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President Ford Committee

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MEMORANDUM FOR DISTRIBUTION LIST

July 14, 1976

FROM: Ralph Stanley *Ralph Stanley*
Rob Quartel *Rob Quartel*

SUBJECT: Delegate Material Book

Attached for your use is a book we prepared as a summary of thoughtful editorials and talking points regarding President Ford and Ronald Reagan.

The first section is a compilation of editorials about President Ford; the second section is composed of editorial comment on Governor Reagan; the third section deals with the question of electability; the fourth section is a comparison of the candidates respective party records; and the final section deals with the issues that Governor Reagan has stressed throughout his campaign.

Enclosed on the inside of the book is an index which you should use to order any of the individual items in the future.

If we can be of any further help please feel free to call directly at 202-457-6436.



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- () 7. Barron's Magazine, May 3, 1976
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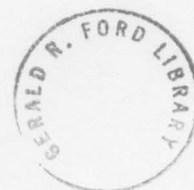
- () 1. "President Ford-A Winner in November."
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DELEGATE MATERIALS

Research Division

Contact: Rob Quartel
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The Philadelphia Inquirer, Feb. 1, '76

The economy recovers

Ford is steering a steady course

By George F. Will

WASHINGTON — Since last January President Ford has shown that he is clumsy where it matters least, as on airplane steps, and deft where it matters most, in fashioning economic policy. Ample attention has

But Mr. Ford believed that the economy's natural recuperative powers would be asserting themselves at about the time (about now) that the various stimulative programs would have begun to have all their delayed-action effects.

recuperative powers to do the work that statisticians assign to aggressive government stimulation, Mr. Ford has served the central goal of his politics. That goal is to allow the private sector to grow relative to the public sector.

THE WASHINGTON POST
Sunday, Jan. 25, 1976

Jack Anderson

Mr. Ford, Backstage

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

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

Those who know Ford intimately say he is a most considerate and compassionate person. On a visit to Los Angeles, he stayed in an upper floor of the Century Plaza hotel. During a ride downstairs to a press conference, the elevator began to malfunction, shuttling up and down. The

The Miami Herald, May 25, 196

A SEMI-SECRET REPORT

Ford's Profile in Courage

By JACK ANDERSON
United Feature Syndicate

WE have watched President Ford closely since he picked the government reins off the floor nearly 22 months ago. We have often disagreed with his policies; occasionally, we have criticized his performance. But we have detected one



courting votes — Craig in Alabama, Richards-Gebaur in Kansas, Webb in Texas and even Kincheloe in his home state of Michigan.

When Republican leaders pleaded with him to spare their pet projects, according to the confidential minutes of a May 5 meeting, the President replied bluntly: "There are definite limitations on what we can spend."

CUBANS IN AFRICA: The announcement from Angola that the new government will maintain a preferential relationship with Cuba means that the Kremlin will be calling the shots from behind the scenes.

For secret intelligence reports state flatly that the Soviets are subsidizing and directing the Cuban operations in Africa.

Jerald terHorst

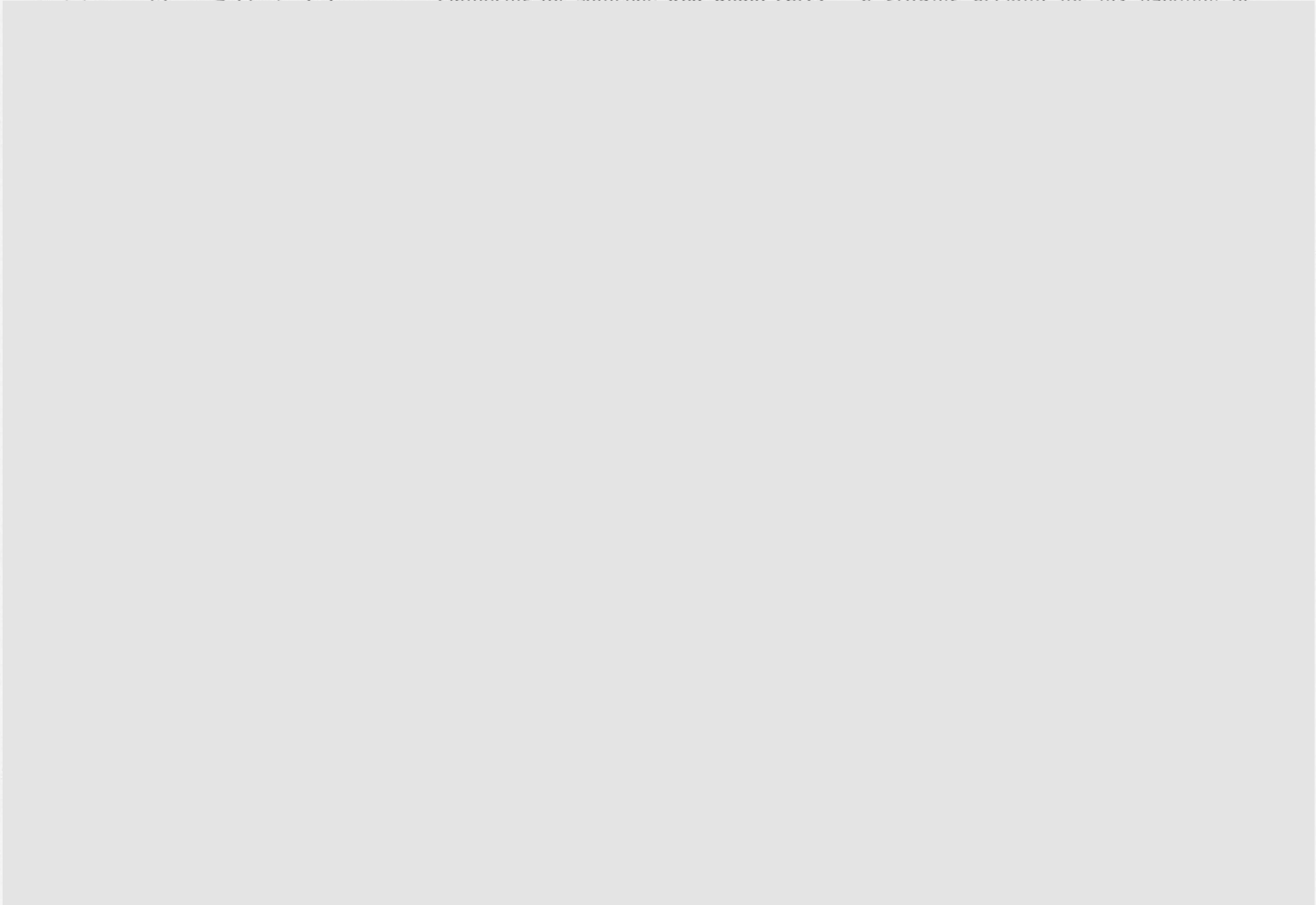
Ford acts just like a President



WASHINGTON—Remember November, whether you're a Ford critic or one of his fans.

cial interest was laying in wait for Ford's announcement of his Supreme Court nominee. Civil libertarians were clamoring for someone who would carry

ceived from Washington newspapers and elsewhere for his appointment of Stevens has been echoed, surprisingly, by a growing acclaim for his handling of



Chicago Tribune, 12/5/75

The Wall Street Journal, May 14, 76

A Word for President Ford

The very best time for citizens to influence national policy is a presidential election year in which an incumbent is seeking re-election. While you have his undivided attention, he is at his most receptive in making changes and adjustments of policy to accommodate your wishes. If he cannot or will not sufficiently adjust to the collective wish of the electorate his incumbency will end.

So almost everyone, including these columns, has been hammering on Gerald R. Ford all year. It's good

easy to forget that Mr. Ford did not weaken.

He has not been strident about it, so it is also easy to overlook the fact that he did resist a "veto-proof" Democratic Congress bent on enacting a Great Society Jr. and made all but eight of his four dozen vetoes stick. In doing so, he's offended just about every special interest group except the taxpayers.

Except for his embargo on wheat sales to the Soviets, inspired by the threats of the maritime unions, Mr.

Ford's Best Ally: Reagan

By James Reston

WASHINGTON, Jan. 6—The political exhibition season has started in the bitter cold of New Hampshire, and this may be the best thing that has happened to Gerald Ford since he fell into the Presidency.

For now the reporters are putting

The New York Times,

Jan. 7, 76

In terms of policy and administration, much of this was fair enough, but in personal terms, or so it seems here, much of the criticism was unfair and even vicious. Nevertheless, the notion was getting around—and the popularity polls reflected it—that he was an amiable bumbler, well-meaning but not up to the job, an accidental caretaker President, who would either pull out or be knocked off by Reagan or certainly defeated by the Democrats.

Maybe so, but the guess here is that these winter-book estimates are highly unreliable, and that they overestimate Mr. Reagan and underestimate Mr. Ford. Once a man begins

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EUGENE L. ROBERTS JR., Executive Editor

Tuesday, December 23, 1975

Page 6-A

Mr. Ford makes his point; taxes, spending are linked

President Ford is a bit extravagant in his claim of "100 percent victory" in his tax showdown with Congress. But this issue, as his press secretary commented, "isn't over — it is just beginning." And if Mr. Ford hasn't won the war, he has at least won a major battle.

limitations joined in the public's mind." The Journal added:

"And this is the real reason why Mr. Ford is so stubborn in insisting that the two be joined. Anything less perpetuates the Keynesian idea that there is a free lunch. The nation has now learned in New York that while you can defer taxes through borrowing for a while, you eventually have to pay with interest for all spending. But

WHO RUNS AMERICA

ANNUAL SURVEY

FROM U.S. LEADERSHIP comes a new picture of the Americans who run the country—and signs of slowly rising optimism that they are doing a better job than in the recent past.

The primary conclusions that emerge from the response of nearly 1,400 key Americans to the latest survey of national leadership by *U.S. News & World Report* are these:

- Their listing of top decision makers and institutions shows few noteworthy shifts from last year—from President Gerald R. Ford and the White House on down.

- At the same time, there is expanding belief among top Americans that the quality of national leadership is improving after several years of doubts engendered by war, Watergate and recession.

In 1975, only one sixth of those responding to the survey thought that leadership, in or out of government, showed any sign of betterment. Three fifths thought it was not only bad but getting worse.

This year, in vivid contrast, more than 43 per cent see improvement in leadership. Only one fifth view it as worse than before.

Optimism in most cases is still modest and often tentative. Yet it surfaces across the broad range of the 1976 survey.

Mr. Ford, rated the most influential American last year while still new to the Presidency, remains at the top of most lists. He won stronger endorsements than a year ago and widened his margin over Secretary of State Henry Kissinger, the runner-up.

The President also outpolled, by a wide margin, all other candidates in both parties as the choice of distinguished Americans in this year's presidential election.

Further underlining the primacy of 1600 Pennsylvania Avenue as the fulcrum of U.S. leadership, First Lady Betty Ford placed a close second behind black Congresswoman Barbara Jordan (Dem.), of Texas, in a separate poll assessing leadership qualities of women. The *Washington Post* publisher, Katharine Graham, who placed among the top 15 "influential Americans," scored third in that special poll.

While most participants continued to stress the power of the office as a factor in Mr. Ford's leadership rating, his support also drew on the belief of many that he has restored a measure of confidence in the basic decency of U.S. leadership and institutions.

A corollary to that judgment was the response to a new



Gerald Ford

"A common-sense approach to our nation's problems"



Walter Cronkite

"He is seen by millions... is trusted"



Edward Kennedy

"People look to him for idea and direction"



Nelson Rockefeller

"Only a heartbeat away" from the Presidency



Arthur Sulzberger

His newspaper "dominates the opinion-making apparatus"

question asked in the 1976 survey: What are the attributes that important Americans consider most vital to leadership?

By a large margin, across almost the entire spectrum of occupation, race and gender, survey participants passed over such heavily publicized assets as charisma, high intellect and political acumen. Instead, they singled out three homely virtues: moral integrity, courage and common sense. Michigan's Governor William G. Milliken noted:

"These are the three attributes possessed by so many of the founders of this nation. And they are what the people are longing for today."

More in this Bicentennial year than in 1974 and 1975, survey responses from the nation's top-ranking men and

Mr. Ford's Political Advantage

By James Reston

WASHINGTON, Jan. 22—The economists of various persuasions are now producing their mystifying clarifications of President Ford's State of the Union address and budget, but the politicians of both parties seem to agree that he has produced a couple of fairly effective campaign documents.

scorecard, the President has a clear edge. He has the facts about what Henry is doing in Moscow, what's going on in Angola, Syria, Lebanon and Israel. He has the speechwriters and the national television audience, and he is using them to full political advantage.

Even so, he is taking quite a gamble.

The New York Times
Jan. 23, 76

The Democrats know that, for the time being, the President has what appears to be a no-lose argument. Senator Ed Muskie of Maine was given equal time on television to answer all this for the opposition and came up with the original phrase that the President was being "penny wise and pound foolish."

The Chicago Tribune, Jan. 21, '76

Mr. Ford's New Realism

President Ford is no William Jennings Bryan and his "New Realism" was offered without the oratorical flourishes of a "New Frontier" or a "Great Society." But that was as it should be. We've been paying heavily for the grandiose liberal fantasies of recent years, and the country should at last be ready for some down-to-earth realism.

The compulsive Ford-batters are at

Mr. Ford rejected a federal make-work program for the thoroughly sensible reason that the better way to provide jobs is by giving industry the incentive to expand — and by giving middle income taxpayers a greater incentive to invest in industry.

He rejected national health insurance for the equally sound reasons that we can't afford it and that, where it has

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EUGENE L. ROBERTS JR., Executive Editor

Friday, January 23, 1976

Page 10-A

President Ford's budget: A sound, brave challenge

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

put a significant portion of the presently unproductive one-quarter of its industrial capacity back to work—and is going to provide substantial and enduring relief for its millions of unemployed citizens—it first must stabilize the national economy. For all the humane intentions of the proliferating and expensive social welfare and im-

The Wall Street Journal, April 21, 76

The Transformation of Gerald Ford

By VERMONT ROYSTER

WASHINGTON—Gerald Ford, the man who became President by historical accident, has grown accustomed to that seat of power.

Such, anyway, is the impression he leaves on anyone who remembers the Grand Rapids Congressman and self-effacing Vice President and who now visits him in the Oval Office. Whatever the route by which Gerald Ford arrived in that office, today he sits comfortably there, as if he feels now he is indeed President of the United States.

This sense of self-assurance shows in his manner and bearing, and is reflected in his conversation whether he is talking about himself, about affairs of state or matters of politics.

There are, naturally, many questions that run through a visitor's mind about this man made President by a concatenation of circumstances. How, have 20 months ago

Thinking
Things
Over

somehow decide, something not easily done and never with absolute certainty.

Mr. Ford agrees that in the abstract he knew all this before he came to office, having observed many Presidents in action. But he didn't realize the full impact of it until it descended on him. The immensity of it all, he concedes, was greater than anticipated. He leaves you with the feeling, though that he's enjoying the challenges,

where the Democrats can make much headway.

Incidentally, while he is sticking publicly to his prediction of Hubert Humphrey as the Democratic nominee, he admits that if Carter does well in Pennsylvania he will be hard to stop. In fact a visitor feels—though Mr. Ford doesn't say so—that he prefers Humphrey and is more fearful of Carter.

Anyway, in talking about the best experience for the presidency, as he sees it, he says that it is to have had a great deal of exposure to the problems of the federal government, a specification that doesn't fit Jimmy Carter. That's not an absolute requirement, he concedes readily enough, but his impression is that a person coming from the federal government knows the issues better than someone who comes, as he puts it, from a different circle.

A Presidential Assurance

But it is not so much what President

Washington State July 9

Ford – the better choice

Many years ago, the cowboy historian J. Frank Dobie tells us, a Texas railroad decided to dispose dramatically of two old locomotives. It advertised that on a summer day, on the Texas plains, the engines would head full steam for one another over several miles and let collision take its course.

Tickets were hawked; thousands came. A town with the appropriate name of Crush sprang up at the anticipated point of collision. The spectacle exceeded all expectation — but not without cost. Some souvenir hunters were hurt, others killed, when geysers of steam burst from the ruptured boilers. And Crush, Tex., after its brief moment of glory, became one with Nineveh and Tyre.

Kansas City, unlike Crush, Tex., will not van-

during the primaries on such questions as governmental restructuring, the Panama Canal and the TVA indicate as much. He has said little of note about the important domestic choices with which the next President may have to grapple — issues such as the quality of education, the availability of health care, the provision and conservation of energy, jobs and inflation.

For reasons unclear to us, Mr. Reagan's glib, often unconsidered rhetoric, charged with romantic reaction against big government and complicated foreign policies, entices the voters. Yet to many other voters — perhaps to a majority, when the chips are down — he remains outside the American political mainstream. Would he really be taken as seriously as an incumbent President who is well within it? Or would he

New York Times

June 11

DeKalb County, Ill.

By James Reston

DeKALB, Ill., June 10 — DeKalb County, Ill., is corn and Republican country. This is the home of the barbed-wire fence and hybrid corn—two inventions that revolutionized American

ing than anybody else—and they know that Mayor Daley has supported Jimmy Carter; but they have work to do, and will think about the election, they say, after the parties pick their candidates in New York and Kansas City.

The attitude of people out here, consequently, is not the same as in

The New York Times, Jun 20, 76

Let Them Find Bread

Former Gov. Ronald Reagan's plan to transfer to the state governments the bulk of existing Federal human welfare programs throws light on his brand of "conservatism." It should do much to take the ideological hokum out of currently fashionable calls for "emancipation from Washington." When asked what might happen to the poor who live in states whose lagging means and social conscience might allow former Federal

George F. Will

How to Read a Politician's Words

Washington

INTRODUCING FORMER California governor Ronald Reagan recently in Washington, New York's Republican-Conservative senator, James Buckley, described Reagan as the "Rembrandt" of American conservatism.

Perhaps Buckley, the Audubon of American conservatism (the senator is an ardent bird watcher), was moved to this flight of fancy by recalling that, once upon a time, Reagan's nickname was "Dutch." Or perhaps



THE WHITE-HOT ARDOR of some Reagan admirers suggests that they have abandoned this conservative tenet: Remain diffident about all politicians. Alas, we have to give our country to politicians. But we don't have to give our hearts.

Someday these conservatives may learn this lesson of life (formulated by Murray Kempton): "Any man who believes in a politician knows what it was to have bet on the White Sox in 1919." They can begin to learn that lesson by reading the March issue of Harper's magazine.

Harper's invited Reagan, among others, to respond to this question: "When did you stop wanting to be President?" Reagan's response begins: "I never started."

This Rembrandt who favors bold colors over pale pastels, this once and future presidential candidate, thinks America has suffered amnesia.

But America has etched on its mental retina the image of Reagan, a declared candidate at the 1968 Republican convention, fighting skillfully and tenaciously for the nomination.

★ ★ ★

REAGAN'S CHARM is what someone has called his

EDITORIAL COMMENT
REAGAN

By George F. Will

Knute Rockne for President



Skies over the winter wastes of Iowa and New Hampshire are dark with embryo statesmen, Presidential candidates flitting like swallows in search of warmth. They find it among Americans for whom Presidential politics is, like crewelwork, optional fun.

ments. He is appalled about "the upper one-fifth having 41 per cent of the income"—although surely he understands that with perfect equality the figure would be 20 per cent. He would redistribute income by soaking "the rich"—although if he counts as "rich" just those

creased while Federal civilian employees had declined. And voters had rejected his plan to limit state and local taxation by constitu-

THE POST-DISPATCH PLATFORM

I KNOW THAT MY RETIREMENT WILL MAKE NO DIFFERENCE IN ITS CARDINAL PRINCIPLES, THAT IT WILL ALWAYS FIGHT FOR PROGRESS AND REFORM, NEVER TOLERATE INJUSTICE OR CORRUPTION, ALWAYS FIGHT DEMAGOGUES OF ALL PARTIES, NEVER BELONG TO ANY PARTY, ALWAYS OPPOSE PRIVILEGED CLASSES AND PUBLIC PLUNDERERS, NEVER LACK SYMPATHY WITH THE POOR, ALWAYS REMAIN DEVOTED TO THE PUBLIC WELFARE, NEVER BE SATISFIED WITH MERELY PRINTING NEWS, ALWAYS BE DRASTICALLY INDEPENDENT, NEVER BE AFRAID TO ATTACK WRONG, WHETHER BY PREDATORY BUREAUCRACY OR PREDATORY POVERTY.

JOSEPH PULITZER

April 10, 1907

Friday, April 2, 1976

editorials

Mr. Reagan Argues His Case

The first thing we have to say about Ronald Reagan's highly polished nationally televised speech Wednesday night is that we're glad he got the opportunity to make it, that alone

Social Security. Yet the government regularly receives reports from an outside advisory panel of experts appointed by law to study the system.



Los Angeles Times

HARRISON GRAY OTIS, 1882-1917
HARRY CHANDLER, 1917-1944
NORMAN CHANDLER, 1944-1960



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—Part II

FRIDAY MORNING, APRIL 2, 1976 +

Desperate Candidate

Ronald Reagan is a desperate man in his quest of the Presidency. He paraded his desperation before a nationwide television audience Wednesday night in a 28-minute address ringing with oversimplifications that evoked unhappy memories of the troubled years immediately after World War II.

He mixed bathos with jingoism in his accusation that the United States was "wandering without

regarding Eastern Europe, Reagan accused State Department counselor Helmut Sonnenfeldt of articulating acceptance of the satellite status with what amounted to a dictum of "slaves should accept their status." For this, Reagan relied on a disputed syndicated newspaper column, and joined a controversy in which those who heard Sonnenfeldt speak can't agree on the meaning of his words.

California Politic/Ed Salzman

HOW REAGAN DESTROYED THE GOP IN CALIFORNIA

During the eight-year Sacramento reign of Ronald Wilson Reagan, the Republican party's Eleventh Commandment—"Thou shalt not speak ill of any Republican"—applied most strictly to him. Hardly any Republican of importance dared utter a heretical word against him. But now that the odds have mounted against the ex-governor's presidential campaign, a number of influential Republicans are beginning to speak out and accuse Reagan of igniting the fuses that are demolishing the Republican party in California. It may be too late; an awful lot of damage has been done to the GOP.

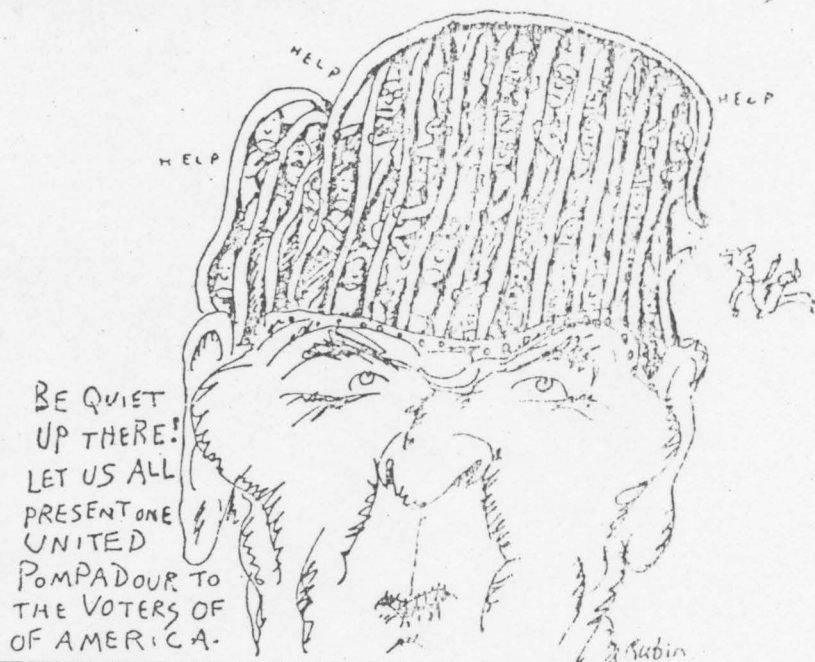
State Senator Robert S. Stevens from Los Angeles, an out-of-the-closet anti-Reagan Republican, told *New West* flatly (and for quotation): "Ronald Reagan badly ruined the Republican party in California."

Other state legislators agree. They have been barraging GOP national leaders and Eastern newspapers with telephone calls, poison-pen letters and personal visits recounting the misdeeds of Ronald Reagan that went unreported because of the conspiracy of silence.

The basic statistics are clear. In 1966, Reagan carried into office with him a full slate of Republican statewide officeholders, except for the attorney general. Today, all posts are held by Democrats, again except for the attorney general. In 1967, Democrats held only a four-seat advantage in the state's congressional delegation; now the gap has grown to thirteen seats. Through gains in the elections of 1966 and 1968, the GOP took control of both houses of the legislature by 1969. As Reagan departed, the GOP was reduced to an almost pitiful minority in both the Senate (25-15) and the Assembly (55-25).

Add to these numbers the lingering effects of Watergate (which Reagan stubbornly refused to denounce), the popularity of Jerry Brown, a diminishing percentage of registered GOP voters here, and the bitter Ford-Reagan split in the Republican party. The result: a statewide GOP organization that is in desperate shape. The question is whether Reagan should be cast as the villain and, if so, what exactly did he do wrong.

Salzman, a veteran Sacramento political writer, is the editor of California Journal magazine and a political analyst on the weekly public television program, also called California Journal.



The center of operations for the party in power automatically resides in the governor's office, because the state has a weak party machinery. Reagan went one better. Senator Stevens maintains that as Reagan concentrated party power in the State Central Committee, he allowed local grassroots operations to wither away, even though a strong network of local volunteer groups is the only way to offset Democratic registration advantages in most districts. As a result, Democrats took one local election after another. In the process, the GOP lost an Assembly seat in a traditionally Republican district, and even the GOP heartland of Orange and San Diego counties became two-party territory.

Republicans in the legislature resented the complete centralization of power in the governor's office for many reasons. For example, GOP legislators were cut out of negotiations on such crucial issues as tax and welfare reform. What Reagan wanted is what the GOP got. A Republican with the courage to attack the governor in the secrecy of a caucus meeting would be called down to Reagan's office, given a standard party unity lecture and sent back upstairs politically lobotomized. To Reagan, there was little difference between Democrats and Republicans in the legislature. Gried Stevens: "We were the enemy."

Reagan had awesome political power within his reach, but he left the exercise of power to others—like Southern Cal-

ifornia automobile dealer Holmes Tuttle, a financial backer often described as the unofficial chairman of Reagan's "kitchen cabinet," and also hirelings like Bob Walker and Mike Deaver.

As a nine-to-five governor (more a chairman of the board than a chief executive) Reagan left the management of state government to his executive assistant, Ed Meese, an extraordinary administrative talent but somewhat naïve politically. This left a political vacuum to be filled by Deaver and Walker, whom the current GOP State Chairman Paul Haerle now flaily calls "incompetents."

The exercise of power by the young, smart-alecky Deaver incensed legislators, who were largely being ignored. Upon announcing his candidacy for president this year, Reagan met with legislative Republicans to seek support. He made two mistakes. First he took along Deaver. Second, his opening remark was that the last time he had seen so many of the GOP lawmakers together was when they were trying to reapportion voting districts. He couldn't have touched a more sensitive nerve. Observed Assemblyman Bob Cline: "If you had signed the [reapportionment] bill, there would be more of us."

Following the 1970 census, the legislature was in the hands of Democrats, but Reagan got rid of every bill he didn't like. At one point, Reagan threatened to

Is Reagan

A

Democrat?

By James Reston

WASHINGTON, April 1—The charge has been made in this corner that not a single effective Democratic Party speech has been made so far in the Presidential campaign, but this will have to be amended. For Ronald

He accused President Ford of going to the Helsinki conference with the Soviets and giving away "the freedom of millions of people—freedom that was not ours to give." And on the domestic front, he implied that the economic recovery was some kind of election year mirage which would vanish after the voting was over in November.

Mr. Reagan has been complaining in this campaign about misleading statements against him, and has pledged himself to maintain party unity while fighting for the nomination, but it is hard to find anything in the Demo-

Los Angeles Times

HARRISON GRAY OTIS, 1882-1917
HARRY CHANDLER, 1917-1944
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6—Part II

WEDNESDAY MORNING, JANUARY 7, 1976

Reagan's Poor Start

The outside temperature was 23 degrees below freezing when Ronald Reagan began his formal drive for the Presidency in New Hampshire this week. But there was also a numbing chill inside the town meeting halls where the former California governor tried to explain his proposal to transfer \$90 billion in federal spending to the states.

In question-and-answer sessions with the candidate, it was clear that wary citizens of the Granite State saw the Reagan plan for what it is: a radical

ondary and vocational education, and would mean the end of preschool Head Start training and of meals to the destitute elderly.

—Reagan would cut \$13.1 billion from federal spending for commerce and transportation. That would kill all future subsidies for mass rapid transit systems, including one for the Los Angeles area. The current \$1.5 billion subsidy to the U.S. Postal Service would also end, forcing unpredictable increases in postal rates.

The Wall Street Journal, April 29, 1976

The Big Flap Over the Canal

By ROBERT KEATLEY

WASHINGTON—When it comes to Panama, Ronald Reagan knows exactly where he stands.

He stands foursquare against diplomatic talks with the government of General Omar Torrijos to revise terms by which the United States controls the Panama Canal.

"We should end those negotiations and tell the general: 'We bought it, we paid for it, we built it and we intend to keep it,'" says the Republican presidential aspirant as he tries to rouse conservative vot-

of a chunk of Panamanian territory "in perpetuity," and there has been no American violation of its clauses. Though many Panamanians ever since 1903 have thought they were swindled by that treaty, Washington could tough it out rather than agree to change.

But State Department officials and many others who have studied the problem contend that's not the objective. They see negotiations as a way to preserve U.S. interests there, not as an exercise in clinging to dated treaty provisions. Their goal is to ensure continued American operation and

a major waterway. The canal is declining in importance because many new commercial and military ships can't fit through its locks, and because trade patterns are changing.

Panamanians would be drawn during this period into management and military matters, and they would assume overall responsibility when the treaty expires. The two governments set forth general principles for such an agreement in 1974, though the talks on details move slowly. The U.S. insists the canal must be open on a non-discriminatory basis both during the life of

ELECTABILITY

June 24, 1976

I. PREFERENCE FOR THE REPUBLICAN NOMINATION among Republicans and independents

A. Harris, June 7, 1976 *

	<u>FORD</u>	<u>REAGAN</u>	
1. Total:	60%	30%	(May 76)
	51	34	(Feb 76)
	44	43	(Nov 75)
2. South:	48	40	
3. Republicans:	63	29	
4. Independents:	58	30	

II. PREFERENCE FOR THE REPUBLICAN NOMINATION among Republicans

A. New York Times/CBS News National Poll, May 28, 1976

	<u>FORD</u>	<u>REAGAN</u>
1. East:	59%	30%
2. Mid-West:	59	28
3. South:	44	39
4. West:	33	50

B. Harris, June 7, 1976

1. Total:	63	29
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* Question: "For the Republican nomination for President this year, if you had to choose between Gerald Ford and Ronald Reagan, who would be your preferred choice?"

June 24, 1976

I. PREFERENCES FOR FORD OR REAGAN ON THE ISSUES among Republicans and independents

A. Harris, June 7, 1976 *

	<u>FORD</u>	<u>REAGAN</u>
1. ELECTABILITY:		
a) Winning the election in November	53%	21%
2. LEADERSHIP:		
a) Restoring integrity to government	44	26
b) Inspiring confidence personally in the White House	44	27
3. FOREIGN AFFAIRS:		
a) Working for peace in the world	56	20
b) Keeping the country out of war	54	18
c) Handling relations with China	52	19
d) Handling Panama Question	48	27
e) Keeping military defense of country strong	38	38
4. ECONOMY:		
a) Handling federal spending	51	31
b) Handling unemployment	44	24
c) Handling big business	40	31

* Question: "Between Gerald Ford and Ronald Reagan, who do you think can do a better job on (READ LIST)?"

President Ford

"A Winner in November"

The greatest concern to all Republicans as we draw near the National Convention in Kansas City, is selecting a Presidential candidate who is most capable of leading the Party to victory against the probable Democratic nominee--Jimmy Carter.

As Republicans, we have all been listening carefully to the arguments from both campaigns. Governor Reagan has based his electibility on his supposed strength in the South and the West, and among Independent and Democratic voters.

Similarly, we have heard that President Ford runs stronger in the big Northeastern industrial states and the Midwest--where Jimmy Carter is at his weakest.

As concerned Republicans, we have to listen to every argument, because we are the ones who would feel the grass-roots effect of a Democratic sweep. So what do the non-partisan, independent pollsters have to say?

MYTH #1: Ronald Reagan will run stronger than Ford against Carter in the South.

TRUTH : President Ford has run consistently better than Reagan against Carter in the South.

	<u>Ford</u>	<u>Carter</u>	<u>Reagan</u>	<u>Carter</u>
HARRIS SURVEY May 6, 1976	38%	55%	32%	56%
N.Y. TIMES* May 28, 1976	44%	-	39%	-
HARRIS SURVEY@ June 4, 1976	48%	-	40%	-
GALLUP POLL June 21, 1976	32%	61%	30%	65%

*Taken among Republicans only

@Taken among Republicans and Independents only

MYTH #2: Reagan will dominate the West against Carter.

TRUTH : Ford runs a full 11% ahead of Carter in the West, while Reagan runs 9% behind.

In fact, the most recent Mervin D. Field California Poll shows that President Ford draws even with Carter-- and Ronald Reagan loses, in his home state, by 8%.

	<u>Ford</u>	<u>Carter</u>	<u>Reagan</u>	<u>Carter</u>
HARRIS SURVEY* May 6, 1976	50%	39%	40%	49%
FIELD SURVEY (California) June 10, 1976	40%	41%	38%	46%

*Taken in the West only

MYTH #3: Ronald Reagan is better able than President Ford to put together the coalition of Republicans, Independents, and unhappy Democrats necessary to win in November.

TRUTH : President Ford holds a 60-30% lead over Reagan among Republicans and Independents--an advantage which has built steadily over the last 9 months.

And, among Democrats, President Ford runs a full 11% stronger against Carter than does Reagan.

Republicans and Independents

<u>HARRIS SURVEY</u>	<u>Ford</u>	<u>Reagan</u>
May 76	60%	30%
Feb. 76	51%	34%
Nov. 75	44%	43%



Democrats

	<u>Ford</u>	<u>Carter</u>	<u>Reagan</u>	<u>Carter</u>
GALLUP POLL June 21, 1976	22%	71%	17%	77%

A Winner in November -- President Ford.

- ITEM: President Ford runs stronger than Reagan against Carter in every region of the country; and among college educated voters, business executives, and independents. (Harris Survey, May 6, 1976)
- ITEM: Ford runs even with Carter in the East, and beats Carter in the West. Reagan loses to Carter in every region.
- ITEM: In the Midwest, Ford beats Reagan 2 to 1 (59% to 28%). Ford's advantage here is particularly important, since the Midwest is Carter's second strongest area.
- ITEM: In the Northeast, where Republicans will have to pick up the electoral votes of states like New York, New Jersey, and Pennsylvania, Ford runs even with Carter--but Reagan loses to Carter almost 2 to 1.
- ITEM: The President has far greater electoral strength in comparison with Ronald Reagan. Reagan's primary state victories represent only 153 electoral votes. President Ford, on the other hand, has won primaries in 10 of the 13 major electoral states which represent 258 electoral votes. Needed to win in November: 270 electoral votes.

* * * *

President Ford and the Republican Party

President Ford has dedicated his political career to ensuring the success of the Republican Party. During his seven years as House Minority Leader, Gerald Ford made 511 appearances at Republican fundraisers and events across the country. He continued this activity by making 55 appearances while Vice President; and, despite opinion polls which advised to the contrary, President Ford made 24 major appearances for the Republican Party after assuming the Presidency.

10 of the living former Republican National Committee Chairmen--including Ray Bliss, Bill Miller, Sen. Bob Dole, Dean Burch, and Thruston Morton--have endorsed President Ford's candidacy.

* * * *

On the other hand, Richard Viguerie, a leading Conservative backer of Governor Reagan, and former fund raiser for George Wallace, has pledged "...to move heaven and earth..." to defeat President Ford in order to bring about the demise of the Republican Party.

"...If Reagan is not the nominee, we will do everything we can to cause Ford to lose...The public has made it very clear that it will not buy the word Republican."

* * *

In this crucial election year, Republicans need candidates who are interested as much in strengthening their Party and their Nation as they are in their own political success.

President Ford

"A Winner in November"

All Republicans must now begin to look to the November campaign against the Democratic nominee, Jimmy Carter. We must choose our candidate based not only on his ability to express our principles, but one who has the greatest chance of being elected President this fall in a race against the former Georgia governor.

Let's take a look once again at the primary elections that we have just completed. In order to judge any candidate's electability, we can use these primary results to find just where his strengths are concentrated. What regions are his best? How much depth does his support have? Below are the regional results of this years primary elections.

<u>REGION</u>	<u>FORD</u>	<u>REAGAN</u>	<u>CARTER</u>
Northeast	24%	5%	12%
Midwest	43%	37%	27%
West	18%	37%	10%
South	15%	21%	51%
	100%	100%	100%

ITEM: A full 31% of Ronald Reagan's votes came from the state of California-- and barely 5% from all the states of the Northeast.

ITEM: More than half of Jimmy Carter's votes are confined to the South-- with only 12% from the Northeast and 10% in the West.

It is a simple fact of politics that the Presidential election is won and lost on the basis of electoral votes. It takes 270 electoral votes to win in November, votes that are divided around the country as follows:

<u>REGION</u>	<u>ELECTORAL VOTES</u>	<u>REGION</u>	<u>ELECTORAL VOTES</u>
Northeast	144	Midwest	145
South	147	West	102

ITEM: If the Presidential campaign had been a Presidential election between President Ford and Ronald Reagan, the President would have already won, 294 electoral votes to 208 for Reagan. Even the states that are undecided could not change this result.

ITEM: In the states where President Ford, Jimmy Carter, and Ronald Reagan all ran in the primaries, based upon their respective popular vote totals, President Ford beats Jimmy Carter in the total electoral college vote. The President would have received 190 electoral votes to 158 for Carter--and that is only 80 votes short of the Presidency. Reagan would win only 96 electoral votes to Carter's 235-- putting Carter only 35 votes short of the White House.

ITEM: The President holds a commanding electoral lead against Carter in every region except the South, where 65% of Carter's current electoral strength is concentrated. This lead is especially significant when you consider that registered Democrats outnumber Republicans by more than a 2-1 margin.

ELECTORAL VOTE PROFILE BASED ON PRIMARY RESULTS

<u>REGION</u>	<u>FORD</u>	<u>CARTER</u>	<u>REAGAN</u>	<u>CARTER</u>
Northeast	65	14	4	58
Midwest	66	39	30	75
West	59	3	62	0
South	0	102	0	102
ELECTORAL VOTE TOTALS	190	158	96	235

MYTH OF THE WEEK

MYTH #4: In Montana recently, Ronald Reagan told the delegates that if all the delegates were divided up proportionately to each candidate's percentage, "...I would be the winner already."

TRUTH: If the vote were divided proportionately, Reagan would LOSE 4 of the delegates that he presently has -- but President Ford would GAIN 57 delegates.

	<u>FORD</u>		<u>REAGAN</u>	
	<u>Present</u>	<u>Prop.</u>	<u>Present</u>	<u>Prop.</u>
Primaries	849	906	687	683

So why does Reagan keep hawking this obvious myth?? The reason is simple -- Reagan has conveniently pushed the Northeastern states of Pennsylvania, New York and New Jersey -- which represent 85 electoral votes between them (it takes only 270 to win) -- completely out of his mind.

* * *

PRESIDENT FORD - THE WINNER IN NOVEMBER

According to a July 12 TIME Magazine poll, "...Ford remain(s) a much stronger potential candidate than Reagan, even in the Sunbelt states." And, they reported that in the West, President Ford's support was almost the same as Carter's (42% to 44%), while Reagan trailed Carter 37% to 46%. In the Midwest, President Ford led Carter 43% to 41% -- but Reagan was far behind Carter, 34% to 47%.

		<u>FORD</u>	<u>CARTER</u>	<u>REAGAN</u>	<u>CARTER</u>
In the WEST:	TIME (7/12)	42%	44%	37%	46%
	HARRIS (6/24)	45%	51%	41%	52%
In the MIDWEST:	TIME (7/12)	43%	41%	34%	47%
	HARRIS (6/24)	48%	46%	42%	51%

So what's the conclusion? It's simple. Even in Reagan's supposedly strongest areas -- he isn't. Jimmy Carter beats him everywhere, resoundly.

And President Ford? That's simple too. It will be a tough fight. But President Ford was a winner in the primaries -- and he'll win in November.

Ford Found Strong In Reagan Territory

By JAMES M. NAUGHTON

President Ford would be at least as strong a Republican Presidential nominee in the South and West as would Ronald Reagan, according to the latest national survey of voter attitudes by The New York Times and CBS News.

But the survey also showed that if the election were held today, Jimmy Carter, the apparent Democratic Presidential nominee, would swamp either Republican by a margin of about 2 to 1.

Those findings, along with others in the survey, suggested that electability—the focus of contention between Mr. Ford and Mr. Reagan in their cur-

Ford Widens Lead

Despite continued evidence that Mr. Reagan was the preferred nominee of Republicans in the West, the survey showed that Mr. Ford had substantially widened a lead in popularity among Southern Republicans in the last month, a period marked by the President's widely advertised search for an alternative to court-ordered busing as a means to desegregate public schools.

offer the second spot on a ticket to Mr. Ford, the President's associates said that it would be implausible for Mr. Ford to show any interest in being a Reagan running mate.

Much more likely was the possibility that Mr. Ford would use the question of a running mate as a gambit in the final stage of the contest for the Presidential nomination.

One curious facet of the survey was that the bulk of Republicans supported Mr. Reagan's contentions that the United States was slipping behind the Soviet in military preparedness and that détente had been more advantageous to Moscow than to Washington.

Even so, the party as a whole preferred the President over

New York Times

June 25

PARTY LEADERSHIP

ADVOCATE TALKING POINTS

President Ford As A Party Leader

President Ford has a long record of leadership among his many dedicated colleagues in the Republican Party. His record is one of life-long dedication to and hard work for the Republican Party at all levels, in all parts of the country.

This selfless record, summarized below, should be called to the attention of all Republicans.

* * * * *

ITEM In 1963, Representative Ford's Republican peers chose him to serve as Chairman of the House Republican Conference. This Conference, which serves as an organization arm to provide policy and research guidance to Republicans in the Congress, took strong, active initiatives under his leadership.

ITEM Representative Ford's Republican peers chose him for the position of House Minority Leader in 1965--the number one leadership post among Congressional Republicans. In this position, Minority Leader Ford kept his outnumbered fellow Republicans in the forefront by fostering Republican principles through a series of questioning, probing task forces--which offered alternatives to the Johnson Great Society programs.

ITEM In 1965, Republican National Committee Chairman Ray Bliss called upon Representative Ford to serve as senior Congressional Republican on the Republican Coordinating Committee--which had as its task the rebuilding and revitalization of the Republican Party after the 1964 election.

As a result of that committee's efforts, Republicans posted gains of 47 Congressional seats and 3 Senate seats, a spectacular comeback of of 34% in the halls of Congress. In addition, the GOP gained 8 Governorships, and made a net gain of 677 seats in state legislatures around the country.

ITEM Republican party leaders across the nation reaffirmed their faith in his leadership in 1968 and again in 1972 when Representative Ford served at their call as permanent Chairman of the 1968 and 1972 Republican National Conventions.

ITEM Finally, all 10 of the living former Republican National Committee Chairmen have endorsed President Ford for nomination.

ADVOCATE TALKING POINTS

Reagan and the Republican Party

Recently, Reagan has said on a number of occasions that he was able to bring together the California GOP after it had been badly split in 1964. He also claimed that he would be better able to unite the Republican Party than President Ford.

The fact that 60 former Reagan appointees and key political supporters from his California Administration have endorsed President Ford for nomination seems to belie this claim.

Why have so many former Reagan supporters from his home state turned around and endorsed President Ford? The unpleasant facts presented below--which Reagan has conveniently forgotten--should be brought to the attention of the voters before Reagan has the chance to tell them his record in California shows that he can do "good things" for the Republican Party.

* * * * *

I. The California GOP Under Reagan - 1967 to 1974

ITEM When Reagan became Governor in 1967, there were:

- 2 Republican U.S. Senators
- 17 Republican U.S. Congressmen out of a delegation of 38
- 38 Republican State Assemblymen (out of 80)
- 19 Republican State Senators (out of 40)

ITEM When Reagan left office in 1975, the Republican Party in California had LOST:

- Both U.S. Senate seats
- Two Congressional seats, despite the fact that 5 new districts were created by reapportionment; the result was a reduction of Republican strength in the delegation from almost half down to 35%.
- 13 State Assembly seats
- 4 State Senate seats

ITEM When Reagan took office in 1967, Republicans held 5 out of the 6 constitutional statewide offices in California.

ITEM When Reagan left office in 1975, Republicans held only 1 statewide constitutional office.

ITEM When Reagan took office in 1967, Republicans accounted for over 40% of the electorate of 8,340,868 voters in California.

ITEM When Reagan left office in 1975, the Republican share of the electorate had decreased by over 10%; decreased despite the fact that registered voters had increased by almost 20% to 9,928,364.

ITEM Reagan strengthened the California GOP so much that he was succeeded in the Governorship by Jerry Brown-- a Democrat.

II. California GOP Leadership - Endorsements

ITEM Over 60 former appointees or key political supporters of Reagan have turned against him and endorsed President Ford for the Republican nomination.

ITEM These supporters include such former major financial contributors as department store owner Edward Carter; oilman Henry Salvatori; businessmen Asa Call and Arch Monson, Jr.; Southern Pacific chairman Ben Biagninni; Leonard Firestone and David Packard.

ITEM And, among Reagan's former top staffers and supporters: Paul Haerle (Appointments Secretary and former Northern Chairman); Corporations Commissioner Brian Van Camp; Consumer Affairs Secretary James Kehoe; Asst. Personnel Board Secretary Nita Wentner; Washington Representative James Jenkins; Real Estate Commissioner Frank McBride; State Board of Education member Virla Krotz; Fair Employment Practices Director Peter Johnson; and Reagan's Southern California chairman in 1970, David James.

III. Reagan's Financial Aid to the GOP

ITEM Reagan made many speeches as Governor before Republican audiences. He continued to do so after leaving office-- but at \$1000-\$2500 a shot--for himself.

ITEM President Ford, while Minority Leader of the House of Representatives from 1966 - 1973 traveled to and made some 530 appearances and speeches for Republican fundraisers and gatherings across the country. In his 10 months as Vice-President, Jerry Ford made 55 major appearances for the Republican Party. And, despite the heavy demands of his Office, President Ford has made 24 fundraising trips for the Party--traveling some 18,000 miles in the process.

There is no way to count all the miles President Ford has traveled for the Party over the years, nor is it possible to arrive at exact dollars raised--But we do know that, in the last year alone, President Ford's appearances at Republican fundraisers and personal appeals through mailings have helped raise at least \$6,000,000 for Republicans nationwide.

PRESIDENT FORD

10 REASONS WHY HE SHOULD CARRY THE GOP BANNER IN NOVEMBER

1. Ford has a strong record as President.

-- Under President Ford's leadership, the U.S. is now in the full surge of economic recovery. Inflation has been cut from 12% to less than 6%. Over 1.3 million new jobs have been created since early 1975, erasing the losses of the recession.

-- Ford is the first President since Eisenhower who can campaign with America at peace.

-- President Ford is also building new faith and trust in the Presidency itself.

-- President Ford's leadership has ended a long period of turmoil and dislocation. Through continuity in the Presidency, we can sustain our economic recovery, ensure peace and restore integrity to our public institutions.

2. Ford runs ahead of Reagan on all key issues.

-- Polls consistently show that the economy is the number one concern of the American people. Among independents and Republicans, pollster Louis Harris finds that Ford is rated as better able than Reagan to handle inflation (47-26), better able to handle unemployment (44-24), and better able to control Federal spending (51-31).

-- Integrity in government is the second most important issue to voters, and here Ford beats Reagan by 44 to 26.

-- Only in some areas of foreign policy does Reagan beat Ford, and foreign policy is a distant fourth among voter concerns this year.

3. Ford runs better against Carter.

-- In every major poll by Gallup and Harris, Ford runs consistently better than Reagan against Jimmy Carter. Both Republicans are now running behind, but President Ford has a much better chance of overcoming Carter's early lead. In December of 1975, when Reagan was in the first flush of his candidacy, he was the choice of the Independents over Ford by 47 to 32 and was tied among Republicans at 45-45, Gallup, January 11, 1976. By June, the President had clearly overcome the Reagan lead and was the preferred choice over Reagan by a 60 to 30 margin among Republicans and 58-30 among Independents, Harris, June 6, 1976.

4. Ford has shown broad, national appeal; Reagan has not.

-- President Ford is the only candidate in either party who has demonstrated broad, national support. He has beaten Reagan in the Northeast (New Hampshire, Massachusetts, etc.), in the big industrial states of the North (Pennsylvania, New York, New Jersey), in the South (Florida), in the border states (Kentucky, Tennessee), in the Midwest (Michigan, Illinois), and even in the Far West (Oregon).

-- According to the New York Times/CBS New poll of May 28, 1976, Ford beats Reagan among Republicans in the South 44 to 39. Ford wins in the East 59 to 30, loses in the West 35-50 and wins in the Midwest 59 to 28.

-- With the exception of Indiana, Reagan has never demonstrated an ability to win outside the Sunbelt.

-- Overall, in the 30 state primaries this year, Ford won more votes than Reagan by a margin of 52-48.

5. Ford has a much more credible electoral strategy than Reagan.

-- Ford has a natural, strong base in the big states of the Midwest where Carter has not shown great strength. Those states represent over 140 electoral votes. Ford would also be able to draw upon traditional Republican strength in the Great Plains and Mountain states, could make inroads in the South and border states, and -- despite the claims of the Reagan campaign would have as good a crack at the West as Reagan. Because of Carter's weaknesses in the Northeast, Ford would have a better-than-even chance there.

-- Reagan, on the other hand, is a candidate whose strength is confined to the South and the West. In the South, Carter's total votes in the primaries have been higher than Reagan's by about a 3-1 margin, raising serious questions about Reagan's ability to win there.

-- Reagan's chances would clearly be improved in the West, but standing alone, the Western states are far less than needed for victory. It is also important to recognize that in California, Ford runs better against Carter than does Reagan. A Field poll conducted May 31 - June 5, 1976 shows Carter holding a slim 41-40 lead over Ford, but Carter leads Reagan 46-38.

-- To win, a Republican candidate must be able to sweep some of the bigger, most populated states. The primary states where Reagan has won have often been the ones with the fewest primary votes; altogether, Reagan's primary states represent 153 electoral votes. Ford, on the other hand, has won primaries in 10 of the 13 major electoral states which represent 258 electoral votes. Needed to win in November: 270 electoral votes.

6. Ford is better able to run against Carter's weaknesses.

-- Carter's greatest weaknesses are his lack of experience on the national and international levels and his lack of clarity on a broad range of issues.

-- In more than a quarter of a century of public life, President Ford has taken positions on thousands of issues and has many concrete programs for the future. Moreover, for those voters who want a man of experience in the most powerful office on earth -- and the number of such voters will grow as the election draws closer -- Ford represents a clear choice.

-- Reagan, on the other hand, has not been forced to deal with national and international issues in great detail, and more importantly, he has no practical experience in meeting such issues. Just as he is stronger where Carter is strong among the anti-Washington voters, he is weaker where Carter is weak. For the voter who does not like Carter because of his lack of experience and reliability, Reagan does not offer a clear choice. Only President Ford does.

7. Ford does not have Reagan's liabilities.

-- Fairly or not, if Reagan were the GOP nominee, the Democrats would use his statements on his \$90 billion plan, Social Security and the TVA to depict Reagan as an extremist. No one who has ever been successfully branded as an extremist has ever won the Presidency.

-- Fairly or not, the Democrats would use Reagan's statements on Angola, Panama and Rhodesia to brand him as a dangerous, trigger-happy candidate.

-- Fairly or not, the Democrats would seek to exploit Reagan's background as an actor.

-- Fairly or not, the Democrats would try to portray Reagan as a man who would lead the country into nuclear war. We might even see the daisy ads again.

-- Fairly or not, Democrats will try to rip holes in Reagan's record as Governor of California, arguing that he increased taxes, that his welfare program failed, etc.

-- Fairly or not, Democrats will also seek to exploit Reagan's personal tax records. For instance, a recent commentator on 60 Minutes blasted Reagan for accepting public funds to run his campaign while paying only minimal personal taxes to the Government.

8. Reagan presents the risk of another 1964.

-- In one of his most recent national surveys, May, 1976, Lou Harris found Carter beating Reagan 53-34 while holding a narrower 47-43 lead over Ford. Reagan could beat Carter only among conservatives (46-43); among all other constituencies, Reagan ran considerably behind Carter. Concluded Harris: "The pattern now being run by Reagan against Carter is highly reminiscent of that of Arizona Senator Barry Goldwater in the 1964 presidential election, when he lost by a landslide to Lyndon Johnson. This pattern thus indicates that in 1976 the electorate is highly unlikely to vote for an all-out conservative for President."

-- In 1964, the GOP lost 20% of its seats in the House, 6% of its seats in the Senate, and some 600 seats in State Legislatures.

-- A repeat of that 1964 performance in 1976, combined with retirements that have already been announced, could reduce GOP membership in the House to just over 100 Members -- the lowest ebb for the Republican Party since 1934.

-- With better than a 3-1 majority of Democrats in the House, a 2-1 lead majority in the Senate, and a Democrat in the White House, the liberal Democrats could run rough-shod over every Republican position.

-- State House losses could be even more devastating. As of today, Republicans control only a fourth of the Governors' chairs. Six GOP Governors are up this year. Can we afford another 1964 in the State Houses?

-- Who would suffer most from a debacle? In 1964, conservative Republicans suffered the greatest losses while their more liberal colleagues remained unscathed.

9. Only Ford can unite the Republican Party.

-- NBC polls indicate that the potential rate of defection to Carter among Reagan and Ford backers could be as high as 45% -- enough to devastate either Republican candidate. For a

Republican to win, it is essential to keep these voters in the fold and then reach out to Independents and Democrats dissatisfied with Carter.

-- A Reagan nomination -- representing, as it would, a repudiation of Republican leadership, could split the party so badly that it is very questionable whether the GOP could be put back together again.

-- President Ford, on the other hand, has demonstrated that he can work with Republicans of every political belief, from one end of the spectrum to the other. His allies include not only conservatives such as Senator Tower but liberals and moderates such as Senator Percy. That sort of broad appeal will be essential to a Republican victory in the fall.

10. President Ford deserves the Republican nomination.

-- Gerald Ford never sought the Presidency. He was asked to come forward at a time when his party -- and his Nation -- were in deep trouble. He has served both as well as any man could.

-- For his party, Gerald Ford has traveled from one end of the country to the other, helping other Republican candidates, raising money for State parties that were in need, and reviving Republican hopes. In the fall of 1975, even when the polls showed that his political trips were hurting his standing with the public, he went to GOP fundraisers in order to put many State parties back in the black.

-- For his country, Gerald Ford has guided us gently, but firmly, out of one of the deepest troughs in recent history. He has put the nightmares of the past behind us. He has put the economy back on an upward path. And he has kept America strong and at peace.

-- Above anyone else in either party, Gerald Ford now deserves a chance to finish the job he has set out to do.

#

Ronald Reagan presented, via the NBC network, a 30-minute political speech on the evening of March 31.

It is of note that his performance was worthy of his long career in the acting profession; however, it is disconcerting that such factual inaccuracies and simplistic conclusions could have been offered by someone who is seeking the Presidency of the United States.

In order to provide you with a more balanced understanding of the critical national and international issues which were discussed, I attach an analysis of Mr. Reagan's speech which contrasts the fact and fiction of his politically motivated remarks.

I trust that you will find this material to be of interest and use.

Attachment

BUSINGThe Reagan Rhetoric

"Nothing has created more bitterness for example than forced busing to achieve racial balance. It was born of a hope that we could increase understanding and reduce prejudice and antagonism. I'm sure we all approved of that goal. But busing has failed to achieve the goal."

Page 11, paragraph 3

The Ford Record

Candidate Reagan's statement implies that neither the President nor his Administration is either aware of this problem or concerned enough to do something about it. On the President's 12th day in office, he signed an education bill with the following provisions:

- Prohibits the use of all Federal funds (except Impact Aid) for busing activities.
- Allows the courts to terminate busing orders on a finding that the school district has and will continue to comply with the fifth and fourteenth amendments.
- Prohibits any new order to bus past the next nearest school.
- Prohibits orders to bus except at the start of an academic year.
- Prohibits busing across district lines or altering district lines unless, as a result of discriminatory actions in both school districts, the lines caused segregation.
- Provides school districts a reasonable time to develop voluntary plans before a court order can be executed.

The President has also directed the Secretary of Health, Education, and Welfare, the Attorney General, and members of the White House staff to review the ramifications of busing and to develop better methods to achieve quality education within an integrated environment for all school children.



CALIFORNIA GOVERNMENT GROWTHThe Reagan Rhetoric

"When I became Governor, I inherited a state government that was in almost the same situation as New York City. The state payroll had been growing for a dozen years at a rate of from 5 to 7,000 new employees each year. State government was spending from a million to a million and a half dollars more each day than it was taking in."

Page 7, paragraph 2

The Reagan Record

The California state budget under then Governor Reagan more than doubled, increasing from \$4.6 billion in 1967 to \$10.2 billion in 1973.

In addition, the state payroll continued to increase, from a total of 113,779 persons in 1967 to 127,929 persons in 1973.

As for the \$4 billion bonded indebtedness of California, there is little basis for comparison of the state with the current multitude of problems facing the City of New York.

CALIFORNIA STATE TAXESThe Reagan Rhetoric

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

Page 7, paragraph 3

The Reagan Record

Under Ronald Reagan, there were three huge state tax increases which totaled more than \$2 billion.

In 1967, there was an increase of \$967 million, the largest state tax hike in the nation's history. Of this, \$280 million went for a one-time deficit payment and state property tax relief. In 1971 the increase was \$488 million, with \$150 million going to property tax relief. In 1972, there was a final increase of \$682 million, with \$650 million going for property tax relief. While much of the property tax relief was short-term, the huge tax increases were permanent.

State personal income tax revenues went from \$500 million to \$2.5 billion, a 500% increase. Taxable bracket levies were increased from 7% to 11%. The range of the brackets was reduced so that taxpayers reached the highest taxable bracket more quickly and personal exemptions were reduced. Finally, after he adamantly denied that he would ever do so, then Governor Reagan agreed to a system of withholding state income taxes.

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

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

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

CALIFORNIA WELFARE REFORMThe Reagan Rhetoric

"After a few years of trying to control this runaway program (welfare) and being frustrated by bureaucrats here in California and in Washington, we turned again to a citizens' task force. The result was the most comprehensive welfare reform ever attempted.

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

Page 10, paragraph 2-3

"And, increased the grants to the truly deserving needy by an average of 43%. We also carried out a successful experiment which I believe is an answer to much of the welfare problem in the nation. We put able-bodied welfare recipients to work at useful community projects in return for their welfare grants."

Page 11, paragraph 1

The Reagan Record

One reduction of 20,000 persons was due to a correction in accounting procedures in the state's largest county, Los Angeles.

Candidate Reagan also has taken credit for a drop of 110,000 cases which in fact, had occurred before his program had gone into effect. Moreover, a reduction in unemployment in California from 7.4% in April, 1971 to 5.9% in September, 1972 had as large an effect on checking the rise of welfare cases as any other single factor.

In addition, the migratory rate of unemployed persons into California declined from 233,000 in 1967 to 44,000 in 1971, reducing potential welfare roll increases.

Rolls for welfare families increased in the eight years of Mr. Reagan's governorship from 729,357 to 1,384,400, and the cost of the program went from \$32.3 million to \$104.4 million.

With regard to increasing grants to the deserving and putting "Able-bodied welfare recipients" to work, the Reagan program never touched more than 6/10th of 1% of welfare recipients. Although the program was designed to have 59,000 participants in its first year in 35 counties, it managed only 1,100 participants in 10 counties, mostly rural farm areas.

ECONOMIC RECOVERYThe Reagan Rhetoric

"In this election season the White House is telling us a solid economic recovery is taking place. It claims a slight drop in unemployment. It says that prices aren't going up as fast, but they are still going up, and that the stock market has shown some gains. But, in fact, things seem just about as they were back in the 1972 election year. Remember, we were also coming out of a recession then. Inflation has been running at around 6%. Unemployment about 7. Remember, too, the upsurge and the optimism lasted through the election year and into 1973. And then, the roof fell in. Once again we had unemployment. Only this time not 7%, more than 10. And inflation--wasn't 6%, it was 12%."

Page 1, paragraph 3

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

Page 2, paragraph 2

The Ford Record

There are now 2.6 million more people at work today than there were just a year ago. Total employment is at its highest point in history.

Unemployment reached its peak in May, 1975 at 8.9%--not "more than 10%". March, 1976 figures show that this rate has been reduced to 7.5%, and that it continues to decline.

Prices are not going up as fast. In 1974, inflation stood at an annualized rate of 12.2%. Inflation today is down to 6.3%--cut nearly in half.

This recovery has taken place on a broad and lasting front. In addition to a decrease in both unemployment and inflation, major gains have been posted in retail sales, GNP, durable goods, housing and personal income. This Administration's statements are based on more than just the unemployment and cost-of-living statistics that candidate Reagan implies.

EDUCATIONThe Reagan Rhetoric

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

Page 11, paragraph 2

The Ford Record

The Federal government supports only 7% of the total cost of elementary and secondary education. The bulk of this support is distributed through the states to local governments to meet the specific educational needs of each community.

President Ford has recognized that "since Abraham Lincoln signed the Act creating the land grant colleges, Federal encouragement and assistance to education has been an essential part of the American system. To abandon it now would be to ignore the past and threaten the future."

The very first major piece of legislation the President signed was an omnibus education bill. It improved the distribution of Federal education funds and the administration of Federal programs.

On March 1 of this year, President Ford sent an education message to Congress which combined 24 categorical grant programs into one grant program of \$3.3 billion so that state and local school systems would have far greater flexibility in the use of these funds. This action insured continuing, appropriate Federal support for education, while minimizing the intensive rules and regulations which are unrelated to the development of quality education.

ENERGYThe Reagan Rhetoric

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

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

Page 6, paragraphs 1-2

The Ford Record

Candidate Reagan seems to have missed the whole point of having a national energy policy. Two years ago (not the three that he claims), at the time of the March, 1974 announcement of Project Independence, the United States was importing 35% of its oil--not the "insignificant" amount that Mr. Reagan seems to recall. It was for this reason that President Ford called for a comprehensive national energy policy to achieve, by 1985, national energy independence. Oil rigs did not begin shutting down after the passage of the EPCA. There were an average of 1,662 drilling rigs operating last year, the highest number in a decade. Figures for January 1976--just this week released--show that 1,710 rotary rigs were in operation one full month after passage of EPCA.

And, preliminary estimates indicate that 1976 investments by the petroleum industry in production and development activities will exceed those of 1975.

The Energy Policy and Conservation Act passed by the Congress and signed by President Ford in December ended a difficult, year-long debate between the Congress and the Administration on oil pricing policy, opening the way to an orderly phasing out of controls on domestic oil over forty months, thereby stimulating our own oil production.

By removing controls, this legislation should give industry sufficient incentive over a period of time to explore, develop and produce new fields in the outer continental shelf, Alaska, and potential new reserves in the lower forty-eight states. Removal of these controls at the end of forty months should increase domestic production by more than one million barrels per day by 1985 and reduce imports by about three million barrels per day.

More importantly, this bill enables the United States to meet a substantial portion of the mid-term goals for energy independence set forth over a year ago. Incorporated in this are authorities for:

- a strategic storage system
- conversion of oil and gas-fired utility and industrial plants to coal
- energy efficiency labeling
- emergency authorities for use in the event of another embargo
- and the authority we need to fulfill our international agreements with other oil consuming nations.

These provisions will directly reduce the nation's dependence on foreign oil by almost two million barrels per day by 1985. The strategic storage system and the stand-by authority will enable the United States to withstand a future embargo of about four million barrels per day.

The EPCA didn't give President Ford everything that he wanted, but it was a step in the right direction. Most importantly, it recognized the need and provided the means for gradual decontrol of oil.

President Ford has already put these authorities to good use-- his Administration recently announced the decontrol of heavy fuel oil, and will shortly follow suit with decontrol of other products as provided under the law.

Finally, candidate Reagan seems to have conveniently forgotten that President Ford long ago called for the decontrol of natural gas, production from national petroleum reserves, measures to stimulate more effective conservation, the development of new energy sources, and the development of more and cleaner energy from our vast coal resources.

Perhaps the question which should be asked is, "Does Mr. Reagan even have a policy?"

FEDERAL SPENDINGThe Reagan Rhetoric

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

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

Page 2, paragraphs 3-4

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

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

Page 3, paragraphs 1-2

The Ford Record

The national debt reached \$72 billion in 1942. The estimated deficit for FY '76 is \$76.9 billion. The gross Federal debt up through FY '76 is estimated at \$634 billion. Thus, the Administration's share of the national debt is 15.6%, not the 25% declared by candidate Reagan.

President Ford's economic policy has been designed to:

1. Create sustained economic recovery and growth without inflation;
2. Reach a balanced Federal budget by 1979; and,
3. Provide jobs for all who seek work.

President Ford has offered specific plans for achieving a balanced budget; but, a large part of the cause of the current recession is the result of past fiscal policies, especially rapid increases in Federal expenditures. There is no quick remedy for the problems created a decade ago.

A precipitous return to a balanced budget, as candidate Reagan would like, would fuel inflation, halt the recovery, and mean a sustained period of high unemployment.

Some 77.1% of the federal budget for FY '77 is in "uncontrollable" or "open-ended" expenditures. Approximately \$236.8 billion of this is allocated to payments to individuals. In order to achieve candidate Reagan's "balanced" budget as quickly as he suggests, we would have to terminate all of some, or part of several, of the following expenditures:

\$108.0 billion	Social Security and Railroad Retirement
38.4 billion	Medicare and Medicaid
26.0 billion	Public Assistance Programs
22.9 billion	Federal Retirement Funds
16.3 billion	Veterans Benefits

About 26 cents out of every Federal tax dollar in 1977 will go to defense (\$101.2 billion). Revenue sharing and grants to states and localities--funds returned for use at the local level--take up another 15 cents out of every Federal dollar spent. This too, leaves little room for immediate, massive Federal cuts.

In March, 1975, President Ford literally "drew the line" at a deficit of \$60 billion. To meet that goal, the President vetoed some 47 bills sent to him by the Congress--at an attempted cost savings to the American taxpayer of \$26 billion. The Congress overrode only 7 of these vetoes, but at a cost to the taxpayer of another \$13 billion added to the Federal deficit.

Thus, the estimated deficit for FY 76 will be \$76.9 billion. The largest previous yearly deficit occurred in 1943--\$54.8 billion.

Gross national debt for FY 76 is estimated to be \$634 billion--of which \$76.9 billion, or 15.6% occurred during a year in which a Ford budget was in effect.

The President's proposed budget for FY 1977 cuts the rate of growth of Federal spending in half, down to 5.5%. The estimated deficit for FY 77 is \$43 billion or \$33 billion less than the previous year and some \$26 billion less than projected expenditures had government continued to grow at the same pace as it had during the last decade.

President Ford has set a balanced budget as his goal for 1979.

ANGOLA

The Reagan Rhetoric

"We gave just enough support to one side of Angola to encourage it to fight and die but too little to give it a chance of winning."

Page 13, paragraph 2

The Ford Record

The U.S. objective in supporting the FNLA/UNITA forces in Angola was to assist them, and through them all of black Africa, to defend against a minority faction supported by Soviet arms and Cuban intervention. Despite massive Soviet aid and the presence of Cuban troops, we were on the road to success in Angola until December 19 when Congress adopted the Tunney Amendment cutting off further U.S. aid to the FNLA and UNITA. President Ford severely rebuked the Congress for that action.

CHINA

The Reagan Rhetoric

"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."

Page 13, paragraph 3

The Ford Record

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. The ending of the Vietnam conflict, and the lessening of tension in the area brought about by our new relationship with the People's Republic of China has made this drawdown possible.

ISRAEL

The Reagan Rhetoric

"Mr. Ford's new Ambassador to the United Nations attacks our long time ally Israel."

Page 13, paragraph 3

The Ford Record

Candidate Reagan has grossly distorted the facts. William Scranton did not attack Israel. His veto blocked an unbalanced Security Council Resolution critical of Israel--a resolution that every other member of the Security Council voted for. In a March 23 speech in the United Nations Security Council, Ambassador Scranton reiterated long-standing U.S. policy--a policy articulated by every Administration--and every U.S. Representative to the United Nations since 1967--on Israel's obligations as an occupying power under international law with regard to the territories under its occupation.

Far from attacking our long-time ally, Israel, President Ford's Administration seized an historic opportunity to help the area move towards a secure, just and comprehensive peace settlement. During the Spring of 1975, the President held an extensive series of meetings with important leaders in the area. A second, interim agreement was reached shortly thereafter between Israel and Egypt.

This agreement reaffirmed and strengthened the ceasefire, widened the buffer zone, and committed both sides to settle the Middle East conflict by peaceful means, refraining from use of force. For the first time in years, the Suez Canal was opened to Israel for non-military shipping.

VIETNAM

The Reagan Rhetoric

"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."

Page 13-14, paragraph 3

The Ford Record

Neither President Ford nor his Administration spokesman have said we "seek to establish friendly relations with Hanoi." Such an assertion is totally false.

The Congress, reflecting the views of the American people and the Ford Administration, has called for an accounting of our Missing in Action and the return of the bodies of dead servicemen still held by Hanoi.

The Ford Administration, in keeping with this Congressional mandate, has offered to discuss with Hanoi the significant outstanding issues between us.

CUBA

The Reagan Rhetoric

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

Page 14, paragraph 2

The Ford Record

Neither President Ford nor his representative stated -- or hinted-- at an "invasion of Cuba." Nor did the United States persuade the OAS to lift the sanctions against Cuba.

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. The U.S. did so because a majority of the OAS members had already unilaterally lifted their sanctions against Cuba, and because the resolution was supported by a majority of the organization members. Since that resolution passed, no additional Latin American country has established relations with Cuba.

The U.S. has not lifted its own sanctions against Cuba. It did not enter into any agreements with Cuba, and did not trade with Cuba. We did not engage in cultural exchanges.

The U.S. did validate a number of passports for U.S. Congressmen and their staffs, for some scholars and for some religious leaders to visit Cuba. And the U.S. issued a few select visas to Cubans to visit the U.S.

These minimal steps were taken to test whether there was a mutual interest in ending the hostile nature of our relations. This policy 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 has concluded that the Cubans are not interested in changing their ways. The U.S. has resumed its highly restrictive policies toward Cuban travel.

With regard to Cuban efforts to interfere in Puerto Rican affairs, the U.S. has made it emphatically clear in the UN and bilaterally to the Cubans and other nations that the U.S. will not tolerate any interference in its internal affairs.

Mr. Reagan's criticism is particularly interesting when compared to the following comment he made last August in a release for his weekly editorial column.

"Recent conciliatory gestures by Castro, including the return of \$2 million ransom money he had impounded in connection with a U.S. airliner hijacking, indicates that he is ready to talk turkey with the United States. Since we can accomplish both humanitarian and national objectives in the process, it's time for the Washington establishment to lift its Cuban dialogue above the level of that advertising slogan, 'Since we're neighbors, let's be friends.'"

FOREIGN AFFAIRSEASTERN EUROPEThe Reagan Rhetoric

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

Page 17, paragraph 2

The Ford Record

The Reagan statement is wholly inaccurate. It is a gross distortion of fact, to ascribe such views to Mr. Sonnenfeldt or to the Ford Administration. Not a single person in the Ford Administration has ever expressed any such belief.

The U.S. does not accept a sphere of influence of any country, anywhere, and emphatically rejects 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. Administration officials have made repeated visits to Eastern Europe, on every trip to symbolize and to make clear to these countries that the U.S. is interested in working with them and that it does not accept or act upon the exclusive dominance of any one country in that area.

At the same time, the U.S. does not want to give encouragement to an uprising that might lead to enormous suffering. The United States does not accept the dominance of any one country anywhere.

Yugoslavia was mentioned, for example. The Ford Administration would emphatically consider it a very grave matter if outside forces were to attempt to intervene in the domestic affairs of Yugoslavia. The U.S. welcomes 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 "Sonnenfeldt" doctrine.

FOREIGN AFFAIRS
THE HELSINKI PACT

The Reagan Rhetoric

"Why did the President travel halfway 'round the world to sign the Helsinki Pact, putting our stamp of approval on Russia's enslavement of the captive nations?"

We gave away the freedom of millions of people -- freedom that was not ours to give."

Page 16, paragraph 2

The Ford Record

Again, candidate Reagan has distorted the facts for emotional impact. President Ford stated clearly on July 25 that "the United States has never recognized the Soviet incorporation of Lithuania, Latvia and Estonia and is not doing so now. Our official policy of non-recognition is not affected by the results of the European Security Conference."

President Ford went to Helsinki along with the Chiefs of State or heads of government of all our Western allies and, among others, a Papal Representative, to sign a document which contains Soviet commitments to greater respect for human rights, self-determination of peoples, and expanded exchanges and communication throughout Europe. Basket three of the Act calls for a freer flow of people and ideas among all the European nations.

The Helsinki Act, for the first time, specifically provides for the possibility of peaceful change of borders when that would correspond to the wishes of the peoples concerned.

And the Helsinki document itself states that no occupation or acquisition of territory by force will be recognized as legal.

FOREIGN AFFAIRSPANAMA CANALThe Reagan Rhetoric

"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."

Page 15, paragraph 3

The Ford Record

It is not certain whether the Reagan rhetoric on the Panama Canal Zone best displays his ignorance--or his frequent distortion of the facts for political gain. What is certain is that Mr. Reagan's view that the Canal Zone is "sovereign U.S. territory every bit the same as Alaska and all the states that were carved from the Louisiana Purchase" is absolutely incorrect.

The United States did not buy the Canal Zone from Panama for \$10 million in 1903. Instead, this country bought certain rights which Panama then granted--rights to run the Canal Zone as if it were U.S. territory, subjecting Panamanians to U.S. law and police in a strip of land through the middle of their country.

Neither is the Canal Zone sovereign U.S. territory. The original treaty does not give sovereignty to the U.S. but only rights the U.S. would exercise as "if it were sovereign." The 1936 treaty refers to the Canal Zone as Panamanian territory under U.S. jurisdiction. Legal scholars have been clear on this for three-quarters of an century. Unlike children born in the United States; for example, children born in the Canal Zone are not automatically citizens of the United States.

Candidate Reagan's rhetoric aggravates an already difficult situation. In 1964, anti-American riots in the Canal area took 26 lives. Since that time, negotiations between the United States and Panama on the Canal have been pursued by three successive American Presidents. The purpose of these negotiations is to protect our national security, not diminish it.

FOREIGN AFFAIRSTHE U.S. ROLEThe Reagan Rhetoric

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

Page 16, paragraph 3

The Ford Record

Candidate Reagan's so-called quotes from Secretary Kissinger are a total and irresponsible fabrication. He has never said what Mr. Reagan attributes to him, or anything like it.

In a March 23, 1976 press conference in Dallas, Secretary Kissinger said: "I do not believe that the United States will be defeated. I do not believe that the United States is on the decline."

"I believe that the United States is essential to preserve the security of the free world and for any progress in the world that exists."

"In a period of great national difficulty, of the Viet-Nam war, of Watergate, of endless investigations, we have tried to preserve the role of the United States as that major actor. And I believe that to explain to the American people that the policy is complex, that our involvement is permanent, and that our problems are nevertheless soluble, is a sign of optimism and of confidence in the American people rather than the opposite."

GOVERNMENT GROWTH & FEDERAL TAXESThe Reagan Rhetoric

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

Page 3, paragraph 3

"They could ... correct a great unfairness that now exists in our tax system. Today, when you get a cost-of-living pay raise-- one that just keeps you even with purchasing power-- it often moves you up into a higher tax bracket. This means you pay a higher percentage in tax but you reduce your purchasing power. Last year, because of this inequity, the government took in \$7 billion in undeserved profit in the income tax alone, and this year they'll do even better."

Page 4, paragraph 2

The Ford Record

President Ford has submitted a budget for FY '77 which will curb the growth in Federal expenditures -- proposing a \$28 billion cut in existing programs, not a reduction in the proposed budget as candidate Reagan would have the public believe. The President has called for this spending cut to be tied to a tax cut which would return to a family of four earning \$15,000 a year approximately \$227 more in take-home pay -- and which would give businesses some incentive to create jobs.

The President's tax proposals for individuals have several key features:

- an increase in the personal exemption from \$750 to \$1000.
- substitution of a single standard deduction-- \$2,500 for married couples filing jointly and \$1,300 for single taxpayers -- for the existing low income allowance and percentage standard deduction.
- a reduction in individual income tax rates.

President Ford's proposals to increase the inheritance tax exemption from \$60,000 to \$150,000, and his proposal to stretch out the Federal estate tax payment period for farms and small businesses, will help to keep farms and small business in the family after years of hard work.

And, to help businessmen create jobs, the President has proposed:

- permanent reductions in corporate income taxes;
- a permanent increase in the investment tax credit;
- accelerated depreciation for construction of plants and equipment in high unemployment areas;
- broadened incentives to encourage stock ownership by low and middle income working Americans.

The President's budget and tax measures have already meant more jobs for American workers, the slashing of inflation, and the growth of real take-home pay. His effort to curb the growth of government -- and to return control to the individual -- has already, and will continue to return dollars to the American worker.

NATIONAL DEFENSEThe Reagan Rhetoric

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

Page 16, paragraph 1

The Ford Record

In January of this year, President Ford submitted to Congress the largest peacetime budget for the Department of Defense in the history of the United States--\$112 billion, \$700 million. He has assured the American people that "the United States is going to be number one, as it is, in our national security" as long as he is President.

Candidate Reagan conveniently neglects to mention that our strategic forces are superior to the Soviets'. The United States holds numerous advantages over the Soviet Union, including the following:

- Our missile warheads have tripled and we lead the Soviets in missile warheads by more than two-to-one.
- Our missiles are twice as accurate and more survivable.
- We have a three-to-one lead in the number of strategic bombers.
- We are proceeding with the development and production of the world's most modern strategic bomber, the B-1.
- We are developing the world's most modern and lethal missile launching submarine, the Trident.
- We are developing a new large ICBM.

National defense is more than a numbers game, and candidate Reagan's rhetoric indicates a disturbingly shallow grasp of what true balance is all about. It is absolutely meaningless to say the Soviet Army is twice the size of the U.S. Army when one considers that one million of their troops are deployed on the Chinese border.

Candidate Reagan also ignores that we are at the head of a great Alliance system in Europe, and we are firmly tied to the strongest economic power in Asia.

President Ford is the one responsible for reversing the recent trend of shrinking defense budgets in which a Democratic Congress has made \$37 billion in cuts during the past seven years.

Mr. Reagan's short-sighted, politically motivated statements that proclaim that our nation is "in danger" are both factually irresponsible and potentially damaging to this country. They alarm our people, confuse our allies, and invite our adversaries to seek new foreign adventures.

SOCIAL SECURITYThe Reagan Rhetoric

"Now, let's look at Social Security. Mr. Ford says he wants to 'preserve the integrity of Social Security.' Well, I differ with him on one word. I would like to restore the integrity of Social Security. Those who depend on it see a continual reduction in their standards of living. Inflation strips the increase in their benefits. The maximum benefit today buys 80 fewer loaves of bread than it did when that maximum payment was only \$85 a month. In the meantime, the Social Security payroll tax has become the most unfair tax any worker pays. Women are discriminated against. Particularly, working wives. And, people who reach Social Security age and want to continue working, should be allowed to do so and without losing their benefits. I believe a Presidential commission of experts should be appointed to study and present a plan to strengthen and improve Social Security while there's still time--so that no person who has contributed to Social Security will ever lose a dime."

Page 4, paragraph 3

The Ford Record

The statement that the "maximum benefit today buys 80 fewer loaves than it did when the maximum benefit was only \$85 a month" implies that the purchasing power of Social Security payments has declined substantially. In fact, the average benefit has almost tripled in terms of the amount it can buy from that time in 1940 when the benefit was \$85.

It was President Ford who first recognized inflation as the single greatest threat to the quality of life for older Americans. As a result, his budget request to Congress for fiscal year 1977 included a full cost-of-living increase in Social Security benefits in order to maintain the purchasing power of 32 million older Americans.

Rather than add to government bureaucracy a "Presidential commission of experts" to re-study the complex problem, as candidate Reagan suggests, the President has taken immediate action by requesting legislation to maintain the fiscal integrity of the Social Security Trust Fund. President Ford has proposed an increase in payroll taxes of three tenths of one per cent for both employers and employees so that future Social Security payments will not exceed revenues.

And, beyond merely strengthening the Social Security system, and fighting inflation, President Ford has proposed coverage of catastrophic illness--with a ceiling of \$750 on medical expenditures.