this harmony, however, is not low. Ford, true to his free enterprise bias, rejects various novel proposals for government action to arrest inflation. Stockpiling of commodities to prevent the big surge in raw material prices which sparked the last two inflationary binges is out. So, though recommended by Arthur Burns of the Federal Reserve Board, is an incomes policy whereby government power would be used to restrain wage and price increases.

One result is a slow drop in inflation. The Consumer Price Index, up 7 per cent last year, will hang high at a projected 6 per cent this year and the year after. Since the administration restrains economic growth to bring down inflation, unemployment declines at an even slower rate. It is expected to be 7.7 per cent this year, and is not due to go under 5 per cent until 1980 — a sorry matter in a country which has met the aspirations of its citizens for 200 years chiefly by the provision of ever more jobs.

The Los Angeles Times, Jan. 26, '76

Let 'em Eat Cake—While Migrating

The more Ronald Reagan tries to explain his proposal to shift \$90 billion in federal obligations to the states, the worse it becomes.

To implement what he calls "creative federalism," Reagan would cut from the federal budget most of the appropriations for social welfare, medical services for the poor, public education, highway construction, urban renewal, rapid transit, revenue sharing and a host of other subsidies.

The former California governor would then permit the states to decide whether to abandon those human services and public works, or fund all or part of them with state and local tax increases.

Obviously, states most dependent on federal help would be least able to assume the burden that Reagan would inflict on them, and their level of services—already below the national average—would decline even further.

Reagan has acknowledged that his "creative federalism" might work a hardship on the poor, particularly in the Southern states, but he has an answer for that, too: Let them migrate to more prosperous states.

"You can vote with your feet in this country," he said. "If a state is mismanaged, you can move else-

where."

That's hokum. We suspect that Reagan would regard those states that are most frugal with welfare dollars as the best managed.

But that aside, vast numbers of the Southern poor have, for many years, been doing exactly what Reagan suggests—moving to more progressive Northern and Western states where social-welfare benefits are higher—and that's one of many reasons that most urban/industrial states are already in serious fiscal straits.

Yet the impact of Reagan's proposal would be to create an even greater differential in benefits between progressive and conservative states, and to stimulate an entirely new wave of migration.

We have said before that only economic and political naivete could explain Reagan's original formulation—and his continuing defense—of a concept that would have to result either in massive state and local tax increases or massive neglect of the poor.

But his latest suggestion—that welfare clients should pull their children out of school, leave their homes and head for states that would treat them most generously—is more than naive. It is cynical.



New York Times
January 12, 1976

REAGAN SUGGESTS POOR CAN MIGRATE

Says Needy and Minorities
Might Have to Flee States
Resistant to Social Aid

By JON NORDHEIMER

Special to The New York Times

DUBLIN, N.H., Jan. 16—Ronald Reagan said today that the poor and minorities living in states resistant to social action might have to migrate elsewhere if these states failed to substitute adequate welfare programs for the Federal ones he would like to eliminate.

"You can vote with your feet in this country," he declared in a campaign swing through the countryside of southern New Hampshire. "If a state is mismanaged, you can move elsewhere."

In Washington, meanwhile, President Ford's campaign organization began today an attempt to link Mr. Reagan's position on Social Security to the stand that proved costly to Barry Goldwater in the 1974 Presidential race. Mr. Goldwater suggested that wage earners be permitted the choice of Social Security or private retirement plans. [Page 31.]

Mr. Reagan, responding to a question about the South and the region's history of racial discrimination, said it was possible that some blacks would be forced to leave states that refused to provide social welfare programs abandoned by the Federal Government under his plan.

However, the former California Governor said he be-

Continued on Page 31, Column 1.



Reagan Suggests Poor Can Leave States Cool to Aid

Continued From Page 1, Col. 5

lieved that Southern states no longer held an animosity toward black citizens, and that the South had surpassed the North in its relations between the races.

"I have confidence that all the compassion is not located on the banks of the Potomac," he said.

Mr. Reagan, who is vying with Mr. Ford in New Hampshire's Feb. 24 Presidential primary, suggested at a gathering of voters in Dublin that Republicans, not Democrats, had made the breakthrough in dismantling the barriers of racial discrimination in the South. President Eisenhower, in the school integration crisis in Little Rock, Ark. schools in 1957, he said, upheld the rights of black citizens "at the point of a bayonet" when he ordered troops to protect black children trying to enter public

schools there under a court order.

He said it was the Federal Government's responsibility to uphold the constitutional rights of every citizen if these rights were denied by the state.

In an interview, however, he said that if elected President, he would not order troops into a city like Boston to implement a court desegregation order that involved "forced busing."

"No, I would not," he said in response to a question. "I think the judge's orders [in Boston] were wrong." He made a distinction between court-ordered pupil busing in Little Rock, Ark., in the 1950's and the situation in Boston, saying that in the 1950's, the Federal Government had helped children attend the schools of their choice, whereas in Boston, he said, the courts were forcing children into schools they did not want to attend.

Seated in the rear of a cam-

paigned bus that carried the candidate along back roads through the snowy countryside, Mr. Reagan also acknowledged that he had not formulated a plan to meet the challenge of a crisis in Social Security, although he has repeatedly remarked in the villages of New Hampshire this week that, as President, he would reform the \$2.25 trillion imbalance that he said exists in the system.

Questions about Social Security from elderly voters, warmly bundled against the cold, regularly come up in the question-and-answer sessions Mr. Reagan conducts as part of his campaign.

In his standard reply, he makes a point of stressing that his reform would not involve a reduction in payments to the elderly, an assertion that up to now has satisfied his listeners.

In the interview today, the candidate, wearing a California-styled checked sport coat, said

that details of the reform would have to be worked out after his election.

"I have no plan," he said, his gaze drifting outside the window of the bus toward the darkened forests of evergreens and birch trees slipping by. He said the nation had many years before the "roof falls in" on the Social Security System, and that during his Administration he would assign a panel to devise a way out of the crisis.

Return to Coast

Mr. Reagan is scheduled to return to Los Angeles tomorrow for a week's rest before resuming his campaigning. While his chartered jet refuels at Des Moines, Iowa, in the afternoon, he will make a brief airport appearance in an effort to influence Monday's caucusing of Republican delegates in that state.

REMEMBER THE NEEDIEST!

Reagan Trips Over Sally on Welfare Queen

By John J. Fialka
Washington Star Staff Writer

Few people realize it, but Linda Taylor, a 47-year-old Chicago welfare recipient, has become a major campaign issue in the New Hampshire presidential primary.

Former California Gov. Ronald Reagan has referred to her at nearly every stop, using her as part of his "Citizens' Press Conference" format.

"There's a woman in Chicago,"

Reagan said last week to an audience at Gilford, as part of his free-swinging attack on welfare abuses. "She has 80 names, 30 addresses, 12 Social Security cards and is collecting veterans benefits on four nonexistent deceased husbands.

"And she's collecting Social Security on her cards she's got Medicaid, getting food stamps and she is collecting welfare under each of her names. Her tax-free cash income alone is over \$150,000."

REAGAN NEVER mentions the woman by name. But the effect is the same wherever he goes. During Reagan's second campaign swing through the state in mid-January, for example, peoples' jaws dropped in Dublin and Jeffrey and Peterborough and Salem and all the other little towns where the candidate appeared. They were angry at "welfare chislers." Reagan had hit a nerve.

The problem is that the story doesn't quite check out.

According to Illinois welfare authorities, Reagan has based his anecdotes on newspaper accounts of Miss Taylor, who became known in the headlines as the "welfare queen" after sensational revelations about her case were made by state Sen. Don A. Moore, chairman of a committee that has been going after alleged welfare abuses.

According to a spokesman for his committee, the story is not quite as exciting as Reagan put it. "We figure she (Taylor) probably made between \$100,000 and \$150,000 during the year we checked," he said, "but we could never be sure because the welfare department wouldn't cooperate with us."

And according to James Piper, the assistant state's attorney who is prosecuting Miss Taylor, the story is not even as exciting as that.

AFTER A SERIES of indictments, each one of which was replaced by another indictment, winnowing down the number of charges, Miss Taylor is now charged with using not 80 aliases but four. The amount the state

is charging that she received from her alleged fraud is not \$150,000, but \$8,000.

"You have to go with what you can prove," explains Piper. And so far, nobody has proven anything because Miss Taylor, he says, is still awaiting trial

The "welfare queen" item in Reagan's repertoire is one of several that seem to be at odds with the facts. Reagan fairly bristles with facts, figures and statistics demonstrating what he thinks is wrong with welfare, big government and America.

The national press entourage following Reagan usually is prevented from pinning him down on the specifics because citizen press conferences are reserved for questions from local audiences.

THE FOLLOWING items were taken from a reporter's notebook after attending 18 citizen press conferences on Jan. 15, 16 and 17, all of them in small towns in southern New Hampshire.

• Item: Reagan usually showcases his welfare reform program in California. "We lopped 400,000 off of the welfare rolls," he asserted at several stops.

• Fact: According to a spokesman for California's Department of Benefit Payments, the all-time peak California welfare case load was 2,292,945 cases during March 1971, six months before Reagan's welfare reform package became law. The only provable low point during the following period is a level of 2,060,875 cases reached during January 1975, the month after Reagan left office, making it a total of 232,070 who were "lopped" off the rolls.

California welfare figures during 1974 are under dispute, according to the spokesman, because of confusion caused by the debut of Social Security's problem-ridden Supplemental Security Income program.

• Item: After first noting that his audience is composed of "hard working people" who pay their bills and put up with high taxes, Reagan frequently tells them about Taino Towers, a four-building subsidized housing project in New York.

"If you are a slum dweller," Reagan has asserted, "you can get an apartment with 11-foot ceilings, with a 20-foot balcony, a swimming pool and gymnasium, laundry room and play room, and the rent begins at \$113.20 and that includes utilities."

• Fact: According to Robert Nichol, project coordinator for the development, which is situated in a primarily Puerto Rican section of East Harlem, only 92 of 656 units in the development have 11-foot ceilings. These are the six-bedroom units for large families and the high ceiling (which is only over the kitchen and living room) is to allow a space configuration that saves what would otherwise be wasted corridor space.

There is no way, according to Nichol, that you could get one for \$113.20. The going rent would either be \$450 a month or one quarter of a family's income. The large family that would need such a unit, he adds, probably would be receiving enough welfare benefits so that its rent would work out to around \$300 a month.

If New Hampshire decided to move down and live in Taino Towers, he adds, they would find they have to share the pool, gymnasium and other amenities with the a community of 200,000 Puerto Ricans and blacks who live around the project because these amenities were built for community use.



The Washington Post
Reagan trips over Sally -----

• Item: On Jan. 15 at Keene, N.H., and at several other stops, Reagan praised a welfare experiment in St. John Township, Indiana, where county officials, he said, cut the local welfare budget from \$5,000 to \$300 a month with a compulsory public work program.

• Fact: Jerry Scheub, the township's trustee, is the man who designed the program. He says the budget is still around \$1,200 a month, but he's working on getting it lower. In September, he sent notices to 32 of the 80 families on the township's temporary relief program, families that, in his opinion, included "able-bodied workers."

He wanted them to wash county trucks, shovel snow and rake leaves. Only one man showed up, according to Scheub, and he quit after four hours because "he was humiliated and embarrassed and would not work for slave wages." Scheub offers \$3.00 an hour, which he pays in the form of vouchers for accrued food, rent and medical expenses.

So 29 families were cut off the roll. Since then there have been 30 more applicants and Scheub has 14 of them working. "The guys who will work are the people who deserve it and these are the people we'll assist," says Scheub.

• Item: Many of Reagan's "big government" stories revolve around alleged activities of the Environmental Protection Agency and the Occupational Health and Safety Review Commission.

At Derry, Reagan stated that "EPA has 41 representatives on Capitol Hill lobbying with Congress on behalf of their agency." At Salem he said EPA's 41 lobbyists were "paid for on the Hill by taxpayers."

• Fact: According to EPA, if you count all the people in EPA's office of legislation, including file clerks and secretaries, you do come up with the number 41.

There are only six, however, who actually lobby on the Hill, performing a function that goes under the federal euphemism of "liaison officer." The rest of the people in EPA's office file papers, type letters, write testimony solicited by congressional committees and answer letters from the public. They don't appear on the Hill.

Having six "liaison" officers working the Hill is not big, by "big government" standards. The Pentagon, for example, has 60.

• Item: Nearly everywhere he goes, Reagan warns people about a shortfall in the Social Security retirement trust fund. "It's 2½ trillion dollars out of balance," he stated at Marlborough. "Granted, it's not an immediate catastrophe, it's down the road a ways, but it's gonna happen," he added.

• Fact: According to A. Haeworth Robertson, chief actuary for the Social Security Administration, there could indeed be a shortfall of \$2.7 trillion down the road.

But that would only happen, Robertson said, if the nation stopped producing new workers, starting in 1975, and if the fund were forced to pay existing claims from the payroll deductions of the dwindling number of existing workers. Such a theoretical concept, useful to actuaries, is called an actuarial imbalance.

• Item: In Peterborough, after a ringing denunciation of high taxes on business in the United States, Reagan stated: "No other country in the world puts so many taxes on its businesses."

• Fact: According to tax experts, comparative taxation is a very difficult subject because it can be compared so many different ways. One expert, M.E. Kyrouz, wrote a major article on the subject recently for the National Tax Journal.

According to Kyrouz, who received considerable help for his study from the Internal Revenue Service, if you look at corporate tax rates, Canada, France, West Germany and Ireland all have rates higher than the top U.S. rate of 48 percent.

And if you compare the taxes actually collected, Canada, Italy and France usually top the United States. If you look at the amount of corporate assets a country deems taxable, Mexico, the Philippines and the United Kingdom come out on top.

• Item: In Salem, Reagan rattled off a number of statistics to show what the impact of foreign-made products has been on U.S. industries. "Three fourths of all the Christmas tree decorations in the U.S. are made in Japan," he said.

• Fact: According to Tom Congalton, president of the National Ornament and Electric Light Christmas Association (NOEL), the major trade associate in the field, 60 percent of all the Christmas tree decorations sold in the United States are imported. Ten percent come from Japan, the remaining 50 percent comes from Taiwan, Hong Kong and Korea. The U.S. share of the market, after declining for several years, is beginning to grow, he said.

"Oh, I don't think that's correct," said a spokesman for General Electric, after hearing Reagan's statement. GE, he said, sells most of the miniature Christmas tree light sets sold in the United States, and 90 percent of those come from Korea.



Our Opinion

Nashua Telegraph



Reagan's Radicalism

1/5/76

Ronald Reagan, as his burnished delivery on the hustings shows, is not a simple-minded man. But Ronald Reagan seems incurably enamored of simplistic solutions to complex problems. Coming from anyone else it would sound like unalloyed demagoguery.

However mellifluous or grating it sounds, however, the upshot is the same. Mr. Reagan, who is supposedly a conservative hero, is the advocate of radical schemes.

Ronald Reagan's radicalism is the same kind of radicalism that sank Barry Goldwater in 1964 — not the radicalism of left-wing politics but the radicalism of drastic measures whose consequences are not fully calculated. By contrast, the diligent if unglamorous efforts of President Ford show true conservative principles at their undramatic best.

The albatross Mr. Reagan has draped around his own neck is his sweeping solution to the ills of big government: He would slash federal spending in the current fiscal year by \$90 billion. That type of sure-cure is like sawing off a leg to lose weight fast.

As soon as Mr. Reagan's miracle cure was publicized, his aides found it necessary to analyze and explain, and then clarify again and again, what effects the radical proposal would have on the nation's economic and social life.

The explanations have been less

for community - facilities water and sewer projects, for the Economic Development Administration, the Community Services Administration, for help to American Indians.

Mr. Reagan would chop off funds for urban renewal and for Appalachian regional development. Mr. Reagan would chop off funds for the mass transit program, for subsidies to the Postal Service, ship operators and builders, and non-interstate highway construction.

Mr. Reagan would chop off funds for water resources and power programs, which would suspend the majority of domestic projects of the Army Corps of Engineers, the Bureau of Reclamation, and the Soil Conservation Service.

Mr. Reagan would chop off funds for the Food Stamp program, Aid to Families with Dependent Children (welfare), and the school lunch program. Mr. Reagan would chop off funds for the Law Enforcement Assistance Administration (which apportions grants to local and state police departments), and Mr. Reagan would chop off funds for revenue sharing.

Mr. Reagan would chop off funds for Medicaid, for hospital construction, and for health scholarships. Mr. Reagan would chop off funds for programs that provide maternal and child health care, family planning, alcohol and drug abuse treatment, and mental health care.

than satisfactory. Mr. Reagan has given a twist to the old "something for everybody" pledge by promising to take something away from everybody, especially those least able to sustain the subtraction.

How would Ronald Reagan cut the federal budget by \$90 billion? According to campaign aides, Mr. Reagan would chop off funds for elementary, secondary, and vocational education. Mr. Reagan would chop off funds for Head Start programs and for federal job training programs.

Mr. Reagan would chop off funds for some rehabilitation efforts, including severely retarded persons and persons afflicted with cerebral palsy. Mr. Reagan would chop off funds for community action programs, for VISTA, and for legal services.

Mr. Reagan would chop off funds

To no one's surprise, Mr. Reagan would NOT cut funds from the defense budget — not so much as a dime from the medical programs or housing allowances or educational assistance available within the Pentagon.

How many other domestic programs would be scuttled by Mr. Reagan's wondrous solution is conjectural. But in all fairness to Mr. Reagan it should be noted that he suggests a solution to the problems his miracle solution would create: Let the cities and states assume the burdens.

Go into the City Halls and Town Halls and State Houses and yank out federal funds for all programs and activities and projects and assistance and plug up the gaps with local and state tax dollars.

Sound simple? New Hampshire would be bankrupt in a week. Or taxed to tatters in a year.

