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THE WHITE HOUSE
WASHINGTON

Jim Connor

Excellent
Keep the tape &
give me copies of the
rest.

[7/7/76]

THE WHITE HOUSE
WASHINGTON

July 7, 1976

MR PRESIDENT:

Congressman Ashbrook's Allegations

You asked for the facts concerning the attached remarks made by Congressman Ashbrook. Paul O'Neill's analysis is as follows:

ASSERTION: "Take welfare; the bureaucrats in Washington have conned him into backing a program that would add 20 million additional Americans to a welfare system that has additional Americans to a welfare system that has already failed for 12 million."

FACT: The President does not support a guaranteed annual income without work. He does support a major reform of the welfare system and its related programs. And he does more than talk about it. He has submitted reform legislation to this Congress dealing with food stamps, medicaid and school lunch subsidies. These reforms would save the taxpayer over \$2 billion next year."

ASSERTION: "By the time his (Gov. Reagan's) reforms had been implemented, California had reduced its welfare burden by 360,000."

FACT: When Gov. Reagan took office (FY 67-68) the total number of persons in California on AFDC was 785,099. When he left office (FY 74-75) 1,319,756 Californians were receiving AFDC benefits -- a 68% increase during his two terms in office.

The highpoint of the AFDC caseload in California was reached during the fifth year of Gov. Reagan's term FY 71-72; 1,524,466.

In addition to the above OMB supplied a year-by-year report on Public Welfare in California, as well as two additional assertion/fact statements you may find interesting. These are attached at TAB A.

Jim Connor

Transcript of Reagan Commercial By
Congressman John Ashbrook - used in Ohio

Reagan Commercial THE PRESIDENT HAS SEEN....

"This is Congressman John Ashbrook.

I served with Jerry Ford for 13 years in the Congress.

You couldn't ask for a nicer man or a more hard-working
house minority leader. But the presidency is different.

After nearly two years of the Ford Presidency, I've reluctantly
concluded that Jerry Ford will never master this enormous job.

He has all the goodwill in the world, but sometimes that's his
downfall. Take welfare; the bureaucrats in Washington have conned
him into back~~ing~~ a program that would guarantee every American an
income without work, and would add 20 million additional Americans
to a welfare system that has already failed for 12 million.

That's Washington's idea of a solution to the Welfare Crisis
but it's not mine. It's not governor Reagan's either.

By the time his reforms had been implemented, California
had reduced its welfare burden by 360,000. That's one reason
I'm voting for Governor Ronald Reagan in this Tuesday's Ohio
Republican Primary.

Paid For By Citizens For Reagan."

also on enclosed tape

Table 4

Growth in Welfare Caseload

Year	Adults (Persons)	A F D C			Av. Children Per Family	AFDC Foster Care Children (Persons)
		Families	Total Person Count	No. of Children		
1964-65	342,418	126,643	516,607	382,595	3.021	18,760
1965-66	368,551	146,908	602,664	445,447	3.032	20,839
1966-67	395,722	174,891	712,618	523,515	2.993	23,684
<u>1967-68</u>	422,023	197,352	785,099	572,250	2.899	26,557
1968-69	449,917	237,879	913,219	657,650	2.764	29,181
1969-70	489,660	309,226	1,141,086	808,570	2.615	31,741
1970-71	519,283	421,799	1,512,388	1,052,377	2.495	34,020
1971-72	521,316	442,817	1,524,466	1,061,212	2.396	33,340
1972-73	514,307	429,128	1,430,878	991,138	2.309	31,299
1973-74	531,247	406,405	1,319,756	914,468	2.250	31,291
<u>1974-75</u>	592,977	422,562	1,376,361	927,085	2.194	30,385
1975-76 Est.	665,900	447,100	1,407,100	964,395	2.157	29,300
Change from 1964-65 to 1975-76						
Amount	+323,482	+320,457	+890,493	+581,800	-.864	+10,540
Percent	+94.5%	+253%	+172.4%	+152.1%	-28.6%	+56.2%

Sources: "Public Welfare in California", annual publication of the Department of Benefit Payments for fiscal years 1964-65 to 1973-74.
1976-77 Governor's Budget for 1974-75 and 1975-76.

REAGAN STATEMENT:

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

Reagan went on to say:

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

FACT:

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

Number of State employees in man years:

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

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

REAGAN STATEMENT:

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

Reagan went on to say:

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

FACT:

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

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

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

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ASSERTION: "Take welfare; the bureaucrats in Washington have conned him into backing a program that would add 20 million additional Americans to a welfare system that has additional Americans to a welfare system that has already failed for 12 million."

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The highpoint of the AFDC caseload in California was reached during the fifth year of Gov. Reagan's term FY 71-72; 1,524,466.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Date:

Jul 7 - 1976

TO: Terry O'Donnell

FROM: Deputy Director

In response to your note, I've also attached year-by-year basic facts for your information and 2 additional assertion/fact statements you may find interesting.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 7 - 1976

MEMORANDUM FOR TERRY O'DONNELL

FROM: PAUL H. O'NEILL

O'Neill

SUBJECT: Ashbrook Allegations (ur inquiry of 7/3/76)

ASSERTION: "Take welfare; the bureaucrats in Washington have conned him into backing a program that would add 20 million additional Americans to a welfare system that has already failed for 12 million."

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THE WHITE HOUSE
WASHINGTON

July 3, 1976

MEMORANDUM FOR: MR. PAUL O'NEILL
FROM: TERRY O'DONNELL
SUBJECT: John Ashbrook - Welfare Allegations

Paul, the President asked for the facts on the attached.

ITEM TRANSFER REFERENCE FORM

The item described below has been removed.

New File Location: audiovisual collection

Document Description: one 60 minute cassette tape of Congressman
Ashbrook making an endorsement of Ronald Reagan

Old File Location: z Presidential Handwriting File, 7/7/76---7/8/76
cover note Ford to Connor dated 7/7/76

By PLConway Date 7/29/80

NLFP - 11/4/77