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THE WHITE HOUSE
WASHINGTON

Dick Cheney

~~THE~~ PRESIDENT HAS SEEN.....

January 21, 1976

Dick —

IMPORTANT MEMORANDUM FROM PETER KAYE.. PK.....

I thought you'd all like to know how the other half lives.



The Political Animal

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THE BODY POLITIC: Behind the Reagan Campaign/A special report by the Political Animal's Washington correspondent

What emerges from the opening weeks of Ronald Reagan's Presidential campaign is that the former California governor has failed to make the transition from banquet orator to serious Presidential candidate. Reagan must share part of the blame, owing to his procrastination and indecisiveness during 1974 and much of 1975. His own preoccupation with the lucrative speaking circuit, radio shows and columns - reinforced by the interest of his former Sacramento staffers, Mike Deaver and Peter Hannaford - froze out many important political contacts. These VIPs included both key Californians, like GOP State Chairman Paul Haerle, a former Reagan aide, and the renowned F. Clifton White, who engineered Barry Goldwater's 1964 nomination and served as Reagan's adviser in a short lived try for the 1968 Presidential nomination. Both Haerle and White, like many other political leaders and fund raisers associated with past RR campaigns, felt increasingly isolated, and eventually emerged in the Ford camp. (Once asked why he turned down a consulting role for a 1976 Reagan Presidential campaign, White answered simply, "I was never asked.")

Into the void stepped John Sears, a bright and shrewd Eastern lawyer who was a Nixon delegate hunter in 1968. Sears, a smooth political operative, had a reputation for honesty and competence among much of the Washington press corps. Sears' considerable analytical ability and strategic game playing were matched only by his conviction early in 1975 that RR would run for President. Sears was rewarded for his patience when he became chief executive of the campaign, with veteran RR staffer (and 1966 campaign press secretary) Franklyn (Lyn) Nofziger relegated primarily to press, and Deaver and Hannaford, with at first undefined roles, later focused, respectively, on scheduling and research/writing.

Sears already had one staunch ally in the Reagan entourage-conservative ideologue Jeff Bell, former political operative with the American Conservative Union who signed on with RR near the end of his administration to work on federal-state relations. Bell followed RR from Sacramento, worked briefly at the Deaver/Hanaford/Reagan bunker in Westwood, and then dropped from sight only to surface in Washington again as research director of the campaign apparatus headed by Sears.

After leaving L.A., Bell used his free time to construct the now notorious \$90 billion federal tax cut idea. Steeped in ideological rhetoric, the program was full of loopholes, no surprise since Bell's strong points are politics and history, not economics. The Bell plan itself is full of "Golderwaterisms" - ominous implications for people on social security, middle income taxpayers, etc. Moreover, some of its subtleties, while economically sound, are politically absurd, such as using some of the budget savings to retire part of the national debt.

Bell now tells associates and friendly columnists that he checked the plan with all senior RR advisers, as well as economists sympathetic to RR.

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Although some RR intimates were all too ready to desert Bell's sinking ship when the plan was attacked, the fact is they signed off on Bell's impetuous proposals. Although there was some news and credibility benefit to be gained from taking the initiative with a novel economic proposal, the risk clearly outweighed any possible gain, especially since RR was not even a declared candidate when he enunciated the Bell plan in a Chicago speech. But even then RR's non-campaign was already experiencing the growing pains that continue to plague it, complicated by the geographical axis (Deaver & Hannaford in L.A., Sears and associates in D.C.). Actually, the dual power bases continue, without the geographical refinement, with press aide Nofziger, like the man without a country, caught in the middle. Nofziger was never close to Deaver and Hannaford; his style differs markedly from the low key Sears.

Versions vary greatly as to whether economists like Milton Friedman of the University of Chicago or Roger Freeman of Stanford University's Hoover Institution really endorsed the Bell plan. It is known that one reason for recruiting Stanford's Martin Anderson, a former Nixon campaign and White House economist in residence, was to try to salvage the Bell plan. Anderson, who first rose to fame in 1964 with his book, The Federal Bulldozer, the definitive classic analyzing the nation's disastrous federal urban renewal policies, was known, like current White House economic adviser Alan Greenspan, as a devotee of objectivist Ayn Rand. What is significant is that Anderson is doing now for RR what should have been done during the latter half of 1975 - defining issues, preparing research, position papers, briefing the prospective Presidential candidate.

The Political Animal has identified these problem areas in the Reagan campaign:

1. Candidate's briefing. RR has been insufficiently briefed, in general or on a daily basis; he has not developed viable positions supported by evidence. He has been inconsistent. The result has been that RR has been unprepared for press queries, illustrated dramatically at his November news conference announcing his candidacy, at which he flubbed several major, easily anticipated questions. RR did not have this problem in his 1966 (Spencer-Roberts managed) gubernatorial campaign.

2. Press. Sears does not run a tight ship, and one result is that practically everyone in the campaign except the receptionist and mailroom staff, is talking to the press. This not only undercuts Nofziger, the presumed spokesman, but the campaign itself. Unless Sears steps in quickly, supported by RR, and disciplines the campaign staff, including regional directors and local chairmen, further inconsistencies, contradictions and embarrassing stories will continue and escalate. Staff infighting is already public, reminiscent of the disastrous McGovern '72 campaign.

3. Finance. News reports that the Reagan campaign is raising more funds than Ford are misleading: 1) Ford's campaign is so poorly run that the comparison was bound to be favorable. 2) Most of RR's funds are raised through the mails, and the ratio of net money (after expenses) to gross contributions is not nearly so good as it might be. Sears defends the campaign's direct mail consultant Bruce Eberle, just as he defends Jeff Bell, prompting one observer to suggest that "John, because he felt he was screwed in the Nixon campaign (1968) doesn't want to screw anyone now." Nevertheless, the Reagan direct mail packages are unimaginative, and one expert says that the lists which have been used should have produced more revenue. 3) The Reagan campaign operation has no real finance committee

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nor has it secured (to date) an experienced, full-time, paid staff pro to oversee all fund raising.

4. Direction and Administration. While Sears has credibility and integrity he is considered an increasingly weak administrator. One RR staffer said, "John is too nice a guy for this job." Sears will have to toughen up in the weeks ahead, especially if he is to keep the precarious power structure (Deaver/Hannaford vs. Nofziger vs. Sears/Washington staff) from evaporating in rivalry. Moreover, the campaign staff finally numbers more than the contingent of Secret Service agents assigned to RR and is likely to grow if Sears reorganizes the fund raising efforts to produce more. Additional staffers will increase the problems of coordination and interaction with the candidate (RR was overscheduled in New Hampshire, perhaps contributing to his verbal flaps; the policy, intended to underscore Reagan's seriousness and dispel notions that he cannot campaign intensively, thereby backfired).

On the plus side, the Reagan campaign scored a major coup by signing Ruth Jones to map the former governor's media "buys." Miss Jones is considered by many informed political analysts to be the preeminent TV spot buyer for candidates in the nation. Reagan is her fifth Presidential candidate since H.R. Haldeman recruited her for the 1960 campaign of Richard M. Nixon. (She worked for Sen. Edmund Muskie's campaign in 1972.) The expertise of Miss Jones, in the view of one observer, is enough to stretch a candidate's TV buying power by 50% or more.

RR's staff is a hybrid group of ex-Nixon aides and a large cadre from the nation's conservative ranks, notably the American Conservative Union and Young Americans for Freedom. Direct mail consultant Eberle was a long time YAF activist. Legal counsel Loren Smith, who as a junior lawyer worked in the Executive Office Building on Nixon's Watergate defense, was a YAF leader in Illinois. RR Youth Director Roger Stone was a scheduling aide in CREEP. Ken Rietz, who helps the campaign with special events and some advance work, headed the youth operation for CREEP; he is now trying to put together the Reagan California campaign. Once in line to be Republican National Chairman, Rietz is also interested in the campaign's advertising account. Because of past "dirty trick" allegations leveled against Rietz, his involvement in RR's campaign has been attacked, some think unfairly, in Jack Anderson's syndicated column. Nofziger's personal connection with RR, dating back to 1966, predates his CREEP experience as Nixon's California point man in 1972. Southern regional director for RR is David Keene, one-time political aide to Sen. James Buckley (Cons.-R., N.Y.), and before that aide to ex-Vice President Spiro Agnew. Keene worries about the key Florida primary on March 9. Charles Black took leave of absence from Sen. Jesse Helm's staff (R.-North Carolina) to direct the Midwest region, which includes the critical Illinois primary on March 16 which political pundit Kevin ("The Emerging Republican Majority") Phillips thinks may cause either Ford or Reagan to drop out of the race.

RR's organizational effort is uneven from state to state. The New Hampshire operation is impressive. The efforts in Illinois, Wisconsin and other states leave much to be desired. RR is aided in North Carolina by the fact that his state chairman, Sen. Helms, has virtually turned over his statewide organization and lists to the Reagan campaign. However, the Illinois chairman, Rep. Philip Crane, from Chicago's affluent North Shore, has no such statewide organizational following or lists.



INTER-OFFICE COMMUNICATION

To Stu Spencer Date January 21, 1976
From: Keith McNamara

For your information.

SEND TO CHANEY

Fifth District GOP Is Holding Off On Endorsing Ford

To Wait At Least Until N.H. Vote; Latta Says President In Trouble With Farmers And Conservatives

By TOM REYNERS
Blade Staff Writer

Party leaders in the Fifth Congressional District, traditionally regarded as the most Republican of the state's 23 districts, will withhold an endorsement of President Ford until after the Feb. 24 New Hampshire primary — and perhaps longer.

U.S. Rep. Delbert L. Latta (R., Bowling Green), a close friend of the President, said Mr. Ford is in trouble with conservatives and farmers in the Fifth District. He said that he cannot rule out the possibility of an endorsement of Ronald Reagan by the district's GOP leadership.

In an interview, Mr. Latta, whose district embraces all of nine counties and parts of three, including southwestern Lucas County — said that the district's GOP leaders "have adopted a wait-and-see attitude."

'We Are Waiting'

Leading Republicans in the district will await the first test of strength between Mr. Ford and the former California governor in New Hampshire's primary and may delay a decision on whom to back until after Florida's March 9 primary, the congressman said.

The 12 GOP county chairmen and Mr. Latta eventually will decide who will be delegates, and which presidential candidates they will back, the congressman said.

"We are waiting to see what happens. The same thing is happening all over Ohio and around the country," he said in a reference to doubts about President Ford.

Mr. Latta disclosed that members of Congress have been urged by White House liaison representatives to line up with the President by announcing they will be Ford delegates to the national convention. But to date, Mr. Latta said, none of Ohio's 15 GOP congressman has committed himself.

"I haven't made a decision myself," Mr. Latta confessed. "I am going to wait and see what happens if Jerry loses New Hampshire and Florida, and if he does, whether he withdraws from the race."

It was with regret that Mr. Latta reported that President Ford is in trouble in the Republican Fifth District.

Needs Earl Butz

"We have a lot of conservatives in northwestern Ohio," the congressman noted, "and as I get around my district I find a lot of people are for Reagan. Ford has to turn around the farm vote if he is to win. If he doesn't reclaim the farm vote he can't win — and the only guy who can do it for

him is Earl Butz (secretary of agriculture), and even he will have trouble doing it."

The temporary presidential embargo on grain exports alienated farmers, Mr. Latta said, because it depressed prices. "It was a tremendous mistake."

He said other voters in his district "mention Ford's indecisiveness, his reversing his stand — like on helping New York City."

Shortly before the present congressional recess began, Mr. Latta tarried after a White House conference for a private word with his old congressional colleague. He said he drew President Ford aside and bluntly warned him he was in trouble with respect to the farm vote and that dropping Mr. Butz from the cabinet would be fatal to the Ford political future.

An uncompromising conservative, Mr. Latta said the decision of Vice President Rockefeller, a moderate, to step aside as a vice presidential running-mate was a blow to the Ford campaign.

"Rockefeller is a very able guy," Mr. Latta commented. "He appeals to the more liberal part of the population, and we have to have some liberal support to elect a president. Rockefeller's withdrawal without question hurt the President. We have to have liberal support. We can't have two conservatives on the ticket."

'Tremendous Advantage'

Over the years Mr. Latta had Congressman Ford into the Fifth District as a speaker several times.

"Hopefully President Ford will be able to turn things around; he has a tremendous advantage in being President. The prospects of electing Ford are better than electing Reagan. Jerry is a friend of mine, so I hope he will be elected. But, he is getting bad advice from those around him.

Mr. Latta's sprawling district includes Waterville, Springfield, Harding, and Monclova townships in Lucas County; all of Wood County except part of the city of Fostoria and all of Seneca County except part of the city of Fostoria and the townships of Big Springs and Seneca. Also it includes all of Defiance, Fulton, Henry, Ottawa, Paulding, Putnam, Sandusky, Van Wert, and Williams counties.