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Abilene Rep

"Without or with offense to friends or foes w

28 PAGES IN 3 SECTIONS

ABILENE, TEXAS, WEDNESD

Flapjacks Fly as Reagan Butters Up Kiwanis Cro

By JIM CONLEY
Staff Writer

Mixing patriotism and politics with pancakes, presidential candidate Ronald Reagan served up a few flapjacks and a ton of Hollywood charm at Tuesday evening's Kiwanis Pancake Supper.

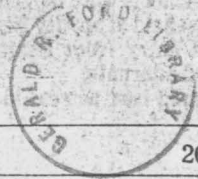


GERALD R. FORD LIB

orter - News

Sketch your world exactly as it goes"--Byron.

AY MORNING, APRIL 7, 1976



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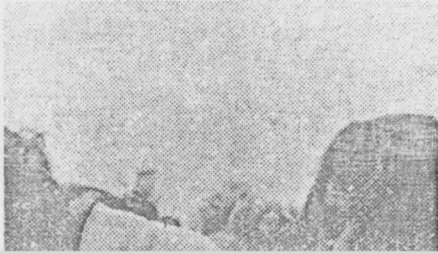
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But Reagan had already warned everyone: "Each of you should trust that you don't get one of the pancakes I prepare."

Reagan then moved to a special



Over Reagan



Continued from Page 1A
without much enthusiasm.

Reagan seemed to make as big a hit with the crowd as a whole as he did with the individuals who spoke with him.

In his speech, he got particularly good reaction when he struck out at bureaucracy and the overcomplexity of the government.

American farmers, Reagan said, deserve better than having "the rules changed in the middle of the game."

He was referring to a boycott of American grain being shipped to Russia.

"And when they finally lifted the boycott the American farmers had lost almost '\$2.5 billion and the price had gone considerably down."

Farmers had been told to plant "from fencerow to fencerow" in anticipation of selling on a free world market.

Asked specifically if this meant he approves the U.S. fulfilling its current five-year, 6 to 8 million metric tons to Russia, Reagan said he favors the farmer selling on the world market.

Reagan Calls Wisconsin Loss a Victory

LUBBOCK, Tex. (AP) — Republican presidential nomination hopeful Ronald Reagan said here Tuesday night his loss to President Ford in the Wisconsin primary

constituted a very sizeable victory for me. I am extremely pleased. We had not anticipated anything over 30 per cent." Reagan also indicated that there was "a

delegates in the May 1 primary.

He criticized big labor, Ford's energy policy and government bureaucracy in speeches in several Texas cities.

In a brief speech Reagan said he had received a "tremendous response" from his televised speech recently and was planning to make more television ad-

shorts, Kansas President Jordan, grinned and said, "He cooked some real good pancakes."

At the airport after he left, the wife of his county campaign chairman, Mrs. Clyde Morgan, said that Reagan had told her he was "amazed" by the dinner and that the crowd had been so good that "he was so tempted to go real political."

Ronald Reagan may have not "gone political" in the sense of saving "please

There have been some 75,000 oil wells drilled, and there have been four major oil spills in the history of the 75,000."

Bob Bartlett of KRBC was moderator of the television interview: Panelists were Reporter-News Managing Editor D. Tarpley and television newsmen Jim Shackelford of KRBC and Hal Kemp of KTXS.

Other Reagan responses to newsme

Detente and Big Govern

Reagan Tells History Of 'We're 2nd' Remark

By **JERRY REED**
Staff Writer

Former Adm. Elmo Zumwalt was not the only source of Ronald Reagan's quotation of Secretary of State Henry Kissinger that the United States is now

not start to catch up now, within a matter of four years, the Soviet Union will be so far ahead that we can't catch them. The ball game will be over."

Figures Reagan ticked off included:



Government Reagan Themes



the press

Reagan candidate for newsman's question a press conference media at KRBC-TV. California governor asks to camera, Hal

Kemp of KTXS-TV; Dick Tarpley, managing editor of the Abilene Reporter-News; and Jerry Shackelford of KRBC-TV. Bob Bartlett of KRBC-TV, moderator of the interview, sits at Reagan's right. (Staff Photo by Don Blakley)

Reagan Says Federal Rule Too Strong

By JERRY REED
Staff Writer

"Government should get out of the way" Ronald Reagan said of U.S. agricultural policy, then echoed the same theme on welfare, education and energy in a television interview here Tuesday.

Reagan consistently called for a reversal of current government policies in answering four newsmen's questions during the interview at KRBC studios.

"I think this means decontrol; I think this means ridding ourselves of the excessive regulations," he offered as an answer to the shortage of energy produced in the U.S.

The former California governor listed some things he said the federal government should not do:

"The federal government should not be administering welfare. It should not be administering food stamps. It should not be invading the education field. It should not be engaging in public housing and community development."

What the government should do, Reagan contended, is to try to regain military superiority, work for an accounting of American MIAs in Vietnam and foster a policy which would regain the nation energy self-sufficiency.

American farmers, Reagan said, deserve better than having "the rules changed in the middle of the game."

He was referring to a boycott of American grain being shipped to Russia.

"And when they finally lifted the boycott the American farmers had lost almost \$2.5 billion and the price had gone considerably down."

Farmers had been told to plant "from fencerow to fencerow" in anticipation of selling on a free world market.

Asked specifically if this meant he approves the U.S. fulfilling its current five-year, 6 to 8 million metric tons to Russia, Reagan said he favors the farmer selling on the world market.

"There isn't any place in the world or any industry that can match the ability of the American farmer to produce," said Reagan.

Without farm exports, our balance of trade would be most destructive."

Government policies should be changed to stop discouraging the development of all energy sources, not just petroleum.

For instance, Reagan said, it now takes 11 years to build a nuclear power plant in the U.S., while it takes only four years in Europe and Japan, because of roadblocks in this country.

Other Reagan suggestions for improving American energy production included drilling offshore (particularly the East Coast) and restoring the depletion allowance, although he said he did not know how much the depletion allowance should be in the case of oil.

"I think the amount of any mineral depletion allowance is determined by exploration costs as related to success, the average of success in finding and producing."

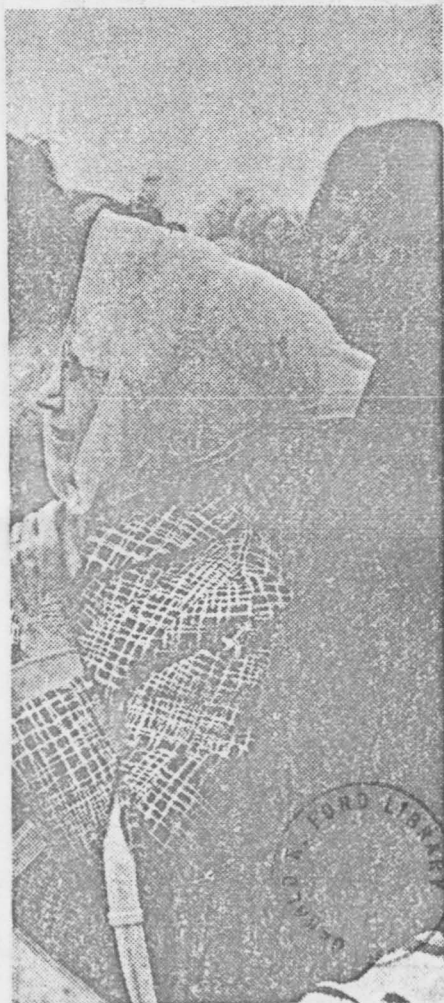
"Off the eastern shore, as you well know, there is probably as much oil or more as there is in the whole continent," he said.

"For those who fear an oil slick there is a far greater risk in the frequent spills we have, and slicks from tankers, and accidents.

"There have been some 75,000 offshore oil wells drilled, and there have been only

Over Reagan

Continued from Page 1A
without much enthusiasm.



STAFF PHOTO BY JOHN BEST

REAGAN
port Tuesday

Reagan seemed to make as big a hit with the crowd as a whole as he did with the individuals who spoke with him.

In his speech, he got particularly good reaction when he struck out at bureaucracy and the overcomplexity of the government.

"One year's supply of the paper required by the government for people to fill out would fill a space 4,500 feet long, 100 feet wide and 100 feet high," he said. "And I believe this stack of papers would make a good Bicentennial bonfire."

The only bigger response Reagan got in the speech was when he spoke of the alternatives to the type of free enterprise government he wants for America. He said that the Soviet Union for 16 years has had the type of "total planning" economy that some people want.

He said America could be just like the Russians if citizens were willing to cut paychecks by 80 per cent, destroy 59 million TVs, tear out two-thirds of the railroad track, junk nine-tenths of the autos and knock down 70 per cent of the houses.

"Then all we'd have to do to be just like them would be to find a capitalistic country that would sell us wheat on credit!"

Before leaving, Regan made a plea for a return to honesty and morality.

Calling the charity function an "inspiring" event, he said "This is what America is all about... God bless you."

With that he left the auditorium and sped to Abilene Municipal Airport, where a twin-engine Texas International Convair awaited, and took off at 8 p.m.

Summing up the nonpolitical side of his efforts, Kiwanis President Jordan, grinned and said "He cooked some real

ve Dedicated

ABILENE REPORTER-NEWS
Abilene, Texas
Wed., April 7, 1976

Ronnie Wowed the Old Movie Fans

Memorial Grove is dedicated in Washington at a site
Potomac. Pg. 1B.

B Living..... 1-7B
B Markets.... 4, 5C
B Obituaries.... 7C
B Obituaries.... 7C



By GARY MORTON
Staff Writer

Ronald Reagan the presidential candidate was still Ronald Reagan the movie star in the eyes of many women at the 27th annual Abilene Kiwanis Club pancake

There's a catch to her view, however. How could she, a teacher in social studies (including government) at Jefferson Junior High, tell her students she wanted to see Reagan for any other reason? While some of the younger women

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cook. (Staff Photo by John Best)

A probability of 20 per cent rain Wed. trace of rain Thu.

THE WHITE HOUSE
WASHINGTON

April 6, 1976

Mr. Hartmann:

Here are two copies of the
article on RR that you wanted.

The other copy is in our RR
file.

Gail



Here's the **REAL REAGAN!**

JUDGE HIM BY HIS OWN WORDS

Ronald Reagan, as a candidate for Governor, has tried to back away from the many extremist positions he has taken as a paid propagandist for Barry Goldwater and reactionary political interests. But he can't deny the record. Here, in his own words, is the **REAL** Reagan. Here are the beliefs he would take to the state capitol if he ever became Governor.

ON EDUCATION

“It is a strange paradox, with our complete tradition of individual freedom, parents being forced to educate children.” — Orange County Illustrated, May 1966. “We've got to explore the idea of charging tuition in the (state) university.” — Los Angeles Times, January 23, 1966. On Federal Aid to Education: “A tool of tyranny.” — Delano Record, July 27, 1965.

ON THE ELDERLY

“Social Security ought to be voluntary.” — Human Events, November 1964. “You must understand that the doctors' fight against socialized medicine (Medicare) is our fight.” — Address to Comstock Club, Sacramento, August 3, 1965. “Tax forgiveness for the elderly would unfairly burden other home-owners. Isn't it possible that we could assess, but not collect, the taxes until such time as the home is no longer needed and then collect the accumulated tax from the sale of the estate?” — Senior Citizen Sentinel, February 1966. On public assistance recipients, among them the elderly: “A faceless mass waiting for handouts.” — San Diego Union, May 30, 1965.

ON CIVIL RIGHTS

“I favor the Civil Rights Act of 1964 and it must be enforced at gunpoint, if necessary.” — Address to San Francisco Republican Assembly, October 20, 1965. But eight months later: “I would have voted against the Civil Rights Act of 1964.” — Los Angeles Times, June 17, 1966.

ON CONSERVATION

“Land now in the state park system plus federal lands meet all need projections for the future.” — Reagan campaign pamphlet, May 1966, while Santa Monica Mountain Park was before the Legislature. On President Johnson's proposal to establish a Redwood National Forest in California: “A tree's a tree. How many do you need to look at? See one you've seen them all!” Address to Western Wood Products Association, March 12, 1966.

ON THE REPUBLICAN PARTY

“Turning the party over to the so-called moderates wouldn't make any sense at all!” — Reagan speaking on Goldwater defeat to Los Angeles County Young Republicans, November 10, 1964.

and there's more, much more...



Copies of this pamphlet, exposing Ronald Reagan's ultra-conservative views on major issues facing California and the nation, are now available without cost at Governor Brown's headquarters throughout the state. Ask for as many as you need to distribute to your friends and neighbors.

(continued)

ON THE JOHN BIRCH SOCIETY

“ Ronald Reagan says if he runs for office he will accept support from the John Birch Society. 'It has never been found to be subversive.' ” — Chicago American, March 22, 1965. “ I don't believe I have any moral justification for repudiating the John Birch Society. ” — Press conference, New Haven, Conn., September 28, 1965. “ That Johnny Rousselot (national public relations director of the JBS) is a terrific fellow. He said he would do anything from calling me names in public to endorsement — whatever we want! ”

— Reagan to officers of the California Republican Assembly in a private suite at the St. Francis Hotel, San Francisco; Los Angeles Times, September 7, 1965.

ON LABOR

“ I favor Section 14B of the Taft-Hartley Act, permitting states to outlaw the union shop. ” — Los Angeles Times, February 1, 1966. “ Unemployment insurance is a pre-paid vacation plan for freeloaders. ” — Address to Fresno Republican dinner, April 18, 1966.

ON EARL WARREN:

“ I think he's a lousy justice. ” — Washington Star, July 13, 1965.

ON PEACE:

“ Peaceful co-existence is dangerous folly. ” — Address to U.S. Savings & Loan League, San Francisco, November 7, 1963. “ We should declare war on North Vietnam. We could pave the whole country and put parking stripes on

it and still be home by Christmas. ” — San Francisco Chronicle, October 15, 1965.

ON CANNIBALISM:

“ When they (the emerging African nations) have a man for lunch, they really have him for lunch. ” — Newsweek, October 11, 1965.

ON HIS QUALIFICATIONS:

“ Gee — I don't know. I've never played a governor before. ” — Address to Comstock Club, Sacramento, August 3, 1965.

IS THIS THE MAN TO GOVERN CALIFORNIA?

VOTE NO! ON REAGAN NOV. 8

CALIFORNIANS FOR GOVERNOR EDMUND G. (PAT) BROWN 2796 W. 8TH ST.
L.A. CALIF. 90005

Priority
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Unclass
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: SAN ANTONIO ADVANCE OFFICE
TO: JACQUELYN M. McMAHON
The White House
Room 122 EOB
INFO: Washington D.C. 20500

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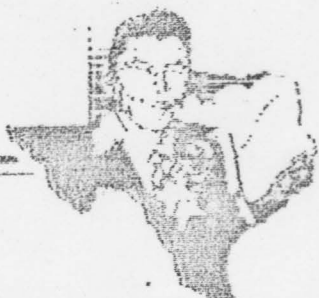
'76 APR 7 PM 5.00



From: San Antonio Advance Office

To: Jacquelyn M. McMahon
The White House
Room 122 BOB
Washington, D. C. 20500





Texas Citizens For Reagan

7626 Westheimer, Suite 709 Houston, Texas 77038 Phone: 713/526-1500

March 22, 1976

Dear Reagan Campaign Leaders:

The Texas campaign is about to go public, and lest there be any misunderstanding, Governor Reagan is determined to win. Besides that, he's frankly pretty hacked off at some of the tactics employed by the other side, at some of the distortions and downright misrepresentations of position and fact that have been used to discredit him in order to gain votes for Gerald Ford.

Texas is the key to the Republican nomination. The first of 16 primaries in May, a win here will establish the momentum to carry us into the August convention. It's delegate votes that count, and to reach that magic figure of 1,130, the Texas quota is only 66 of our 100 delegates! We can do better than that for the Governor...and will!

Governor Reagan has run astonishingly strong in those earlier primaries. True, the eastern media, singing in harmony with the Ford strategists, have succeeded quite well in convincing the casual voter that Ford has won crushing victories. The "big lie" doesn't make it so, however, and when the Governor personally starts to campaign down here, the real story will start seeing the light of day.

Not only are we convinced Governor Reagan will win Texas, thus changing the impetus of the contest, but the Ford folks themselves, by their own actions, affirm their deep concern. **THEY KNOW THEY MUST STOP REAGAN IN TEXAS! THEY ARE BRINGING THEIR TOP TACTICIAN IN TO RUN THE TEXAS CAMPAIGN.** William Roberts, the one who masterminded the Ford Florida effort, is to assume control here in lieu of the local establishment which has been running things. So, with Florida as a guide to go by, get ready for a tough, dirty-tricks effort. The same folks who have controlled the official Republican party structure, both nationally and state-wide, for the past dozen years, are fighting for their political lives - and fortunes - to continue that control. The objective is pure power, so don't expect campaign tactics to be adopted on the basis of moral judgements of truth and accuracy.

We have it on excellent authority, for example, that the automated Ford telephone banks across the state are already programmed to attack Ronald Reagan as one who would destroy our Right-to-Work law! They are prepared to smear Governor Reagan, who is firmly on public record in support of 14-B, just as they smeared him in Florida in an outrageous distortion of his position on social security. Isn't it amazing that

STATE CO-CHAIRMAN
Hon. Tommy Anderson, Jr.
Midland
Mr. William Wall
Dallas
Hon. Ed. A. Rendon
Houston

FINANCE CHAIRMAN
Lynn L. Davis

EXECUTIVE DIRECTOR
Kendall Lee

REGIONAL CHAIRSMEN

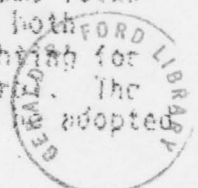
- I. Joe Anderson
Houston
- II. Ed. A. Rendon
Houston
- III. Mr. Bruce Anderson
Fort Worth
- IV. C. E. Anderson, Jr.
Houston
- V. Mr. William Wall
Houston
- VI. Mr. Tom Anderson
San Antonio
- VII. Mr. William Wall
Dallas
- VIII. Mr. Bruce Anderson
San Antonio
- IX. Jack Anderson
Midland
- X. Mr. Bruce Anderson
Houston

LEGISLATIVE DIRECTOR'S CHAIRSMEN

- 1. Mr. Tom Anderson
- 2. Mr. Tom Anderson
- 3. Mr. Tom Anderson
- 4. Mr. Tom Anderson
- 5. Mr. Tom Anderson
- 6. Mr. Tom Anderson
- 7. Mr. Tom Anderson
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- 17. Mr. Tom Anderson
- 18. Mr. Tom Anderson
- 19. Mr. Tom Anderson
- 20. Mr. Tom Anderson

EXECUTIVE DIRECTOR'S CHAIRSMEN

- 1. Mr. Tom Anderson
- 2. Mr. Tom Anderson
- 3. Mr. Tom Anderson
- 4. Mr. Tom Anderson
- 5. Mr. Tom Anderson
- 6. Mr. Tom Anderson
- 7. Mr. Tom Anderson
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- 18. Mr. Tom Anderson
- 19. Mr. Tom Anderson
- 20. Mr. Tom Anderson



Now, to those "smashing victories": an incumbent president, with an accumulation of 25 years of I.O.U.'s. from his fellow Washington politicians, spends a reputed 2 million dollars campaigning in Florida to pledge some 200 million federal dollars to that state, wins an election with 53% of the vote, and it's called a "smashing victory"! Hoowash! That's the poorest showing by any incumbent in recent history! The vote differential was less than the size of the U.T. student body in Austin, yet the liberal "experts" would convince folks that this handful of souls should determine the future course of our Party. The same in New Hampshire, where the incumbent president beat our challenger by only 1 1/2%, drawing 1155 than 50% of the vote himself. And in Illinois, where his campaign manager predicted a Ford win by 2 to 1, then making it 75% two days before the election, only to win by slightly more than 59%. In a machine-controlled state, that's not landslide stuff. Governor Reagan has been polling, percentage wise, only a few points behind the incumbent in spite of having almost the entire Republican Party hierarchy against him...and in states where he admittedly WAS NOT THE STRONGEST! HE'S STRONG HERE IN TEXAS, AND IN THE WEST AS WELL, and as you know from previous communications, he's won handily in caucus states which the media has ignored.

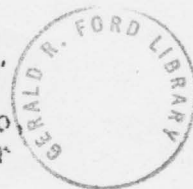
The fact is, Governor Reagan is a winner, and CAN WIN IN NOVEMBER. That frankly, is why we think the media moguls are trying to destroy his candidacy before the convention. THEIR ONLY HOPE IS FOR THE REPUBLICAN PARTY TO RUIN HIM BEFORE WE GET TO KANSAS CITY.

To lay it on the line, Gerald Ford cannot survive the November campaign. He'll be butchered to pieces on Watergate, the Pardon, Henry Kissinger, etc. Some Republicans reacted strongly when Governor Reagan once mentioned Watergate. Come off it! If they are naive enough to think the Democrats won't hit it in the event he gets the nomination...they just aren't very bright. It WILL be an issue, and a big one.

And another point. Does Gerald Ford have the ability to win a national election where it's Republican vs. Democrat? True, he won by a slight majority in the Republican party primaries to date...WHERE HE HAD CONTROL OF THE OFFICIAL PARTY STRUCTURES. BUT, slightly more than 50% in a party that admittedly only 18% of the population claim as their own, is no real national strength! The truth of what this means, simply stated, is that the incumbent president controls the established party machinery, machinery whose leadership has brought our Republican Party to the brink of obscurity as an effective political force in our government. They may be able (if we allow it) to close out Ronald Reagan, but when they do, they also close out our Party to those conservatives and independents who are essential in November, and who are our only added source of votes!

Ronald Reagan is a leader, a motivator, a man who can inspire our nation. His record of leadership in our most populous state, in the face of a hostile Democrat-controlled legislature, is unparalleled in modern history. A man who upon assuming the burden of leadership of that state with a 700 million dollar deficit, left office eight years later with a balanced budget and a surplus of 400 million dollars, and in the interval, provided more than 5.7 billion dollars in direct tax relief to the citizens.

Gerald Ford, a moderate conservative? For a quarter century he has been a part of the Washington bureaucracy, always a part of the official Party machinery, a spokesman for the professional politician and the party line. Not a leader, a follower. An accidental president. A president selected, not elected. A man hand-picked by a frantic establishment to establish a...



Page 3.

throughout and after the confirmation hearings, adamantly pledged he would never, under any circumstances, run for the presidency in 1976!

The future of our country and our Party is at stake in this election. Which way will we go? The direction of Nelson Rockefeller, W. J. Usery, Carla Hills, Elliott Richardson, Bill Scranton, all appointed by the "moderate conservative" Jerry Ford? Shall we continue the direction of detente, forfeiture of the Panama Canal, aid to the black revolutionaries in Africa, 60 billion dollar deficit budgets, the Helsinki Pacts, Salt II, military inferiority, FRA, energy shortages, collective bargaining for government employees, busina, etc., as advanced by the Ford administration? Or shall we bring fresh faces and ideas into office, let people and state governments play their constitutional roles in the political process, and breathe new life into this land we love?

The choice is ours. The next five weeks will tell the world the kind of stuff we are made of.

Sincerely,

Ray
Ray A. Barnhart
Barbara
Barbara Staff
Ernest
Ernest Angelo

Co-Chairmen,
Texas Citizens for Reagan

P.S. If you are in this to win - we need not only your spirit, your dedication, your perseverance, but we need your money too. Now! Today! Every dollar counts. The campaign is just beginning.



(POLITICS)

WASHINGTON (UPI) -- THREE THINGS COMBINED TO SLOW THE PACE OF POLITICAL POTTER TODAY: GOOD FRIDAY, PASSOVER AND A SHORTAGE OF CAMPAIGN MONEY.

THE TWO RELIGIOUS HOLIDAYS UNDOUBTEDLY WOULD HAVE CREATED A HIATUS IN ANY EVENT OVER THE EASTER-PASSOVER WEEKEND, BUT THE FACT IS THAT FOR MOST CANDIDATES RIGHT NOW THE FINANCIAL INCOME IS A TRICKLE AND THE OUTGO IS A FLOOD. IT TENDS TO MAKE THEM WELCOME AN EXCUSE TO SLOW DOWN FOR A FEW DAYS.

JIMMY CARTER WAS SET TO OUTLINE HIS HEALTH POLICIES AT A SPEECH AND LATER A NEWS CONFERENCE IN WASHINGTON TODAY, AND MOST OF THE OTHERS STAYED BUSY THROUGH THURSDAY.

PRESIDENT FORD DID NO ACTIVE CAMPAIGNING, BUT HE ANNOUNCED TRIPS TO GEORGIA AND INDIANA COMING UP LATE NEXT WEEK, AND HIS PRESS AIDE, RON NESSEN, HAD ANOTHER GO AT DEFUSING THE PANAMA CANAL AS AN ISSUE.

HE ACKNOWLEDGED THE NEGOTIATIONS COULD LEAD TO EVENTUAL PANAMANIAN CONTROL BUT NOT FOR ANOTHER 30 TO 50 YEARS. HE SAID FAILURE TO WRITE A NEW TREATY COULD LEAD TO FURTHER ANTI-AMERICAN RIOTS IN PANAMA AND POSSIBLE CONFRONTATION WITH OTHER LATIN AMERICAN NATIONS.

REPUBLICAN CHALLENGER RONALD REAGAN WOUND UP THREE DAYS IN TEXAS STILL POUNDING AWAY AT THE CANAL AND OTHER FOREIGN POLICY ISSUES, AND SAID HE IS "HOPING AND PRAYING I'LL BE WHISTLING 'THE EYES OF TEXAS'" AFTER THAT STATE'S PRIMARY MAY 1.

BOTH CARTER AND UDALL WENT AFTER THE LABOR VOTE, WHICH SUPPOSEDLY FAVORS JACKSON, IN PENNSYLVANIA THURSDAY, WHILE JACKSON HIMSELF SPENT HOURS ON THE TELEPHONE IN FUND RAISING EFFORTS FROM PHILADELPHIA.

THE CRUCIAL KEYSTONE STATE'S PRIMARY IS APRIL 27.

MEANWHILE A GALLUP POLL SHOWED CARTER AND HUBERT HUMPHREY VIRTUALLY TIED AMONG DEMOCRATS AND WIDENING THEIR LEAD OVER OTHER POTENTIAL NOMINEES OF THEIR PARTY. CARTER HAD 32 PER CENT AND HUMPHREY, A NONCANDIDATE AT PRESENT, 31 PER CENT. WALLACE DROPPED TO 13 PER CENT, JACKSON TO 6 AND UDALL WAS UNCHANGED AT 5.

JACKSON DOESN'T BELIEVE THE LATEST GALLUP POLL SHOWS HE IS LOSING HIS TOUCH AMONG RANK-AND-FILE DEMOCRATS.

"I'M NOT WORRIED," HE SAID THURSDAY. "I CARRIED MASSACHUSETTS WHEN I WAS WAY BEHIND IN THE GALLUP POLL. IT DOESN'T MEAN A THING."

JACKSON SPOKE TO A CROWD OF ENTHUSIASTIC UNIONISTS -- MEMBERS OF THE NATIONAL MARINE ENGINEERS BENEFICIAL ASSOCIATION, AFL-CIO -- DURING HIS FIRST CAMPAIGN FORAY INTO MARYLAND BEFORE THE STATE'S MAY 18 PRESIDENTIAL PREFERENCE PRIMARY.

THEY CHEERED LOUDLY WHEN HE SAID PRESIDENT FORD SHOULD "TAKE A TRIP OVER TO BALTIMORE AND SEE THE 15 PER CENT UNEMPLOYMENT HERE." UDALL WAS ASKED ABOUT THAT 5 PER CENT FIGURE THURSDAY AS HE CAMPAIGNED AT A FISHER BODY PLANT IN SUBURBAN PITTSBURGH. "WHERE I CAN GET KNOWN, I DO WELL," HE SAID. "I'LL BE LIVING IN PENNSYLVANIA DURING THE NEXT WEEK, SHAKING HANDS NIGHT AND DAY, VISITING PLANTS."

THE ARIZONA CONGRESSMAN ACKNOWLEDGED BEING BROKE, AND SAID HE IS WAGING "A POOR MAN'S CAMPAIGN." HE WAS NOT ALONE.

WITH FEDERAL MATCHING FUNDS CUT OFF UNTIL THE ELECTION LAW IS REFORMED, ALL OF THE CANDIDATES EXCEPT FORD, WHO STILL HAS A BALANCE, AND PERHAPS CARTER, WHOSE CONTRIBUTIONS PICKED UP WHEN HE STARTED WINNING PRIMARIES, ARE STRAPPED.

ANOTHER POLL, AN NBC TELEPHONE SURVEY OF 1,500 VOTERS, CLOSELY PARALLELED GALLUP'S RESULTS AMONG THE DEMOCRATS BUT HAD THESE ADDITIONAL FINDINGS: IT SAID FORD NOW LEADS REAGAN 53 TO 35 PER CENT, WHEREAS LAST DECEMBER THE PRESIDENT TRAILED HIS CHALLENGER SLIGHTLY.

AND IT SAID THAT IF SEN. EDWARD KENNEDY, D-MASS., ENTERED THE DEMOCRATIC RACE 42 PER CENT OF THOSE QUERIED WOULD SWITCH TO HIM WHILE 49 PER CENT WOULD NOT. THE REST DIDN'T KNOW.



MEMORANDUM

THE WHITE HOUSE

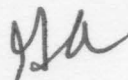
WASHINGTON

April 8, 1976

MEMORANDUM FOR ROBERT T. HARTMANN

FROM:

GWEN ANDERSON



SUBJECT:

ATTACHED COPY OF LETTER

I thought you might be interested in this latest letter that is being circulated in Texas on behalf of Reagan. You may have seen it, and the President may have seen it, but if not, you may find it amusing and/or interesting.

mss



DATE: 4/14

TO: R.T. Hartmann

FROM: GWEN ANDERSON

INFORMATION X

ACTION _____

APPROPRIATE

HANDLING _____

OTHER _____



COMMENTS:

DJS has copy.

by
Reagan file

|

OFFICE OF THE VICE PRESIDENT
WASHINGTON, D.C.

DATE April 12, 1976

TO: JACK VENEMAN

FROM: DICK ALLISON

INFORMATION XXXX

ACTION _____

APPROPRIATE HANDLING _____

COMMENTS This was prepared

by Pat Goldman of the Wednesday
group.



REAGAN STATEMENT:

"In this election season the White House is telling us a solid economic recovery is taking place... But, in fact, things seem just about as they were back in the 1972 election year."

FACT:

Mr. Reagan's statement makes it appear as if the economic recovery is a figment of White House imagination. In fact, that the economy is turning from recession to recovery is a tribute to the tenacity of President Ford in resisting the inflationary economic proposals of the Democratic Congress.

President Ford took office in August, 1974. From that time on, the recession began to wind down and economic experts point to March, 1975 as the point at which the recession apparently bottomed out. The economy has been on a recovery track since then.

REAGAN STATEMENT:

"Once again we had unemployment. Only this time not 7%, more than 10."

FACT:

The unemployment rate never was as high as 10%. Although 8.9% was much too high, that was the highest the rate reached in this recession. That was a year ago in May, 1975.

REAGAN STATEMENT:

"It took this administration just the last 12 months to add \$96 billion to the debt."

FACT:

The Administration has been waging a difficult battle with Congress to keep the budget at the projected \$76 billion level -- \$20 billion less than the mistaken figure used by Reagan.

In order to keep the budget deficit from being even larger the President has exercised his veto power 46 times, in the process saving the taxpayers and estimated \$13 billion in 1975 and 1976.

ROGAN STATEMENT:

"Inflation is the cause of recession and unemployment. There's only one cause for inflation-- government spending more than government takes in. The cure is a balanced budget."

FACT:

The inflation is not wholly the result of government deficits. It was also influenced by monetary policy and by unusual shocks such as the quintupling of international oil prices and a world wide food shortage that took place in 1973 and 1974.

To advocate an immediate balanced budget would be both irresponsible and dishonest. Part of the deficit is due to the recession and the reduced level of Federal revenues. Part of the deficit is due to the explosion of Federal outlays for transfers and grants. It took a decade and more to create these problems. They cannot be solved overnight without imposing intolerable costs upon the American people. They cannot be solved without a solid sustainable recovery, an enduring reduction in inflation and the reordering of budget priorities which the President has proposed.

An immediate balance in the federal budget would require either a large tax increase or a large expenditure reduction. Such measures would shock the recovery and probably bring it to a halt. The only way to achieve our goals is to follow a prudent and disciplined budget policy, or reorder our budget priorities, to curb the rapid rise in Federal outlays. Otherwise, instead of overshooting the mark as we did in 1972-1973, we will undershoot it-- and we will again be faced with the dual problem of recession and inflation.

IRVING STATEMENT:

"A Presidential Commission of experts should be appointed to study and present a plan to strengthen and improve Social Security while it's still time--"

Mr. Rogan's proposal would be duplicative of the Social Security Advisory Council. The 12-member Council is provided for in the Social Security Act. It meets quadrennially and its membership, which must be representative of the various business and labor groups and public, is reconstituted every four years.

The most recent Council just concluded its study and submitted its report which makes a number of recommendations and changes to deal with

FACTS:

"And almost instantly (after signing of the ^{Energy} bill) drilling rigs all over our land started shutting down."

FACT:

From December through mid-March 1976 there were as many rigs operating as were operating in the comparable period during 1975. There was a decrease from the fall but that is a normal seasonal decline that takes place annually. Preliminary estimates are that production and development activities in 1976 will exceed those of 1975.

REAGAN STATEMENT:

"Now for the first time in our history, we are importing more oil than we produce."

FACT:

Newsweek reported in its March 29 issue that for the first time in our history, we are importing more oil than we produce. That Newsweek pointed out, and which the Governor did not, was that the time period in which oil imports surpassed domestic oil production was one week. Weekly figures are subject to great variance due to seasonal aberrations.

In February, 1976, the latest month for which reliable statistics are available, the U.S. imported 7 million barrels of oil per day. That figure is about average for the past year. In February we produced 8.1 million barrels per day.

REAGAN STATEMENT:

"We gave just enough support to one side (in Angola) to encourage it to fight and die but too little to give them a change of winning."

FACT:

If there is fault to be found in giving insufficient assistance in Angola the fault lies with the Democratically controlled Congress not with the Ford Administration.

The Ford Administration sought to maintain a level of intervention in Angola which would promote a military stalemate that in turn would lead to a negotiated settlement. The Democratic Congress prevented U.S. support of pro-Western elements in Angola, elements which soon collapsed, leaving the pro-Soviet pro-Cuban Popular Movement for the Liberation of Angola (MPLA) in power.

In spite of strong White House lobbying to the contrary, both the Senate and the House voted to prohibit the use of any funds in the 1976 defense appropriations bill "for any activities involving Angola directly or indirectly."

REAGAN STATEMENT:

"In Asia our new relationship with mainland China can have practical benefits with both sides. But that doesn't mean it should include yielding to demands by them as the Administration has to reduce our military presence on Taiwan where we have a long-time friend and ally

the Republic of China."

FACT:

We have not reduced our forces on Taiwan as a result of Peking's demands. Our reductions stem from our own assessment of U.S. political and security interests. We have drawn our forces down because the Vietnam conflict has ended and because the lessening of tension in the area brought about by our new relationship with the People's Republic of China has made it possible.

REAGAN STATEMENT:

"And, it is also revealed now that we seek to establish friendly relations with Hanoi. To make it more palatable, we are told this might help us learn the fate of the men still listed as Missing in Action."

FACT:

The Congressional Committee on the Missing in Action, after its trip to Hanoi to pick up the bodies of U.S. servicemen, has urged the Administration to make a positive gesture toward Hanoi in an effort to obtain further information and the return of additional bodies of dead servicemen still held by Hanoi. The Administration, in response, has offered to discuss with Hanoi the significant outstanding issues between us. Our policy toward Hanoi was clearly set forth by President Ford last December in Hawaii and does not include to "seek to establish friendly relations with Hanoi."

REAGAN STATEMENT:

"In the last few days, Mr. Ford and Dr. Kissinger have taken us from hinting at invasion of Cuba to laughing it off as a ridiculous idea. . . During this last year, they carried on a campaign to befriend Castro. They persuaded the Organization of American States to lift its trade embargo. They lifted some U.S. trade restrictions, they engaged in cultural exchanges. And then on the eve of the Florida primary election, Mr. Ford went to Cuba and called Castro an outlaw and said he'd never recognize him. But, he has asked our Latin American neighbors to reimpose a single sanction, nor has he taken any action himself. Meanwhile, Castro continues to export revolution to Puerto Rico, to Angola, and who knows where else?"

FACT:

We did not persuade the OAS to lift the sanctions against Cuba. At Quito in the fall of 1974, we did not support a motion in the OAS to do so. At San Jose last summer the U.S. voted in favor of an OAS resolution

which left to each country freedom of action with regard to the sanctions. We did so because many of the OAS members had already unilaterally lifted their sanctions against Cuba, and because the resolution was supported by a 2/3 majority of the organization members. Since that resolution passed, no additional Latin American country has established relations with Cuba or lifted sanctions.

The U.S. has not lifted its own sanctions against Cuba, and has not traded with Cuba. We have not engaged in cultural exchanges. We have validated some passports of U.S. Congressmen and their staffs, for some scholars and some religious leaders to visit Cuba. These steps were taken to test whether there was a mutual interest in ending hostile relations. That was consistent with the traditional American interest in supporting the free flow of ideas and people.

Since the Cuban adventure in Angola, the Ford Administration resumed highly restrictive policies toward travel to Cuba. With regard to Cuban efforts to interfere in Puerto Rican affairs, the Ford Administration has made it clear in the UN and bilaterally to the Cubans that the United States will not tolerate any interference in its internal affairs.

As to statements regarding military action against Cuba, the Administration has no active plans but, as always, has contingency plans with respect to hypothetical foreign policy situations.

REAGAN STATEMENT:

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

FACT:

While the United States has exercised administrative and political control over the Canal and the Canal Zone, it is not, and never has been "sovereign U.S. territory." In 1904, then Secretary of War William Howard Taft affirmed "titular sovereignty" resided in the Panamanian government. President Eisenhower reaffirmed this in 1957.

Unlike children born in the United States, for example, children born in the Canal Zone are not automatically citizens of the United States.

The Ford Administration, as has the three preceding Administrations, is negotiating regarding the Canal to protect our national security, not

to diminish it. Given the increasing interdependency of nations, the U.S. must forge new relationships based on mutual equality, cooperation and respect. In this regard, the 1903 treaty is an anachronism which will continue to serve as a rallying point for anti-U.S. nationalist dissent in Latin America. This is regarded by Latin American nations as a test case for the future of U.S. foreign policy intentions in the southern hemisphere.

(See W.G. Backgrounder- "Panama Canal Treaty Revision" for additional de

REAGAN STATEMENT:

"The evidence mounts that we are Number Two in a world where it is dangerous, if not fatal, to be second best."

FACT:

Mr. Reagan listed some categories of weapons programs in which the Soviet Union has superiority, but he failed to note that there are many categories of programs in which we have a significant and impressive lead.

While we must never rest on our laurels, and must keep up to date with new systems, it should be noted that:

- o The U.S. maintains a 4-to-1 advantage over Russia in the total number of nuclear warheads and, moreover, the accuracy of ours is acknowledged to be superior to the Russian systems.
- o Our lead in strategic bombers is three to one
- o Our aircraft carriers outnumber the Russian's by 14-to-1

While most Republicans would agree with Mr. Reagan that the U.S. must always be vigilant not to fall behind the Soviet Union in our military preparedness, Mr. Reagan has fallen into the trap of confusing quantitative with qualitative capability. For example, while the Soviets maintain a 4.4 million man army, to our 2.1 million force, it should be pointed out that over one million of Russia's troops are tied up on the Chinese border. The rest of those troops are counterbalanced in the West, not only by U.S. troops but NATO forces as well.

REAGAN STATEMENT:

"...Mr. Ford traveled halfway'round the world to sign the Helsinki Pact, putting our stamp of approval on Russia's enslavement of captive nations. We gave away the freedom of millions of people-- freedom that was not ours to give."

FACT:

The President went to Helsinki along with the Chiefs of States , or heads of government of all our Western allies and, among others a Papal Representative, to sign a document which confirmed the end of World War II and regularizing relations between European nations.

Although the wording is very vague, one of the four sections of the document contains commitments for the signers to establish the principle of humanitarian cooperation , placing high priority on: family reunifications and visits, marriages between nationals of different states, and improving the working conditions of foreign journalists. Specifically, this section should facilitate the emigration of Soviet Jews.

With regard to the particular case of the Baltic States, President Ford stated clearly on July 25 that " the United States has never recognized that Soviet incorporation of Lithuania, Latvia and Estonia and is doing so now. Our official policy of non-recognition is not affected by the results of the European Security Conference." In fact, the Helsinki document itself states that no occupation or acquisition of territory by force will be recognized as legal.

On December 2, 1975, the House voted 402-0 in favor of H.Res. 864 expressing the sense of the House that the U.S. policy of nonrecognition of the USSR's annexation of three Baltic nations in 1940 has not changed. Congressman Derwinski a leader in support of the resolution was quoted as saying that the House was supporting Administration statements that the U.S. signature to the agreement did not change U.S. policy toward annexa

REAGAN STATEMENT:

"Dr. Kissinger is quoted as saying that he thinks of 'the U.S. as Athens and the Soviet Union as Sparta. The day of the U.S. is past and today is the day of the Soviet Union.' And, he added, '...My job as Secretary of State is to negotiate the most acceptable second-best position available.'"

FACT:

The so-called quotes from Secretary Kissinger are, in fact, not direct quotes from the Secretary but from a magazine article by Admiral Elmo Zumwalt. Secretary Kissinger had already issued a flat , official denial that he had made any such statement before Mr. Reagan made the speech. Yet, Mr. Reagan reiterated the quote as undisputed.

REAGAN STATEMENT:

"Now we learn that another high official of the State Department, Edmund Sonnenfeldt, whom Dr. Kissinger refers to as his "Kissinger", has expressed the belief that, in effect, the captive nations should give

up any claim of national sovereignty and simply become a part of the Soviet Union. He says, 'Their desire to break out of the Soviet straight jacket' threatens us with World War III. In other words, slaves should accept their fate."

FACT:

It is inaccurate and a distortion of fact to ascribe such views to Mr. Sonnefeldt and thus to the Administration. The State Department and Administration view was expressed by Secretary Kissinger before the House International Relations Committee on March 29, after charges about Mr. Sonnenfeldt had become public. Mr. Kissinger made the following remarks:

"As far as the U.S. is concerned , we do not accept a sphere of influence of any country, anywhere, and emphatically we reject a Soviet sphere of influence in Eastern Europe."

"Two Presidents have visited in Eastern Europe; there have been two visits to Poland and Romania and Yugoslavia, by Presidents. I have made repeated visits to Eastern Europe, on every trip to symbolize and make clear to these countries that we are interested in working with them and that we do not accept or act upon the exclusive dominance of any one country in that area."

"At the same time, we do not want to give encouragement to an uprising that might lead to enormous suffering. But in terms of the basic position of the United States, we do not accept the dominance of any one country anywhere."

"Yugoslavia was mentioned, for example. We would emphatically consider it a very grave matter if outside forces were to attempt to intervene in the domestic affairs of Yugoslavia. We welcome Eastern European countries developing more in accordance with their national traditions, and we will cooperate with them. This is the policy of the United States, and there is no Sonnefeldt doctrine."

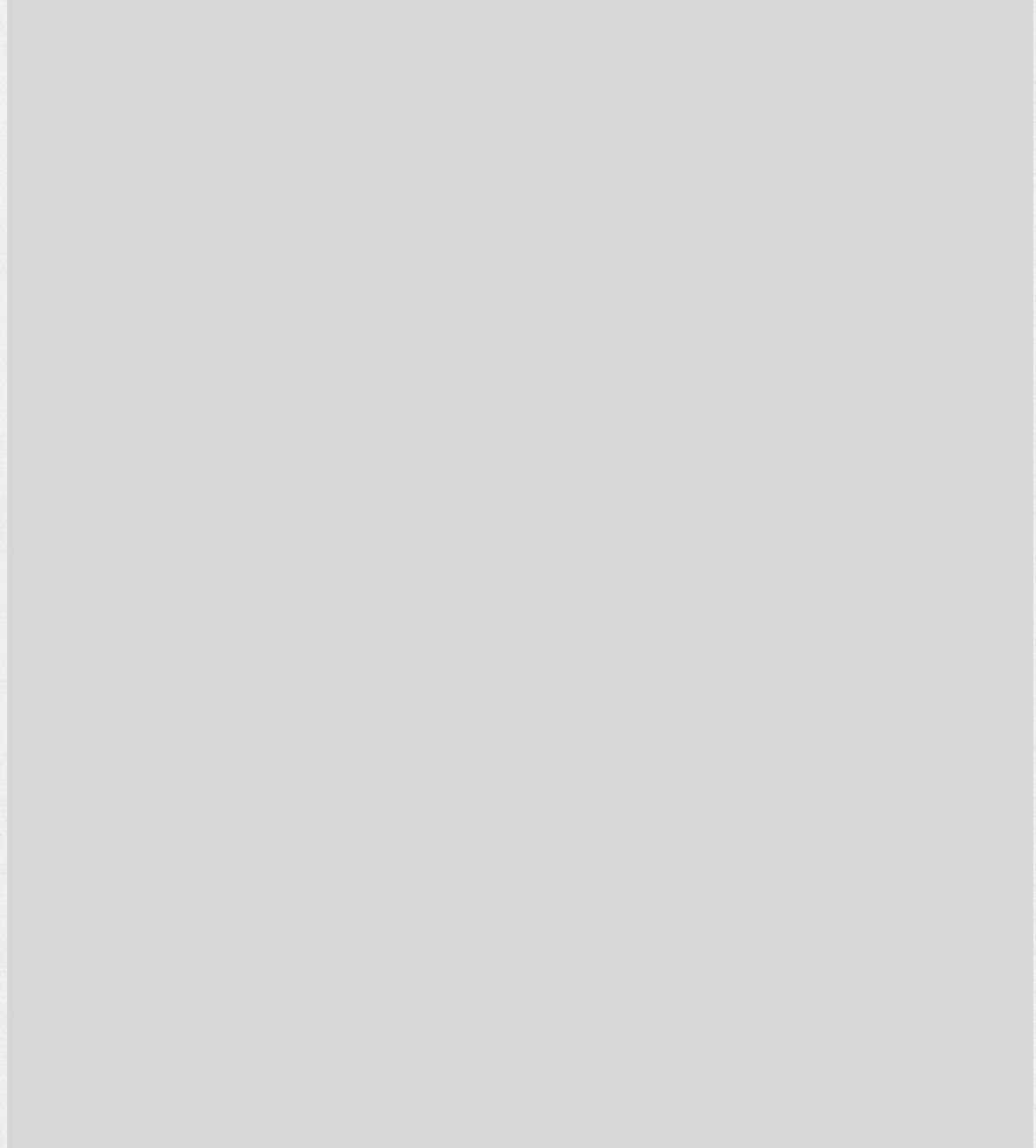
'Work-or-Else' Welfare Program Called Failure

SACRAMENTO (UPI)—Former Gov. Ronald Reagan's "work-or-else" welfare experiment failed and had little impact on welfare or unemployment rates in the 35 counties where the program was tried, the state Em-

But the department said the increase of applications from 1971 to 1974 in the aid to families with dependent children category was 7.5% in counties taking part in the experiment compared with a 1.7% hike in those not involved.

The department said statistical indicators "do not show that CWEP achieved any of its impact objectives."

The \$570,000 program was widely criticized when Reagan was in office by Democrats, who called it "slave labor." Brown asked the legislature



REAGAN STATEMENT:

"...As a matter of fact, government makes a profit on inflation. For instance, last July, Congress vaccinated itself against that pain. It quietly passed legislation (which the President signed into law) which automatically now gives a pay increase to every Congressman every time the cost of living goes up. It would be nice if they'd thought of some arrangement like that for the rest of us..."

FACT:

In 1974, Reagan signed into law a bill which included a cost of living increase in the Legislators' executive retirement system.

After 8 years as Governor, Reagan receives \$1,148 per month in retirement benefits. This amount will be adjusted for the cost of living for the rest of his life, whether he works or not.

REAGAN STATEMENT:

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

FACT:

This statement implies that Reagan's leadership could influence the makeup of Congress.

The following compares the makeup of the Legislature in 1967 when Reagan took office, and in 1975 when he left:

	<u>1967 Session</u>	<u>1975 Session</u>
Assembly:	37 Republicans 42 Democrats	25 Republicans 55 Democrats
Senate:	19 Republicans 21 Democrats	15 Republicans 25 Democrats

REAGAN STATEMENT:

"...There was a reason for my seeking people who didn't want government careers. Dr. Parkinson summed it all up in his book on bureaucracy. He said: 'Government hires a rat catcher and the first thing you know, he's become a rodent control officer'..... I don't believe that those who have been part of the problem are necessarily the best qualified to solve them..."

FACT:

Among Reagan's appointments while Governor were:

Spencer Williams - defeated candidate for Attorney General in 1966. Appointed Secretary of Health and Welfare for California. Now a Federal judge.

William Symore and Verne Sturgeon - former State Senators, now members of the California Public Utilities Commission.

Hale Ashcraft and Carl Britsghi, former Assemblymen, now members of the California Workmens Compensation Appeals Board.

Dwight Geduldig - former public relations director of the State Board of Equalization, became Director of Health Care Services.

Ed Reinecke - former Congressman, was appointed Lt. Governor.

John Harmer - former State Senator, was appointed Lt. Governor.

Among his State appointees who subsequently held positions in Washington were:

Lyn Nofziger, Reagan's Press Secretary, became Richard Nixon's Deputy Director of Communications.

Caspar Weinberger, Reagan's Director of Finance, became Nixon's Director of the Office of Management and Budget and later his Secretary of Health, Education, and Welfare.

James Dwight, Reagan's Deputy Director of Finance, became Nixon's Deputy Director of the Office of Management and Budget, and Administrator of Social and Rehabilitation Services.

Robert Carlson, Reagan's Director of Welfare became Nixon's Commissioner of Welfare at the Department of Health, Education, and Welfare.

REAGAN STATEMENT:

"...When I became Governor, I inherited a state government that was in almost the same situation as New York City.... California was faced with insolvency and on the verge of bankruptcy..."

FACT:

The California Constitution specifically prohibits deficit spending. The Administration and the Legislature is required to adopt a balanced budget.

When Reagan took office in January 1967, the budget for fiscal year 1967-68 was being prepared. To maintain the previous year's expenditure level, a deficit of \$280 million was projected.

In 1967, Reagan increased taxes by \$943 million, of which \$280 million was required to balance the budget.

When Reagan took office there were \$4.3 billion in general obligation bonds outstanding. When he left, this amount increased to \$5.6 billion.

REAGAN STATEMENT:

"...When we ended our eight years, we turned over to the incoming administration a balanced budget. A \$500 million surplus..."

FACT:

During Reagan's term, \$1.8 billion in Federal Revenue Sharing payments went into California. Of this amount, \$617 million went directly to State government, which is \$117 million more than his claimed surplus.

His three tax increases during his term resulted in a:

- 500% increase in personal income taxes
- 100% increase in Bank and Corporation taxes
- 50% increased in sales taxes
- 233% increase in cigarette taxes
- 40% increase in inheritance taxes

Taxes on insurance companies, liquor and utilities were increased and the oil depletion allowance decreased.

From 1967 to 1974, more taxes were collected and more money spent than in any period of California's history.

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
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)			Total Budget
		% of Total	Local Assistance	% of Total	
1966-67	\$2.2	48.0	\$2.4	52.0	\$4.6
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

REAGAN STATEMENT:

"...And, we kept our word to the taxpayers - we returned to them in rebates and tax cuts, \$5 billion 761 million..."

FACT:

To arrive at this figure, Reagan added up the accumulated total of the tax relief provisions of his 3 tax increase bills from 1968 through 1976.

To return \$5.76 billion in tax rebates, Reagan extracted in State tax increases an accumulated total of \$21.3 billion during the same period. The result is a net increase of \$15.5 billion in new State taxes.

During Reagan's 8 years, the total property tax take in California increased from \$8.84 per \$100 assessed valuation to \$11.24 per \$100.

REAGAN STATEMENT:

"...The State payroll had been growing for a dozen years at a rate of from 5,000 to 7,000 employees each year..."

Reagan went on to say:

"...When we ended our eight years (there were) virtually the same number of employees we'd started with eight years before..."

FACT:

The number of State employees increased by 45,000 during the 8 years Reagan was Governor; a rate of over 5,000 employees per year.

Number of State employees in man years:

FY 1966-67	158,000
FY 1974-75	203,000

This amounted to a 29% increase in State personnel. During this same period (1967-1974), the population of California increased by 8.8%. In the 8 previous years (1959-1966), the State population increased by 23.3%.

REAGAN STATEMENT:

"...And, we learned that the teacher's retirement fund was unfunded. A \$4 billion liability handing over every property owner in the state..."

Reagan went on to say:

"...when we ended our eight years...the teacher's retirement program was fully funded on a sound actuarial basis..."

FACT:

This is not a factual statement. The California teacher's retirement fund is not "fully funded". It is \$1 billion worse off than it was before the Reagan reform bill of 1971.

According to an Actuarial Valuation of the fund as of June 30, 1974, the unfunded liability increased from \$4.3 billion in 1972 to \$5.3 billion in 1974.

This trend is continuing, even though State general fund contributions have increased from \$91 million in 1970-71 to \$200 million this year, and school districts had to increase their contributions (from local property taxes) by 5 percent.

REAGAN STATEMENT:

"...The most comprehensive welfare reform ever attempted..."

FACT:

The Reagan welfare reform act contained 24 provisions of significance:

- 10 were enacted;
- 6 were enacted but modified by the Legislature;
- 8 were rejected by the Legislature.

Of the 16 enacted, fully or partially:

- 2 were reversed by subsequent action of the Legislature;
- 2 were made moot by new Federal law (SSI);
- 2 were subject to existing Federal limitations;
- 4 were invalidated by the court;
- 2 were partially invalidated by the court.

Thus, 12 of the 16 provisions were either invalidated or rendered substantially ineffective. Those provisions which remained were of limited significance.

They were:

1. Standardized the payment level.
2. Provided State assistance to local District Attorneys for fraud detection.
3. Allowed the attachment of wages of absent parent.
4. Tightened definition of unemployment for eligibility.

REAGAN STATEMENT:

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

FACT:Welfare Caseload in California 1967-1974

	<u>FY 1967-1968</u> Reagan's First Year	<u>FY 1974-1975</u> Reagan's Last Year	<u>Change</u>
Aged, Blind, Disabled	422,023	597,379	+175,356
AFDC	785,099	1,345,908	+560,809
			<u>+736,165</u>

Following the enactment of the Reagan plan, the cost of welfare continued to increase. When the plan took effect, the State was spending \$91 million a month for family welfare. This increased to over \$102 million a month in December 1974. This is an increase of \$100 million a year.

Between October 1971 (when the Reagan "welfare plan" was adopted) and December 1973, there was a reduction in AFDC of 183,000 recipients.

The following factors should be taken into consideration:

1. In 1967 nearly 56% of those eligible for AFDC were receiving benefits. By October 1971, it was estimated that almost 95% of those eligible were on the rolls.
2. In the 20 months prior to October 1971, unemployment increased 85% in California.
3. In 1967 the annual migration rate into California was 233,000 persons. In 1971, the rate was 44,000.
4. In 1967 the average AFDC family contained 2.9 children. In 1974, the average family on AFDC had 2.194 children.
5. Los Angeles County double counted 20,000 cases, which was subsequently corrected.

REAGAN STATEMENT:

"...We put able-bodied welfare recipients to work at useful community projects in return for their welfare grants..."

FACT:

The 1971 welfare act provided for the Community Work Experience Program (CWEP) which required recipients to work up to 80 hours a month as a condition of receiving their grant. The program intended to have 59,000 participants in 35 counties in the first year.

Over a year later, December 1972, 6 counties established the program -- 2,707 recipients had been referred to CWEP and 184 had actually engaged in work activities.

In May 1974, the California Auditor General found that 262 participants found regular work as a result of the program at a cost of \$1.5 million. This amounts to \$6,000 in overhead costs, in addition to welfare payments, for each person placed in regular employment.

Because the program was a complete failure, it was repealed by the Legislature in 1974.

REAGAN STATEMENT:

"...I would like to restore the integrity of Social Security. Those who depend on it see a continual reduction in their standard of living. Inflation strips the increase in their benefits..."

FACT:

Reagan is apparently unaware of the provisions of the Social Security Act. The Social Security system does contain a cost of living escalator.

The current problem with the system is the fact that the cost of living is indexed for both wages and benefits. This is a flaw that could jeopardize the integrity of the system. President Ford has pledged to correct this situation so that Social Security benefits will continue to rise with the cost of living, but not to the extent that it threatens the future of the program.

REAGAN STATEMENT:

"...And people who reach Social Security age and want to continue working, should be allowed to do so, and without losing their benefits..."

FACT:

This change would add \$2 billion more to the cost of Social Security.

Barnes' Reform Bill -- in 1971

Page 752, Chapter 1305

Was designed to reduce the principal amount of \$4.3 billion unfunded liability already accrued at the time of its enactment. Rather it was designed to keep that amount from growing by funding (1) the long-term budget cost of teachers retiring after 1972, (2) the ongoing budget costs of the pre-1972 retirees, and (3) interest costs on the accrued unfunded liability.

However, inflation related salary increases, declining monetary rates for retiring teachers, low turnover -ate in the system's membership, and an increasing number of early retirements have caused long-term benefit costs to rise faster than anticipated at the time when the funding mechanism for Chapter 1305 was developed. As a result the contribution levels contained in 1305 proved to be insufficient to cover the increasing long-term benefit costs and the unfunded liability has increased from \$4.3 billion in 1972 to \$5.3 billion in 1974 when the last actuarial evaluation was committed. *concluded.*

STATE TEACHERS RETIREMENT SYSTEM

STRS FUNDING

In 1972 The Fund was actuarially unsound. \$4 billion unfunded liability in 1972 and currently unfunded liability is \$5.3 billion.

Income sources of fund are:

1. School districts - used to be 3% of payroll. '72 legislation provided for 8% of payroll phased in by '78-'79. These funds come from local property taxes.
2. State general fund - estimated costs for '70-'71 were \$91 million - estimated cost for '76-'77 is \$200 million and \$1 billion by 2000.
3. Employee contribution - 8% of salary.
4. Investment interest.

AB 543 ('71) Barnes, was supposed to make fund actuarially sound:

1. Increased district contribution to 8%.
2. Provided general fund appropriation of \$135 million for 30 years.

AB 543 failed to do this because of erroneous fiscal assumptions:

1. School district payments will be higher due to salary increases.
2. State aid will be \$50 million short because of increased assessed values.

An actuarial valuation of STRS as of June 30, 1974, indicated current level of funding is insufficient to cover normal costs and to prevent current and future accrual of additional unfunded liability.

Congress of the United States
Committee on International Relations
House of Representatives

N/A. file

4/26/76

MEMORANDUM

Bob....

the marked portion of the
attached Wall St. Journal
editorial may be of interest
to you and your speech
writers.

Everett Bierman
Everett Bierman



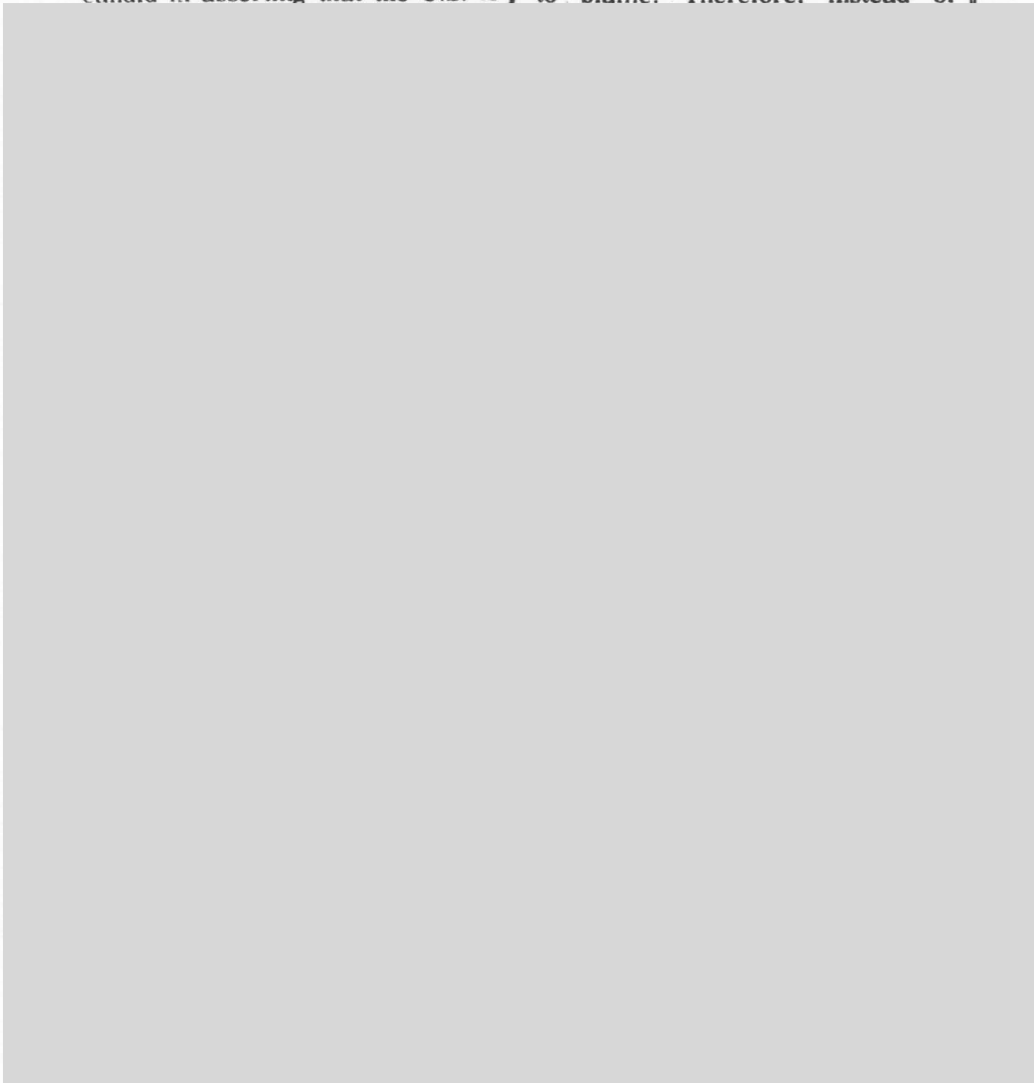
Wall St. Journal 4/23/76

Military Strength: Who's Number One?

If the Panama Canal question is the wrong issue at the wrong time (see above), there is nothing trivial about the questions Ronald Reagan has raised about the growing military imbalance between the U.S. and Soviet Russia. Regrettably, President Ford has been less than candid in asserting that the U.S. is

while U.S. power has often been declining.

Given these trends, it is puzzling that President Ford has reacted to Mr. Reagan's charges about America's declining military posture as though they were criticisms of him personally. Clearly he is not chiefly to blame. Therefore, instead of



UP-160

R B

(FEC BILL)

WASHINGTON (UPI) -- RONALD REAGAN HOPES PRESIDENT FORD WILL VETO THE BILL TO RECONSTITUTE THE FEDERAL ELECTION COMMISSION EVEN THOUGH HIS CAMPAIGN NEEDS THE MATCHING FUNDS THE NEW LAW WOULD RELEASE, SEN. JESSE HELMS, R-N.C., SAID TODAY.

HELMS SAID REAGAN TOLD HIM IN A TELEPHONE CONVERSATION "HE IS FLATLY OPPOSED TO THE BILL...AND WANTS THE PRESIDENT TO VETO IT."

HELMS CONCEDED THAT REAGAN'S PRESIDENTIAL CAMPAIGN "NEEDS THE MONEY BUT AS THE (FORMER CALIFORNIA) GOVERNOR SAID IN OUR TELEPHONE CONVERSATION, THIS BILL IS TOO HIGH A PRICE TO PAY."

REAGAN LAST WEEK JOINED WITH SEVERAL DEMOCRATS WHO FILED SUIT WITH THE SUPREME COURT URGING THE TRIBUNAL TO ACT QUICKLY TO FREE MATCHING FEDERAL FUNDS HELD UP AS A RESULT OF CONGRESSIONAL DELAY ON THE ELECTION BILL.

HELMS CALLED THE PUBLIC FINANCING FEATURES OF THE MEASURE "A RIPOFF OF THE TAXPAYERS."

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SPEECH BY RONALD REAGAN BEFORE
THE DETROIT ECONOMIC CLUB



May 14, 1976 -

It has been said that politics is the second oldest profession. I have learned in the intervening years that there is a great similarity to the first.

A well known newspaper columnist wrote not long ago, that of all the inventions that have liberated the working man from the drudgery of daily existence, none has done more than the automobile. And yet today the automobile and the men and women who make it are under a constant attack from Washington--attacks from the elitist, some of whom feel guilty because Americans have built such a prosperous nation and some of whom seem obsessed with the need to substitute government control in place of individual decision making.

The energy bill which Congress passed and Mr. Ford signed last December I believe is a case in point. Among other things, it mandated gasoline mileage standards, which by 1985, will, if enforced, will have the effect of forcing Detroit to make some 80 or 90% of its automobiles subcompacts or even smaller. Now, no matter whether anyone wants them or not, they will by that time, have to accept that kind and there is little evidence that the people or that these kinds of cars would sweep the country in popularity. The bill regulates the market-place, it dictates to the consumer and in the process, it will make Detroit's unemployment problem worse than it is already. In fact, because it takes

less manpower to make these small cars than the present ones favored by the American consumer, the unrealistic fuel use standards that have been mandated by the energy bill, if they're allowed to remain, would cost at least 200,000 Michigan workers their jobs according to industry sources. For all of this, you can thank Washington, from Capitol Hill to the White House.

And, while we're talking about energy, let's not forget that this bill is already making us more, and not less, dependent on foreign oil. I remember back three years ago when we lined up at the gas stations, when we lost Project Independence, when we heard Congressmen talking and talking about how we were going to become independent of any outside source. If we could

have harnessed their talk we wouldn't have had to turn the thermostat down.

Now we find that in its most recent March for the first time we cross the half-way mark in dependency on foreign oil. More than half of what we consumed has been imported and we are producing less now than we were three years ago. Lacking incentive, the United States oil explorers are not doing what we must do which is to get every drop of oil out of our own ground that we reasonably can get.

At the time of the Arab embargo in late 1973, the Federal Energy Administration was created very hastily. It has grown like a weed ever since as does every government program once launched. I think I probably told you ten years ago, that even then it was apparent that when government launched a program, it became the nearest thing to eternal life that we'll see on this earth.

At the Federal Energy Administration there's a 112 publicists turning out press releases on a constant basis. Its Administrator, Frank Zarb, was a key proponent for the energy bill that I've just talked about and as Congress has passed energy legislation it has given it to the FEA to administer. The Wall Street Journal estimates that this bureaucracy is costing the consumer about 3-5¢ a gallon for every gallon of gasoline. When it comes to conservation, the FEA doesn't apply that term to the money that is spent. Last June, it retained a fashion consultant to put on an Energy-Conservation Fashion Show in a fashionable New York hotel which cost about \$10,000. I don't think it really produced any oil or saved any. FEA will go out of business on June 30th unless Congress extends it. Mr. Ford apparently intends to ask Congress to do just that with a budget that will be three times FEA's present budget and it expects to expand by several hundred more employees added to the 3400 that it already has.

The Secretary of the Treasury, William Simon, was the first director, energy director of the FEA and he thinks it is a monster, that it should be closed down and he has said, "...It is an outrage, I'd abolish the agency and close its doors tomorrow." If government is going to be responsive to the people, one thing it owes us is a regular and careful review of the efficiency and the usefulness of the bureaus and agencies it creates. And what it should do also is that Congress should never automatically review the life of an agency. Whether this agency stays on or goes does not erase the fact that here in Michigan your unemployment rate is still at 12.5%. In fact Michigan led the nation and suffered

the worst unemployment in 1975. There has been much talk from Washington about the economic upturn. I've warned for months that fighting recession without fighting inflation would only bring a worse inflation someplace down the line. Now we're beginning to see the first disturbing signs. National unemployment rate has stopped dropping and a wholesale price index has started upward again. This is not good news anywhere but certainly not here. We must change our priorities. We must fight inflation effectively, wrestle the Federal budget in the balance of index taxes so that the working man who gets the cost of living salary index doesn't find he's moved up into another surtax bracket and ends up paying a profit to government and losing money for himself.

These are some of things we must do to begin solving these problems. And the energy bill, I think would be a great beginning. I believe the best thing this country can do for us or our government can do for us is recognize that sometimes its of the most help when it does nothing. What it should do now is repeal the energy legislation, get out of the way and turn the industry loose in the market-place to find the sources of energy this country needs.

I don't believe that the solid economic recovery we're told we're having can be built on this nation continuing to go into debt at a faster rate than it ever has in our national history. We're increasing the temperature of a sick patient at the same time we try to cure the fever by breaking the thermometer. This country is \$95 billion deeper in debt than it was twelve months ago. We continue to go into debt almost \$2 billion a week and

almost half of that is interest paid on the already existing debt. And this is on account of a tax burden Federal state and local that is taking 44¢ out of every dollar earned in the United States. It is the biggest single item in the family budget, greater than food, shelter and clothing combined.

It has been suggested that there are really no issues in this campaign. As a matter of fact, a Senator recently stated that if the two Republican candidates were put in a dark room together, no one could find any philosophical difference between them. Well, maybe if the room was very dark that's true, but if you turn on the lights I think there are some differences to be viewed. And I have suggested one of them has to do with our relative experience in government. One has been a part of the Washington establishment for most of his adult life. I, as you were told in the introduction, spent most of my adult life out of the private sector; then for eight years was governor of a state, that if it were a nation, would be the 7th ranking economic power in the world.

But when I became governor, California was in about the same shape as New York City and New York City has no difference between it and Washington, D.C. except that Washington has a printing press. When New York went to Washington to ask for help that was like asking the captain of the Titanic for a lift. But when I was here before I do remember that I spoke to you who remember then about some ideas that I had for the government of California if I became governor. They were ideas for a creative society and a partnership between governor and this government and business and industry. Well, ten years

worked. I told you the condition California was in the verge of bankruptcy, spending a million and half dollars a day more than it was taking in, had been a bookkeeping trick to hide the fact that they were spending 15 months revenue on 12 months services. There were other things, funds that were unaccuarately out of balance that were hanging as billions of dollars of liability over our people's heads and over the property owner's heads.

I only know one thing, my faith and my belief in the private sector. I turn to the people of California for help. I asked for people who didn't want a job in government, I wanted those who would be most anxious to get back to their own careers and their own lives, and who wouldn't have to be persuaded to give some time in serving in government. We put that kind of an administration together. Then we gathered in a room one day for a lunch like this, what had to be the top leadership in the state of California, people who were the most successful in their particular lines of endeavor and a variety of lines of endeavor. We told them what we had in mind. More than 250 leaders and successful people in California volunteered, not just to serve on committees or put their names on a letterhead. They gave an average of 117 days apiece full time away from their own jobs, their own careers, their own activities and businesses. Organized into task forces, they went into every area of state government. They brought back to us the end of those 117 days, 1800 specific recommendations as to how modern business practices, common sense of everyday living, could be used to make government more responsive to the people. We

implemented more than 1600 of those recommendations. And that is why eight years later we turned over a solvent government, a balanced budget, it was a \$500 million surplus, and we have returned to the people of California in those eight years, in tax rebates and tax reductions, \$5,761,000,000. Now this was done by turning to the people and letting the people participate in their government. I use the word rebate and that might have sounded a little strange to you. It isn't often used in government. What it meant was that the first time we got out of the hole and had a surplus, and my finance director said, "How do you want to spend it?" I said "Let's give it back." He said it'd never been done. I said "Well, it never had an actor up here before either." So we gave it back. And I had a legislature that was just about the same complexion as today's Congress--irresponsible. So they didn't look kindly upon this but my having told the people publicly we were going to give it back they figured they couldn't interfere. I don't happen to believe that government has a right to a surplus. I believe government takes as much money as is required to perform the services and if there's any left over at the end of the year you give it back. So we did this. The last surplus we gave back was \$850 million. Now, when you tell a liberal, Democratic legislature that you want to give back \$850 million, this is like getting between the hog and the bucket. One Senator indignantly proclaimed that giving this money back was an unnecessary expenditure of public funds.

I happen to believe that what worked in California can work in Washington, D.C. if the government will turn to the people of this country for the great wealth of talent, managerial skill and talent that is available, and ask the people to participate in their government. Now I find that in towns wherever governments try to do things that people should do things for themselves, it is a failure. I mentioned an experience the other day, social security. There's a man in New Jersey on disability payments. The other day he received this letter from Social Security telling him they were discontinuing the payments because he's dead. Well he read the letter and he didn't believe it. So he went down to see them and they couldn't argue with him. He was alive all right but they couldn't argue with the computer and they couldn't figure a way to reinstate his payments. But they did manage to help him for a while. They gave him \$700 to pay for his funeral.

But every time Washington fails it comes up with an even costlier failure. For example, for more than 20 years, government is trying to build low cost housing for the poor. Its a worthy undertaking but they're wrong people trying to do it. To date, the score is they've destroyed 3½ houses for every house they've built. In North Carolina, Gaston county last winter, the government gave them \$21,000 to buy heating oil for homes where the people were too poor to keep their houses warm. Now they've discovered that \$20,500 of that went for administrator's salaries and expenses to supervise the buying of \$500 worth of oil for 268 gallons. But now they're also trying to find out what happened to 128 gallons that disappeared and no one knows what happened to them or where

There's the matter of welfare. A woman in Chicago has established some kind of record for free enterprise. She has been getting welfare under 80 names, 30 addresses, 15 telephone numbers and her take is estimated at \$150,000 tax free.

Now, I move onto another subject with regard to the differences that might exist between the candidates. There has been some criticism. You perhaps heard a rumor or two that I've mentioned the Panama Canal. It is not true that I'm trying to preserve the Erie Canal. But our government, for two years, has been negotiating to turn over to the dictator of Panama, who seized power eight years ago, the sovereignty of the Canal Zone and the rights to the Canal over a long period of time. I have been critical of this. The State Department has propagandized to the effect that this is the kind of a lease hold or it is a kind of colonial vestige of colonialism. Ladies and gentlemen the Panama Canal Zone, by treaties sustained by court decisions in our own country including the United States Supreme Court, is sovereign United States territory. Indeed, the court has likened it to the purchase of Alaska, prior to its becoming a state. We have observed our terms of the treaty including the protection of the independence of Panama. This is vital to our strategic defense of this hemisphere. It is vital life indeed to our trade and commerce. But I don't believe that this country should be negotiating under a threat of violence from a dictator that bloodshed will follow if we don't give in because we set a precedent if we do that all anyone else has to do is threaten us with violence and we'll give whatever is demanded.

First of all, I don't believe there will be such violence. I think we should be good neighbors, I think we should sit down and negotiate any points of friction that can be eased. But I do not believe that negotiation should be predicated upon turning over the sovereignty of the United States territory for the Canal which we built and which is ours.

On a television broadcast a few weeks ago, I described our foreign policy as wandering without aim. Earlier this year Dr. Kissinger said there was no alternative to detente. Mr. Ford said that no one who advocated abandoning detente could be elected. I kind of hope he's right because he now says he's not going to use the word anymore. But its not the word, its the policy that I believe has been bothering him, because under that policy our defense capability in this country has deteriorated to the point that Secretary of Defense Donald Rumsfeld has refused an answer to a direct question to say that we are still number one in our military capabilities.

I have been told that I have been speaking superficially or irresponsibly about this and yet there has not been a single response with any fact to substantiate the charge that what I have said is not true. This country is second best in a world where it is dangerous, if not fatal to be second best. And my statements have been sustained by statements by experts who are available to anyone in Washington including the Chief of NATO, the Chief of Engineering and Research in the Pentagon, the top defense expert at the Library of Congress, the Secretary of the Army who said that if we went to war tomorrow this country could only equip

half its division. I believe Secretary Schlesinger tried to warn the people of this country of our situation and perhaps that's why he's no longer a member of the Administration. Lt. Gen. Daniel Graham, former Chief of Defense Intelligence who resigned at the time of the firing of Dr. Schlesinger has said "...It is a bit difficult for me to understand how anyone could look the facts in the face and state that our military power is second to none. The figures speak for themselves and no amount of Washington's pompoustry can erase them. And Dr. Schlesinger has said that two-way erosion of the United States military strength and the energy policy of this country has given the Soviet Union the potential to control the world within ten years. I do not challenge the President's patriotism. I do not quarrel with the fact that he has asked for more money than this irresponsible Congress has been willing to give. I've never suggested that he share Dr. Kissinger's pessimistic view that you and I, the American people, lack the will and the stamina to keep this country in the number one position. But I do believe that to continue seeking cooperation from Congress gives us a situation that has gone beyond just an imbalance in weapons. I don't believe the people in this country lack the will and the stamina. What we lack is the truth and the information that our government owes us about our situation. I believe a President of the United States should go over the heads of the Congress to the people of this country, tell them what our situation is and I believe the people in this country will make whatever sacrifice is necessary to keep this country strong.

With that same legislature in Sacramento I learned, that faced with obstructionism that that's what you do. You take your case to the people. And when the people understand the truth the people have a way, not necessarily of making them see the light, they make them feel the heat.

I don't share faith in the Washington establishment. It is my belief that Washington has centralized too much authority and power, it is exercising too much control over local and state governments, and too much control over the people of this country. I don't believe that we can afford politics as usual any longer. Big government makes small people and what is needed today are big people making government small.

I know that we've lost faith now and then some of us and have faltered in belief in ourselves and in our country. But I don't believe that the elite in Washington should be fearful in telling us the truth no matter how unpleasant. Because, no people who ever lived on this earth have fought harder, paid a higher price for freedom or done more to advance the dignity of man than the Americans living today. I believe what the people want is a change I don't think that they want the housewife to be told that she can't buy cereal in the market without a government agency protecting her without being cheated. I don't believe that the business community of this country wants to continue sending 10 billion pieces of paper to Washington. I don't believe we want industries battle with regulations of the type that one firm alone spent \$30 million complying with the regulations enforced by government. It didn't add one ounce to the productivity of that industry and therefore

it did not create a single job. But \$30 million would mean 3400 jobs in that particular industry.

And no Republican in going to win without getting the votes of millions of Democrats and Independents. I believe there is a new majority of Americans abroad in the land today and I believe they are looking for a cause around which to rally. And I believe for the first time the things that they believe in are what many of us have thought have been traditional Republican philosophy. And therefore, if we will present to them a cause and a standard, I think we can have their support. It should be a cause that pledges we will reduce the power and size of the Federal government by returning in an orderly and phased manner to the state and local communities, programs that they should be running without Federal interference and turn back at the same time the Federal sources of revenue to fund them, give back the tax revenue.

I would begin with welfare. Mr. Ford said it should be federalized and he advocates the guaranteed annual income plan which I think will add about 12 million people to the welfare rolls with the stroke of a pen, the same bill that was defeated two years ago. In California we had a welfare problem. We were adding 40,000 people to the welfare rolls each month. We turn to the people again and the Citizens' Committee presented us with a plan for reform. In less than three years we reduced the rolls by more than 300,000 people. We saved the taxpayers \$2 billion and we were able to increase the grants to the truly deserving needy by an average of 43%. Now, I would make one

suggestion nationwide if states took over the administration of this program as they should. And that is that we quit destroying people, the spirit of humanity with welfare and start saving people, and to do that I propose that the able bodied welfare receiptients be given the opportunity to work at useful community projects in return for their welfare grants.

We built the greatest public school system that the world has every known and built in some local levels (inaudible) Now we have Federal aid to education and with it has come Federal interference with education. I believe again that education should be turned back to the states and to local communities and who knows, if we get Washington out of the classroom maybe we'll get God back in.

I think our banner should present also a demand for fiscal sanity, the balancing of the budget and hopefully the beginning of installment paying on the national debt so at least our children have a pattern to follow.

The deficit spending of the Federal government is the single cause of inflation and inflation is the cause of the recession and the unemployment that plagues us all. On the international scene I think we have to accept our destiny, to be the leader of the free world. To abdicate that responsibility is to abdicate the ability to keep the peace. Therefore, I think we should ask the people of this country to sacrifice if need be, but to keep us so strong that no other power on earth will ever dare to test that strength and violate the peace.

I received a letter a short time ago, just after the broadcast of that speech. It was a man who had fled to this country in 1956

from Hungary at the time when the Hungarians tried to free themselves from Soviet rule. He said "I saw Communism in action. I know what is in store for the world. I was shocked by the total ignorance of decent and good Americans about the true face of Communism." Then he went on to say, ten of us 20 years ago. Today I own my own business. I only worked and used the opportunity this country gave me to choose my own course in life. I feel that I have come close to the American dream, to be free, to be independent and proud and I never stop thanking God for giving me the chance."

So this is what I think is at stake in this election.. I think the people in this country are hungry for a spiritual revival. I think we want to believe again in ourselves and in our government and that this nation under God is still governed by the moral values upon which it was founded and that our children might be able to grow up in a country knowing the same freedom that we knew when we were growing up in America. I would like to go to Washington. I would like to go not because I believe I can perform great deeds, but because I believe you can and I believe it is time to have a government that once again recognizes it is supposed to be not only of and for but by the people of the United States and I would like to see if Washington could not give the people of this country a chance to participate in their government. Thank you very much.

RONALD REAGAN'S QUESTION & ANSWER SESSION

Q: Gov. Reagan, I don't want this to be confused with the question you were asked during the press conference. So much of your success in the recent primaries has been attributed to the Wallace cross-overs. Do you feel that this could hurt your chances in the November elections against the more progressive candidate?

A: Could it hurt my chances against more progressive candidates. Well, I have never identified those who cross-over in the states where (inaudible) is permitted. as particularly belonging to one or the other of the candidates of the Democratic party. I always figured that they must be Democrats who didn't find what they wanted in any of the candidates in their party and that's why they crossed over. Now, some evidence of this is the fact that in Alabama, where I won 70%-30%, Mr. Wallace also won by a tremendous margin in light of an even greater percentage so the cross-over there must have been some kind of Democrat. This whole matter of whether I'm electable or whether I have a narrow ideological base, I think comes down to a matter of record. California is almost 2-1 Democratic. I won the election in 1966 by a million votes and was elected four years later. In the present campaign in the primaries, in New Hampshire for example, which...there is no cross-over allowed there, so hundreds of Democrats wrote my name in on the New Hampshire Democratic ballot. It didn't do me any good in the primaries but it was nice to see. I think the evidence that Democrats, just as they did in '72 when they got a good look at the McGovern convention, I think many of those same Democrats are a part of that new majority out there who are waiting, for some cause and I will tell you this. If I did not believe when I made the decision to run that I offered the best

chance of victory in November, I would not be a candidate seeking your support here in this state.

Q: Governor Reagan, would you look favorably upon Sen. Brooke as a Vice-Presidential possibility?

A: Well now, I know that some of the Press disagree with me on this but I have to take some legal advice. First of all, I have not let myself even think ahead to who might be a Vice-Presidential suggestion of mine, because that's what it is, a recommendation at the convention. I think its a little presumptuous at this stage of the game to be thinking that far ahead. I'm almost superstitious about it. But also, and I say the press differs with me on this, I have been informed that under the new election laws a candidate cannot discuss names of people that he would make a part of government. I have interpreted in my legal advice (inaudible)...would include to recommending a Vice-President. Fred says no, it only means people that I could appoint. I'm going to stick with the lawyers advice and still stay with this. I.....

Q: Gov. Reagan, I have one question here. I recognize the derogatory has great concern. This question is what is your attitude would you state briefly toward the vexing problem of the Middle East?

A: Well, whatever else you may think, I think that Richard Nixon had a good policy started in the Middle East. I think one of the great problems there is that there is so much right on

we know that Israel is an ally and a long time friend of ours and I think that if we keep our word we are pledged to that ally and the preservation of Israel as a state. But Nixon started the moving into the Arab states and replacing the Soviet influence with United States influence. Thus, we did reach the point. With at least the Arab states divided and which we, trusted by representatives of both sides could gather them together at a table and begin the process of mediation at a table which is a proper way to settle this dispute. Now, unfortunately, both sides seem to have lost confidence in us. Perhaps the debacle in Viet Nam and whatever else has happened we know that Dr. Kissinger had returned early from the Mideast some time ago simply because both sides said they no longer had confidence that any decisions made there would be upheld by our government. I still think that we should return to the other policy. To do that this entails what I mentioned in my remarks...I think we've got to have the strength that there will be confidence in the part of our friends and allies and I think also that we've got to remind the world... Vice-President Rockefeller returned from his last trip around the world and said that he found a great lack of confidence among our friends in the United States. I think this country has to take the steps to remind our friends and allies and the rest of the world that we will abide by our commitments, we will not toss long-time allies aside. We intend to operate as the leader of the free world and then I believe we can get back to those meetings at the table in which we can invite both sides to sit there and know that they will have some trust and confidence.

in us. I think that calls for us understanding sometimes if we see what appears to be aid given to one side or the other that we have to recognize that that might be a part of the policy of winning the confidence of both factions there.

Q: Many questions on these two subjects. What is your specific position on the handling of our post office problem?

A: You know, I think I told you the story of 1966. It was a comparison about one of the regulated monopolies, the phone company and about the government monopoly of the post office. Well; I might-as well finish it. I remarked then, about 35 years ago, you could make a long-distance phone call from San Francisco to New York for \$20.70 odd cents. For that same amount of money you could send 1,037 letters across the country. Today you can make that phone call for 56¢. For that amount of money you can only send four letters across the country. So the government is suing the Bell System. Very briefly, my answer is one that I would like to see a legitimate experiment objected in this country and that is the private carrying of first class mail, at least on the experimental basis.

Q: What is your position as far as National Health Insurance and its expense to the Federal government and its people?

A: Well, I've been on that subject for a great many years and I think I've done some rather in-depth studying of those systems abroad, England, Sweden, other countries where they've done it. Nationalized health insurance is socialized medicine

You can't socialize the doctor without socializing the patient and I believe evidence shows that medicine run by government is more expensive than anywhere it is tried than what we presently have in our country and the conclusion you have to reach is that it is also less effective and less efficient. If you have to get sick, get sick in America and we don't need and should not have the compulsory national insurance.

Q: Did you approve of the handling of the financial distress in New York and if not, why not and what would you do about the problems of urban cities like Detroit?

A: Well, I must say that my sympathy is not of the deepest with regard to New York City. Cities of a million population or more in this country average \$681 per capita to provide the essential services to their people. In New York City the cost is \$1446. New York City bought its own problems not through any outside influence or not through any economic or natural disasters. They just plain had politicians over the years who betrayed the people by never being able to say no and I think someplace along the line New York City is going to have to resolve its own problems. Certainly they can't ask the rest of these people to support them in the style to which they've become accustomed. Therefore, I was somewhat critical of the Federal government stepping in. First of all as I indicated earlier, you know, that was really one patient trying to doctor the other. The problem of the urban cities I believe again is one in which mainly the Federal government

has done two things. First of all it has dangled grants for so-called Federal money but insisted that you must match these grants and then institute programs that they have prescribed in Washington. Sometimes the temptation of the money is so great that the local communities takes it whether the program is really of top priority or interest to it. That's part of it. The second thing is the Federal government has usurped the tax sources in this country to where most local areas are left vastly or mainly dependent on the property tax which is not a vast increasing tax that does not keep pace with the economy as does the income tax on others. I believe that the responsibilities should be turned back to the communities and states. They should have the privilege of discontinuing them if they didn't want to maintain them, keep them if they were priority and the tax sources should be given. Now some people say now how does this work? Well, we have one tax now, just since 1926 has been shared---the Federal government's estate tax. A percentage of that has been earmarked by law to the states no strings attached. Norris Cotton, Senator of New Hampshire, suggested a few years ago, that to help education, not Federal aid; that what the Federal government should do is to turn over the tobacco tax to the state, and in that sense to earmark it to be used for education but not have grants and controls coming from Washington. This could even apply to the Federal income tax. Can anyone show a reason why the Federal income tax collected in April, instead of being taken to Washington and then sent back in the form of grants, why they could not earmark a

which it is collected and send the balance to
Washington.

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On All Mich. Voters

By FRANK CORMIER

FLINT, Mich. (AP)—President Ford, predicting victory in Tuesday's key Michigan primary, says he will seek votes from Republicans, Democrats and Independents when he embarks on the first whistle-stop tour a president has taken since 1948.

Ford planned to spend much of today making a 165-mile rail journey from Flint to Niles, via Durand, Lansing, Battle Creek and Kalamazoo.

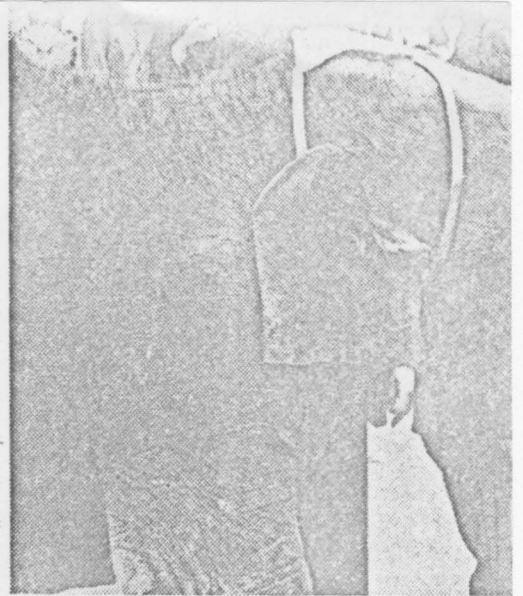
Not since President Harry Truman's victorious campaign against Thomas Dewey in 1948 has a president used

railroad cars for campaigning.

Amtrak rolled out its newest locomotive and cars for the occasion but for Ford's personal use had to turn to a 22-year-old observation car, the only one in the national passenger rail system having a rear platform suitable for presidential speechmaking.

"We are going to make an all-out effort in Michigan because Michigan is very crucial and we need all the help and assistance we can get. We want Republicans, Democrats and Independents," Ford said.

He said he wasn't worried that Democrats who otherwise might have voted for Alabama Gov. George C. Wallace would cast GOP ballots for Reagan because



President Ford pets Sneezy, a 3-year-old elephant in Memphis yesterday.

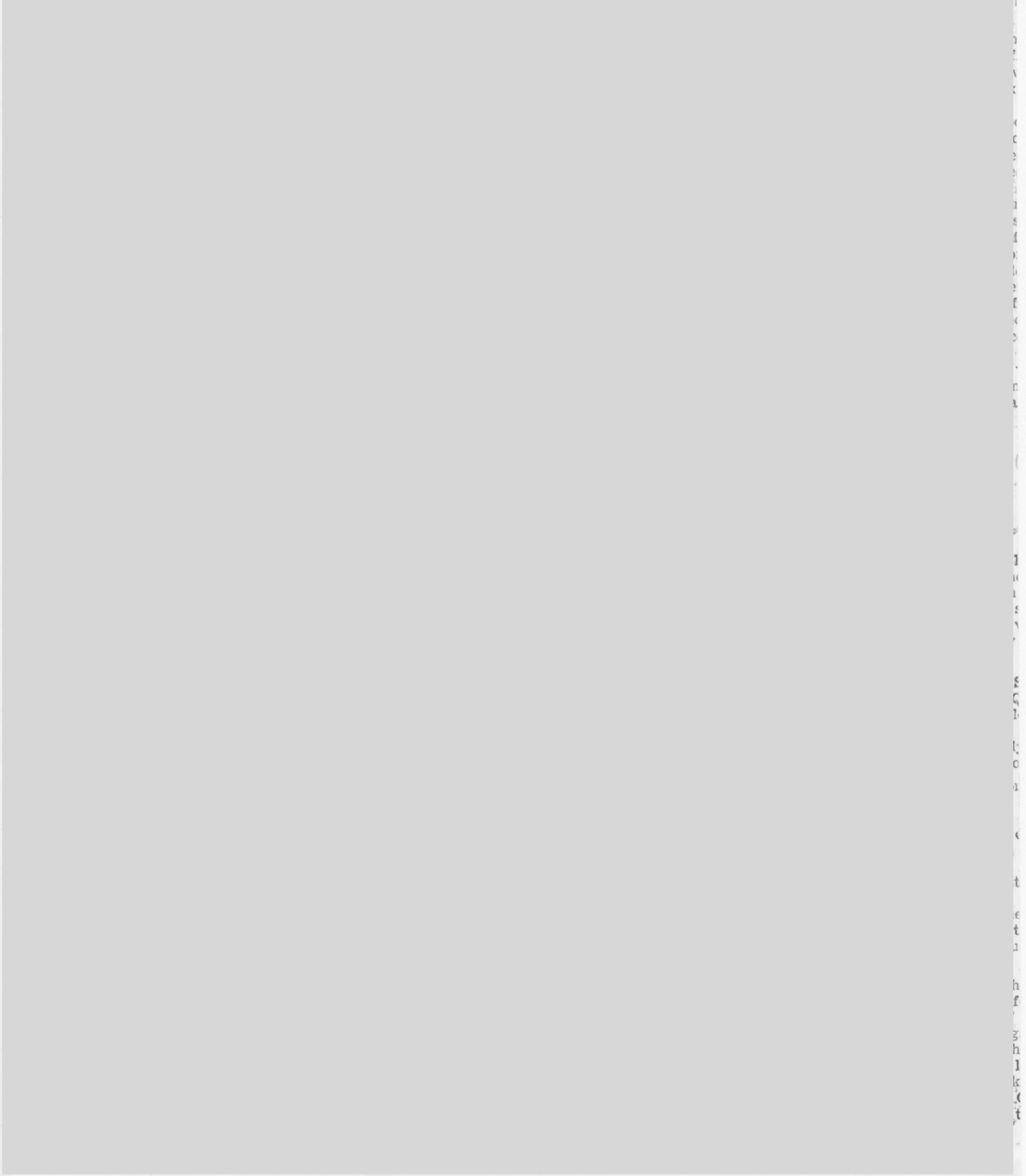
* Did Reagan Go Too Far?

By JOSH FRIEDMAN
N. Y. Post Correspondent

DETROIT—Radiating confidence, Ronald Reagan set two time bombs in the course of a day that could haunt his efforts to win the crucial



Hunt Driver Of N. J. Law



UP-093

(REAGAN)

SAN FRANCISCO (UPI) -- RONALD REAGAN SAID TODAY HE MADE A "MISTAKE" IN ATTEMPTING TO ANSWER A HYPOTHETICAL QUESTION ABOUT GOING TO WAR OVER RHODESIA BUT INSISTED; "I'M NOT TRYING TO BACK OFF OF ANYTHING."

REAGAN TOLD A \$250-A-PLATE FUND-RAISER THAT HE SAW A HEADLINE IN A NEWSPAPER WHICH "PUTS ME IN A RATHER WAR-LIKE POSITION."

THE FORMER TWO-TERM GOVERNOR SOUGHT TO DISPEL ANY NOTION THAT HE WOULD GO TO WAR OVER RHODESIA FOLLOWING A REMARK IN SACRAMENTO YESTERDAY THAT HE WOULD BE WILLING TO SEND U.S. TROOPS TO THE TROUBLED AFRICAN NATION "IN THE INTEREST OF PEACE AND AVOIDING BLOODSHED".

IN SAN FRANCISCO TODAY; REAGAN TOLD SUPPORTERS; "I MADE THE MISTAKE OF TRYING TO ANSWER A HYPOTHETICAL QUESTION WITH HYPOTHETICAL ANSWERS."

LATER HE TOLD A NEWS CONFERENCE: "I'M NOT TRYING TO BACK OFF OF ANYTHING. I'M TRYING TO GET BACK TO WHAT I HAVE BEEN SAYING CONSISTENTLY AROUND THE COUNTRY."

HIS POSITION; REAGAN TOLD THE SUPPORTERS; WOULD BE TO USE THE UNITED STATES AND GREAT BRITAIN TO "PLEDGE THAT THE TRANSITION WOULD BE ORDERLY AND WITHOUT BLOODSHED. THIS DOESN'T MEAN THAT THE UNITED STATES HAS TO GO TO WAR. WE'RE NOT TALKING ABOUT ANYTHING OF THAT KIND."

UPI 06-03 03:03 PED



UP-028

(REAGAN)

SAN FRANCISCO (UPI) -- RONALD REAGAN SAYS HE WANTS TO DISPEL ANY NOTION THAT HE WOULD GO TO WAR OVER RHODESIA.

CAMPAIGNING FOR THE CALIFORNIA PRIMARY, REAGAN WEDNESDAY TOLD A SACRAMENTO AUDIENCE HE WOULD BE WILLING TO SEND U.S. TROOPS TO THE TROUBLED AFRICAN NATION "IN THE INTEREST OF PEACE AND AVOIDING BLOODSHED."

THE FORMER GOVERNOR SAID A TREATY, OR "THE PROMISE" OF AMERICAN HELP, MIGHT BE ENOUGH TO TRIGGER FORMATION OF A GOVERNMENT COMPRISING BLACK NATIONALIST GUERRILLAS AND THE WHITE MINORITY.

REAGAN SAID, HOWEVER, HE MIGHT DISPATCH SOMETHING BEYOND A "TOKEN FORCE" IF NECESSARY TO MAINTAIN PEACE. HE COMPARED THE SITUATION TO THE PEACE-KEEPING FORCES SENT TO THE MIDDLE EAST.

MINUTES AFTER HE MADE THE REMARK, HE TOLD A STATE SENATOR THAT REPORTERS WOULD INTERPRET THE STATEMENT TO MEAN HE "HAD DECLARED WAR ON RHODESIA."

LATER, AT A FUND RAISING SUPPER IN CUPERTINO, REAGAN STARTED HIS BRIEF REMARKS TO ABOUT 200 PERSONS BY SAYING: "IT ISN'T TRUE. I'M NOT GOING TO DECLARE WAR ON RHODESIA."

"I MADE THE MISTAKE OF SPEAKING TO THE PRESS CLUB OVER IN SACRAMENTO. YOU HAVE TO BE CAREFUL ABOUT WHAT YOU SAY."

DECLARING HE FAVORED DEMOCRATIC MAJORITY RULE IN RHODESIA, REAGAN TOLD THE PRESS CLUB THE CURRENT STRIFE WAS "NOT A RACIAL PROBLEM." HE SAID THE UNITED STATES AND GREAT BRITAIN TOGETHER SHOULD GUARANTEE PEACE DURING NEGOTIATIONS.

HE WAS ASKED HOW HE WOULD SUPPORT THE GUARANTEES -- WITH AN OCCUPATION FORCE, TROOPS OR OBSERVERS.

"YOU WOULD HAVE TO BE COMPLETELY INVOLVED WITH THE RHODESIAN GOVERNMENT AND FIND OUT WHETHER THAT WOULD BE NECESSARY," HE REPLIED. "IT MIGHT SIMPLY BE THAT THE PROMISE, THE TREATY OR AGREEMENT, WOULD PREVENT THE OTHER FROM HAPPENING ..."

UPI 06-03 10:27 AED



DATE:

7/7/76

TO:

Counsellor Hartmann

FROM: GWEN ANDERSON

INFORMATION _____

ACTION _____

APPROPRIATE _____

HANDLING _____

OTHER _____

COMMENTS:





CITIZENS FOR REAGAN

1835 K Street N.W. • Washington, D.C. 20006 • 202/452-7676

July 6, 1976

EMBARGO - RELEASE UPON DELIVERY 10:30 PM EDT -TUESDAY, JULY 6, 1976

CONTACT: Jim Lake
Jan McCoy
(202) 452-7606

TEXT OF GOVERNOR RONALD REAGAN'S NATIONWIDE TELEVISION ADDRESS

ABC NETWORK

TUESDAY, JULY 6, 1976

Good evening from California and happy birthday.

Just two days ago, on Sunday, you and I achieved a milestone in the history of mankind and in the history of freedom. We the people of the United States of America have been free for 200 years plus two days and we've proven to the world that freedom works.

Now, this might not sound like much of an accomplishment to those of us who were born here and accept freedom as the natural state of mankind.

But it should. The places and periods in which man has known freedom are few and far between; just scattered moments on the span of time. And most of those moments have been ours. In this land, in these 200 years.

The original colonists came here driven by a hunger for freedom.

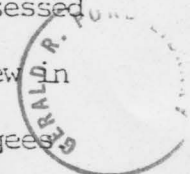
They've been followed down to the present by modern-day immigrants possessed of that same hunger and courage it takes to tear up roots and start anew in

a strange land. Some of those immigrants are better described as refugees

They crawl over walls, make their way through mine fields and barbed wire

and risk their lives in leaky, make-shift boats to escape the new tyranny

of the police state.



Those original colonists were unique. In all the world the march of empires, the opening of new lands was accomplished by military forces, followed by adventurers and soldiers of fortune. Only here did the people precede the force of arms. Those who came to this untamed land brought the family. And families built a nation. I'm convinced that today the majority of Americans want really what those first Americans wanted -- a better life for themselves and their children, a minimum of governmental authority. Very simply, they want to be left alone in peace and safety to take care of the family by earning an honest dollar and putting away some savings. This may not sound too exciting, but there is a magnificence about it. On the farm, and on the street corner, in the factory and in the kitchen, millions of us asking nothing more but certainly nothing less than to live our own lives, according to our own values, at peace with ourselves, our neighbors and the world.

We have come from every corner of the world, from every racial and ethnic background and we've created a new breed. Yes, we have our faults - plenty of them - but selfishness isn't one of them. We are a generous people, with our friends, our neighbors and with strangers throughout the world, as victims of catastrophes in most every country can testify. There is a great deal to love and to be proud of in our land.

But there seems to be a discontent in the land today. Government, which once did those things which strengthened family and traditional values, now seems to have lost faith in us. And, many of us seem to have lost confidence in ourselves.

There's a story told about the early days of the automobile -- the horseless carriage. A motorist, complete with linen duster and goggles, pulled up in front of a farmhouse. He called out to the old fellow on the porch and asked, "Do you know where this road takes me?" The old boy said,

"Nope." "Well", he asked, "do you know where that road back down there behind the cornfield goes?" Again, "Nope". Annoyed, he said, "You don't seem to know much of anything do you?" The old boy said, "I ain't lost." And he wasn't -- not him or those other Americans of that day. They knew who they were and where they were going. Some would have us believe those Americans are no longer relevant -- that there is no place for them or their rugged individualism in today's world. And some who think that are to be found in government.

The Americans who keep this country going -- the ones who fight the wars; drive the trucks and raise the kids; the farmer and fireman, craftsman and cop; they are wondering -- for the first time -- if the governmental institutions they have upheld and defended really care about them or their values.

Oh, they haven't fallen for the line of a few fashionable intellectuals and academics who in recent years would have us believe ours is a sick society -- a bad country. They know better. Someone said to me the other day tis a great country for the Irish. I'll personally testify to that. Indeed, it's a great country for Americans of Polish ancestry, German, Scandinavian, Greek, Chinese, Italian and all the scores of ancestries that go to make this breed we call American. We aren't giving up on America. But we are beginning to wonder if the American government is giving up on us.

We've worked and made this the most prosperous, productive land in all the world. But now the dollars we earn don't increase in number as fast as they decrease in value. The savings we counted on to see us through our non-earning years melts away like ice in a summer sun. And we're told that's due to inflation, as if inflation were some kind of plague or natural

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disaster for which no one is to blame. Well, it is a killer, it kills jobs, it kills savings. It kills hopes and dreams, but someone is to blame.

Inflation is theft-by-legislation. It is government's way of getting more tax revenue without raising the rates. Don't raise the tax rate on your home --- just appraise your home as worth more than it was the year before. Income tax rates can stay where they are, but a cost-of-living increase in pay moves you up to a surtax bracket where you pay a higher percentage of your earnings in tax reducing your standard of living.

Every time a piece of inflationary legislation is passed by Congress, the American family's ability to plan for the future is hurt. Every time the buying power of a paycheck is reduced because the government is pursuing inflationary policies, government is acting against the values of thrift, of honesty, of savings — the values that our people brought with them to this country, the values they instilled in their children. Government progress that can't be paid for out of a balanced budget must be paid for out of your pocket.

Our society is now one in which, increasingly, older Americans live away from their families. And there is no group in this country which has been more viciously savaged by anti-family governmental action than America's elderly. Inflation can quite literally kill someone who is living on a fixed income. The big spenders in Washington have brought us to the place where older Americans are slowly -- but surely -- being pushed to the wall. And their suffering is shared by their children, who may be married with children of their own.

Inflation isn't a vague term from some economic textbook. It is a bitter, government-created fact of life the American family has to live with. Is it any wonder the American people are asking if anyone in Washington really cares?

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Oddly enough, they probably do. Those we call bureaucrats are not evil people. They really are trying to be helpful to those they've decided need their help. But this means imposing on others; using the power of taxation to confiscate and redistribute earnings; restricting freedom. In short, making government the master, not the servant.

One of government's legitimate functions is to protect us from each other; to see that no one is discriminated against or denied one's God-given rights. To that end, we have adopted legislation to guarantee civil rights and eliminate discrimination of all kinds. Certainly no one of us would challenge government's right and responsibility to eliminate discrimination in hiring or education. But in its zeal to accomplish this worthy purpose, government orders what is in effect a quota system both in hiring and in education. They don't call it a quota system. It is an "affirmative action" program with "goals and timetables" for the hiring of particular groups.

If you happen to belong to an ethnic group not recognized by the federal government as entitled to special treatment, you are a victim of reverse discrimination. Goals and timetables are in reality a bureaucratic order for a quota system. For example, if your ancestry or national origin is Czechoslovakian, Polish, Italian, or if you are of the Jewish faith, you may find yourself the victim of discrimination contrary to the Civil Rights Law. No American should be discriminated against because of religion, sex, race or ethnic background in hiring, in schooling or in any other way; and I'd like to have the opportunity to put an end to this federal distortion of the principle of equal rights.

There have been other decisions of government--some still pending--which strike at basic values and, indeed, at the very heart of the family. One of the pending measures is a legislative proposal which in the name of

child care would insert the government in the very heart of the family's making of decisions with regard to children; decisions which properly are totally the right of the parent.

I realize there is a great difference of opinion regarding the subject of abortion. I personally believe that interrupting a pregnancy is the taking of a human life and can only be justified in self defense—that is, if the mother's own life is in danger. But even those who disagree must certainly be concerned about one facet of government's involvement in abortion. The pregnancy of an underage girl automatically makes her eligible for welfare on the Aid to Dependent Children program. This, in turn, makes her eligible for Medicaid and a free abortion regardless of her family's means. To add insult to injury, welfare rules forbid government from informing her parents. Thus, government is in the position of conspiring with an underage child to provide her with an abortion, while keeping knowledge of her situation from her parents.

Let me read you a letter I received from a mother while I was still Governor. She wrote: "Who do they think they are--not telling the parents? Who in God's name gave them the right to keep the health and welfare of your own child from you. I, as a mother, have the right to carry in my body my unborn child. I have a right to stay up night after night holding and pacing the floor with this child, feeling the pain of fear. I have a right to look into her tiny face and love her so much that I could squeeze her to death. I have a right to watch her grow day after day, year after year, and then one day to look up and see a 15-year-old young lady standing in front of me. A 15-year-old who might some day find herself in trouble and

some fool standing there saying I don't have a right to know. I repeat—
who do they think they are?"

I wonder what the early immigrants who came to this country would say if they knew that their descendants live in a society where their children are forbidden by government to pray in schools.

I could offer other examples—unfortunately too many—of government action against rather than for the strengthening of family life; governmental actions which not only harm the family but also destroy the sense of neighborhood and community that means so much to all of us. Forced school busing comes to mind immediately. It is so obviously wrong that overwhelming majorities of Americans, black and white, are against it. Yet, courts continue to impose it.

Parents have a right—and a responsibility—to direct the education of their children. This should include the choice of school their children attend. I have said repeatedly that as President I would propose legislation—in keeping with the 14th Amendment—to eliminate forced busing. Should that prove inadequate, then I would propose a Constitutional Amendment declaring that no state nor the federal government shall refuse admission to a public institution to any person, otherwise qualified, solely on account of race, color, ethnic origin, sex or creed.

That does not mean I am opposed to all federal action in the field of education. But such action should be so indirect as to avoid any possibility of federal bureaucratic control.

For too many years a philosophy of government has dominated Washington and especially the Congress—a philosophy that works against the values

of the family and the values that were so basic to the building of this country. I believe this is the central issue of this campaign and of our time.

After eight years as Governor of a state that is literally a cross section of America; great cities teeming with industry, small towns and sprawling suburbs; a rich agricultural economy and 22 million people of every race, religion and ethnic background—after those eight years, I know that government can work for the family and not against it. I know that economic justice can once again become a reality instead of a dream for hard-working Americans.

I know that government can be energetic without being intrusive. Helpful without being domineering. Efficient without being dictatorial.

Some weeks ago on a TV broadcast similar to this, I told of how our administration had found California on the verge of bankruptcy and how we had been forced to raise taxes in the face of that emergency. I also spoke of the measures we then employed to make government more responsive and efficient and how, as a result, we were able to return more than \$5½ billion to the people in tax cuts and rebates.

But there is more to government than just practicing economy, important as that is. Here are a few things we did as we straightened out the fiscal mess. The state income tax had begun at the first \$2,000 of earnings.

But when we left office, a family had to be earning more than \$8,000 before it was subject to any income tax.

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We subsidized local governments to provide a \$1,750 exemption in the homeowners tax. And, we provided a rebate for renters.

We increased supplemental aid to the elderly, the blind and disabled to make it the highest of any state in the Union. And, we gave additional property tax relief to senior citizens, based on their income, ranging up to 92% of the tax on their homes.

We increased state support for schools 24 times as much as the increase in enrollment. The state scholarship fund for deserving young people is nine times as big as it was and we put more young people 21 and under on boards and commissions than any other administration in California history.

More members of minority communities were appointed to executive and policy-making positions than in all the previous administrations put together. We moved from 11th to third among the states in the rehabilitation of the handicapped and their placement in private enterprise jobs. And, we increased support for alcohol and drug abuse programs, rehabilitation of juveniles and adults and treatment of the mentally ill.

More than 800,000 needy Californians on county health care were included in Medicaid, and 43 of our 58 counties were able to reduce property taxes two years in a row. The second year, there were 45.

We had a problem in California that is also a national problem—the constant increase in welfare. It continues to go up in good times and bad in numbers of recipients and in cost. Voices in Washington—Democrat and Republican—refer to it as "the welfare mess". In California, it was a mess, with the caseload increasing by some 40,000 people a month.

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Every attempt at controlling its growth was resisted and frustrated by bureaucrats who seemed to be actually recruiting to increase the rolls.

Finally, with the help of a citizens' task force, we designed a program to reform welfare; to eliminate cheaters; to encourage the able-bodied to work; to find runaway fathers and make them responsible for their family's support. In less than three years, we not only halted the runaway growth, we reduced the rolls by more than 300,000 people, saved the taxpayers \$2 billion and were able to increase the grants to the truly deserving needy by an average of 43%.

We learned, of course, that there are people who'll cheat and there are those who'll accept a lower standard of living in order to get by without working. But we also learned that the overwhelming majority of welfare recipients would like nothing better than to be self-supporting, with a job and a place in our productive society. They may be fed and sheltered by welfare, but as human beings, they are being destroyed by it.

There is a giant bureaucratic complex that thinks of them as "clients", to be permanently maintained as government dependents. This complex measures its own well being and success by how much the welfare rolls increase. To be truly successful, the goal should be to reduce the rolls by eliminating the need for welfare. This is the kind of common sense that's been lacking in Washington for much too long. I believe what we achieved in California can be done at the national level if government will once again have faith in the people and their ability to solve problems.

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There are those who want to approach the nation's problems on a politics-as-usual basis. A little government help here; a shrewd political move there. A little special treatment to this group or that group. A political "strategy" of one kind or another. But we are not going to get out of the mess we are in simply by doing the same old things in a new way.

And then there are those whose approach to government combines soothing rhetoric, pleasant smiles and reorganization gimmicks. Well, you can't get to the heart of an issue by being vague about it. And you don't discipline an irresponsible and wasteful Congress by putting an indulgent friend in the White House. You don't fix bad policies by rearranging or replacing one bureaucrat with another. You have to replace bad ideas with good ones.

I'm not a politician by profession. I am a citizen who decided I had to be personally involved in order to stand up for my own values and beliefs. My candidacy is based on my record and for that matter my entire life.

I'm not asking you to help me because I say, "Trust me, don't ask questions, and everything will be fine." I ask you to trust yourselves; trust your own heads—hearts. Trust your own knowledge of what's happening in America. And, your hopes for the future.

Let me be completely candid: No Presidential candidate has a patent on virtue. But I believe I offer something more than words, and that is my record as Governor of a state which, if it were a nation, would be the seventh ranking economic power in the world. I believe I can do the job that has to be done.

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Many of you—perhaps most of you—who are watching this evening consider yourselves Democrats. I'd like to say a few words to you directly.

During the six months I've been campaigning, I have had some wonderful moments. But I must say that among the most satisfying were those in which I discovered I had received votes not only from members of my own party, but from a great many Independents and Democrats as well. This happened in the industrial north, in the south and in the west. It indicates the issues I was talking about—our basic values, Washington's excesses, our declining national defense—all go beyond party lines; that there is a new coalition, a new majority across this land ready to answer the nation's needs.

I was once a Democrat myself and believed that party represented our values faithfully. I don't believe I changed. But the intellectual and political leadership of the Democratic party changed. The party was taken over by elitists who believed only they could plan properly the lives of the people. We were sheep and they were the shepherds. And, if we don't watch out, the shepherds are going to outnumber the sheep. I am a former Democrat and now a Republican. Millions of you have decided neither Party faithfully represents what you believe. The answer is for all of us to vote for our values and not for labels next November.

There are those who say what we are attempting to do cannot be done. But when I hear that I remind myself of a famous moment in American history.

The British had been defeated at Yorktown in the last great battle of the War for Independence. As General George Washington marched out to receive the surrender of the British commander, the British musicians solemnly played a tune entitled, "The World Turned Upside Down". And, against

all odds and the predictions of all the experts, that's just what the colonists had done.

Well, we can turn the world right side up; the world of the family and the neighborhood and the America we love.

It may take a struggle and some sacrifice, but isn't it worth it? We can do it for ourselves, for our children and in repayment for all those who did the back-breaking jobs that built this nation. They worked their hearts out to give us a country where the right to be left alone, to pursue happiness as we defined it, would be respected by men and by the law.

We ask nothing of freedom but freedom itself and that means the right to control our own destiny without undue interference by an arrogant officialdom.

There are those who no longer have faith in our ability to do this. They still believe in government for the people, but of and by themselves; that, given freedom of choice, we'll choose unwisely; that ours is a sick society, salvageable only by their omnipotence.

Well, let them explain how a sick society produced the men who journeyed out into space and set foot on the moon; or those other men, the ones we waited for a few years ago, who came back to us proud and unbroken after enduring torture at the hands of savage captors for a longer period than any men in our history.

Have we forgotten how we waited in front of our TV sets through the long night hours for that first plane to land at Clark Field in the Philippines? We were filled with hope and fear; fear of what we might see; of what the years of torture might have done to those we called the P.O.W.s.

Finally, the moment arrived. The plane was on the ground and we waited--it seemed forever--for the door to open and the first man to appear.

Then, with some difficulty--but on his own--Jeremiah Denton, now Rear Admiral Jeremiah Denton, made his way down the ramp. He saluted our country's flag, thanked us for bringing them all home and then asked God's blessing on America.

As the planes continued to bring our men home, Nancy and I were to share an experience that will live in our hearts forever. We were permitted to officially welcome the more than 250 who were Californians by having them as guests in our home. Not all together, but in groups, on four such occasions in all, until we had been privileged to meet and know all of them. It was an unforgettable and inspiring experience. On one of those evenings, we watched two of our guests come together in our living room, apparently strangers until they heard each other's names. Then they threw their arms around each other. They were the closest of friends, knew the most intimate details of each other's lives and families. Their friendship had been built over the years of imprisonment by tapping coded messages on the mud and bamboo wall that separated their cells. They had never seen each other until they came face-to-face there in our living room.

On those four occasions, we heard tales of indescribable torture told without any attempt at dramatics, with no rancor or bitterness and definitely no attempt to beg sympathy. One man, for trying to escape, had been buried up to his neck and left for weeks, his food thrown on the ground before his face.

We heard of men tortured beyond the breaking point until lying on their cell floors, they wanted to die because they had eventually told their

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captors some of what they wanted to know. But in the adjoining cells, others who had the same experience at one time or another took turns hour after hour just tapping on the wall to let them know they understood and to hang in there and not give up.

When they were asked why, if they knew they'd eventually break, why they didn't give their captors the information they wanted without undergoing the torture, they seemed surprised. They said, "We were prisoners. The only way we had left to fight the enemy was to hold out as long as we could."

One young man (a fighter pilot who looked as if he should be a cheer leader, maybe on a college campus) had shattered his arm and shoulder when he bailed out after his plane was hit by anti-aircraft fire. They wanted him to talk to two of our anti-war protesters who were guests in Hanoi. He refused. They stood him on a stool, tied his shattered arm to a hook in the wall and then kicked the stool from beneath his feet—not once, but time after time until he gave in. In the meeting that followed, knowing his words were being carefully monitored, he said he tried in every way he could to indicate to these fellow Americans they weren't hearing the truth, but he said, "I spoke to ears that refused to hear".

One night after our guests had gone and Nancy and I were alone, I asked, "where did we find them, where did we find such men?" The answer came to me almost as quickly as I'd asked the question. We found them where we've always found them when such men are needed--on Main Street, on our farms, in shops and stores, in offices, oil stations and factories. They are simply the product of the freest society man has ever known.

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In the darks days following World War II, when we alone, with our industrial power and military might, stood between the world and a return to the dark ages, Pope Pius the XII said, "The American people have a genius for great and unselfish deeds. Into the hands of America God has placed the destiny of an afflicted mankind."

God Bless America.

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LOS ANGELES (UPI) -- HERE IS THE TEXT OF RONALD REAGAN'S ANNOUNCEMENT MONDAY THAT HE WILL SELECT SEN. RICHARD SCHWEIKER, R-PA., AS HIS RUNNING MATE IF HE WINS THE REPUBLICAN PRESIDENTIAL NOMINATION:

SINCE I BECAME A CANDIDATE FOR PRESIDENT, I HAVE BEEN QUESTIONED BY NEWSMEN AND BY DELEGATES FROM EVERY SECTION OF THE COUNTRY AS TO WHO MY CHOICE MIGHT BE FOR VICE PRESIDENT.

DURING THIS PERIOD, I HAVE HAD SERIOUS CONCERNS ABOUT THE VICE PRESIDENTIAL SELECTION PROCESS AND I HAVE NOW CONCLUDED THAT THE CONVENTION DELEGATES SHOULD KNOW WELL IN ADVANCE WHO I WOULD SELECT AS MY RUNNING MATE.

ALONG WITH MY STAFF, I COMPILED A LIST OF PERSONS BOTH IN AN OUT OF GOVERNMENT WHO MIGHT BE POTENTIAL NOMINEES AND WHOSE BASIC BELIEFS WERE COMPATIBLE WITH MY OWN.

MY PURPOSE THIS MORNING IS TO TELL YOU THAT THE TASK OF FINDING A PERSON WHO MEETS MY QUALIFICATIONS FOR VICE PRESIDENT AND WHO ALSO HAS A BROAD GENERAL APPEAL HAS BEEN COMPLETED.

AFTER LONG HOURS OF STUDY AND DISCUSSION, I HAVE SELECTED A MAN WHO BELIEVES IN THE SAME BASIC VALUES IN WHICH I BELIEVE:

--IN A STRONG AMERICA ABLE TO PRESERVE THE FREEDOM OF ITS PEOPLE

--IN A COMPASSIONATE AMERICA WILLING TO CARE FOR THOSE OF ITS PEOPLE UNABLE TO CARE FOR THEMSELVES

--IN A MORAL AND DECENT AMERICA DEDICATED TO THE PRESERVATION OF THE VALUES THAT HAVE GIVE GREATNESS TO THIS NATION.

• --IN AN AMERICA GOVENED BY THE RULE OF LAW, NOT BY MEN, LAW WHICH EXISTS TO PRESERVE EACH MAN'S FREEDOM, NOT TO RESTRICT IT.

I HAVE SELECTED A MAN OF INDEPENDENT THOUGHT AND ACTION WITH A BACKGROUND IN BUSINESS AND 16 YEARS IN PUBLIC SERVICE. HE IS RESPECTED BY HIS COLLEAGUES BUT HE HAS NOT BECOME A CAPTIVE OF WHAT I CALL "THE WASHINGTON BUDDY SYSTEM."

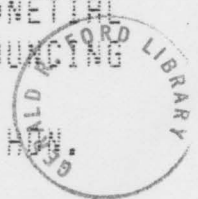
HE HAS AN AWARENESS OF THE SHORTCOMINGS OF OUR FOREIGN POLICY, AND THE DOMESTIC THREAT POSED BY CONTINUING THE PRESENT POLICIES OF INFLATIONARY DEFICIT SPENDING.

I HAVE MET WITH HIM AND WE HAVE SPENT A CONSIDERABLE AMOUNT OF TIME PERSONALLY DISCUSSING THE CRITICAL ISSUES THAT FACE US TODAY AND THE PRINCIPLES BY WHICH WE WOULD LEAD THIS NATION.

SINCE I NOW FEEL THAT THE PEOPLE AND THE DELEGATES HAVE A RIGHT TO KNOW IN ADVANCE OF THE CONVENTION WHO A NOMINEE'S VICE PRESIDETIAL CHOICE WOULD BE, I AM TODAY DEPARTING FROM TRADITION AND ANNOUNCING MY SELECTION.

I HAVE CHOSEN THE DISTNGUISHED UNITED STATES SENATOR, THE HON. RICHARD SCHWEIKER.

I AM COVINCED THAT THIS IS A TICKET BEHIND WHICH ALL REPUBLICANS CAN UNITE AND ONE WHICH WILL LEAD OUR PARTY TO VICTORY IN NOVEMBER.



Reagan's grandstand play

If nothing else the political season has been educational. No sooner have Americans finally learned who Jimmy Carter is than they have been sent scurrying for the biography of another unknown political figure. Who, most people wonder, is Richard Schweiker?

By now of course we all know that Senator Schweiker is one of the most liberal Republicans in the Senate and, ideologically, a most unlikely sort of running mate for Ronald Reagan. But that does not end the puzzlement. Will Mr. Reagan's last-ditch, desperate effort to woo uncommitted delegates by embracing liberalism alienate his traditional supporters and lose him the nomination? Or will his sudden, dramatic gamble convince delegates of his superior skill as a political strategist and thereby win him the fiercely contested prize?

It's too early to tell. Initial reaction is largely negative. Many delegates already indicate they are repulsed by what they see as ideological treachery. The move was so transparently political that many middle roaders

will most certainly be turned off. But in the end the name of the game is power — and the convention will settle on the man seen as having the most plausible chance against the Democratic powerhouse.

Editorial Page
CHRISTIAN SCIENCE MONITOR

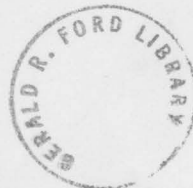
Washington Post

July 28

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Clayton Fritchey

IN THE WINGS: GENE McCARTHY

WASHINGTON. So much attention has recently been focused on the senior senator from Minnesota, Walter (Fritz) Mondale, that few seem to have noticed that a former

GOP vice presidential nominee if he fails to win the No. 1 spot. Moreover, that old hero of the Right, Sen. Barry Goldwater, is supporting President Ford

Carter. Mark Siegel, executive director of the Democratic National Committee, says, "He is going to hurt us in general ... There's no state he could carry, but in marginal states he could tip it to the Republicans."

The events which led McCarthy to his present posture began in 1964 when President Johnson let the then junior senator from Minnesota believe he would be the vice presidential nominee, but at the last moment LBJ chose Sen.

The ultra-conservative leaders have all favored a coalition of disaffected Reagan Republicans and alienated George Wallace Democrats, but the Alabama governor is now backing Jimmy Carter and Reagan may end up as the

Washington Post
July 28

Expanding Our Ties With China



Phillippe Legendre/Sygma

By Ronald Reagan

OAKLAND, Calif.—Washington's attention is permanently fixed, it seems, on half the world—primarily on the Soviet Union and on our traditional European allies. Toward Asia its attention seems sporadic. Intermittently in the recent past there have been ideas and distinct policy shifts, the

early this year is an example. Clearly, the Chinese overestimated his ability to serve as an intermediary for expressing their desires. But the visit, in part, reveals their frustration at Washington's inattention. Contacts with other public figures, journalists and businessmen have also been used to communicate their messages.

Not wishing to risk their prestige in possible rebuffs, the Chinese have

use franked envelopes to send out pridistrusted the Russians, with whom they share a long border. Their ability to keep a million Soviet troops tied down in the border regions discourage the use of them elsewhere. The expanded relationship might include the sharing of information relating to the Soviet troops on the Chinese border. Proposals to sell arms to Peking, on the other hand, should be treated with exceptional care.

Closer three-way communications could make it possible to head off, at the diplomatic level, potential troubles and tensions in Asia.

The Chinese signals should not be ignored. Although the so-called moderates in China are believed to be dominant now, forces that are more pro-Soviet may gain the upper hand after Chairman Mao Tse-tung is dead.

To take advantage of this Asian opportunity, we must regain credibility in Peking's eyes. Paradoxical as it may seem, this means honoring our commitments to South Korea and Taiwan.

Washington may again be misreading the situation, though, for it recently withdrew its handful of advisers on Quemoy and Matsu Islands, possibly as a hint of things to come. It is true Peking considers itself as the only legal Government of China, and Taiwan as a province. But it does not necessarily follow that Peking would

New York Times
July 28

*Rowland Evans
And Robert Novak*

Reagan's Gamble

The chilling evidence of disaster in Ronald Reagan's unveiling of an ultra-liberal running mate came not from public denunciations on Capitol Hill but from private anguish of Republican State Chairman Clarke Reed of Mississippi.

Washington Post
July 28

REVIEW & OUTLOOK

Ronald Reagan, Pragmatist

Ronald Reagan's announcement of Senator Richard Schweiker as his prospective running mate should at least confound those of his critics who, ignoring his success as governor of California, have envisioned him as an inflexible ideologue. But the selection does have about it an

Why, after all, has President Ford been in trouble within his own party? The reason is not fundamentally ideological, for it's hard to distinguish his beliefs from Mr. Reagan's. The most important reason is that many Republicans are fed up with political assumptions, the will

Wall Street Journal
July 28

David S. Broder

Watergate Reform Act: 'Dangerous, Offensive'

Well, the congressional mountain has labored and brought forth a second Watergate mouse. The first landmark piece of legislation that resulted from the great scandal was the Federal Cam-

pointed Attorney General or Deputy Attorney General.)

I do not know what word except "contempt" expresses my attitude to-

But the special prosecutor, under this law, is accountable to no one. He reports annually to committees of Congress but can be removed by the President only "for extraordinary improprieties, for malfeasance in office or for any conduct constituting a felony." For all practical purposes, he is a free agent, exercising extraordinary power without check. He is, in short, the very kind of official which Watergate should have warned us against.

What is deceptive about this scheme

organization of any candidate for federal office. (For good measure, Sen. Lloyd Bentsen amended the bill to put the same prohibition on anyone ap-

Washington Post

July 28, 1976



JAMES A.
Wechsler

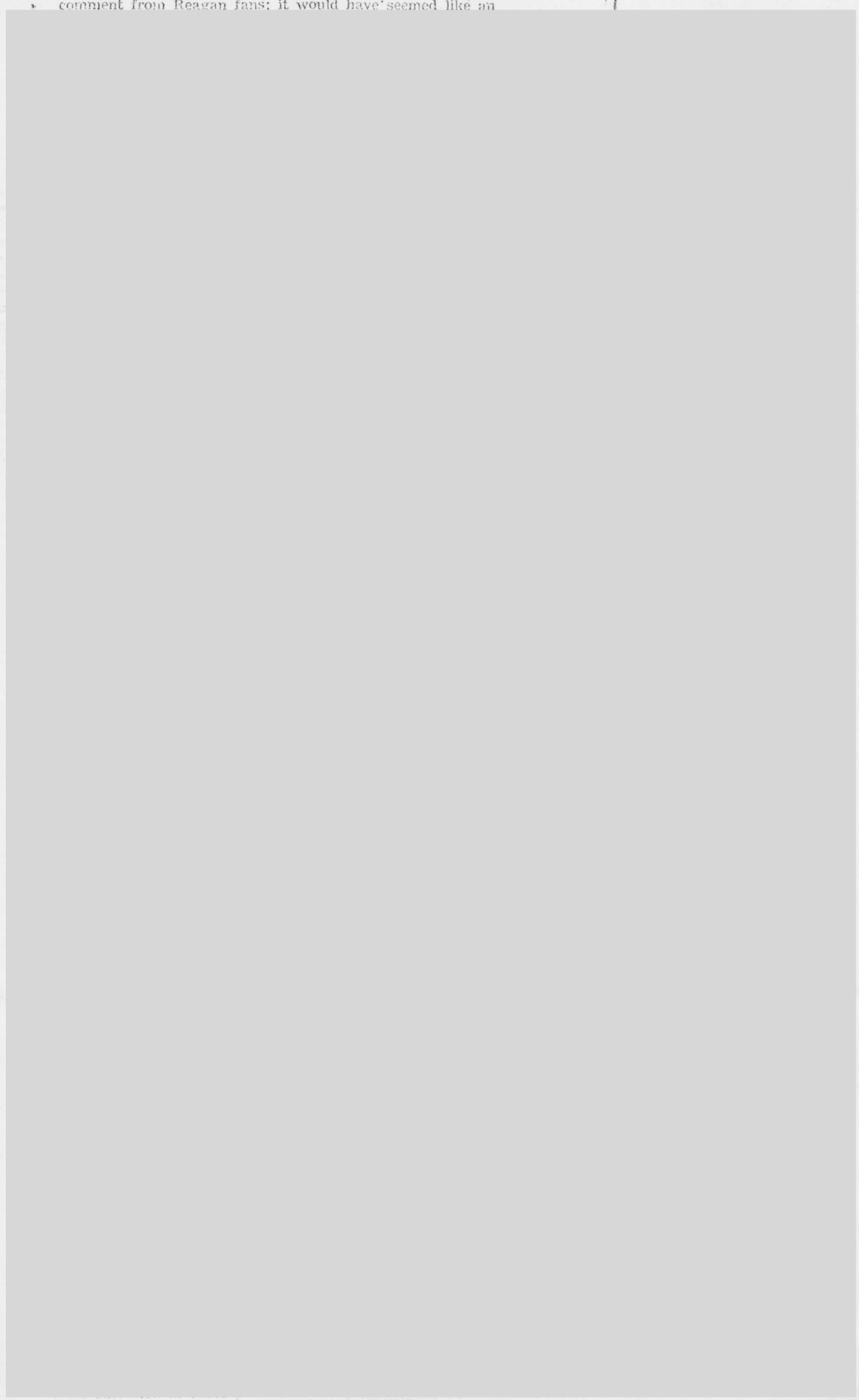
New York Post
July 27

REAGAN'S HERESY

After the word came that Ronald Reagan had chosen Sen. Richard S. Schweiker (R-Pa.) as his prospective running mate, there must have been innumerable places where faithful Reagan disciples were repeating the ancient lament of those betrayed Chicago baseball fans: "Say it ain't so, Ronnie."

Did Bill Safire telephone Bill Buckley imploring, nay demanding, an explanation? Did Barry Goldwater, whose endorsement of Gerald Ford had evoked the fury of so many ardent Goldwater believers, relish his vindication?

These are mysteries of life on the Republican Right to which I have no private access. Nor did I aggressively seek comment from Reagan fans: it would have seemed like an



John Herling

Leonard Woodcock: A Role in a Carter Administration?

Leonard Woodcock, the Auto Workers president, appears to be on the verge of another career. But before he embarks on a new endeavor, he will be one of the busiest and beset men in

into affirmative action and open support for the Carter candidacy. Woodcock laid his prestige on the Carter line and became an evangelist in his behalf in and outside his union.

a reality, both Woodcock and Meany will, as practical politicians, seek to create a form of labor solidarity in the Carter campaign.

Moreover, Meany has another motive

All this represents cumulative pressure by and on Woodcock. Reunification is out of the question until after the election, when Woodcock could reconvene the delegates of the union's

the union's Executive Board. The choice would not be an easy one. After the tragic death of Walter Reuther in a plane accident, Woodcock was elected president by the board in May, 1970, by