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Rerun on the Right Reagan's Campaign, Like Goldwater's in '64, Raps Big Government

He Cites California Record (With Some Omissions) And Paints Ford Futile Welfare, Taxes and Detente

By NORMAN C. MILLER

Staff Reporter of THE WALL STREET JOURNAL

ORLANDO, Fla.—Close your eyes, cast your mind back a dozen years, and you can believe that the candidate exhorting the conservative faithful at a rally here is Barry Goldwater.

He heaps scorn on Republicans who embrace Democratic-type programs swelling Washington's power. He pledges to abolish huge sections of the federal bureaucracy, cut taxes, balance the budget and begin paying off the national debt.

"We have come to a watershed moment—a moment in which government must be turned around and take a different direction," he tells his applauding partisans.

This isn't Barry Goldwater but Ronald Reagan, speaking in the final warm-up stages before formally declaring his candidacy against Gerald Ford for the Republican presidential nomination. Mr. Reagan's decision to run seems certain, and he probably will announce it next week.

The 64-year-old former governor of California, who many think is the most polished stump speaker in American politics today, then will take to the hustings with a message that adds up to this: President Ford is an ineffectual leader who isn't up to the job of reversing government to a truly conservative direction.

Not-So-Veiled References

Although Mr. Reagan says he will avoid personal attacks on the President, his meaning is clear in his indirect statements. "I don't see that there is any real effort being made in Washington at any level to make the drastic change that needs to take place," he tells an interviewer. "Maybe it's because they're all part of the interlocked Washington establishment."

Mr. Reagan has had considerable impact even before declaring his candidacy. He has pushed President Ford to the right on several issues, including across-the-board spending cuts in social programs, and in effect he has pushed Vice President Nelson Rockefeller right off the 1976 GOP ticket.

Maneuvers by the President and his men have only seemed to whet Mr. Reagan's appetite for primary races. "It's time for a change, it's time for a crusade," he told a country club gathering of Florida Republicans last week. In this and other speeches around the

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country, Mr. Reagan has presented in breathtaking detail the kind of "drastic change" he will espouse as a candidate.

He urges the abolishing, over an unidentified period, of major social programs currently costing \$90 billion a year. He says flatly that he would end federal aid to education and abolish welfare programs such as food stamps and Medicaid. He indicates also that he would stop subsidies for housing and end federal revenue-sharing with states.

Job for the States

Responsibility for these programs should be "systematically transferred" to the states, and the states could continue them or not as they choose, Mr. Reagan says. He acknowledges that this transfer would result in higher state and local taxes to pay for continued programs. But he promises that a massive reduction of Washington's role would remove "the dead hand of federal interference" and also produce huge savings as much of the federal bureaucracy is wiped out.

"With such a savings, it would be possible to balance the federal budget, make an initial \$5 billion payment on the national debt and cut the federal income tax burden of every American by an average of 23%," Mr. Reagan declares.

President Ford, Mr. Reagan implies, will never really chop down the federal bureaucracy because he is part of that "Washington establishment" and is just playing political games when he talks conservatively.

Thus, of the President's tax-and-spending-cut proposal, Mr. Reagan says: "My simple interpretation is that the \$28 billion cut is in the proposed increase of the budget (which the President will submit in January). Now, if there is \$28 billion that can be cut from the proposed increase, why the hell is it in there in the first place? It has a little bit of the sound of the fellow who advertises a big sale, 20% off, but he raises the prices 40% before he cuts them back."

Assault on Detente

In foreign policy, Mr. Reagan accuses the President of being soft on Communism. Detente with the Russians "has deteriorated into a one-way street in which the enemy is using it to further his aims toward the eventual domination of the world and the destruction of this way of life of ours," he asserts.

He attacks the treaty that the U.S. and other nations signed last summer with the Soviet Union at Helsinki—a treaty that formalized Russia's post-World War II revision of Eastern European boundaries. "The U.S. said to the captive nations: 'Give up any hope of freedom,'" Mr. Reagan charges.

Thus, in both the domestic and foreign arenas, his boldly stated conservatism makes President Ford look relatively bland. The Californian and his advisers are convinced an uncompromising conservative gospel will have winning appeal in primaries to the conservatives who dominate the GOP.

Mr. Reagan has substantial campaign assets in his bid to upset the President. His assured and articulate style contrasts with Mr. Ford's dull and sometimes bumbling manner. Mr. Reagan has an enthusiastic following among grassroots conservatives that assures him of ample campaign funds.

He appears to be in vigorous health. *Please Turn to Page 23, Column 1*

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The Washington Star
Comment

• Editorials • Hobbies • Travel

SECTION E SUNDAY, JANUARY 18, 1976

The \$90 Billion Cutback

Here's What Reagan Said

Ronald Reagan's proposal that \$90 billion be lopped off the federal budget has generated a fair amount of general comment and a wealth of journalistic analysis. Reagan himself has found a number of opportunities to clarify and amplify on the idea. But Reagan's original words themselves may not have received as much dissemination as have the interpretations and clarifications. With the thought that readers may want to make up their own minds about Reagan's suggestions for reversing the flow of power and dollars to Washington, we reprint here substantial portions of the proposal, delivered in a speech Sept. 26, 1975 to the Executive Club of Chicago.

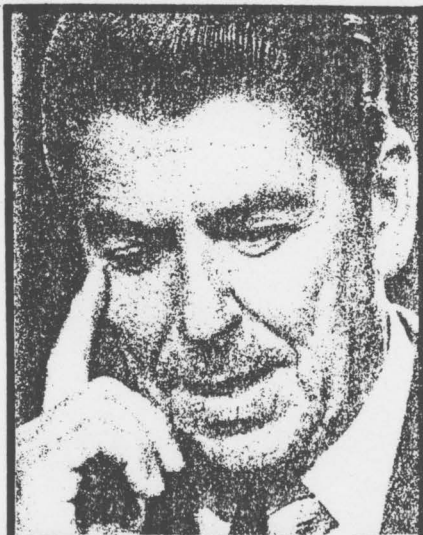
'We must turn a deaf ear to the screams of the outraged if this nation and this way of life are to survive.'

By Ronald Reagan

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.

This collectivist, centralizing approach, whatever name or party label it wears, has created our economic problems. By taxing and consuming an ever-greater share of the national wealth, it has imposed an intolerable burden of taxation on American citizens. By spending above and beyond even this level of taxation, it has created the horrendous inflation of the past decade. And by saddling our economy with an ever-greater burden of controls and regulations, it has generated countless economic problems, from the raising of consumer prices to the destruction of jobs, to choking off vital supplies of food and energy.

As if that were not enough, the crushing weight of central government has distorted our federal system and altered the relationship between the levels of government, threatening the freedom of individuals and families. The states and local communities have been demeaned into little more than administrative districts, bureaucratic subdivisions of Big Brother government in Washington, with programs, spending priorities, and tax policies badly warped or dictated by federal overseers. Thousands of towns and neighborhoods have seen their peace dis-



Balancing \$90 Billion Cut

Reagan Plan Would Shift Burden to States

By Peter Milius

Washington Post Staff Writer

Ronald Reagan has said his plan to strip \$90 billion from the federal budget would involve no cuts in defense or Social Security.

His staff has said he would not cut Medicare, either.

Leave these three items out, however, and to cut the budget \$90 billion you have to cut the rest of the government completely in half.

That magnitude surprises most people; it is not widely understood that Reagan's shrink-the-government plan would go that far.

Reagan, in fact, has described it almost as if it were a kind of revenue sharing.

"What I propose," he said in introducing the plan in a speech in Chicago last September, "is nothing less than a systematic transfer of

authority and resources to the states" — and that first description of the proposal as some kind of "transfer plan" has stuck.

Yet as Reagan himself made clear later in that same speech, his plan, unlike revenue sharing, would transfer no "resources" to

*WP Post
News Analysis
2/11/76*

state and local governments at all.

The former California governor, challenging President Ford for the Republican presidential nomination, would simply put a stop to selected federal spending programs, whereupon state and local governments would be free to pick them up or not, as they chose. But they would also

have to raise their taxes to pay for them.

The theory is that federal taxes would be cut along with federal spending, leaving state and local taxes room to rise.

Thus, the only thing Reagan would transfer to the state and local sector is a burden. Revenue-sharing is one of the programs he would abolish.

Reagan has begun to back away from the plan in recent days, as it has come under closer examination and sharper attack. He now says he "didn't pay attention" when aides listed \$90 billion in specific cuts last year, and he has come close to saying he meant the plan only figuratively. "I simply announced a broad program last September," he told an in-

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WWT

Reagan's Lead May Be Real

By Tom Wicker

When the Gallup Poll recently showed that Ronald Reagan had surged into the lead over Gerald Ford among Republicans and independents, Howard H. Callaway, the Ford campaign manager, was ready with a load of debunk. The poll results he said

of his time).

All this poses some danger for Mr. Reagan, of course. If he does not, in fact, offer something newer than his California phone number, or if what he offers is implausible enough (such as his proposal to turn all Federal social programs over to the states), Mr. Ford's orthodoxy may begin to look better. For now, however, the important question may be which one of them is *really* in the mainstream of 1976 politics.

A second major reason why Mr. Reagan's poll showing may not be a flash in the pan is offered by numerous Republicans who point out that Gerald Ford has all the disadvantages of being an incumbent but not all of the advantages. Having been appointed rather than elected—and appointed by Richard Nixon, who Mr. Ford then pardoned in advance of any criminal charges—he has neither the loyalties, the party organization nor the personal prestige that usually attach themselves to a President. He has not successfully campaigned for national office before, nor demonstrated that he knows how, and there are fewer

Rowland Evans and Robert Novak

Reagan's Social Security Gaffe

Late Saturday night, Dec. 13, in Houston, Tex., Ronald Reagan sent shudders up supporters' spines by evoking grim memories of the 1964 Goldwater debacle and pointing the way to his own possible

fluent in his campaign and about the candidate's own lack of discipline.

Conservatives with undying loyalty to Goldwater throughout 1964 are not willing to suffer another campaign of ideological

retirement bond plan. His lack of sensitivity over linking himself to 1964 was clearly revealed with this comment: "Barry Goldwater, God bless him, tried to warn the people years ago and nobody paid

James Reston

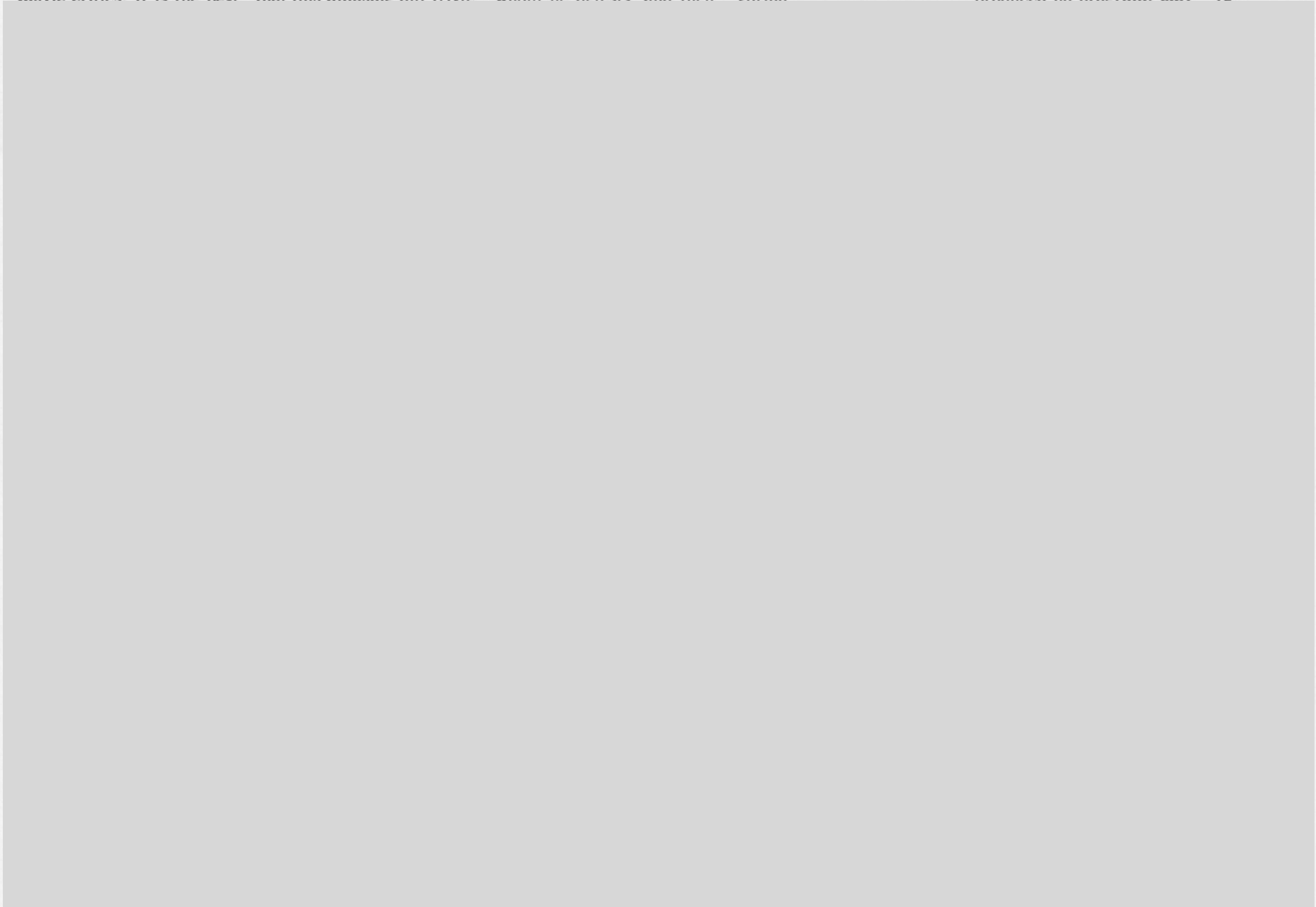
Campaign

Wash. Star 11/20/76

Presidential script is best Reagan's ever had

Ronald Reagan's bid for the presidency really should be tossed to the movie critics. It is the best to go home when the play is done. The astonishing thing is that this amusing but frivo- Beginning, ironically, with the Washington reporters at the National Press Club, whom he detests, and then dominating the headlines between now and the end of the primary elections next spring. to be presidential, with a program for the coming five years. And so far he has produced no program. only

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Rowland Evans and Robert Novak


Ronald Reagan's '\$90-Billion Scheme'

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Although Ronald Reagan should be starting his challenge for the Republican presidential nomination unencumbered by the thorny issues plaguing President Ford, he needlessly carries one heavy burden that has become the secret worry of his political managers.

and was enchanting conservative audiences. Nobody in his campaign considered it a problem.

But outsiders did. Dr. Martin Anderson of Stanford University's Hoover Institute, preparing to join Reagan fulltime in January, found the program so vague that



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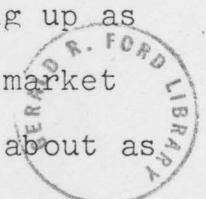
NBC NETWORK

WEDNESDAY, MARCH 31, 1976

Good evening to all of you from California. Tonight, I'd like to talk to you about issues. Issues which I think are involved--or should be involved in this primary election season.

I'm a candidate for the Republican nomination for President. But I hope that you who are Independents and Democrats will let me talk to you also tonight because the problems facing our country are problems that just don't bear any party label.

In this election season the White House is telling us a solid economic recovery is taking place. It claims a slight drop in unemployment. It says that prices aren't going up as fast, but they are still going up, and that the stock market has shown some gains. But, in fact, things seem just about as they were back in the 1972 election year. Remember, we were also coming out of a recession then. Inflation has been running

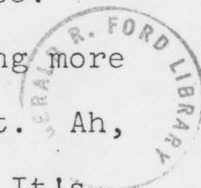


at around 6%. Unemployment about 7. Remember, too, the upsurge and the optimism lasted through the election year and into 1973. Then, the roof fell in. Once again we had unemployment. Only this time not 7%, more than 10. And inflation--wasn't 6%, it was 12%.

Now, in this election year 1976, we're told we're coming out of this recession. Just because inflation and unemployment rates have fallen, to what they were at the worst of the previous recession. If history repeats itself will we be talking recovery four years from now merely because we've reduced inflation from 25% to 12%?

The fact is, we'll never build a lasting economic recovery by going deeper into debt at a faster rate than we ever had before. It took this nation 166 years--until the middle of World War II--to finally accumulate a debt of \$95 billion. It took this administration just the last 12 months to add \$95 billion to the debt. And this administration has run up almost one-fourth of our total national debt in just these short nineteen months.

Inflation is the cause of recession and unemployment. And we're not going to have real prosperity or recovery until we stop fighting the symptoms and start fighting the disease. There's only one cause for inflation--government spending more than government takes in. The cure is a balanced budget. Ah, but they tell us, 80% of the budget is uncontrollable. It's



fixed by laws passed by Congress. The laws passed by Congress can be repealed by Congress. And, if Congress is unwilling to do this, then isn't it time we elect a Congress that will?

Soon after he took office, Mr. Ford promised he would end inflation. Indeed, he declared war on inflation. And, we all donned those WIN buttons to "Whip Inflation Now." Unfortunately, the war--if it ever really started--was soon over. Mr. Ford, without WIN button, appeared on TV, and promised he absolutely would not allow the Federal deficit to exceed \$60 billion (which incidentally was \$5 billion more than the biggest previous deficit we'd ever had). Later he told us it might be as much as \$70 billion. Now we learn it's \$80 billion or more.

Then came a White House proposal for a \$28 billion tax cut, to be matched by a \$28 billion cut in the proposed spending--not in present spending, but in the proposed spending in the new budget. Well, my question then and my question now is, if there was \$28 billion in the new budget that could be cut, what was it doing there in the first place?

Unfortunately, Washington doesn't feel the same pain from inflation that you and I do. As a matter of fact, government makes a profit on inflation. For instance, last July Congress vaccinated itself against that pain. It very quietly passed legislation (which the President signed into law) which automatically now gives a pay increase to every Congressman every time the cost of living goes up.

It would have been nice if they'd thought of some arrangement like that for the rest of us. They could, for example, correct a great unfairness that now exists in our tax system. Today, when you get a cost of living pay raise--one that just keeps you even with purchasing power--it often moves you up into a higher tax bracket. This means you pay a higher percentage in tax, but you reduce your purchasing power. Last year, because of this inequity, the government took in \$7 billion in undeserved profit in the income tax alone, and this year they'll do even better. Now isn't it time Congress looked after your welfare as well as its own?

Those whose spending policies cause inflation to begin with should be made to feel the painful effect just as you and I do. Repeal of Congress' automatic pay raise might leave it with more incentive to do something to curb inflation.

Now, let's look at Social Security. Mr. Ford says he wants to "preserve the integrity of Social Security." Well, I differ with him on one word. I would like to restore the integrity of Social Security. Those who depend on it see a continual reduction in their standard of living. Inflation strips the increase in their benefits. The maximum benefit today buys 80 fewer loaves of bread than it did when that maximum payment was only \$85 a month. In the meantime, the Social Security payroll tax has become the most unfair tax any worker pays. Women are discriminated

against. Particularly, working wives. And, people who reach Social Security age and want to continue working, should be allowed to do so and without losing their benefits. I believe a Presidential commission of experts should be appointed to study and present a plan to strengthen and improve Social Security while there's still time--so that no person who has contributed to Social Security will ever lose a dime.

Before leaving this subject of our economic problems let's talk about unemployment.

Ending inflation is the only long range and lasting answer to the problem of unemployment. The Washington Establishment is not the answer. It's the problem. Its tax policies, its harassing regulations, its confiscation of investment capital to pay for its deficits keeps business and industry from expanding to meet your needs and to provide the jobs we all need.

No one who lived through the Great Depression can ever look upon an unemployed person with anything but compassion. To me, there is no greater tragedy than a breadwinner willing to work, with a job skill but unable to find a market for that job skill. Back in those dark depression days I saw my father on a Christmas Eve open what he thought was a Christmas greeting from his boss. Instead it was a blue slip telling him he no longer had a job. The memory of him sitting there holding that slip of paper and then saying in a half whisper "That's quite a Christmas present" it will stay with me as long as I live.



Other problems go unsolved. Take energy. Only a short time ago we were lined up at the gas station. We turned our thermostats down as Washington announced "Project Independence." We were going to become self-sufficient, able to provide for our own energy needs.

At the time we were only importing a small percentage of our oil. Yet, the Arab boycott caused half a million Americans to lose their jobs when plants closed down for lack of fuel. Today, it's almost three years later and "Project Independence" has become "Project Dependence." Congress has adopted an energy bill so bad we were led to believe Mr. Ford would veto it. Instead he signed it. And, almost instantly, drilling rigs all over our land started shutting down. Now, for the first time in our history, we are importing more oil than we produce. How many Americans will be laid off if there is another boycott? The energy bill is a disaster that never should have been signed.

An effort has been made in this campaign to suggest that there aren't any real differences between Mr. Ford and myself. I believe there are, and these differences are fundamental. One of them has to do with our approach to government. Before Richard Nixon appointed him Vice President, Mr. Ford was a Congressman for 25 years. His concern was the welfare of his congressional district. For most of his adult life he has been a part of the Washington Establishment.

Most of my adult life has been spent outside of government. My experience in government was the eight years I served as Governor of California. If it were a nation, California would be the 7th ranking economic power in the world today.

When I became Governor, I inherited a state government that was in almost the same situation as New York City. The state payroll had been growing for a dozen years at a rate of from 5 to 7,000 new employees each year. State government was spending from a million to a million-and-a-half dollars more each day than it was taking in. The State's great water project was unfinished and underfunded by a half a billion dollars. My predecessor had spent the entire year's budget for Medicaid in the first six months of the fiscal year. And, we learned that the teachers' retirement fund was unfunded. A four billion dollar liability hanging over every property owner in the state. I didn't know whether I'd been elected Governor or appointed receiver.

California was faced with insolvency and on the verge of bankruptcy. We had to increase taxes. Well, this came very hard for me because I felt taxes were already too great a burden. I told the people the increase, in my mind, was temporary and that, as soon as we could, we'd return their money to them.

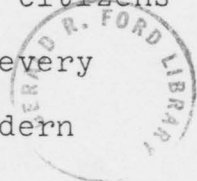
I had never in my life though of seeking or holding public office and I'm still not quite sure how it all happened. In my own mind, I was a citizen representing my fellow citizens against the institution of government.

I turned to the people, not to politicians for help. Instead of a committee to screen applicants for jobs, I had a citizens' recruiting committee, and I told this committee I wanted an administration made up of men and women who did not want government careers and who would be the first to tell me if their government job was unnecessary. And I had that happen. A young man from the aerospace industry dissolved his department in four months, handed me the key to this office and told me we'd never need the department. And to this day, I not only never missed it, I don't know where it was.

There was a reason for my seeking people who didn't want government careers. Dr. Parkinson summed it all up in his book on bureaucracy. He said, "Government hires a rat catcher and the first thing you know, he's become a rodent control officer."

In those entire eight years, most of us never lost the feeling that we were there representing the people against what Cicero once called the "arrogance of officialdom." We had a kind of watchword we used on each other. "When we begin thinking of government as we instead of they, we've been here too long." Well, I believe that attitude would be beneficial in Washington.

We didn't stop with just getting our administrators from the ranks of the people. We also asked for help from expert people in a great many fields, and more than 250 of our citizens volunteered, to form into task forces. They went into every department and agency of state government to see how modern



business practices could make government more efficient, economical and responsive. They gave an average of 117 days apiece full time, away from their own jobs and careers. At no cost to the taxpayers. They made 1,800 specific recommendations. We implemented more than 1,600 of those recommendations.

This was government-by-the-people proving that it works when the people work at it. When we ended our eight years, we turned over to the incoming administration a balanced budget. A \$500 million surplus. And, virtually the same number of employees we'd started with eight years before. Even though the increase in population had given some departments a two-thirds increase in work load.

The water project was completed with \$165 million left over. Our bonds had a triple A rating, the highest credit rating you can get. And the teachers' retirement program was fully funded on a sound actuarial basis. And, we kept our word to the taxpayers--we returned to them in rebates and tax cuts, \$5 billion, 761 million.

I believe that what we did in California can be done in Washington if government will have faith in the people and let them bring their common sense to bear on the problems bureaucracy hasn't solved. I believe in the people.

Now, Mr. Ford places his faith in the Washington Establishment. This has been evident in his appointment of former Congressmen and long-time government workers to positions in his

Administration. Well, I don't believe that those who have been part of the problem are necessarily the best qualified to solve them.

The truth is, Washington has taken over functions that don't truly belong to it. In almost every case it has been a failure. Understand, I'm speaking of those programs which logically should be administered at state and local levels.

Welfare is a classic example. Voices that are raised now and then urging a federalization of welfare don't realize that the failure of welfare is due to federal interference. Washington doesn't even know how many people are on welfare. How many cheaters are getting more than one check. It only knows how many checks it's sending out. Its own rules keep it from finding out how many are getting more than one check. Well, California had a welfare problem. 16% of all welfare recipients in the country were drawing their checks in our state. We were sending welfare checks to families who decided to live abroad. One family was receiving its check in Russia. Our caseload was increasing by 40,000 people a month. After a few years of trying to control this runaway program and being frustrated by bureaucrats here in California and in Washington, we turned again to a citizens' task force. The result was the most comprehensive welfare reform ever attempted.

And in less than three years we reduced the rolls by more than 300,000 people. Saved the taxpayers \$2 billion. And,

increased the grants to the truly deserving needy by an average of 45%. We also carried out a successful experiment which I believe is an answer to much of the welfare problem in the nation. We put able-bodied welfare recipients to work at useful community projects in return for their welfare grants.

Now, let's look at housing. Washington has tried to solve this problem for the poor by building low-cost houses. So far it has torn down three and a half homes for every one it has built.

Schools. In America, we created at the local level and administered at the local level for many years the greatest public school system in the world. Now through something called federal aid to education, we have something called federal interference and education has been the loser. Quality has declined as federal intervention has increased.

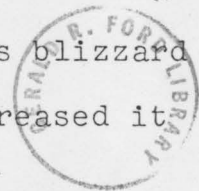
Nothing has created more bitterness for example than forced busing to achieve racial balance. It was born of a hope that we could increase understanding and reduce prejudice and antagonism. I'm sure we all approved of that goal. But busing has failed to achieve that goal. Instead, it has increased the bitterness and animosity it was supposed to reduce. California's Superintendent of Public Instruction, Wilson Riles (himself a black), says, "The concept that black children can't learn unless they are sitting with white children is utter and complete nonsense." Well, I agree. The money now being wasted on this social experiment could be better spent to provide the kind of school

facilities every child deserves. Forced busing should be ended by legislation if possible. By constitutional amendment if necessary. And, control of education should be returned to local school districts.

The other day, Mr. Ford came out against gun control. But, back in Washington, D.C., his Attorney General has proposed a seven-point program that amounts to just that: gun control. I don't think that making it difficult for law abiding citizens to obtain guns will lower the crime rate. Not when the criminals will always find a way to get them. In California I think we found an answer. We put into law what is practical gun control. Anyone convicted of having a gun in his possession while he committed a crime: add five to 15 years to the prison sentence.

Sometimes bureacracy's excesses are so great that we laugh at them. But they are costly laughs. Twenty-five years ago the Hoover Commission discovered that Washington files a million reports a year just reporting that there is nothing to report.

Independent business people, shopkeepers and farmers file billions of reports every year required of them by Washington. It amounts to some 10 billion pieces of paper each year and it adds \$50 billion a year to the cost of doing business. Washington has been loud in its promise to do something about this blizzard of paperwork. And they made good. Last year they increased it by 20%.



But there is one problem which must be solved or everything else is meaningless. I am speaking of the problem of our national security. Our nation is in danger, and the danger grows greater with each passing day. Like an echo from the past, the voice of Winston Churchill's grandson was heard recently in Britain's House of Commons warning that, "the spread of totalitarianism threatens the world once again and the democracies are wandering without aim."

"Wandering without aim" describes U.S. foreign policy. Angola is a case in point. We gave just enough support to one side to encourage it to fight and die but too little to give them a chance of winning. Now we're disliked by the winner, distrusted by the loser and viewed by the world as weak and unsure. If detente were the two-way street it's supposed to be, we could have told the Soviet Union to stop its troublemaking and leave Angola to the Angolans. But it didn't work out that way.

Now, we are told Washington is dropping the word "detente" but keeping the policy. But whatever it's called, the policy is what's at fault. What is our policy? Mr. Ford's new Ambassador to the U.N. attacks our long-time ally, Israel. In Asia our new relationship with mainland China can have practical benefits for both sides. But that doesn't mean it should include yielding to demands by them as the administration has, to reduce our military presence on Taiwan where we have a long-time friend and ally, the Republic of China. And, it is also revealed now that we seek to establish friendly relations with Hanoi. To make it more

palatable, we are told this might help us learn the fate of the men still listed as Missing in Action.

There is no doubt our government has an obligation to end the agony of parents, wives and children who have lived so long with uncertainty. But, this should have been one of our first demands of Hanoi's patron saint, the Soviet Union, if detente had any meaning at all. To present it now as a reason for friendship with those who have already violated their promise to provide such information is hypocrisy.

In the last few days, Mr. Ford and Dr. Kissinger have taken us from hinting at invasion of Cuba to laughing it off as a ridiculous idea. Except, that it was their ridiculous idea. No one else suggested it. Once again--what is their policy? During this last year, they carried on a campaign to befriend Castro. They persuaded the Organization of American States to lift its trade embargo, lifted some U.S. trade restrictions, they engaged in cultural exchanges. And then, on the eve of the Florida primary election, Mr. Ford went to Florida, called Castro an outlaw and said he'd never recognize him. But he hasn't asked our Latin American neighbors to reimpose a single sanction, nor has he taken any action himself. Meanwhile, Castro continues to export revolution to Puerto Rico, to Angola, and who knows where else?

As I talk to you tonight, negotiations with another dictator go forward. Negotiations aimed at giving up our ownership of the

Panama Canal Zone. Apparently, everyone knows about this except the rightful owners of the Canal Zone--you, the people of the United States.

General Omar Torrijos, the dictator of Panama, seized power eight years ago by ousting the duly-elected government. There have been no elections since. No civil liberties. The press is censored. Torrijos is a friend and ally of Castro and, like him, is pro-communist. He threatens sabotage and guerrilla attacks on our installations if we don't yield to his demands. His foreign minister openly claims that we have already agreed in principle to giving up the Canal Zone.

The Canal Zone is not a colonial possession. It is not a long-term lease. It is sovereign U.S. Territory every bit the same as Alaska and all the states that were carved from the Louisiana Purchase. We should end those negotiations and tell the General: We bought it, we paid for it, we built it and we intend to keep it.

Mr. Ford says detente will be replaced by "peace through strength." Well, now that slogan has a nice ring to it, but neither Mr. Ford nor his new Secretary of Defense will say that our strength is superior to all others.

In one of the dark hours of the Great Depression, F.D.R. said, "It is time to speak the truth frankly and boldly." I believe former Secretary of Defense James Schlesinger was trying to speak the truth frankly and boldly to his fellow citizens. And that's why he is no longer Secretary of Defense.

The Soviet Army outnumbered ours more than two-to-one and in reserves four-to-one. They out-spend us on weapons by 50%. Their Navy outnumbered ours in surface ships and submarines two-to-one. We are outgunned in artillery three-to-one and their tanks outnumber ours four-to-one. Their strategic nuclear missiles are larger, more powerful and more numerous than ours. The evidence mounts that we are Number Two in a world where it is dangerous, if not fatal, to be second best.

Is this why Mr. Ford refused to invite Alexander Solzhenitsyn to the White House? Or, why Mr. Ford traveled halfway 'round the world to sign the Helsinki Pact, putting our stamp of approval on Russia's enslavement of the captive nations? We gave away the freedom of millions of people--freedom that was not ours to give.

Now we must ask if someone is giving away our own freedom. Dr. Kissinger is quoted as saying that he thinks of the U.S. as Athens and the Soviet Union as Sparta. "The day of the U.S. is past and today is the day of the Soviet Union." And he added, "...My job as Secretary of State is to negotiate the most acceptable second-best position available."

I believe in the peace of which Mr. Ford spoke--as much as any man. But peace does not come from weakness or from retreat. It comes from the restoration of American military superiority.

Ask the people of Latvia, Estonia, Lithuania, Czechoslovakia, Poland, Hungary and all the others--East Germany, Bulgaria, Rumania, ask them--what it's like to live in a world where the Soviet Union is Number One. I don't want to live in that kind of world; and I don't think you do either.

Now we learn that another high official of the State Department, Helmut Sonnenfeldt, whom Dr. Kissinger refers to as his "Kissinger," has expressed the belief that, in effect, the captive nations should give up any claim of national sovereignty and simply become a part of the Soviet Union. He says, "Their desire to break out of the Soviet straightjacket" threatens us with World War III. In other words, slaves should accept their fate.

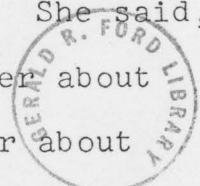
I don't believe the people I've met in almost every State of the Union are ready to consign this, the last island of freedom, to the dustbin of history, along with the bones of dead civilizations of the past. Call it mysticism, if you will, but I believe God had a divine purpose in placing this land between the two great oceans to be found by those who had a special love of freedom and the courage to leave the countries of their birth. From our forefathers to our modern-day immigrants, we've come from every corner of the earth, from every race and ethnic background and we've become a new breed in the world. We're Americans and we have a rendezvous with destiny. We spread across this land, building farms and towns and cities, and we did this without federal land planning or urban renewal.

Indeed, we gave birth to an entirely new concept in man's relation to man. We created government as our servant, beholden to us and possessing no powers except those voluntarily granted to it by us.

Now a self-annointed elite in our nation's capital would have us believe we are incapable of guiding our own destiny. They practice government by mystery, telling us it's too complex for our understanding. Believing this, they assume we might panic if we were to be told the truth about our problems.

Why should we become frightened? No people who have ever lived on this earth have fought harder, paid a higher price for freedom or done more to advance the dignity of man than the living Americans, the Americans living in this land today. There isn't any problem we can't solve if government will give us the facts. Tell us what needs to be done. Then, gets out of the way and lets us have at it.

Recently on one of my campaign trips I was doing a question and answer session, and suddenly I received a question from a little girl who couldn't have been over six or seven years old, standing in the very front row. I'd heard the question before but somehow in her asking it, she threw me a little bit. She said, why do you want to be President? Well I tried to tell her about giving government back to the people; I tried to tell her about turning authority back to the states and local communities, and so forth; winding down the bureaucracy; it might have been an answer for adults, but I knew that it wasn't what that little girl wanted, and I left very frustrated. It was on the way to



the next stop that I turned to Nancy and I said I wish I had it to do over again because I'd like to answer her question. Well, maybe I can answer it now. I would like to go to Washington; I would like to be President. Because I would like to see this country become once again a country where a little six-year old girl can grow up knowing the same freedom that I knew when I was six years old, growing up in America. If this is the America that you want for yourself and your children; if you want to restore government not only of and for but by the people; to see the American spirit unleashed once again; to make this land a shining, golden hope God intended it to be, I'd like to hear from you. Write, or send a wire. I'd be proud to hear your thoughts and your ideas.

Thank you, and good night.

(END)