The original documents are located in Box G04, folder "Reagan, Ronald, 10/1975-12/1975 (2)" of the President Ford Committee Campaign Records at the Gerald R. Ford Presidential Library.

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BRIEFING ANALYSIS

REAGAN RECORD IN CALIFORNIA ---

TAB 1: LAXALT LETTER FOR REAGAN

TAB 2: FACT SHEET -- REAGAN RECORD

TAB 3: Q & A's

NEVADA

United States Senate

WASHINGTON, D.C. 20510

Fellow American,

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Although neither the President nor the Vice President were selected by their Party nor elected by the people, they have successfully taken advantage of their positions.

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--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!

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

--keeping the size of the California state government constant

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As provided in federal legislation, Citizens for Reagan may accept individual contributions up to $1,000 (for example, a husband and w $1,000) prior to a nominating convention; this may be repeated following the convention. However, we are not able to accept either (a) a whatever, or (b) any individual personal contributions over $1,000. A copy of our report will be filed with the Federal Election Commission for purchase from that office in Washington, D.C.

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With your support and faith and work I know we will carry the day for freedom.

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Please send whatever you possibly can...today!

Sincerely,

Paul Laxalt

Paul Laxalt, Chairman
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PL/kme

P. S. Send the enclosed post card or your personal letter to Ronald Reagan letting him know you support his Presidential campaign and please return your contribution in the enclosed envelope today. Thank you.

Absolutely no taxpayers' funds have been used in the preparation of this correspondence.

FACT SHEET

REAGAN RECORD IN CALIFORNIA

WELFARE

Statements:

a) Welfare rolls reduced by 400,000
b) Welfare rolls reduced by 24% per year
c) $1 billion in taxes saved over two years
d) Significantly decreased fraud and overpayment

Facts:

- The Reagan plan was not fully enacted.
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The welfare cost savings and the reduction in caseloads are significantly misstated and generally did not exist at all. They are based upon projecting "what would have happened" and comparing these projections with actual experience after California Welfare Reform was instituted in October 1971. Among the ways in which these "projections" are significantly overstated (and consequently savings are overstated) are the following:

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5) Both Los Angeles and the State double counted the same 20,000 recipients. When the State stopped double counting them, it called this a caseload "reduction" of 20,000.

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CHART 1

UNEMPLOYMENT AND WELFARE

	California unemployment rate	Total AFDC applications	New AFDC-U applications	
1967	5.7	144,648	33,136	
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1971	8.8	285,537	87,737	Reagan welfare plan instituted
1972	7.6	252,767	66,361	
1973	7.0	248,973	56,341	

CHART 2

UNEMPLOYMENT AND WELFARE IN 1971

Month	Unemployment rate	AFDC-U caseload
January	9.0	66,000
February	8.6	67,000
March	9.0	72,000
April	9.2	68,000
May	9.3	65,000
June	9.1	62,000
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a) An $850 million surplus was created and returned to California taxpayers.
b) A massive tax relief bill was originated and signed which resulted in a $378 million saving to California property owners and $110 million saving to renters.

Facts:

a) The $850 million surplus was not the result of State government saving, but rather a serious miscalculation in which Reagan "overtaxed" in 1967 through the levy of a enormous $943 million tax increase. While the tax increase was permanent, the rebate was a one-shot, temporary form of relief in 1969, preceding the 1970 election.
b) The "tax relief" which reduced property taxes $488 million was not "relief" and was in no way the result of sound management of the State. The property tax relief was allowed or offset by: 1) a Federal General Revenue sharing surplus; 2) a major increase in the State sales tax; 3) a strong business climate. In short the "relief" was offset by other Federal and State tax revenues and did not "relieve" the taxpayer.

Discussion:

The Reagan years were a period of unprecedented tax increases for the State of California. During the eight years of the Reagan administration:

° State personal income taxes went up 500%
° bank and corporation taxes went up 100%

Governor Reagan was a "big spender" and these were the biggest tax increases in the history of the State.

While in the years immediately preceding election years (1969 and 1973), the Governor enacted major tax relief, the relief was temporary, while the tax increases were permanent.

The three major tax increases were:

- 1967 -- $943 million ($280 million went to property tax relief).
- 1971 -- $488 million ($150 million went to property tax relief)
- 1972 -- $682 million ($650 million went to property tax relief)

In short, permanent taxes increased sharply, and short term relief was more than offset by the higher permanent taxes.

Significant tax increases occurred in the areas of:

- income taxes
- capital gains taxes
- bank and corporation taxes
- inheritance taxes
- sales taxes
- cigarette taxes
- liquor taxes

In a test of the popular support for the Reagan tax policies, the Governor took his major tax reform proposal to the voters in 1973 in the form of a statewide initiative. The measure was defeated by an overwhelming majority.

SIZE OF GOVERNMENT IN CALIFORNIA

Statement:

The size of the California State Government was kept constant.

Fact:

During the eight years of the Reagan administration, the size of the California State Budget increased from $4.6 billion to $10.2 billion. In short, Reagan more than doubled the size of the State government during his administration. This represented unprecedented growth, far beyond that accomplished by his Democratic predecessors.

Discussion:

Supporters of the Reagan administration point out that during his eight years expenditures for State operations only rose from $2.2 billion to $3.5 billion and that State assistance to local government rose from $2.4 billion to $6.7 billion. Thus they contend that the size of State government (State operations) rose only a little over $1 billion. This type of budget is totally erroneous. If it were applied to the Federal budget, it would mean that Federal assistance to States should not be counted in the budget. This would knock out over $60 billion from the Federal budget. Extending this logic we could also probably eliminate from the Federal budget assistance to individuals and foreign aid.

In short, using Governor Reagan's bookkeeping systems, nearly three quarters of the Federal budget could be disregarded in calculating the "size" and growth of the Federal government.

QUESTION:

Governor Reagan claims to have kept the size of California State Government constant and to have "blue penciled" spending increases. Could his approach help slow the enormous growth of Federal spending?

ANSWER:

I'm not sure how Mr. Reagan achieved his "blue pencil" image. The facts are that the California State Budget grew from $4.6 billion to $10.2 billion during the eight years of his leadership. The more than doubling of California expenditures was unprecedented in the history of the State and fueled massive tax increases.

The Federal government is currently overcoming a serious problem of inflation and a large Federal deficit. I don't think we can afford the style of fiscal management practiced by Mr. Reagan in California.

QUESTION:

Governor Reagan claims to be a fiscal conservative. He claims to have returned an $850 million surplus to California taxpayers and to have originated a $488 million property tax relief measure. Is he conservative and are his policies sound?

ANSWER:

Governor Reagan was the biggest "big spender" in California history, outspending his Democratic predecessors by unprecedented margins.

During the eight years Reagan was Governor, he raised State personal income taxes by over 500% and bank and corporation taxes by 100%.

The return of $850 million to the taxpayers, immediately before an election year, was necessitated by miscalculations which resulted in massive overtaxing in prior years.

The property tax "relief" was not relief at all, but was more than offset by rises in the sales tax, the State income tax, and Federal assistance.

It's also important to note that while the returns to the taxpayers were one-shot, temporary situations, all of the massive tax increases were permanent.

In a major test of voter attitudes toward his policies, the Governor took his 1973 tax reform proposal to the people in the form of a statewide initiative. It was soundly defeated by an overwhelming majority of the voters.

QUESTION:

The Reagan Welfare Plan in California has been hailed by some as the answer to Federal welfare problems. Is it true that the Reagan Plan resulted in major reductions of welfare caseload and welfare costs?

ANSWER:

Absolutely not. In the first place, the Reagan Plan was never fully enacted in California. Much of what was enacted was subsequently invalidated by the State and Federal courts and by HEW. The remainder of the plan had little effect in the reduction of costs or caseloads.

The act actually appears to have generated new welfare costs of $100 million, and the costs of reinstating those illegally discontinued may eventually run as high as $25 million.

The so-called "savings" claimed by Mr. Reagan were the result of overprojecting future welfare costs and taking credit for actual costs not approaching his projections. The Reagan Plan was instituted about the time that statewide unemployment reached its peak in 1971. When state unemployment decreased, welfare rolls sharply decreased. Reagan takes credit for this decrease although it is really due to a change in the Federal and State economy due to such factors as the price freeze of 1971, extension of unemployment benefits, and massive Federal assistance to the State in the form of defense contracts and emergency assistance to Lockheed.

In short, Federal policies which improved the California economy helped ease the California welfare mess, not the Reagan welfare plan.

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Further, they take credit for reduced caseload and savings which resulted from factors unrelated to the California legislation. These factors included:

1) a decline in State unemployment (see charts 1 and 2) from 8.8 in 1971 to 7.0 in 1973 due to:

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   c) a decline in migration rate of the unemployed into the State.

2) an extension of Unemployment Insurance benefits from 26 weeks to 39 weeks which immediately decreased the number of unemployed entering welfare.

3) they ignore increased service costs which in fact drove the total welfare costs up over $100 million.

CHART 1

UNEMPLOYMENT AND WELFARE

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1971	8.8	285,537	87,737	Reagan welfare plan instituted
1972	7.6	252,767	66,361	
1973	7.0	248,973	56,341	

CHART 2

UNEMPLOYMENT AND WELFARE IN 1971

Month	Unemployment rate	AFDC-U caseload
January	9.0	66,000
February	8.6	67,000
March	9.0	72,000
April	9.2	68,000
May	9.3	65,000
June	9.1	62,000
July	8.8	58,000
August	8.9	56,000
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November	8.0	50,000
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TAX RELIEF AND BUDGET SURPLUS

Statements:

a) An $850 million surplus was created and returned to California taxpayers.
b) A massive tax relief bill was originated and signed which resulted in a $378 million saving to California property owners and $110 million saving to renters.

Facts:

a) The $850 million surplus was not the result of State government saving, but rather a serious miscalculation in which Reagan "overtaxed" in 1967 through the levy of a enormous $943 million tax increase. While the tax increase was permanent, the rebate was a one-shot, temporary form of relief in 1969, preceding the 1970 election.
b) The "tax relief" which reduced property taxes $488 million was not "relief" and was in no way the result of sound management of the State. The property tax relief was allowed or offset by: 1) a Federal General Revenue sharing surplus; 2) a major increase in the State sales tax; 3) a strong business climate. In short the "relief" was offset by other Federal and State tax revenues and did not "relieve" the taxpayer.

Discussion:

The Reagan years were a period of unprecedented tax increases for the State of California. During the eight years of the Reagan administration:

° State personal income taxes went up 500%
° bank and corporation taxes went up 100%

Governor Reagan was a "big spender" and these were the biggest tax increases in the history of the State.

While in the years immediately preceding election years (1969 and 1973), the Governor enacted major tax relief, the relief was temporary, while the tax increases were permanent.

The three major tax increases were:

- 1967 -- $943 million ($280 million went to property tax relief).
- 1971 -- $488 million ($150 million went to property tax relief)
- 1972 -- $682 million ($650 million went to property tax relief)

In short, permanent taxes increased sharply, and short term relief was more than offset by the higher permanent taxes.

Significant tax increases occurred in the areas of:

- income taxes
- capital gains taxes
- bank and corporation taxes
- inheritance taxes
- sales taxes
- cigarette taxes
- liquor taxes

In a test of the popular support for the Reagan tax policies, the Governor took his major tax reform proposal to the voters in 1973 in the form of a statewide initiative. The measure was defeated by an overwhelming majority.

SIZE OF GOVERNMENT IN CALIFORNIA

Statement:

The size of the California State Government was kept constant.

Fact:

During the eight years of the Reagan administration, the size of the California State Budget increased from $4.6 billion to $10.2 billion. In short, Reagan more than doubled the size of the State government during his administration. This represented unprecedented growth, far beyond that accomplished by his Democratic predecessors.

Discussion:

Supporters of the Reagan administration point out that during his eight years expenditures for State operations only rose from $2.2 billion to $3.5 billion and that State assistance to local government rose from $2.4 billion to $6.7 billion. Thus they contend that the size of State government (State operations) rose only a little over $1 billion. This type of budget is totally erroneous. If it were applied to the Federal budget, it would mean that Federal assistance to States should not be counted in the budget. This would knock out over $60 billion from the Federal budget. Extending this logic we could also probably eliminate from the Federal budget assistance to individuals and foreign aid.

In short, using Governor Reagan's bookkeeping systems, nearly three quarters of the Federal budget could be disregarded in calculating the "size" and growth of the Federal government.

QUESTION:

The Reagan Welfare Plan in California has been hailed by some as the answer to Federal welfare problems. Is it true that the Reagan Plan resulted in major reductions of welfare caseload and welfare costs?

ANSWER:

Absolutely not. In the first place, the Reagan Plan was never fully enacted in California. Much of what was enacted was subsequently invalidated by the State and Federal courts and by HEW. The remainder of the plan had little effect in the reduction of costs or caseloads.

The act actually appears to have generated new welfare costs of $100 million, and the costs of reinstating those illegally discontinued may eventually run as high as $25 million.

The so-called "savings" claimed by Mr. Reagan were the result of overprojecting future welfare costs and taking credit for actual costs not approaching his projections. The Reagan Plan was instituted about the time that statewide unemployment reached its peak in 1971. When state unemployment decreased, welfare rolls sharply decreased. Reagan takes credit for this decrease although it is really due to a change in the Federal and State economy due to such factors as the price freeze of 1971, extension of unemployment benefits, and massive Federal assistance to the State in the form of defense contracts and emergency assistance to Lockheed.

In short, Federal policies which improved the California economy helped ease the California welfare mess, not the Reagan welfare plan.

QUESTION:

Governor Reagan claims to be a fiscal conservative. He claims to have returned an $850 million surplus to California taxpayers and to have originated a $488 million property tax relief measure. Is he conservative and are his policies sound?

ANSWER:

Governor Reagan was the biggest "big spender" in California history, outspending his Democratic predecessors by unprecedented margins.

During the eight years Reagan was Governor, he raised State personal income taxes by over 500% and bank and corporation taxes by 100%.

The return of $850 million to the taxpayers, immediately before an election year, was necessitated by miscalculations which resulted in massive overtaxing in prior years.

The property tax "relief" was not relief at all, but was more than offset by rises in the sales tax, the State income tax, and Federal assistance.

It's also important to note that while the returns to the taxpayers were one-shot, temporary situations, all of the massive tax increases were permanent.

In a major test of voter attitudes toward his policies, the Governor took his 1973 tax reform proposal to the people in the form of a statewide initiative. It was soundly defeated by an overwhelming majority of the voters.

QUESTION:

Governor Reagan claims to have kept the size of California State Government constant and to have "blue penciled" spending increases. Could his approach help slow the enormous growth of Federal spending?

ANSWER:

I'm not sure how Mr. Reagan achieved his "blue pencil" image. The facts are that the California State Budget grew from $4.6 billion to $10.2 billion during the eight years of his leadership. The more than doubling of California expenditures was unprecedented in the history of the State and fueled massive tax increases.

The Federal government is currently overcoming a serious problem of inflation and a large Federal deficit. I don't think we can afford the style of fiscal management practiced by Mr. Reagan in California.

BRIEFING ANALYSIS

REAGAN RECORD IN CALIFORNIA ---

TAB 1: LAXALT LETTER FOR REAGAN

TAB 2: FACT SHEET -- REAGAN RECORD

TAB 3: Q & A's

PAUL LAXALT
NEVADA

United States Senate
WASHINGTON, D.C. 20510

Fellow American,

The Reagan for President Campaign is going very well, but faces a very difficult situation.

The Ford-Rockefeller team is campaigning intensely around the nation and especially in the nation's first Presidential Primary state, New Hampshire.

Although neither the President nor the Vice President were selected by their Party nor elected by the people, they have successfully taken advantage of their positions.

Already they have amassed hundreds of thousands of dollars for their primary battles, and there is no doubt that thanks to the Rockefeller influence they can raise literally millions more.

Ronald Reagan has received a very warm reception to his speeches across the country and I can tell you as a loyal supporter that in the very near future he will explain to the nation why he is running for President.

But Ronald Reagan has a problem. Funds are very tight.

He has no "sugar-daddies" bankrolling his campaign, but must count upon the loyal support of thousands of Americans such as yourself.

Due to the distortions of the biased news commentators, Ronald Reagan must have hundreds of thousands, even millions of dollars for TV time so that he may speak directly to the American people.

He will tell them that 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!

--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.

As provided in federal legislation, Citizens for Reagan may accept individual contributions up to $1,000 (for example, a husband and w
[illegible] convention; this may be repeated following the convention. However, we are not able to accept either (a) a
[illegible] contributions over $1,000. A copy of our report will be filed with the Federal Election Commission.

Ronald Reagan can and will provide the leadership this nation needs so desperately, but he must have your support today!

Money is needed immediately for the fast approaching primary battles in New Hampshire and Florida. Thousands of dollars are needed for postage, campaign staffs, printing, advertising, etc.

Ronald Reagan needs your dollars today!

The Reagan Campaign is truly a campaign of the people. It will take a total commitment and the tireless efforts and personal sacrifice of thousands and thousands of Americans if we are to be successful in electing Ronald Reagan as President of the United States.

Send your contribution to Ronald Reagan today...$20, $50, $100, or as much as $1,000 is needed immediately!

With your support and faith and work I know we will carry the day for freedom.

The Reagan Campaign may just be the most important election of your lifetime. This time...before it is too late for our nation...make your total commitment...help elect Ronald Reagan President of the United States!

Please send whatever you possibly can...today!

Sincerely,

Paul Laxalt, Chairman
Citizens for Reagan

PL/kme

P. S. Send the enclosed post card or your personal letter to Ronald Reagan letting him know you support his Presidential campaign and please return your contribution in the enclosed envelope today. Thank you.

FACT SHEET

REAGAN RECORD IN CALIFORNIA

WELFARE

Statements:

a) Welfare rolls reduced by 400,000
b) Welfare rolls reduced by 24% per year
c) $1 billion in taxes saved over two years
d) Significantly decreased fraud and overpayment

Facts:

- The Reagan plan was not fully enacted.
- Much of what did become law was subsequently invalidated by the State and Federal courts or by HEW.
- The remainder had little actual effect on the reduction of costs or of the caseload, which were curbed for other reasons, generally related to upswing in the national economy.
- Actual costs were not lowered in the 1 1/2 years immediately following the act. The Reagan plan, in fact, generated new welfare costs of $100 million.
- The raw number of AFDC recipients (although not the number of eligible families) did shrink somewhat, but not nearly to the extent claimed by Reagan.

Discussion:

The welfare cost savings and the reduction in caseloads are significantly misstated and generally did not exist at all. They are based upon projecting "what would have happened" and comparing these projections with actual experience after California Welfare Reform was instituted in October 1971. Among the ways in which these "projections" are significantly overstated (and consequently savings are overstated) are the following:

1) They project the high national unemployment trends of early 1971 which were reversed about the same time the California law was enacted.

2) They project the heavy migration pre-1971 trends of the 1960's which had significantly slowed in 1971.

3) They project birthrate trends significantly above the actual trends following 1971.

4) They project rising pre-1971 trend in caseload which was due to legal challenges to the State programs which caused the percent of eligibles who participated in the program to rise from 56% in 1967 to nearly 100% in 1971. In short, this trend had saturated and stopped in 1971, but was projected anyway.

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THE WHITE HOUSE
WASHINGTON
11-19-75

NOTE FOR: Peter Kaye.

FROM : RON NESSEN

What

Bull Shit!

RHN

101 North Tampa Street
Tampa, Florida 33602
Tampa (813) 229-0404
St. Petersburg (813) 896-0404

CBS RADIO AFFILIATE

wdae

GA

FOR IMMEDIATE RELEASE

REAGAN TAKES TAMPA BAY PRESIDENTIAL POLL

(Tampa, November 5, 1975) Former California Governor Ronald Reagan easily defeated President Gerald Ford, and Democrat Jimmy Carter showed surprising strength against George Wallace in a Presidential poll taken on WDAE Radio's STAN MAJOR SHOW.

Reagan received 21% of the total vote count as compared to Ford's 13% in a two way race for the GOP nomination. The total GOP vote percentage was 35%.

Democratic voters in the MAJOR poll made it a close three-man race with Alabama Governor George Wallace garnering 18% with Carter gaining a strong 17% and Hubert Humphrey taking 15% of the vote tally.

MAJOR conducted the three-hour vote (off the air) during his regular talk program on WDAE Tuesday night. Some five-hundred voters responded. Here is the breakdown:

REAGAN:	21%	(108 votes)
WALLACE:	18%	(89 votes)
CARTER:	17%	(84 votes)
HUMPHREY:	15%	(74 votes)
FORD:	13%	(67 votes)
KENNEDY:	5%	(23 votes)
BAHY:	3%	(13 votes)
JACKSON:	3%	(13 votes)

ORIGINAL TO: Gwen Anderson

COPY TO: Ron Nessen FYI

"The Sunshine Group"

(1) What ?

(2) Who ?

(3) Where ?

Mood - theme.

Rhetoric vs. Record.
Fact Sheet

BW - Scott/Rhodes/Steer Cuts
Bo in Texas.

Finance
People w/ signs.

9 senators

Beall

Laird
Burch
Scanlon

Brock
Dole
Baker
Taft

Reagan's rule in California—after the boom

By BRUCE WINTERS

Los Angeles.

From out of the West comes Ronald Wilson Reagan, a movie star who governed the most populous of the United States, and now wants to lead the nation in a return to political fundamentalism.

As California's governor for eight

from Californians who survived the eight years intact, and then elected a new governor whose fiscal policies, at least, are as penny-pinching as Mr. Reagan's.

In general, the Reagan years represent the first attempt by any large government in this country (federal, state or local) to do less for people, not more. They also were quixotic years as Reagan the inexperienced idealist learned to

$13 million from its budget request, and then wound up giving it only 83 per cent of the trimmed figure. Later budgets were more generous.

Other public schools fared better. Mr. Reagan's last budget contained $2.7 million in state funds for grades kindergarten through high school, a 118 per cent increase in eight years. During that period, enrollment rose only 10.6 per cent.

State funds to junior colleges in-

er 1973, income tax exemptions would have been extended to single persons with adjusted gross incomes of $4,000 or less and couples with adjusted gross incomes of $8,000 or less.

Mr. Reagan campaigned vigorously on the proposition's behalf, calling it "an economic bill of rights for every workingman and woman in California." He said it would save them $118 billion.

"What the hell is wrong with putting

REAGAN SCHEDULE

Thursday Nov. 20

9:30 a.m. Press Club, Washington D.C.

1:30 p.m. Miami Fla. c.m.

6:30 p.m. Manchester, N.H. Town Meeting

Friday Nov. 21

9 a.m. Manchester press conference (tentative)

Charlotte rally at airport

Chicago press conference at airport

Los Angeles airport rally

MEMORANDUM

November 24, 1975

TO: Bo Callaway
Stu Spencer

FROM: Bob Visser RCV

RE: Reagan Candidacy

Now that Ronald Reagan has formally announced his candidacy for the Presidency, we will check with the FEC and obtain a copy of any and all reports he files with the Commission. I anticipate that he will not list any expenditures prior to the date of his announcement and would appreciate any information we may have collected with regard to expenditures in connection with his radio-TV program and newspaper column. As soon as the report has been filed and this information is available, we will prepare a memorandum outlining possible legal approaches to this situation.