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✓ Reagan file [7-15-75]

Washington--Sen. Paul Laxalt (R. Nev.) today announced formation of a "Citizens for Reagan" Committee. Laxalt said the committee expects to convince former California Gov. Ronald Reagan to seek the Republican nomination for President and to make it possible for him to mount an effective campaign.

Sen. Laxalt is the former governor of Nevada. Other members of his committee are John P. Sears, a Washington attorney who will serve as executive vice chairman; former Gov. Louis B. Nunn of Kentucky; former California National Committeewoman, Mrs. Stanhope C. Ring; retired Rep. H. R. Gross of Iowa; and Nebraska insurance executive George Cook.

Sears, who was responsible for putting together Richard Nixon's group of delegates in his successful 1968 quest for the GOP Presidential nomination, will be the operating head of the committee.

In announcing formation of the committee Sen. Laxalt released the following statement:



STATEMENT BY SENATOR PAUL LAXALT

WASHINGTON, D. C.

JULY 15, 1975

We have called this press conference today to announce the formation of a "Citizens For Reagan" Committee.

The purpose of this Committee is to build an organization and raise the money necessary to conduct a viable and effective campaign once Governor Reagan decides to become an active candidate.

The decision to take this step has not been an easy one. Mr. Ford came to the Presidency under circumstances unique in American history, amidst problems of confidence, international unrest and domestic instability which are unparalleled. All of us, Democrats and Republicans alike, must give him our support lest others in the world receive the impression that America is too weak or immobile to act.

Yet, Mr. Ford's efforts to cope with these problems on a day-to-day basis provide little relief for the vast majority of Americans who yearn for a leader who can communicate a realistic perspective on America's future.

The process by which the American people have become frustrated and untrusting of their political leaders has been built up over the many years in which there has been far too much promising and far too little performance after election.

We have had far too many instances in our political history where the voters have been left with a choice of deciding between the "lesser of two evils." This country cannot ultimately survive if Presidential elections continue to be decided on the same basis.



Moreover, as Republicans, we cannot meet our responsibility to the country by anticipating a Presidential race which would merely take advantage of the presumed weakness in the Democratic Party. We owe a positive obligation to the American people to demonstrate that we have thoroughly searched our ranks, considered all the alternatives and nominated our most effective leader. We must convince the people that we will not only try, but also will actually do those things which we agree must be done.

That can only be achieved, in my opinion, by the candidates submitting themselves to the people in the primary process.

The next President must enter office armed with a positive compact between himself and the American people, such that Congress will realize that there is no longer any merit in political expediency. We believe that Governor Reagan is a man who stands tall among American politicians in his demonstrated ability to do those things which he promises.



SEN. PAUL D. LAXALT (R. Nev.), chairman of "Citizens for Reagan", has been a Republican Party leader both nationally and in his home state for many years. He was the first major public official to endorse the presidential candidacy of Barry Goldwater.

Sen. Laxalt was elected to the United States Senate in 1974. He was one of only two Republicans elected to the Senate in that year. Prior to that he served as Governor of Nevada from 1967 to 1971. Other elective offices include Lieutenant Governor from 1963 to 1966 and District Attorney for Ormsby County, Nevada's capital county, from 1951-1954.

Laxalt, 52, is a native of Nevada. Before his election to the Senate he was a senior partner in the law firm of Laxalt, Berry and Allison of Carson City.

LOUIS B. NUNN, former Governor of Kentucky, has been an active worker on behalf of Republican Presidents and Senators. In 1956 he served as Kentucky chairman for the Eisenhower-Nixon ticket as well as for the senate campaigns of John Sherman Cooper and Thurston B. Morton. In 1960 he headed the Nixon-Lodge campaign as well as the election campaign of Sen. Cooper. In 1962 he was chairman of the reelection campaign of Sen. Morton.

Gov. Nunn served as chairman of the Republican Governors' conference in 1971. He was first elected to public office at the age of 29 when he won election as a county judge.

Currently he practices law with the firm of Stoll, Keenon & Park in Lexington, Ky.

H. R. GROSS, who spent 36 years as a member of the United States House of Representatives, is nationally known for his effective opposition to wasteful and extravagant government spending.

Mr. Gross, of Waterloo, Iowa, retired from the Congress in 1974. A native of Iowa, Mr. Gross worked as a reporter, editor and radio news commentator before his election to the House.

He worked with Gov. Reagan when the latter was a young sportscaster in Iowa.

Mr. Gross was first elected to the House in 1948. He retired at the end of the 1973-74 session.



MRS. STANHOPE C. RING is a former National Committeewoman from California. She has been active in the Republican Party since 1968 when she served as Coronado chairman in the 1968 reelection campaign of Rep. Bob Wilson of California. Since then Mrs. Ring has served as a member of the San Diego County Republican Central Committee, Vice Chairman of the California State Republican Central Committee, President of the San Diego County Federation of Republican Women and a member of the Board of the California Federation of Republican Women.

As National Committeewoman from 1968 to 1972 Mrs. Ring served as a member of the National Committee's Rule 29 Committee and as a member of the bipartisan committee on convention financing.

In 1964 she was San Diego headquarters chairman for Barry Goldwater. Mrs. Ring, the widow of Vice Admiral Stanhope C. Ring, USN Ret., resides in Coronado.

GEORGE B. COOK, Chairman of Bankers Life Insurance Company of America, is a prominent Nebraskan. A resident of Lincoln, he has served as president of the University of Nebraska Alumni Assn. and as chairman of the Board of Directors of the University of Nebraska Foundation. He has been director of the Business Development Corp. of Nebraska and a member of the National Advisory Council on Vocational Education. He is a past state chairman of the Republican National Finance Committee and a member of the Capitol Hill Club, a national Republican club. He served as Nebraska Chairman for Nixon-Agnew in 1968.

JOHN P. SEARS, 35, is a Washington lawyer with broad political experience. Among Washington political reporters he is recognized as the man who recruited the delegates who gave Richard Nixon his first ballot victory at the 1968 Republican National Convention.

He served as political adviser to Nixon in 1966 and 1967 and as executive director of the Nixon for President Committee from 1967 through the 1968 convention. He was liaison between Nixon and Vice Presidential nominee Spiro Agnew during the general election campaign of 1968.

In 1969 he served as a deputy counsel to the President and in 1970 was a member of the faculty and guest lecturer at the Kennedy Institute of Politics and Government.

A graduate of Georgetown University Law School, he currently is a partner in the law firm of Gadsby and Hannah.



THE RONALD REAGAN COLUMN
(For Release In Papers Of Friday Oct. 10 Or Thereafter)

By RONALD REAGAN

Copley News Service

Cuban Premier Fidel Castro is anxious to normalize trade and diplomatic relations with us, we are told, but he picked a funny way to prove it when he staged an international conference in Havana in September to promote the "liberation" of Puerto Rico from the United States.

Back in March, the World Peace Council, an organization controlled by the Soviet Union, called for a preliminary meeting of Marxist representatives in Cuba to discuss the matter of Puerto Rico.



The Ronald Reagan Column -- 2

The delegates to that meeting issued a call for the larger September gathering, all of which was designed to promote one Juan Mari Bras' tiny Puerto Rican Socialist Party.

The "call" was the usual Marxist harangue: "The people of the world must redouble their efforts to defeat in Puerto Rico the promoters of crime in Vietnam, Chile, Palestine and other places, so that the liberation of the Puerto Rican people will signify a new victory in the cause of freedom..."

It is always ironic to see representatives of the Soviet Union joining in denunciations of "imperialism" by the United States, since the USSR holds the world championship for imperialism.



The Ronald Reagan Column -- 3

All this led to the September "international conference on solidarity with Puerto Rico's independence" in Havana. Some 300 delegates attended, including a smattering of U.S. Communist Party functionaries.

The object of their affection, and of the superheated rhetoric that flowed from the three-day conference, is an "open" movement for Puerto Rican independence that is about as popular there as ants at a picnic. The issue of independence versus continuation of the commonwealth status of the island was put to a vote of its people just eight years ago. Out of more than 700,000 votes cast, fewer than 1 per cent voted for independence.

This, of course, hasn't deterred Mari Bras or the terrorists of the Fuerzas Armadas de Liberacion Nacional (FALN).



The FALN has claimed it bombed New York's historic Fraunces tavern last January. Five people died in that bombing. According to the FBI, the FALN leadership got its training in sabotage in Cuba. Sounds like the "old" Castro Cuba which routinely exported guerrilla warfare and violence all over the hemisphere.

The fine hand of the Soviet Union in all this mischief isn't hard to see. A Russian actually served as a vice chairman of the Havana conference, and the Soviets' puppet World Peace Council appears to have provided the over-all strategy for the propaganda service. Secretary of State Henry Kissinger took a properly dim view of the proceedings. He said the "meeting in Havana can only be considered by us as an unfriendly act."



Castro's best-known U.S. fan recently has been Sen. George McGovern. His wife, Eleanor, who visited Cuba with him a few months ago, said of the bearded dictator: "The most impressive thing about Fidel is his mind. The breadth, depth and width of his knowledge is enormous. Fidel knows the specifics of everything."

If that's so, perhaps he can grasp the idea that he can't have things both ways. He can't have normal trade and relations with the United States and, at the same time, be the Western distributor for Soviet Marxism. Indeed, if he wants the former, one of the points we must insist on is that he deny the Soviets base and landing rights on Cuba and that he guarantee in writing that he'll stop training guerrillas for revolutionary export around the Western Hemisphere.



Citizens for Reagan For President

10/17/75

RR
file

Sen. Paul Laxalt
Chairman

John P. Sears
Exec. Vice Ch.

George Cook

H. R. Gross

Louie B. Nunn

Mrs. Stanhope C. Ring

Henry Buchanan
Treasurer

October 14, 1975

Federal Election Commission
Office of the General Counsel
Advisory Opinion Comment
1325 K Street, N.W.
Washington, D.C. 20463

Dear Sirs:

We respectfully submit the following comments on AOR-1975-72.
We hope this will be helpful to the Commission.

AOR 1975-72 raises the question of whether the Republican National Committee (RNC) can legitimately provide funds, in light of the recent federal election law amendments, for political travel by President Ford while he is a candidate for his party's presidential nomination. And further, whether these expenditures count against candidate Ford's campaign expenditure limitations under 18 U.S.C. section 608(c). It appears to our committee that several facts must be considered before a conclusion on the RNC's request can be reached.

First, President Ford is an announced and declared candidate for his party's nomination. He has, as of this date, made campaign trips and authorized a committee which has made campaign expenditures on behalf of his campaign. He indicated on a nationally televised news conference (October 9, 1975) that he hoped his political trips made on behalf of the RNC would help his election. He has made the decision to actively campaign at an earlier date than has been the customary political practice of past incumbent Presidents.

?

point A
See p 2



*Nominated
by the Press
and elected by
the Congress*

Second, Gerald R. Ford was the first individual appointed to the Vice Presidency under the provisions of the recently enacted 25th Amendment. Following the resignation of Richard M. Nixon as President, Gerald R. Ford succeeded to that office. His Vice President, Nelson A. Rockefeller, also became such by the operation of the 25th Amendment, after having been rejected for the Republican presidential nomination by the Republican National Conventions of 1964 and 1968. These facts are quite important in providing some political perspective to the relationship of the Presidency, its current occupant, and the Republican Party.

Third, there is an active political committee in existence, authorized by Governor Reagan, and registered with the Federal Election Commission, that has raised significant amounts of money from many thousands of persons in every state. This committee is actively promoting the candidacy of Governor Ronald Reagan for the Republican Party's presidential nomination.

Fourth, one of the basic purposes of the 1974 amendments to the body of federal election law is to insure that no candidate, regardless of his position or financial means, could "buy" the Presidency by means of excessive financial expenditures. To this end, the key provision of the 1974 Act is 18 U.S.C. section 608. This section imposes strict expenditure limitations on all candidates for federal office. The purpose of these limitations is, in part, to provide every candidate with an equal opportunity to present his campaign to the electorate.

Fifth, a key criticism of the new election law is that it favors incumbents in that it protects them against challengers. This is so, many feel, because a challenger can only overcome the multiple advantages of incumbency by greater campaign spending than the incumbent. It is certainly true that an incumbent President enjoys great political advantages by virtue of his official position, advantages such as government-paid travel around the country to "non-political events" and the national forum of the televised Presidential press conference (recently exempted from equal time by the Federal Communications Commission). Does he also, in a primary campaign situation, enjoy the official mantle of the party and use of its funds merely by virtue of his title?

*than point
A on page 1
is irrelevant*



Federal Election Commission
October 14, 1975
Page Three

With these basic factual referents in mind we submit the following analysis of the RNC's request:

Traditionally an incumbent President seeking reelection has been considered unchallengable within his own political party for his party's nomination. No incumbent President in this century has been denied renomination by his party. In fact, so strong is the traditional role of the incumbent President that only twice in this century has one been defeated in a general election. In 1975 and 1976 the situation in this country is and will be unique politically. The incumbent President and Vice President of the Republican Party have never faced the national electorate or, in the case of President Ford, the Republican Party membership as expressed through its national party convention. Thus, President Ford is clearly not in the same position as former Republican Party presidents were. In fact, it is clear that one of the important factors in the 1976 nomination contest is the current lack of a nationally chosen or mandated Republican Party "leader" in the traditional sense. The Republican Party's only elected national spokesman is its chairman, Mrs. Mary Louise Smith.

Thus, while Gerald R. Ford is legally and constitutionally the Chief Executive, with all the President's powers and privileges, and entitled to all the traditional support and respect due our Head of State, he does not stand in the traditional role an incumbent President has had as the titular leader of the Republican Party. Further, actions that tend not only to place him in such a role but also to emphasize it directly benefit his campaign for the party's nomination for President. In fact, a key selling point of the President's campaign has been his incumbency. To argue that his campaign for the nomination should not be hindered because of his activities as "party leader," is very like the boy, who having killed his parents, says he should not be punished because he is an orphan.

Only the 1976 nominee of the Republican National Convention will be the party's chosen leader.

The 1974 amendments to federal election law mandate strict expenditure limitations for all federal candidacies. They do this separately with respect to candidates for the nomination of parties and



for the candidates of parties in general elections. Further, the law embodies a very expansive and comprehensive definition of contributions and expenditures so as to close nearly every potential loophole left in past legislative attempts at regulation. This legislative plan clearly manifests the intent of Congress, as ratified by President Ford in signing the law, to establish a system of electoral regulation that would control, limit and disclose all expenditures that promote and influence a federal campaign. It cannot be seriously argued that political trips made by a declared candidate, as "leader" of a political party, directed at those very individuals who will ultimately choose the party's nominee, does not directly benefit and influence and promote such candidate's campaign. If President Ford's campaign is not charged with the cost of trips made as the "leader" of the Republican Party under these circumstances then section 608 is not the comprehensive expenditure limitation section it clearly was intended to be.

If the Commission's interpretation of this new law is not to favor incumbents over other candidates and if the traditional relationship of the Presidency to its own political party is not to become a vehicle for allowing the new election law to be gravely distorted then the RNC's planned actions must be modified. It would certainly be divisive within the Republican Party if the RNC were to bestow a non-reportable and uncontrolled election benefit on only one candidate for the party's nomination. This would raise constitutional questions of whether 18 U.S.C. section 608's effect, if not its purpose, is to stifle legitimate political challenges to incumbents from within their own parties.

If the party provided truly equal treatment to all candidates for its nomination then few serious objections could be raised. Then, the party would not be promoting a campaign but would be providing its national membership with a better opportunity for seeing all its candidates. It would be performing a legitimate informational function by helping members to make more intelligent choices among the candidates. While a TV appearance by one candidate benefits his campaign, a program presenting all of the candidates equally benefits the electorate. Of course, a fair and equitable mechanism would have to be worked out to determine who the individuals are who are legitimately entitled to such consideration. But this should not be difficult. A simple criterion, like qualification for federal matching funds, would provide an adequate method for discriminating between bona fide candidates and others.

*wants
TV
debate?*

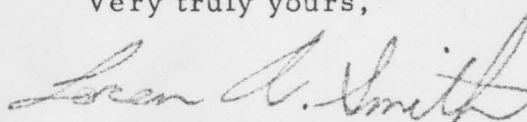


Federal Election Commission
October 14, 1975
Page Five

If the RNC chooses not to consider such an option it seems to our committee that its current proposal raises serious questions under both the contribution limitations and the expenditure limitations of section 608. If party "leadership" is to confer substantial financial electoral benefits it should be both formalized and brought within the guidelines of the election law. Governor Reagan has over the past years raised millions of dollars for the Republican Party at numerous party events across the nation and by direct mail. He has done this as a member of the party who deeply believes in its principles. Our committee feels that the party treasury, built up in the interests of the whole party, should not become a vehicle for any single candidate in contest for the party's nomination, regardless of any office he may hold.

In 1975 and 1976 a new federal election law prevails. Examples of past practice no longer suffice to justify present actions. We hope our comments will aid the Federal Election Commission in deciding this question.

Very truly yours,



Loren A. Smith
General Counsel

LAS:jf

cc: Hon. Thomas B. Curtis
Hon. Neil Staebler
Hon. Joan Aikens
Hon. Thomas E. Harris
Hon. Vernon W. Thomson
Hon. Robert O. Tiernan
Hon. Benton L. Becker ✓
Hon. Mary Louise Smith



THE WHITE HOUSE
WASHINGTON

TO: Bob Hartmann

FROM: Margita E. White
Assistant Press Secretary
to the President

FYI



Reagan
White

THE RONALD REAGAN COLUMN
(For Release In Papers Of Friday, Oct. 17, Or Thereafter)

By RONALD REAGAN

Copley News Service

In the 1950s Russian physicist Andrei Sakharov was known as the "father" of the Soviet Union's hydrogen bomb. Today, he is known as the winner of the 1975 Nobel Peace Prize.

It's been a long, difficult and courageous road for the man who now ranks alongside Aleksandr Solzhenitsyn as a champion for human rights in the Soviet Union.

Solzhenitsyn was expelled from the USSR early last year, but Sakharov continues to speak out for amnesty for Soviet political prisoners with a courage which soon may earn him the same fate.



The Ronald Reagan Column -- 2

As early as 1958, Sakharov's misgivings about the awesome consequences of nuclear warfare led him to circulate "Samizdat" (literally, "self-publishing"), calling for a ban on nuclear testing.

If you read Solzhenitsyn's monumental "Gulag Archipelago," you know that a Soviet citizen does not do such things lightly, for it can easily lead to a 10-year sentence in a concentration camp, followed by years of exile.

Sakharov continued, however, and made a personal appeal to Soviet Premier Nikita Khrushchev in 1961. It was ignored. Five years later, he took a further step. He participated publicly in a one-minute vigil for human rights. He was fired from his high post in the Soviet nuclear program.



But the fact he wasn't arrested showed that the Kremlin was concerned that harsher reprisals against such an outspoken public figure might trigger even more protests against repression.

In 1968 his book, "Progress, Peace, Coexistence and Intellectual Freedom," was published in the West, but circulated only in "Samizdat" form inside the USSR.

Now, the Nobel Prize Committee has cited him for his "fearless effort in the cause of peace among mankind," for his warning "against the dangers connected with the bogus detente, based on wishful thinking and illusions," and for his fight "not only against the abuse of power and violations of human dignity in all its forms, but...for the ideal of a state founded on a principle of justice for all."



All that Sakharov stands for contradicts the Soviet system, with its denial of human rights, punishment for dissenters, intimidation and the use of fear.

Despite its love of propaganda as a weapon to advance the Marxist cause, the USSR has a clumsy track record in handling its most famous citizens who dissent. When Boris Pasternak won the Nobel Prize for Literature in 1958, the Soviets pressured him into turning it down, an act which simply underscored their heavy-handedness. Solzhenitsyn won it in 1970 but couldn't go to Oslo to receive it for fear of being unable to return home.

Following their expulsion of Solzhenitsyn last year, the Soviets launched a continuous propaganda barrage to discredit him. It has had the opposite effect.



The Ronald Reagan Column -- 5

His own compelling testimony on Soviet repression and his profound moral stand about human freedom simply have been verified by the shrill propaganda.

The betting in Oslo is that Sakharov won't be allowed to pick up his prize, since the very awarding of it by the committee will appear to the thin-skinned Soviet regime to be a criticism of its repressive nature. And it is.

(Note: The courageous writings of Soviet dissenters in "Samizdat" form are collected and published in English several times a year by the Samizdat Bulletin, P.O. Box 6128, San Mateo, Calif. 94403. If you ever had any doubt about the way the Soviets treat their defenders, subscribe to this publication.)



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to RTA

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Reagan file

THE RONALD REAGAN COLUMN

(For Release In Papers Of Friday, Oct. 24, Or Thereafter)

By RONALD REAGAN

Copley News Service

New York's Gov. Hugh Carey has appealed to Congress to avoid "a national policy of punishment" toward the nation's largest city and to avert "an economic Pearl Harbor" that would be "the most costly mistake in the history of the nation."

There, in a nutshell, is New York's strategy for arm-twisting a \$5 billion bailout loan guarantee from Congress: shame them and scare them into it. After all, if you tell Congress often enough that bond default by New York will cause financial chaos in every other city (even though it's not true), maybe they'll believe it.



The Ronald Reagan Column -- 2

While it isn't quite true that all New Yorkers think the world ends at the banks of the Hudson, Carey's comments reflect New York parochialism and a notion that the rest of the nation considers New York City its crown jewel.

I have news for him. To large numbers of Americans across this now decentralized nation, New York symbolizes what's wrong: too-powerful union leaders and news media, timid elected officials, wild spending, mismanagement, dirty streets, pornography and a general decline in civility.

Tell an audience in Ohio or Texas (or almost anywhere else outside of New York) that you don't think the federal government should be in a rush to bail out New York, and they erupt with applause. Whether their reasons are fully justified or not is not the point. The point is they just plain don't like New York.



The Ronald Reagan Column -- 3

Most of New York's financial woes are its own fault. Politicians, constantly hustling votes from this or that group, promised more public jobs and services or more handouts than the city possibly could afford. For each group that successfully ground its ax at City Hall, a new one sprung up with its own demands. The politicians listened and spent more and, surprisingly, the bankers, who could have brought sanity to the situation by refusing to buy more bonds and extend credit long ago, simply went along with the madness.

Of course New York isn't 100 per cent responsible for its plight. The federal government's lusty appetite for more and more of the American people's income over the last four decades or so had something to do with it. The persistent myth that, somehow, federal dollars were free dollars helped this growth process in Washington.



Tincupmanship for the cities was one result.

Today, there is scarcely a big city mayor in America who hasn't been to Washington to rattle one for his town.

Federal growth has cramped nearly every city's ability to raise money. New York's city fathers simply ignored this reality and mortgaged more and more of the city's future. Now, the city is nearly bankrupt. The reality wasn't ignored by the many businesses which moved to other cities and towns or into the countryside. They took jobs with them, and the city's tax base began to shrink.

But, instead of trimming expenses, New York let its city budget swell larger and larger. Today, it's up to \$11 billion a year. With a population of seven million, it has a public work force of 400,000. The state of California, by contrast, has 21 million people and only 100,000 state employes.



The Ronald Reagan Column -- 5

Once Congress samples opinions of its increasingly suburban-oriented constituents, it's likely New Yorkers will have to eat several courses of humble pie in order to get even limited federal help. Even then, it may come with so many strings attached that a generation may pass before any New York City politician gets up the nerve to tell his constituents that the moon is really made of green cheese.

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THE RONALD REAGAN COLUMN
(For Release in Papers of Friday Nov. 14 or Thereafter)

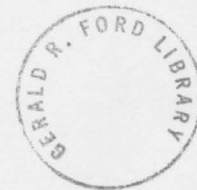
RR file

By RONALD REAGAN

Copley News Service

Maybe it's time for all Americans to examine detente more closely to understand what it means to us and to the Soviet Union.

A very fine writer and historian, James Burnham, recently did this in National Review magazine. He pointed out that our leaders "think of detente as a diplomatic equivalent of a business deal." Each side has its own special interests but they agree to function within the rules of the marketplace -- something for something. Each will receive some of what it wants, but each will in turn give something.



The Ronald Reagan Column -- 2

In the case of detente, the plus for both sides is believed to be some assurance against that horror of horrors -- nuclear war. With that agreed upon, we hope for eventual trade, cultural exchange and, in time, legitimate friendship as we get to know each other better.

That is the way we see detente. Not so with the Communists. For them, detente is not a "step toward peace." Nor is it, Mr. Burnham says, "an effort to achieve an evenly balanced equation." It is a way for them to carry on the revolutionary struggle with the advantage for them increased by detente. Indeed, they see the whole arrangement as the result of our weakness. Gus Hall, leader of the Communist Party, U.S.A., has written that detente represents a new "qualitative change in international relations, a deterioration of our strategic situation."



It is explained that we have been forced to accept detente on Communist terms and they don't lack for evidence to support that claim.

There is our retreat from Indochina, retreat of the West from such important strategic areas as Mozambique and Angola. Then there is the Marxist push in Portugal, the Greek-Turkish trouble in NATO, the oil squeeze on the West, increased Communist influence in Italy, France and Britain. We could add the increase in Soviet naval strength, the terrorist activities we seem unable to halt and the Soviet Union's arrogant violations of the SALT agreements on arms limitation. They arm and we limit.

We are blind to reality if we refuse to recognize that detente's usefulness to the Soviet Union is only a cover for their traditional and basic strategy for aggression.



The Ronald Reagan Column -- 4

It would appear that our situation is worse than just not recognizing facts.

Not seeing the facts is useful for those who can turn a profit from dealing with the Soviets, even though such trade increases our danger. And, according to Burnham, free world diplomats can use it to cover up their mistakes and hide their "lack of a cohesive policy." In other words, politicians can hide their lack of willingness to be real leaders, their lack of courage and their governing by public opinion polls.

Detente is for the Soviet Union a no-can-lose proposition. It fits their Communist dialectic. According to this dialectic, "opposites clash and become ultimately fused into a synthesis on a higher plane."



The Ronald Reagan Column -- 5

In Soviet eyes, the primary clash today is between imperialist capitalists and revolutionary workers; the synthesis is the proletarian dictatorship led by the Communists.

All Communist strategy is conceived against that doctrine or background -- and that most assuredly includes detente.

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11/10/75
lm



REAGAN PRESS CONFERENCE
NOVEMBER 20, 1975



A FEW MONTHS AGO, WHEN MY
OPPONENT CAME TO WASHINGTON TO ANNOUNCE HIS
CANDIDACY, SOME OF YOU HERE IN TEXAS MAY
NOT HAVE HAD THE BENEFIT OF LISTENING TO HIS
FIRST PRESS CONFERENCE.

A REPORTER ASKED HIM HOW MUCH HE
WOULD RECOMMEND FOR A DEFENSE BUDGET FOR
THE UNITED STATES.

LET ME READ HIS ANSWER DIRECTLY
TO YOU BECAUSE IT SHEDS A GREAT DEAL OF
LIGHT ON HIS CAMPAIGN:

" I DIDN'T SAY WHAT I WANTED TO SPEND, "
HE REPLIED. "•••YOU HAVE ME IN A POSITION IN
WHICH THE ANSWER IS VERY DIFFICULT BECAUSE I
THINK ONLY WHEN YOU ARE IN THAT POSITION OF
COMMAND DO YOU HAVE ACCESS TO ALL THE
INFORMATION THAT IS NECESSARY FOR MAKING THAT
DECISION AND OBVIOUSLY I'M NOT IN THAT POSITION
AND DO NOT HAVE THAT INFORMATION AT THIS MOMENT."

LATER ON, A REPORTER PRESSED
THE DEFENSE QUESTION AGAIN.

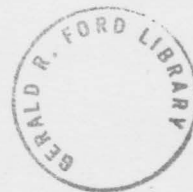
AND THE CORE OF HIS ANSWER WAS THIS:
IN THE AREA OF DEFENSE, "ONE HAS ALWAYS TO
FACE THAT FACT THAT THERE ARE FACTS NOT KNOWN
TO YOU AND WHICH CANNOT BE KNOWN TO YOU BECAUSE
OF CLASSIFICATION. AND THIS ALWAYS
MUST BE KEPT IN MIND AS A RESERVATION ABOUT
ANY OPINION THAT YOU MIGHT RENDER."

MY FRIENDS, I WOULD SUGGEST TO
YOU HERE TODAY THAT ANY CANDIDATE WHO BEGINS
HIS CAMPAIGN BY SAYING HE DOESN'T KNOW
ENOUGH ABOUT NATIONAL DEFENSE TO TALK ABOUT
IT AND THEN, IN THE HEAT OF BATTLE,
SUDDENLY TRIES TO MAKE IT THE CENTRAL ISSUE
CAN HARDLY EXPECT THE AMERICAN PEOPLE TO
TAKE HIM SERIOUSLY.

FOR: MR. HARTMAN

FROM: STU SPENCER

November 21, 1975



FACT SHEET

Reagan file
OK 115

Keeping the size of the California state government constant

TAXES DURING REAGAN YEARS

Fiscal Year	Local Taxes (in billions)	State Taxes (in billions)	Total State & Local Taxes (in billions)	Total Per capita Tax Load (in dollars)	Adjusted for Inflation (in dollars)
1966-67	\$4.3	\$3.8	\$8.1	\$426.26	\$426.26
1967-68	4.7	4.7	9.4	484.66	466.92
1968-69	5.2	5.2	10.4	529.56	489.88
1969-70	5.7	5.4	11.1	556.49	489.01
1970-71	6.6	5.6	12.2	605.29	508.65
1971-72	7.3	6.6	13.9	682.98	555.72
1972-73	8.0	7.2	15.2	739.82	577.98
1973-74	8.4	7.6	16.0	768.44	556.84

Source: Board of Equalization

BUDGET GROWTH UNDER REAGAN

Fiscal Year	State Operations	(in billions) % of Total	Local Assistance	% of Total	Total Budget
1966-67	\$2.2	48.0	\$2.4	52.0	\$4.6
1967-68	2.3	45.6	2.7	54.4	5.0
1968-69	2.5	43.9	3.2	56.1	5.7
1969-70	2.7	42.8	3.6	57.2	6.3
1970-71	2.6	39.2	4.0	60.8	6.6
1971-72	2.6	39.3	4.1	60.7	6.7
1972-73	2.9	39.4	4.5	60.6	7.4
1973-74	3.4	35.6	6.2	64.4	9.6
1974-75	3.5	34.5	6.7	65.5	10.2

Source: Department of Finance



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.



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.

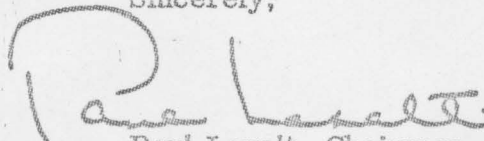
Send your contribution to Ronald Reagan today...\$20, \$50, \$100, or as much as \$1,000 is needed immediately!

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 case-loads 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.
- 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.

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:
 - a) temporary wage-price freeze enacted nationally in August 1971
 - b) major Federal stimulation of the California economy through new defense contracts and the \$250 million Lockheed bailout
 - 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

	California unemployment rate	Total AFDC applications	New AFDC-U applications	
1967	5.7	144,648	33,136	
1968	5.4	162,475	34,408	
1969	5.2	211,313	46,851	
1970	7.2	319,187	97,302	
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
September	8.7	54,000
October	8.5	52,000
November	8.0	50,000
December	8.1	51,000

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 CALIFORNIAStatement:

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 case-loads.

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.

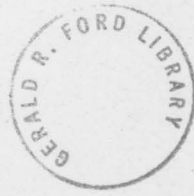
DATE: 12/19

TO: Doog Smith

FROM: GWEN ANDERSON

INFORMATION _____
ACTION _____
APPROPRIATE _____
HANDLING _____
OTHER _____

COMMENTS:



(Interviewing with the Governor)
* Lynn Nofziger, Press Secretary

(In Los Angeles)

Peter Hannaford, Research Director
(213) 477-8231

Saturday, December 13, 1975

450

Excerpts of remarks by the Hon. Ronald Reagan,
former Governor of California,
to the Southern Republican Conference Banquet,
Albert Thomas Convention Center, Houston, Texas,
Saturday, December 13, 1975.

"It's a pleasure to be here this evening. We go back a lot of years and a lot of campaigns. I've spoken in most of your states and know that we share the same basic beliefs and philosophy of government.

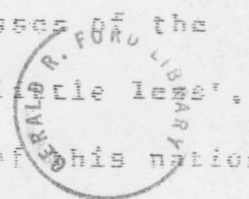
"Those beliefs have persuaded me to enter this race for our Party's Presidential nomination.

"We are at a point where the basic tenets of our Republican philosophy must be restated with clarity and in positive terms. Eleven months from now, the people of America will make a choice between our candidate and one selected by the other party to represent its point of view.

"Too often in recent years we have glossed over the differences that separate our two parties. Too often the people have been offered only a choice between Tweedledum and Tweedledee. And there have been those who have unkindly said there have been times when the choice has been between Tweedledum and Tweedledum.

"Some years ago, I left the Democratic Party because it no longer stood for things I could believe in. The Republican Party did, and I hope it will continue to do so.

"A political party dies when it forsakes its basic beliefs. Our party will die if it becomes a 'yes, but' version of the Democrats -- a party that instead of saying 'no' to the social tinkering and the excesses of the Democrats, says 'Yes, but a little slower', or 'Yes, but a little less', or 'Yes, but we can do those same things better'. The people of this nation are looking for more than that today.



"Daniel Boorstin, the historian, has said, 'What is the main difference between a political machine and a political party? A party is organized for a purpose larger than its own survival. A political machine exists for its own sake; its primary, in a sense only, purpose is survival.' Which do we want to be? You know the answer to that as well as I do. We've fought too long and given too much to settle just for survival. We have a purpose. It is nothing less than the survival of this way of life we call America.

"Since January, in more than 30 states I've talked to Republicans about a banner for our party -- a banner with bold, bright colors; no pale pastels. Not only Republicans, but disaffected Independents and Democrats will also rally to such a banner.

"I speak of colors, but you know that is a synonym for beliefs we will not compromise. Beliefs that will once and for all mark us as the party of the people -- the people who pay our government's bills, fight our country's wars, do the daily work that makes our society function, and who still have time and the desire to care for the less fortunate.

"We're the party of the small businessman. The party of the independent entrepreneur, the farmer, the self-employed, the worker who has used his job skill to earn his share of the American Dream for himself and his family. The party of the concerned school teacher and the PTA parent. Of those who care when Big Government intrudes into our lives and disrupts our business and business our children and squanders our hard-earned wages, cheapening the dollar so that none of us can be sure of the future or of our ability to provide for ourselves and our families in our non-earning years.

"To put it in two words, we are the party of independence, spelled d-e-p-e-n-d-e-n-c-e, and independence, spelled d-e-a-n-d-o-m. The party of independent people who believe ardently in personal liberty and independence for all from the oppressive hand of government.



"These words have been both our strength and our weakness. Our strength, because our sense of independence has allowed us to endure. We lose some battles, but come back to fight another day. Our weakness because as strong-minded individuals, we have often refused to pull together to win the big political battles we must win to keep our people independent of a government that continues to encroach on every facet of their lives.

"Another one of the bold colors in our banner must stand for a strong national defense and a foreign policy based, first and foremost, on what is good for the United States. Peace with freedom was not, and is not, an empty phrase; for peace without freedom is meaningless. And, freedom without peace means only that once again some foreign aggressor has mistaken our lack of military preparedness for an unwillingness to defend our freedom.

"As long as we are second to none in military strength, no one will risk attacking us. To be second in military power is the same as being last. No nation in all man's history that placed its faith in treaties and let its hardware go has ever lived to write many pages in history. A great and free society must also be a strong society. Appeasement leads only to war.

"For 25 years, the Roman Senator Cato concluded every speech with the line, 'Carthage must be destroyed'. Finally, he had his way -- Rome set out to war on Carthage. The people of Carthage were affluent, given to art, culture and sports. There was the highest standard of living in the world and they wanted peace desperately. Envoys were sent to negotiate with the Romans. Finally, Rome relented on condition that Carthage send as hostage the sons of their 300 leading families. It was done. Then, Rome demanded all of Carthage's warships and weapons. They were delivered. Then came the final demand -- that the people of Carthage leave their city because Rome intended to destroy the city. Recognizing the enormity of history's greatest deception, the people of Carthage turned on their leaders and tore them limb from limb. Then they set out to build ships, spears and catapults.

It was too little too late. The people of Carthage were slaughtered, the city leveled and the earth plowed and sown with salt so it would never again be planted.

"It must be our commitment to spend whatever is necessary to remain at to consider our nation's own self-interests first in international dealings Not at the expense of others and not without generosity to those who need a helping hand, but always with the realization that our self-interests must not be cast aside just for the sake of making a deal.

"This is not jingoism or gunboat diplomacy. It is ~~concrete~~ recognition of the need in a hostile world for self-protection. It means keeping the Panama Canal, which we have managed with fairness to all the world and which is essential to the defense of the Western Hemisphere against those who might have designs on us or intentions for global domination. In short we bought it, we paid for it, it is sovereign U.S. territory and we should keep it. Our stewardship has been beneficial to all and ever more so than the people of Panama, who, because of it, enjoy one of the highest standards of living in all of Latin America. The U.S. presently has plans for a billion dollar modernization of the canal which would mean a great stimulus to the economy of Panama and an increased prosperity for the Panamanian people.

"All of this is being held up by a pro-communist ~~dictator~~ dictator who seized power eight years ago by overthrowing the duly elected government of Panama. In eight years, there have been no elections and no civil rights. There has been instead censorship of the press, poverty for the people and totalitarianism.

"We have a sovereign right to the canal zone, affirmed by our own Supreme Court and acknowledged by an elected government of Panama. We also have a responsibility to the free world to keep that right way out of the hands of a ruthless and irresponsible dictator.

"And, on the subject of dictatorship, in my opinion, it is not in our best interest, nor in the interest of freedom to ease our restrictions on trade and diplomatic relations with Castro's Cuba until we see positive signs that he no longer will allow his nation to be a convenient Caribbean outpost for the Soviet Union's military machine and that he will no longer plot trouble in the Americas and in new third world nations such as Angola

"Speaking of Angola, it is ironic that the same Soviet Union that talked loftily of the rights of other nations at the Helsinki conference is today pouring millions of dollars worth of ammunition and supplies to communist forces in that newly-freed land. It seems to me the cause of freedom would be well served if we and our allies would grant recognition to the non-communist regime of Angola providing it with the legitimacy it needs in the eyes of its neighbors.

"We cannot abdicate our free world leadership even though it was not sought by us. Nor can we deny our interest in protecting the fragile peace in the Middle East. We are, and must remain, committed to a strong NATO alliance in Europe and to the fact that we are a power in the Pacific.

"To those who say we shouldn't be interfering in the problems of other nations around the rim of the Pacific Basin, the answer is -- in years past we did interfere and by so doing caused some of these very problems.

"It was in the days of Camelot -- the New Frontier -- that the U.S. used its power to force the anti-communist government of Laos to give in to communist insurgents and accept them as part of a coalition government. Now, in the long established communist pattern, the coalition is no more. Without regard to treaties and agreements, the communist Pathet Lao has taken over that country. Once again the curtain has come down on freedom.

"If now there is to be talk of extending an olive branch to Hanoi, we so let it happen only after there has been a full accounting of our men and in action. And we might well ask assurance that the rights of our erstwhile alive will be guaranteed. Basic morality demands that we reaffirm our determination to stand by long-time friends and allies in Taiwan and South Korea

"There should be a bold color on our banner standing unmistakably for fiscal integrity; an end to the cycles of inflation, recession, unemployment then more and greater inflation. When it comes to the argument over whether we should have a Republican \$60 billion deficit or a Democratic \$80 billion deficit, I find there's no room for me on either side. Our goal must be a balanced budget. Oh, but we are told three-quarters of the budget is uncontrollable -- fixed by statutes passed by Congress. Well, statutes passed by Congress can be repealed by Congress; and since the Democratic majority in Congress shows no inclination to do this, then it's time to elect a Republican Congress that will.

"If the federal government won't put its house in order instead of debauching our dollars by running the printing press overtime, then how in the name of heaven can we demand fiscal responsibility from New York or any other city? Just the other day, the Council of Democratic Mayors went on record demanding federal help for all cities. That's like asking the captain of the "Titanic" for a lift. Three-fourths of the American people live in cities. Are they suggesting the other one-fourth can pay or provide city services for the three-fourths? In the meantime, the federal government spends a billion dollars a day and goes \$1-1/2 billion deeper into debt each week and grows like a fungus, on the assumption if it gets big enough it can manage the nation's business.

"We need a color in our banner that stands for the free market system, free enterprise. For under that system, our country has prospered like no other in the world. And yet, for more than four decades, social engineers have tinkered with that system, claiming its imperfections can be eliminated by such tinkering. Others would forsake the tinkering and the free market system to plunge us into the idiocy of Karl Marx. Why do we even listen to them? If they are too obsessed with their economic tinkertoys to compare

our way with the examples we have of Socialist failure, they deserve no audience from us.

"Our English cousins have been going down the road of government intervention and socialism since World War II. Their nationalized, government-run industries -- steel, coal, natural gas and airlines -- lose about \$600 or \$700 million a year. Curiously enough, in the one area we are alike, we more than match them. Their post office loses about \$675 million a year, all on its own.

"But inflation in England is 25%+ and the rate of productivity in their government-run industries is the lowest of all the Western European nations.

"There is a more dramatic example for comparison which many of you have heard me tell before. Forgive me if I repeat it for those who may not be aware of it.

"If Socialism is the answer, we don't have to argue about it on theory alone -- the theory of Capitalism versus the theory of Socialism. We have our own country and we have a concrete example of Socialism. We have another great nation in this world. It has a land mass greater than our own; it's rich with natural resources; it has 250 million capable people; and for nearly 60 years they have been free to fully implement -- without hindrance or interference -- the principles of Karl Marx' Socialism. We could be just like them; but it would take a little doing on our part. We'd have to start by cutting our paychecks by 80%; move 33 million workers back to the farm; destroy 59 million television sets; tear up 14 out of 15 miles of highway; junk 19 out of 20 automobiles; tear up two-thirds of our railroad track; knock down 70% of our houses; rip out nine-tenths of our telephones; and then all we'd have to do is find a Capitalist country that would sell us wheat on credit so we wouldn't starve!

"One more word about the free market. Now I know that where most of you come from they don't grow wheat. And I know all of us worry about the price of bread.

"But let me tell you this: nobody would worry about the sale of wheat to Russia upping the price of a loaf of bread a penny or two if the taxing policies and the inflationary policies of the Congress and the federal government hadn't already run the price of bread out of sight. No matter how you slice it, the sale of wheat to Russia is not responsible for the high price of bread, it is the sale of sound, frugal Republican principles down the river by both parties that has increased those prices.

"In a hungry world, the government told the wheat farmers of America to plant from fence row to fence row, and then to sell their wheat on the open market. Well, they sowed and they reaped and hid themselves off to the market, but government had changed the rules somewhere between the harvest and the expected sale, and there they are, left with a surplus of wheat. Between weather, insects and other natural hazards, farming is a trade that makes a Las Vegas crap table look like a guaranteed annual income. The American farmer doesn't need government waffling and indecision added to his other troubles.

~~"This does not mean that we shouldn't reexamine our entire policy~~
toward trade with Russia. We have walked the extra mile with the Soviet Union in pursuit of peace -- all the way to Vladivostock, to Helsinki, to SALT I and now to SALT II.

"And, if we can believe the respected journal, AVIATION WEEK, and the charges made by former Secretary of Defense, Mel Laird, the Soviet Union has apparently been violating SALT I; and there is good reason to believe we gave away too much at Vladivostock.

"In failing to let Andrei Sakharov, the Nobel Prize winner, out of Russia, they proved they had no intention of abiding by the spirit of the

Helsinki document. They continue to promote bloodshed and trouble in Angola and Portugal.

"Detente, it seems, has become a one-way street. If we are to have Detente, then let it be without illusions. George Washington, in his Farewell Address, warned, 'There can be no greater error than to expect or calculate upon real favors from nation to nation'.

"We can exchange all the ballet dancers and opera singers we want, but Detente's success or failure will still be measured in terms of quid pro quo -- something for something.

"The Soviet Union continues to outspend us in armaments -- by 60% in ~~nuclear weapons~~ ~~25% in conventional~~. It is obvious they are building not a defensive force, but one designed for offense. In order to do this, they must forego production of consumer goods & even food for their own people. In other words, their vaunted economic system -- the utopia of Karl Marx -- cannot provide guns and butter. We, and our free world allies, should face the question of whether we are not contributing to the slavery of their people as well as danger to ourselves by bailing out their creaking, incompetent system when it finds itself in trouble. Would they, without our help, have to abandon arms building in order to feed their people or face the possibility of an uprising and revolution by a desperate and hungry populace? If the answer to this is yes, then we are faced with a question of national security and pure moral principle. If our decision is on the side of morality and security, we cannot ask the farmer to bear the full burden. We, as a nation, would have to think of his produce as a part of national defense and be prepared to offer a market for what he raises. Perhaps it could even be stored for future sale when and if the Soviet chooses real Detente and abandons its build-up of offensive weapons.

"We come to another color for our banner -- this one standing for a fundamental belief in our federation of sovereign states -- the belief that

government governs best the closer it is to the people.

"We have centralized in Washington control of a number of functions which, if they are to be performed by government at all, should be administered at the state and local levels. Among these, I would include welfare, medicaid, food stamps, education, community and regional development.

"It is not enough to say that under the leadership of the majority party we have the most irresponsible Congress in the memory of any one of us. A handful in both House and Senate valiantly fight a rear guard action against the excesses of the majority, but the tide of inflationary measures, unwise energy proposals and needless harassment of the productive sector, rolls on inexorably.

"The result is a fourth branch of government -- a permanent structure of unelected employees determining policy to a greater extent than most of us know. And this has led to an interlocking bureaucracy -- what I have referred to as the Washington buddy system -- that involves not only the Congress and government bureaucracy, but a growing body of employees representing other levels of government, labor, business and a host of special interests. As the federal government has expanded into new fields, these others have grown in numbers because of the necessity of dealing with the increasingly complex structure of government. Inevitably they find their personal interests are intertwined. If the federal bureaucracy is eliminated, there will be no need or place for them. And so they feed on each other.

"These are not evil men, but they are a part of a system and soon their original purpose becomes involved with perpetuating the system.

"As Parkinson said: Government hires a rat catcher and soon he becomes a rodent control officer. He's not about to eliminate the reason for his job.

"Let me give you a recent example. Early last month, a group of large corporations announced it would mount a major lobbying campaign to persuade Congress that we should sign a new treaty with Panama, giving away the canal. They are very frank as to why they are doing this. Their business interests in Central America have been threatened with sabotage and destruction if we don't give in to the military dictator's demands. Apparently the idea did not originate with them, but with our own State Department.

"Those within the framework of that buddy system strive to meet the nation's needs, but the system very often comes first.

"The transition from federal to state control should be phased and orderly, but I believe it should be up to the people of each state to say how much they wish to pay for such programs. Given the facts, I believe they will act with good sense and compassion.

"These programs can be better and more cheaply administered at the state level. Of course, you will not get uniformity -- but what is so sacred about uniformity. Indeed, our strength has always been diversity and it is diversity, not conformity, we should seek.

"It is true that states assuming some of these programs will have to raise taxes, but this will be more than offset by the reduction at the federal level because I assure you these programs can be administered at lower cost by the states.

"I know there are states that receive more from the federal government in aid than they send to it in the form of taxes. But they will have more to spend on themselves if the federal government is forced to reduce its own expenditures. Government should be forced to balance its budget; and forced to return back to the states much of the tax base it

has preempted. Sometimes when you hear this talk, that some states couldn't get along without help from their sister states, remember New York is one of those sister states. I wonder if anyone is suggesting that New York is in a position now to help any other state in the Union.

"I am confident that the American people are ready to demand that the federal government gets its weight off their backs and its fingers out of their pockets and purses.

"Unless we pick leaders who are willing to go over the head of the system and take the people's case to the voters, to the citizens of the 50 states, we are doomed to a never-ending, never-successful struggle.

"Sometimes when you are up to your elbows counting alligators, it is hard to remember your original objective was to drain the swamp.

"Ladies and gentlemen, I think we can take on the system. I think the people want us to, and expect us to. I think that until we do -- and when I say 'we', I mean we Republicans -- I think that until we do we are not only failing our trust as Republican leaders, but we are also failing our trust as concerned Americans. For, until we do, we will never rally to our side those disaffected non-voters who have quit voting, not out of apathy, but because they no longer believe they can influence government to make it responsive to their needs.

"Nor will we attract those Democrats who have had it up to their neck with big spending social programs that interfere with their lives; big inflation that robs them of both jobs and money; and big cuts in national defense that leaves the nagging worry that America may not be able to defend herself in time of need.

"Our task is no longer one of selling our philosophy, our Republicanism to a citizenry enthused about government, confident of government's ability to be the horn of plenty granting instant utopia.

such a belief. No longer! Today, more than two-thirds of our people -- Republicans, Independents and Democrats alike -- are convinced they are not getting their money's worth from government.

... "Even our opponents are aware of this, as their campaign rhetoric shows. In the leadership gathering in Louisville -- officially named the National Democratic Issues Conference -- they milled in confusion as they faced the revelation that big government doesn't seem to work anymore. If there was consensus at all, it was that the only solution for the problem of big government is bigger government.

"The hall rang with such phrases as 'welfare mess', 'food stamp rip-off' and the 'busing failure'. But still they cheered and applauded the familiar old tunes they've lived with for 40 years -- the recommendation for public ownership of corporations. Another stressed that 'we can't have a master plan for society run by Washington elitists', and then proposed a National Institute for Planning to be established by the federal government.

"One of their bright new breed of young Governors, who has beguiled the press by walking to work and declaring that the federal system as it is set up is not working, told the disciples, 'We have seen enough of failing great social programs and the bankruptcy of New York City to conclude that something is radically wrong and that more of the same won't do'. Having delivered himself of lines which any Republican could embrace he then proposed a national health insurance plan, nationalizing transportation, a federal energy program and a federal guarantee of a job for everyone.

"They suffer from a kind of political schizophrenia. They know the problem, but can only solve it with more of the same doctrinaire liberalism that caused it in the first place.

"In 1972, we had the votes of millions of patriotic Americans, mainly because for the first time they understood what the Democratic leadership had done to that party and to this nation. This time, we can give them a more positive reason for voting. We can prove if we are willing to take the high road that there is a difference between the parties and that we will not dilute that difference for political expediency, we will not compromise our principles. All we need to do to turn this country around and point it in the direction in which we believe it should be going is to offer it a banner around which to rally -- the banner of Responsible Republicanism."

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AND TELEVISION PROGRAM TO "ABC NEWS' ISSUES AND ANSWERS."

I S S U E S A N D A N S W E R S

SUNDAY, NOVEMBER 30, 1975

GUEST:

RONALD REAGAN - Former Governor of California
and Candidate for the Presidency

INTERVIEWED BY:

BOB CLARK - ABC News Issues and Answers
Chief Correspondent

FRANK REYNOLDS - ABC News Correspondent

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This is a rush transcript for
the press. Any questions re-
garding accuracy should be re-
ferred to ISSUES AND ANSWERS

.. . .



1 ANNOUNCER: Former Governor of California and candidate
2 for the Republican Presidential nomination, here are the
3 issues:

4 Will your challenge to President Ford destroy Republican
5 chances of holding on to the White House?

6 How do you propose to reduce the power of the federal
7 government without substantially increasing local and state
8 taxes?

9 If you were President, would you go to China to advance
10 detente?

11 * * *

12 MR. CLARK: Governor, your challenge to President Ford
13 has been greeted with alarm by some liberals and moderates
14 within your party. Senator Percy says your nomination would
15 wreck the party, and Senator Mathias is talking about starting
16 a third party.

17 Do you have a plan to make peace with the liberals, to
18 keep them under the Republican banner and under your banner
19 if you win the nomination?

20 MR. MEAGAN: Well, Bob, I have always disagreed with
21 those Republicans or those outside of the party who insist
22 on hyphenating Republicans, giving them saliva tests and
23 classifying them into narrow brackets as to where they stand
24 philosophically. I think all of us must have certain basic
25 agreements or we wouldn't be in the Republican Party.

1 I think they are wrong, and I think what they are ignoring
2 is a record of eight years that stands up there for anyone
3 to look at, the record of my administration in Sacramento,
4 California.

5 They can look at that record, and I doubt if they can
6 classify that into the narrow categories that they are viewing
7 with alarm. So I hope that by our practice of the 11th
8 Commandment, which was given birth in California, that their
9 fears will be eased.

10 MR. CLARK: Do you mean by this, Governor, that you
11 don't think it is necessary for you to offer any special olive
12 branch to the liberals? You think they simply have to look
13 at your record? Is that your view?

14 MR. REAGAN: I think they barked rather early, and maybe
15 if they will sit down in good faith and have a discussion --
16 which I would be very happy to have with them -- they would
17 find out that their fears are groundless.

18 MR. REYNOLDS: Governor, one of the reasons, I suppose
19 the major reason why liberals express misgivings about you
20 is because of some of the things that you have said
21 and the programs you have offered.

22 For example, your proposal to cut federal spending by
23 consequent
24 \$90 billion, with a / reduction in federal income taxes
25 of about 23 percent, that you propose to give so many of
these programs now funded in part or in whole by the

1 federal government back to the states. Is there anybody
2 else that you can think of in the Republican Party that really
3 believes that kind of a program?

4 MR. REAGAN: Well, yes, as a matter of fact, it has been
5 Republican philosophy for quite some years, and many times in
6 the platform, that there was an overcentralization of govern-
7 ment under Democratic regimes and over these last 40 years
8 of Democratic control of the House and Senate, and that the
9 Republican Party was pledged to government at the levels near-
10 est the people. I think that is standard Republican philosophy.

11 Now, my so-called cut of \$90 billion with the total based
12 on the '76 budget projection, it was based on the amount of
13 money that is invested in programs that properly, regardless
14 of the money, properly belong at the state and local level.
15 And my own experience in California indicates that this is
16 so, and I think that most people today believe that. I think
17 many of our ills would disappear if some program such as welfare
18 and education were turned back to the states where they properly
19 belong.

20 MR. REYNOLDS: What would that do to the states them-
21 selves in terms of their own financing? For example, take
22 the state of New Hampshire. You will be interested in New
23 Hampshire before very long. New Hampshire now gets, on the
24 subject of welfare you would propose to return all welfare
25 obligations back to the states. Well, the federal government

1 pays 62 percent of the New Hampshire's total welfare expendi-
2 tures. That means New Hampshire has to either assume that or
3 cut it down.

4 MR. REAGAN: This is true, and I made the point this
5 would not be a net gain, but if these programs were turned
6 back -- let me say, also, not an instantaneous
7 cancellation of Federal government, and hopefully somebody
8 picks it up. I think you would have to have an orderly phas-
9 ing of these programs to local government or state government.
10 I think state governments at the same time when this happens
11 should be reviewing whether they should indeed pass the
12 program on to their local communities. Then I think that
13 you would have to have taxes increased at state and local
14 levels to offset this, or to maintain some of these programs.
15 Some programs undoubtedly would be dropped, because the federal
16 government has many programs. You know there is nothing that
17 is closer to eternal life than a government program once started
18 at the federal level. But the thing is, what we learned in
19 California with our own welfare reforms is, not only can they
20 be better administered, they can be more economically adminis-
21 tered. Now, if the federal government stopped preempting so
22 much of the tax dollar, taking all the sources of taxation
23 at the federal level, leaving local and state governments
24 strapped as to where they are to get the money they need,
25 if this was reduced at the federal level there would be leeway

1 for the states and local governments to take these over.
2 They would also be run at a much lower cost. The administra-
3 tive overhead of running any program at the federal level is
4 much greater than it is at any other level of government.

5 MR. CLARK: Governor Reagan, as I am sure you are aware,
6 New Hampshire is quite proud of the fact it is the only state
7 in the country that has neither state sales nor state income
8 taxes. Campaigning in New Hampshire on a program to turn
9 back responsibility for numerous federal programs to the
10 state, in candor wouldn't you have to tell the people of New
11 Hampshire that you are going to have to increase your tax bur-
12 den and that probably means either a sales tax or a state
13 income tax?
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1 MR. REAGAN: But isn't this a proper decision for the
2 people of the state to make?

3 MR. CLARK: But isn't this going to be forced on them if
4 they are forced to take back these federal responsibilities?

5 MR. REAGAN: Yes, how they were to administer them, whether
6 they would administer them is properly a decision to be made
7 at the state level in these particular programs.

8 Let's emphasize I made it very plain in the same address
9 in which I outlined this overall plan, I made it very plain
10 that there are functions that are properly federal, properly
11 belong to the national government and should stay there. This
12 doesn't mean they can't be improved. It doesn't mean they can't
13 be made more efficient. I am sure they can be.

14 But, as you have just said, the federal government is --
15 your situation with regard to states -- now, in California we
16 have an income tax too, but we realize we are limited in that
17 income tax because the federal government is in there first
18 and that is the most elastic tax, that is the one that
19 grows with the economy the most, and the federal government has
20 pre-empted it to such an extent that local and state governments
21 are hard put to find legitimate sources for taxation.

22 MR. CLARK: Governor, that raises an interesting point.
23 You have lost a celebrated item here in California, proposition
24 one where you attempted to put a limit on the amount of state
25 taxes that should be collected and paid the taxes to the total

2 1 personal income in the state.

2 If you become President, would you try to do the same
3 thing with federal taxes? Would you think of some outer
4 limit that might be placed on federal income taxes?

5 MR. REAGAN: As a matter of fact, it is not just income
6 taxes; it is all taxes. The percentage of the earned dollar
7 that government takes is too high. That all governments take
8 is too high.

9 It is one of the things that is holding down our economy.

10 We lost in California on that. We would take more than a
11 half hour if I tried to explain it in full. Frankly, we were
12 just out-muscled. The big lie defeated us and we didn't have
13 the muscle to overcome it, but 69 per cent of the people who
14 voted against that program had been deceived into believing
15 they were voting against a tax increase.

16 MR. CLARK: If you become President, might you think in
17 terms of a proposition one on the federal level?

18 MR. REAGAN: Well, you take your problem to Congress
19 but that is already there. There is legislation that has been
20 introduced in Congress by a group of congressmen who saw this
21 California experiment and believed --

22 MR. CLARK: Would you support it, though?

23 MR. REAGAN: I certainly would.

24 MR. REYNOLDS: Governor, before we leave this whole area,
25

1 what would your program, if fully implemented, do to the
2 poorer states?

3 All states are not equal. California seems to be in pretty
4 good shape, but what about Arkansas and Mississippi and some
5 of these other states who don't have --

6 MR. REAGAN: It is true, there are states that get more
7 from the federal government than they return to the federal
8 government. They are low-taxed states. They are not burdened
9 with heavy taxation, but let me ask you something: One of
10 those high tax-paying states, so-called wealthy states, is New
11 York.

12 Is New York, today, in a position to solve its own prob-
13 lems and at the same time send money to some other states?

14 MR. REYNOLDS: Is New York in a position to assume all
15 of the programs that you would give back to New York, all
16 Welfare costs, all aid to education and everything else?

17 MR. REAGAN: Yes, because many of these programs, you see,
18 are -- the manner in which the federal government insists on
19 their implementation is excessive, and the rules and regula-
20 tions force upon states and cities like New York things that
21 administratively they would not do if they had the leeway to
22 do it.

23 Now, let's point out another thing. If Welfare were
24 returned to the state level, a state could have a limitation,
25 or a residency requirement in order to get welfare, which they

1 always had, until the federal government was involved to such
2 an extent that the Supreme Court ruled that, no, you could
3 move anywhere in the United States you wanted and instantly be
4 eligible for Welfare in whatever state you chose.

5 Now, states like New York and California that have tried
6 to do more than other states, that had higher Welfare payments,
7 found themselves with an in-migration from these other states.
8 But if you returned this to the states and the federal govern-
9 ment was not involved, a state like New York that was burdened
10 with this great in-migration could have had a rule that said
11 "Oh, no, you have to live here a year before you are eligible
12 for Welfare."

13 MR. REYNOLDS: Now that you have raised the topic, suppose
14 we ask you, what do you think of the way the President has
15 handled the New York situation? Are you in agreement with him
16 as far as New York's finances are concerned?

17 MR. REAGAN: I am worried about a precedent being establish-
18 ed that might be passed on, or that might lead to other cities
19 saying, "Well, we can be careless with our bonding and we can
20 float more bonds than our credit requires and count on the
21 federal government to bail us out."

22 I do recognize that the President has placed this on
23 New York, reversing the trend that led to their problem.
24 There is no question but that the victims in New York are the
25 three million working tax-paying citizens, working in the private
sector who must put up all the money that pays for everything

1 else; who for some 20-odd years have had their political
2 leaders deceive them as to the practices they were following to
3 the place that New York now has a per capita cost for basic
4 services that is more than twice that of all the other big
5 cities in the United States.

6 MR. CLARK: We would like to get a specific answer on
7 New York. If you were President do you think you would have
8 made the offer that President Ford has made to make direct
9 federal loans to New York City to help get it out of its
10 financial crisis?

11 MR. REAGAN: I wish I could give you an answer to that.
12 As I say, I am worried about the precedent.

13 On the other hand, I don't want to see those three million
14 working citizens I have mentioned victimized with creditors
15 holding the bag and with bondholders in the same position.

16 I haven't had an opportunity to study all the ramifica-
17 tions. I heard the President make his statement. It sounded
18 like a practical plan. I have the concern that I have
19 mentioned. I frankly want to give this more study before I
20 tell you that is the solution that I would pick.

21 * * * * *

22 MR. CLARK: Governor, as you know, Vice President
23 Rockefeller hasn't quite taken himself out of the 1976 picture.
24 He has declined to say flatly that he will not be a candidate
25 for the Republican nomination.

1 Do you view him as a rival for the nomination?

2 MR. REAGAN: No. I am aware of his position and it is
3 similar to a position he has taken in previous national
4 elections and that is a decision for him to make.

5 I have said that I will not be surprised if, now that I
6 have declared, if others do not follow suit and get into the
7 race.

8 MR. REYNOLDS: Do you expect John Connally to come in?

9 MR. REAGAN: I don't know. I think that John Connally
10 certainly is available and would not refuse if there was an
11 indication from enough people that they thought he should make
12 a run for it.

13 MR. REYNOLDS: Governor, what is your strategy, to knock
14 the President out in the early primaries, force him to withdraw?

15 MR. REAGAN: My strategy is a little more
16 naive than that. My strategy is to take my case to the people
17 as to what I believe should be done with regard to the problems
18 and what I think the solutions are, what the policy should be,
19 and let the people decide.
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MR. REYNOLDS: The President has indicated no great willingness to debate you. Would you like to debate Mr. Ford, say up there in Manchester?

MR. REAGAN: Well, I have to say this. I know that the challenge and the rejection of debate is kind of a campaign tactic that is used both ways, in politics. I have to say that I believe the people can find out what you believe, what your principles are, without the two of you appearing simultaneously.

MR. REYNOLDS: You don't think it is easier to choose between the two of you, if they could see you side by side discussing these issues, having a free and frank exchange of views?

MR. REAGAN: Well, is it any different than seeing each candidate frankly express his views and then someone else -- and you gentlemen of the press make no -- you leave no stone unturned to pin each one of us down on what the other one has done and what you would do likewise. I am not sure that it is beneficial.

MR. CLARK: Governor, one more question about Vice President Rockefeller. He has refused to say that if you win the nomination he would support you. If by some chance he became the Republican nominee, would you support him?

MR. REAGAN: Well, he is not even a candidate yet. I will wait and answer that when he becomes a candidate.

1 I think I would be surprised and disappointed if Vice President
2 Rockefeller took that attitude with regard to a Republican
3 nominee. I would be surprised, myself. I believe in the
4 philosophy of the Republican Party. I know that the Vice
5 President and I differ philosophically on a number of points.
6 At the same time, we have a most friendly and cordial rela-
7 tionship.

8 MR. CLARK: Governor, would you say -- this is a way out
9 of the dilemma we put politicians in on this -- would you simply
10 say you would support the nominee
11 of the Republican Convention, whoever he may be?

12 MR. REAGAN: Well, now, that is a hypothetical question.

13 MR. CLARK: Is that hypothetical? There aren't very many
14 candidates.

15 MR. REAGAN: Wait a minute. You can get into all sorts
16 of things. Would I, when I was a Democrat, would I have
17 stayed with my party in '72 when they chose a man who I thought
18 was so far afield from what the American people wanted, then
19 the answer would be no. So you can't rule that that can't
20 happen to any party as it did to that one. I don't think it
21 could happen to the Republican Party, but you can't make
22 a flat assertion that it won't.

23 MR. REYNOLDS: You are well on your way right now to
24 reviving talk about a third party with you heading a
25 third party possibly?

1 MR. REAGAN: No, I rule that out.

2 MR. CLARK: Neither you nor Vice President Rockefeller
3 will say they will support the nominee of the party. Doesn't
4 this inspire the sort of divisiveness that Republican leaders
5 in both the left and right wings, the liberal and conservative
6 wings, are trying to avoid?

7 MR. REAGAN: No. There are two candidates at the moment
8 for the nomination of the Republican Party - myself and Presi-
9 dent Ford. If President Ford wins, I will support him.

10 MR. CLARK: There have been reports when you telephoned
11 President Ford to tell him you were going to challenge him
12 for the nomination he told you, as the report read, that this
13 would cause bitterness and divisiveness within the party and
14 weaken its chances of defeating the Democrats next year. Did
15 the President say this to you?

16 MR. REAGAN: The President expressed a concern. I made
17 my pledge to him about doing nothing divisive. He made the
18 same pledge to me. He did express a concern that in spite
19 of this, the other people who are involved in campaigns, that
20 the danger was there. Well, I have the experience of a '66
21 campaign in California in which we all did observe the 11th
22 Commandment, and we put the Republican Party back together in
23 this state for the first time in 50 years, that it had been
24 a united party.

25

1 MR. REYNOLDS: Governor, do you believe the President's
2 current trip to China -- he is on his way there today -- is
3 worthwhile?

4 MR. REAGAN: Well, he expressed the hope it was to improve
5 chances for peace. In that regard I hope it is successful.
6 Frankly, I have to wonder if it isn't time for China to come
7 visit us.

8 MR. CLARK: Governor, one of the questions that is still
9 hanging over our relations with China is whether we should
10 upgrade our diplomatic relations with China and establish an
11 embassy in Peking. Now, the one could be that this would mean
12 abandoning Taiwan. If you were President, would you take that fu
13 ther step toward closer relationships to China?

14 MR. REAGAN: Not if it in any way reduced our relation-
15 ships with Taiwan. Taiwan is an ally. We have a treaty
16 with Taiwan. I believe Taiwan as a trade partner is an
17 economic force in the world far in excess of Mainland China. But
18 while I want better relations on an honest basis with Red
19 China, as I am sure everyone else does, that this country
20 not, if it means sacrificing our relationship with Taiwan.

21 MR. CLARK: Would you, as President, place conditions
22 over further moves toward detente
23 with the Russians? Would you want specific
24 for instance, on the subject of further talks toward mutual
25 reductions of nuclear arms?

MR. REAGAN: I have criticized detente because I don't

1 think detente is as much of a two-way street as it was set
2 out to be, and as it is supposed to be. I believe Russia is
3 violating certainly the ^{spirit, the} intent of detente, with its help to
4 the rebels in Angola and its involvement in the civil war in
5 Angola. I think that the Soviet Union with its out-spending
6 us in both nuclear and conventional weapons, its rapid build-
7 up trying to attain a superiority, none of this is in the spirit
8 of detente, and I think detente, a worthy idea -- none of
9 us wants confrontation, we want a world that can find areas
10 where we can discuss our problems and talk about them -- I
11 believe the United States, however, should insist that we not
12 give more than we are getting.

13 MR. REYNOLDS: Is that what has happened, Governor? Have
14 we given more than we have been getting?

15 MR. REAGAN: I think we have. As I say, we are not in-
16 volved in Angola, we are not involved in Portugal as the Soviet
17 Union is. We have just had the Congress of the United States
18 I think dangerously reduce our defense budget, but we know
19 that the Russians are outspending us, 60 percent in nuclear
20 weapons, 25 percent in conventional weapons. They have added
21 2,000 pieces of artillery and 1,000 tanks to the forces in
22 Eastern Europe that are opposed to the NATO line. We have added
23 none. I think this is not detente, as I view it.

24

25

1 MR. REYNOLDS: You have said that you believed the
2 Vladivostok Agreement should be renegotiated. How would you
3 persuade the Russians to do this?

4 MR. REAGAN: I think we gave away too much in Vladivostok.
5 SALT I started out on a basis of equality. This is all actually
6 former Secretary Schlesinger was aiming at with the budget he
7 submitted. It was not a superiority but an equality of arms.
8 To maintain a status quo. What was left out in Vladivostok
9 was throw weight. We counted numbers of missiles. Well, if
10 we are going to have "x" number of little rocks and you are
11 going to have "x" number of great big rocks, it is not going
12 to be an even contest if we have to start throwing them at each
13 other.

14 MR. CLARK: Governor, we wanted to ask you a couple of
15 specific questions.

16 President Ford is under pressure from conservatives and
17 the oil industry to veto the compromise oil energy package
18 finally being worked out by Congress. If you were President,
19 would you veto this compromise bill?

20 MR. REAGAN: Yes. In two ways it violates to me everything
21 that we need to do. First of all, it wtakes away any stimulant
22 for the production of new sources of energy in this country,
23 and, second of all, it does away with one important factor in
24 attempting conservation.

25 Now, there is a need for conservation on the part of the

1 people, but, reducing the price of gasoline, happy as it would
2 make all of us that have to drive into the gas station
3 and fill up the tank, at the same time we have to recognize it
4 is going to encourage further use of petroleum sources.

5 MR. CLARK: And, Governor, another specific question:

6 Do you favor a constitutional amendment to prohibit courts
7 from ordering school busing to achieve racial balance or inte-
8 gration?

9 MR. REAGAN: Well, before we turn to a constitutional
10 amendment -- I know it is awful easy to look at that as a
11 simple answer to many things, and I don't think the Constitu-
12 tion should deteriorate into involving itself in what should
13 be done by statute and legislation. If that is a last resort,
14 yes, because I am unalterably opposed to forced busing. I
15 don't think it has solved the problem. It has added to the
16 bitterness we were trying to alleviate.

17 I believe here, in what we talked about earlier,
18 education is one of the areas where I think the federal govern-
19 ment should get its nose out. Again, if control of schools
20 was turned back to the local level, then those decisions would
21 be made by the people at the local level in the local school
22 districts and forced busing usually has come from decisions
23 at the federal level.

24 MR. REYNOLDS: What is your alternative to busing,
25 Governor?

1 MR. REAGAN: I think there are a number of alternatives.
 2 I think, for one thing, you start out, if there are schools of
 3 unequal quality, if you have schools in a metropolitan area
 4 like New York and Los Angeles, where in certain areas they are
 5 inferior in facilities and teaching quality to others, you
 6 upgrade that. But I think there are things that you can do --

7 MR. CLARK: Governor, I hate to interrupt you in the
 8 middle of an answer as complicated as this one, but we are out
 9 of time. Thank you very much for being with us on ISSUES AND
 10 ANSWERS.

11 MR. REAGAN: Thank you.

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