The original documents are located in Box 117, folder "Campaign" of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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CAMPAIGN REFORM

SUBJECT:

According to Associated Press, a White House source has said that the Campaign Reform bill faces a veto threat. President Ford, according to AP, opposes government subsidies for Presidential primaries, Treasury funding of national party conventions, limits on campaign contributions, and a ceiling on spending by House candidates.

AP also said that President Ford regarded the \$5,000 limit on contributions by organizations as working to the advantage of Democrats who receive donations from labor. He also feels that the \$60,000 ceiling on outlays by House hopefuls was so low that it would perpetuate the advantage of incumbents over challengers, making it almost impossible for Republicans to gain control of the House.

Is the story by AP on President Ford's position on Campaign Reform accurate? If not, what is the President's position on Campaign Reform?

GUIDANCE: President Ford has said that he is adamently opposed to the public financing of political campaigns, except for the \$1 tax check-off fund. I believe the President has also said that the pending conference bill would favor incumbents because of the limit on spending by Congressional candidates. We will continue to work with the conferees to get a bill that is acceptable to the President and that he can sign.

How can the President be opposed to public financing of campaigns, but not oppose the \$1 tax check-off?

GUIDANCE: With the \$1 tax check-off, each individual taxpayer can make the decision whether he wants to contribute to a political campaign or not. This is his individual choice. However, if money is taken directly from the Treasury, then all taxpayers are contributing to political campaigns whether they want to or not.

(More)

SUBJECT:

If the \$1 tax check-off would generate sufficient funds to finance Congressional campaigns, would the President allow these funds to be used for Congressional campaigns?

GUIDANCE: The President would oppose the use of the \$1 tax check-off for Congressional campaigns.

- 2 -

Why would the President favor the \$1 tax check-off for Presidential campaigns, but not for Congressional campaigns?

GUIDANCE: The President is not against the \$1 check-off for Presidential campaigns because the President is elected by all of the people, and this is a nationwide office. The President does not feel it is right for a person to contribute \$1 to a political campaign on his tax return and have that dollar used in a Congressional race perhaps 3,000 miles away. Obviously, a Congressional candidate is not elected by all of the people.

Is the President opposed to using the \$1 check-off to finance Presidential primaries and conventions?

GUIDANCE: Yes, the President is opposed to the use of the \$1 tax check-off for these purposes.

Why didn't the President include Campaign Reform in his September 12th message to Congress which outlined the priority legislation he wanted passed this session?

GUIDANCE: The President recognized that there were only four weeks left in the legislative year when that message was sent up, and the President had to pick and choose those bills which he felt would do the most good for the greater number of people. One must realize that even if campaign reform was passed in September it would have no effect whatsoever on the November elections.

October 2, 1974

CAMPAIGN REFORM

SUBJECT:

House and Senate conferees have agreed on the basic provisions for a new election reform law, dropping a proposal to finance Congressional campaigns from the public Treasury. The bill does not provide funds for public financing of Congressional races.

Have the conferees removed the major provisions which President Ford objected to, and will he now sign the election reform bill?

.

GUIDANCE: Tho the conferees have removed many of the major obstacles in the bill, the President is very concerned and opposed to taxpayers financing public campaigns. The President goes along with the \$1 tax check-off fund. However, as I understand it, the pending legislation provides that if sufficient funds are not raised by the \$1 tax check-off, then the Treasury would make up the difference. This causes considerable concern to the President and he is looking at this very closely.

Does this mean the President will veto the bill?

GUIDANCE: No final decision has been made, and the President is looking at this provision whereby taxpayers would finance the campaigns very closely.

How can the President be opposed to public financing of campaigns, but not opposed to the \$1 check-off?

GUIDANCE: With the \$1 tax check-off, each individual taxpayer can make the decision whether he wants to contribute to a political campaign or not. This is his individual choice. However, if money is taken directly from the Treasury, then all taxpayers are contributing to political campaigns whether they want to or not.

Are there any other provisions which concern the President?

GUIDANCE: The President is also opposed to using taxpayers' money to finance Presidential conventions, and it is my understanding that there is such a provision in the bill. The President is looking at this with concern.

October 3, 1974

SUBJECT:

CAMPAIGN REFORM

House and Senate conferees have agreed on the basic provisions for a new election reform law, dropping a proposal to finance Congressional campaigns from the public Treasury. The bill does not provide funds for public financing of Congressional races.

Have the conferees removed the major provisions which President Ford objected to, and will he now sign the election reform bill?

GUIDANCE: The conferees have removed many of the President's major objections. However, it is my understanding that the bill still contains a provision to use taxpayers money to finance Presidential conventions and primaries. President Ford is opposed to this provision

Is this a serious enough objection to cause him to veto the bill?

GUIDANCE: No final decision has been made. The President and his staff will review the bill in its entirety when it reaches the White House.

- Q: The Democratic Senatorial Campaign Committee has today filed a letter with the Federal Election Commission (FEC) complaining that expenditures by the Republican National Committe (RNC) for your recent travels are in violation of the Federal Election Campaign Act. Do you intend to continue violating the Act?
- A: I strongly believe that a President should undertake activities in support of his party.

I have done so as President, as well as Vice President, and Minority Leader, and these activities are not for furthering my candidacy. I certainly hope to be able to continue this work for my party.

As I have stated before, I can assure you that my campaign will comply fully with the Federal Election laws.

BACKGROUND POINTS

[(1) The RNC is seriously considering challenging in Court an adverse FEC ruling on this issue. For this reason they would like you to say that you will comply with the law rather than an FEC decision. (2) The Campaign Committee complaint calls for the reimbursement by the PFC of expenditures by the RNC for your travel.]

PWB 10/9/75

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 17, 1975

Memorandum for: Ron Nessen

From: Larry Speakes

Subject: Federal Election Commission Letter

Attached is a copy of the "Citizens for Reagan" letter to the Federal Election Commission. It supports the Democrats[•] position that President Ford's current expenditures at fundraisers should be charged to the President Ford Committee.

Reading it, you can see the Reagan letter has a lot more "PR" and "politics" in it than the Buchen draft which you got yesterday. I suggest a re-writing of our letter to the FEC to give it more punch. These letters are made public and I think have a great deal of impact.

GNIZGNS TOF Reagan For President

October 14, 1975

The second

Sen. Paul Laxall Chairman

Exec. Vice Ch.

George Cook

H. R. Gross

Louie B. Nunn

Mrs. Stanhope C. Ring Henry Buchanan

Treasurer

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

Dear Sirs:

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

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

First, President Ford is an announced and declared candidate for his party's nomination. He has, as of this date, made campaign trips and authorized a committee which has made campaign expenditures on behalf of his campaign. He indicated on a nationally televised news conference (October 9, 1975) that he hoped his political trips made on behalf of the RNC would help his election. He has made the decision to actively campaign at an earlier date than has been the customary political practice of past incumbent Presidents. Federal Election Commission October 14, 1975 Page Two

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

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

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

Fifth, a key criticism of the new election law is that it favors incumbents in that it protects them against challengers. This is so, many feel, because a challenger can only overcome the multiple advantages of incumbency by greater campaign spending than the incumbent. It is certainly true that an incumbent President enjoys great political advantages by virtue of his official position, advantages such as government-paid travel around the country to "non-political events" and the national forum of the televised Presidential press conference (recently exempted from equal time by the Federal Communications Commission). Does he also, in a primary campaign situation, enjoy the official mantle of the party and use of its funds merely by virtue of his title? Federal Election Commission October 14, 1975 Page Three

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

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

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

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

The 1974 amendments to federal election law mandate strict expenditure limitations for all federal candidacies. They do this separately with respect to candidates for the nomination of parties and Federal Election Commission October 14, 1975 Page Four

for the candidates of parties in general elections. Further, the law embodies a very expansive and comprehensive definition of contributions and expenditures so as to close nearly every potential loophole left in past legislative attempts at regulation. This legislative plan clearly manifests the intent of Congress, as ratified by President Ford in signing the law, to establish a system of electoral regulation that would control, limit and disclose all expenditures that promote and influence a federal campaign. It cannot be seriously argued that political trips made by a declared candidate, as "leader" of a political party, directed at those very individuals who will ultimately choose the party's nominee, does not directly benefit and influence and promote such candidate's campaign. If President Ford's campaign is not charged with the cost of trips made as the "leader" of the Republican Party under these circumstances then section 603 is not the comprehensive expenditure limitation section it clearly was intended to be.

If the Commission's interpretation of this new law is not to favor incumbents over other candidates and if the traditional relationship of the Presidency to its own political party is not to become a vehicle for allowing the new election law to be gravely distorted then the RNC's planned actions must be modified. It would certainly be divisive within the Republican Party if the RNC were to bestow a non-reportable and uncontrolled election benefit on only one candidate for the party's nomination. This would raise constitutional questions of whether 18 U.S.C. section 609's effect, if not its purpose, is to stifle legitimate political challenges to incumbents from within their own parties.

If the party provided truly equal treatment to all candidates for its nomination then few serious objections could be raised. Then, the party would not be promoting a campaign but would be providing its national membership with a better opportunity for seeing all its candidates. It would be performing a legitimate informational function by helping members to make more intelligent choices among the candidates. While a TV appearance by one candidate benefits his campaign, a program presenting all of the candidates equally benefits the electorate. Of course, a fair and equitable mechanism would have to be worked out to determine who the individuals are who are legitimately entitled to such consideration. But this should not be difficult. A simple criterion, like qualification for federal matching funds, would provide an adequate method for discriminating between bona fide candidates and others. Federal Election Commission October 14, 1975 Page Five

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

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

Very truly yours,

Loren A. Smith General Counsel

LAS:jf

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

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POLITICAL

October 31, 1975

Q. Where is Bo Callaway today?

A. He is in Palm Beach, Fla. this morning and Orlando this afternoon. (305) 843-3673.

FYI:

The PFC is giving the following statement from Callaway on the Packard resignation:

"I very much regret David Packard's resignation and I'm appreciative of the fine work he has done for us. The President Ford Committee is more than \$400,000 in the black -- an enviable. psoition and one that contrasts with the deficits faced by many other candidates."

FYI ONLY: Peter Kaye says he understands Morton has turned the job down.

FYI: Main interest in press questions to PFC is sucessor. Kaye issaying that Packard was named by the President and his sucessor, when he is named, will come from the White House.

There is considerable interest in the Packard resignation letter.

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On BACKGROUND, Kay is saying that he will not attribute reasons for Packard's resignation. However, Packard has been in California and not been able to give the job time required. He has been working independently. It is a case of giving the job more time and finding someone who can. There are no long faces at the PFC.

The President was aware of Packard's intentions and had been for several days (actually, it was a couple of weeks.)

February 21, 1976

MEMORANDUM TO: Phil Buchen

FROM: PFC Legal Staff

SUBJECT:

Federal Election Campaign Act Amendments of 1976 --Proposed by Senator Pell

The proposed bill submitted to the Subcommittee on Privileges and Elections by Senator Pell would seriously alter the federal election campaign laws as they presently exist. It also appears that this bill tracks the checklist of Representative Hays' bill which we believe Hays will introduce on Monday. The only provision not included in the Hays checklist is the public financing for Congressional staffs.

The Pell bill would have the following substantial effects:

- Reconstitute the Federal Election Commission (FEC) so that the six members are appointed by the President, by and with the advice and consent of the Senate.
- 2. Advisory Opinions which involve activity that is likely to recur shall be reduced to regulation form within thirty days.

<u>Comment</u>: This provision will cause confusion on the part of campaign committees. For example, if a political committee receives an Advisory Opinion from the FEC it will not be able to rely on this opinion until it is reduced to regulation form and not disapproved by the Congress.

3. Individual contributions to a political committee are limited to \$1,000 per calendar year; political committees may contribute only \$5,000 to other political committees per calendar year.

> <u>Comment</u>: The present election campaign law found constitutional by the Court in <u>Buckley v. Valeo</u> provides that an individual may contribute up to \$25,000 per calendar year to a political committee such as the RNC. In addition, the law places no monetary restrictions on political committees contributing to other political committees. For example, a political action committee (PAC) could contribute \$100,000 to the RNC today.

4. Corporate political action committees (PAC's) may solicit contributions from only stockholders or officers of a corporation; unions, however, may solicit contributions from their members.

> <u>Comment</u>: This amendment legislatively overrules the FEC's SUN PAC decision which held that corporate PAC's could use treasury funds to solicit contributions for its PAC from stockholders and their families, and employees. The removal of employees from this provision essentially isolates corporate employees from in-house political activity. Moreover, if they are members of a union, only one group -organized labor -- will be permitted to solicit their funds for political purposes while at work. This provision has the potential of creating a national political force unequaled in power -- COPE.

- 5. If a corporation permits a contribution check-off system for officers or the withholding of dividends for a PAC, it must also provide a check-off system for union members who are employees.
- 6. Title II of the bill provides public financing of Senate and House elections with matching funds for both primary and general elections after January 1, 1977.

COMPARISON OF MAJOR PROVISIONS OF THE PELL BILL TO RECONSTITUTE THE FEC WITH PRESENT LAW

Pell Bill	Comments	Present Law
 Provides for six member com- mission appointed by the President, not more than 3 members affiliated with the same political party 		Provides for 6 voting members selected by President, Senate and House, and non-voting membership for Clerk of the House and Secretary of the Senate.
 (2) Requires candidates and com- mittees to keep records of contributions only in excess of \$100. 	Presumably candidates for Presidential matching funds will have to continue to keep records to deter- mine eligibility for funds	Requires candidates and committees to keep records of contributions in excess of \$10.
(3) Requires the FEC to convert advisory opinions of general applicability to regulations subject to one house congres- sional veto within 30 days of issuance	One house veto provisions in present law and the proposed bill are unconsti- tutional.	No time limit on when FEC must submit regulations.
 (4) Limits individuals to contri- butions of no more than \$1000 to any political committee supporting federal candidates. 	Would seriously impair the RNC, Boosters and Congressional campaign committee in their fundraising efforts.	Individuals can contribute up to \$25,000 per year to multicandidate political committees supporting federal candidates

Pell Bill

- (5) Limits political committees from contributing more than \$5,000 to any other political committee.
- (6) Limits expenditure of corporate funds to solicit and administer political contributions only from a stockholder or officer of the corporation. Effective date of prohibiting the current use of corporate funds to solicit and administer funds from employees is 30 days from enactment.
- (7) Public financing for primary and general elections for House and Senate seats beginning in 1977.

Comments

Limits transfers between multicandidate committees, including the RNC and congressional campaign committees.

Corporate PACs would be severely limited if not eliminated. No corporation would have a checkoff for a corporate PAC if the Pell bill passes because it mandates the same for the union. Effectively closes off the vast majority of the white and blue collar work forces to participation in any corporate PAC.

This is the only constitutional way to limit expenditures in congressional and Senatorial races.

Present Law

Political committees are now limited to \$5,000 only if they are contributions to a single candidate committee, or if earmarked for a particular candidate.

Permits corporations to expend corporate funds to solicit and administer voluntary political contributions from employees and stockholders.

No comparable provision.

-2-

ILLINOIS

- Q. The vote you received yesterday in Florida exceeded your expectations. How do you feel you will do next Tuesday in Illinois, and do you expect to knock former Governor Reagan out of the race there?
- A. I think Illinois will be close. It is former Governor Reagan's home state and although our support is strong there so is Mr. Reagan's.

As I said in New Hampshire, I will be happy with even a small win, 50 percent of the vote plus one voter. And since we have momentum I am hopeful that we will get it.

JBS 3/9/76

DURATION OF PRIMARY CONTEST

- Q. Former Governor Reagan has said that he will not pull out of the primary race even if he loses the early primaries, as he has done. How long do you expect the primary battle between the two of you to last?
- A. I have said I will enter all 30 primaries and that even if I lose a few I will go into the Republican convention and be nominated. I cannot speak for former Governor Reagan.

JBS/3-9-76

REAGAN ATTACKS

- Q. Mr. Reagan has shifted his tactics, attacking you first on foreign policy, then on economic policy, and now by trying to link you to Watergate. How do you respond to these charges?
- A. I think the American people know my policies are working. I do not want to comment on naïve charges.

THE WHITE HOUSE

WASHINGTON

March 16, 1976

MEMORANDUM FOR RON NESSEN FROM: JIM SHUMAN SUBJECT: Possible Questions The President May Be Asked

Following are questions of national interest the North Carolina editors may ask the President today.

POLITICAL:

- How do you feel about your win yesterday in Illinois? Was it as large a plurality as you had hoped for?
- Ronald Reagan is more than \$400 thousand in debt, and has not won an election. Do you believe he can continue in the primary race?
- 3. Do you believe Reagan's continued campaigning will split the Republican party?
- 4. How do you propose to heal the GOP when your nomination is assured?
- 5. Callaway
 - a. How deep was your investigation of his background before you appointed him to head your campaign effort? Did you have any indication he might be accused of improper use of his office as Secretary of the Army?
 - b. What qualifications did Callaway have to head your campaign?
 - c. Do you now feel the Callaway incident will hurt you, in the primaries, or in the November election? If not, why not?

- 6. Ronald Reagan and others have charged that you are using the office of President for campaigning purposes, dispensing federal largess, appointments, and favorable decisions in areas where you faced tough primary fights. Do you feel this is the legitimate use of the powers of your office?
- 7. Do you believe it is healthy for foreign policy to be injected into a political campaign as it has been in the past few weeks?

GENERAL:

 Former President Nixon, in response to written questions from the Senate Intelligence Committee, recently used the word "sovereign" to describe Presidential power. Do you agree with that concept that the President is "sovereign" and above the law in certain instances?

Background: The Nixon statement was "It is quite obvious that there are certain inherently governmental actions which if undertaken by the sovereign in protection of the interest of the nation's security, are lawful, but which if undertaken by private persons are not.

ADDITIONAL POLITICAL

8. Have you or anyone representing you made overtures to former Gov. Reagan seeking his withdrawal from the Repub-ican primaries? If you have not, do you plan to do so?

9. Jimmy Carter has surprised many observers by his primary wins. Do you think he may be the Democratic candidate, or do you still believe it will be Hubert Humphrey?

10. You have said you will veto the bill revising the Federal Election Commission if it is more than a simple extension designed to meet the Supreme Court's objections to the present bill. What effect do you believe such a veto would have on the 1976 elections?

REAGAN FINISHED

- Q. Do you believe the vote yesterday in Florida finished the candidacy of Ronald Reagan?
- A. You'll have to ask him. I think he ran a good race but when the voters had to choose between us they saw that my policies were working and that my experience counted, and a majority voted for me in the first four primaries.

JBS/3-9-76

VOTING IN RURAL AREAS

- Q. How do you think you are doing in impressing voters in farm areas?
- A. Actually, verywell. I understand preliminary studies show that, in the Illinois primary, I carried rural areas downstate and west and north of Chicago. In North Carolina, so far we haven't found any particular pattern that differentiates between rural and urban areas, however.

3/29/76 (new)

DEBATE

- Q. Federal Appeals Court here in Washington yesterday ruled that televised debates between major party candidates do not come under equal time provisions of FCC regulations. Would you, then, be willing to debate with your opponent during the rest of the primaries or the general election?
- A. I have always found that debates are helpful when the views of the participants are not well-known. I believe most people know where I stand on the issues through the decisions I make every day and through my speeches and question and answer sessions with the press and the public.

I doubt it was the nation much good for an incumbent President to engage in rhetorical contests, and

JBS/4-13-76

SUBJECT:

FEC

Yesterday House and Senate conferees reached agreement on a reconstituted Federal Election Commission bill, which will be voted on after they return from recess April 26. The two items to which we objected most strongly, solicitations from corporate political committees and Congressional control over the Commission, appear to have been compromised rather substantially by the Conference.

Will the President sign or veto the FEC legislation?

GUIDANCE: The language of the bill, as I understand it, has not yet been made final, and until we have a draft of the final version, which we hope to receive today, I cannot predict what action the President will take.

(Note: There are still some issues of concern, like the independence of the FEC, but discussion on debatable issues may put us out on a limb.)

ME

REAGAN SUPPORT

- Q. Ronald Reagan indicated recently that he would likely withhold "immediate" support for you, if you should win the Republican Presidential nomination. Would you support him if he won the nomination? And, if you do win, what concessions - such as firing Secretary Kissinger and the acceptance of strong platform planks bolstering U.S. defenses abroad and against school busingwould you accept?
- A. The first part of your question is based on a false "if." I expect to win the nomination. On the first ballot.

And when I do, I expect all Republicans to support me. The ideological differences in our party are r elatively minor compared with our differences with the Democrats. We stand for peace, through responsible relations with other nations and through a strong military defense. We stand for the rights of the individual. We stand for economic prosperity without inflation. We stand for making government more responsive to the needs of all Americans and less intrustive on the lives of everyone.

With those beliefs and with the support from all segments of the party, we should easily beat the Democrats in November.

JBS/6-2-76

BUCHANAN COLUMN

Q. Patrick Buchanan, in a column published yesterday, that you would be in deep trouble in November because the states in which you are winning convention delegates are the ones most likely to vote Democratic while the states you need to win the general election have voted for Ronald Reagan. Do you agree with that analysis?

A. No. I do not.

The primaries and the general election are not really comparable, because in most of the primaries only members of one party vote to chose their candidates.

In November, I expect to win the traditional Republican states, which Mr. Buchanan has given to Ronald Reagan. But I also expect to win many of the states in which I have done well in theprimaries, which would not likely vote for former Governor Reagan.

As I have said before, I am not a regional candidate. I expect to do well enough throughout the entire United States to win the general election.

JBS/6-2-76

- Q. You have lost more primaries than any sitting President in more than 50 years. How do you explain that?
- A. First of all, I would dispute the suggestion that I've done badly in the election season.
 - -- The tabulations of this network, CBS, show that I have a lead of more than 150 delegates over my opponent.
 - -- Looking at the total votes cast in Republican primaries so far, I am maintaining a good lead.
 - -- And when you look at the States where I have won -- from New England to Florida, across the Midwest in states like Michigan and Pennsylvania, and in the Far West in Oregon -- it's evident that I'm the only candidate in either party who has demonstrated broad, national appeal. Those are the ingredients of a national victory this November.

* * *

As to the success that Governor Reagan has achieved against an incumbent President, we ought to keep a few facts in mind:

- --- Governor Reagan first launched his bid to become President some eight years ago. In those eight years, he has spent a good deal of time traveling around the country, making friends and building up a constituency for this kind of race. By contrast, I have never sought the Presidency before nor during the 22 months that I have been in office have I been able to preoccupy myself with building a national campaign.
- -- Secondly, you have to recognize that within the Republican Party, just as in the Democratic Party, there are large blocs of voters who are very committed to a certain political viewpoint. In the Republican Party, that bloc is conservative and they have for several years seen Governor Reagan as a champion of their point of view. To them, I represent we moderates in

M...

Compation

Neagan is 'a van smith, polished pathrman an M <u>Civen those two realities -- Covernor Reagan's long</u> the field of the standing appeal to many conservatives --P Given all then realities, it is not surprising that he has won some of the primaries. But most people know, I think, that when it comes to matching his credentials against my record

the Republican Party.

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and experience as President, and when it comes to matching his appeal to conservatives against my broader, national appeal, then it is clear that my candidacy is much stronger and really, I am the only Republican in the race who can win in November.

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6/4/76 D.G.

June 16, 1976

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POSSIBLE FOLLOW-UP QUESTIONS TO THE STATEMENT

1) If you are so interested in preventing a "grudge fight" as you say, why did you approve those commercials in California that tagged Reagan as a war monger? Wouldn't it have been better to have dropped those when Reagan and his followers complained? Wouldn't that have allayed some bad feeling?

2) Have you talked with Reagan at all about this new approach? Do you intend to? You know Reagan said that the California warmonger commercials scrapped the "llth Commandment". Are you now attempting to revive it?

3) You say you have been concerned about the effects of the nomination fight on the GOP since it all began. Why then, have you been so tough on keagan during the campaign?

5) What's the reason for this sort of olive branch? Has the PFC been feeling a backlash from those California Commercials? Have you? Have Republicans complained to you about these and other "dirty tracks" tactics?

6) Does this mean you plan to change--at this late date--some of your campaign tactics against Reagan? Isn't it a little late in the campgign?

7) Are you saying this because of the loss in Missouri? Were some Missouri delegates turned off with the attacks on Reagan? Are you losing other delegates because of them?

8) You say you want to shake hands with the Governor and "go on together" -to win **in** November. That sounds like an open offer of the Vice Presidential nomination to Reagan? Is that what it is? Certainly, aren't you **bi**mplying a Vice Presidential offer with that statement? 9) What do you plan to **g**o to unite the Hepublican Party between now and the Convention? What specific steps will you take? What do you plan if you win the nomination? What pecific steps?

10) This sounds to me like you are more concerned than ever about winning the nomination. Is this sort of a pre=concession statement? Aren't you preparing the way for a defeat like Udall and Jackson did before they pulled out of their fight with Carter.? They did just the same thing---attacked Carter--then called for unity, and then quit. Is this your blueprint, too?

•
OUTLINE FOR NESSEN GUIDANCE TO PRESS

The President said this afternoon he was very <u>heartened</u> by the results in North Dakota as well as the announcement that 14 previously uncommitted delegates had joined his ranks. Today's <u>breakthrough</u> strengthens his confidence in a first-ballot victory and in a strong, united campaign in the fall.

July 8, 1976

OUTLINE FOR NESSEN GUIDANCE TO PRESS

QUESTION

Ron, Jack Anderson reported today that an attorney at the Federal Election Commission has sent a telegram to the Attorney General charging the Ford campaign with violation of two federal criminal statutes in connection with its delegate hunting activities. Do you have any comment on this story?

ANSWER

As you are aware, at both the White House and the PFC, we have taken considerable steps to assure that all activities of the campaign are in accord with the letter and the spirit of the Federal election laws. The President has directed that no one in the Administration or at the campaign committee is to promise or provide any Government benefit for the support of any delegate. We are confident that no violation of federal election laws has occurred in this regard. The statutes referred to were never intended to deal with the situations described in the article.



PL/PFC.

THE WHITE HOUSE

WASHINGTON

July 26, 1976

MEMORANDUM FOR:

DICK CHENEY RON NESSEN

FROM:

ED SCHMULTS

Attached is a proposed response to questions concerning delegates who inquire about possible governmental benefits. This response has been cleared with Bob Visser and Jim Baker. <u>QUESTION</u>: Is it a crime for a delegate to offer to cast his vote at the convention in return for employment with or other benefits from the Federal Government?

ANSWER: First of all, what is significant under federal laws governing elections and political activities is not what a delegate suggests or inquires about -- it is how the person to whom that suggestion or inquiry is made reacts. On this point, the President has spoken clearly and forcefully. As you know, earlier this year and again last week he has directed that no one in the Administration promise or provide any Government benefit for the support of any delegate. This same rule applies to the campaign committee. As far as the delegates are concerned, it is not a crime for a delegate to suggest that his vote might be available in return for Governmental benefits. The Federal laws apply to candidates, Government officials and other persons who promise Governmental benefits for delegate support. The PFC is carefully following the President's directives and, as Jim Baker indicated the other day, any improper suggestions by delegates as to official benefits are rejected. Parenthetically, since such delegate suggestions or inquiries are not crimes, there is no obligation on the part of anyone to report them to law enforcement officials.

- 1. Who decides whether the President is traveling as a candidate, as the titular leader of the Republican Party or as the President on official business? A. The facts.
- 2. If the answeir is "the White House," who specifically in the White House? A. The Fact, will determine, FEC ruling, Leas
- 3. Isn't it a fact that because there is no language in the campaign spending act concerning expenditures by an incumbent President, that you are able to use this loophole to charge all of the President's campaign activities to the Republican National Committee?
- 4. Isn't it true (as EAN reported) that the President will not make any trips this year as a candidate, even though he A; will be making many campaign type swings around the country? No.
- Doesn't it give the President an unfair advantage to be able to None charge the RNC for all of his political trips this year? State A. No. Care unclused Senate, He member, Dec. second Gue.
 By charging the RNC for all of his political activities, thus
- 6. By charging the RNC for all of his political activites, thus "saving" the President Ford Committee money, isn't the President making somewhat of a mockery of the law he signed and firmly endorsed?
- 7. How much does it cost to frent Air Force 1? (\$2,206 per hour)
- 8. When will the White House announce its formula for determining who pays for what trips? After cappeoval by FEC.
- 9. Will the White Howse ask the Federal Election Commission for an advisory opinion on the legality of **Se** its formula?
- 10. Don't you thimk you are giving the American people the impression that you are not living up to the spirit of the Campaign Act, if not the letter of it.

Q. What do you believe will be the major issues in the coming election campaign?

Q. What do you believe will be the major issues in your campaign against Ronald Reagan for the Republican nomination?

Q. Taking those issues separately, where do you stand on each of them?

Q. Given the fact that there seems, at least at this point, to be little difference between you and Gov. Reagan, why should people in New Hampsire bother to vote in the primary?

Q. What are the differences between you and Gov. Reagan?

Q. Do you agree with your Press Secretary's statement that the snow in New Hampshire is too icy for good skiing?

New Hampshire and New England issues

IMPORTANT NOTE: CORRECTIONS TO SCHWEIKER BACKGROUND MATERIAL

- 1. Three of the 1974 votes are incorrect. The votes should have been as follows:
 - A. Busing : Against
 - B. Death Penalty: For
 - C. Government Abortion Aid: Against
- 2. In addition, I have been informed that Schweiker received AFL-CIO endorsement in 1974 in his race against Flaherty, not in 1968.

E. tell Md. delegation Ac note x commuter tox?

- 1. Q. Did the President decide to ignore the objections of the four conservative Republican Senators (Helms, McClure, Curtis, and Hansen) to Stever's nomination?
 - Four senators did raise questions concerning certain Α. programs sponsored by the National Science Foundation (NSF), which Stever has headed since 1972, and about the adequacy of the oversight of NSF by the cognizant House and Senate Committees.

I understand that there has been considerable discussion of these objections among members of the House and Senate and that most, if not all, of the questions have been answered.

Of course, the President looked into the objections and they have been discussed by Administration officials with a number of members.

It is clear that Dr. Stever has a distinguished record. He has served in a number of important Government posts, including that of Director of NSF. He has also served since July 1973 in the dual capacity of Science Adviser.

It has also become clear that Dr. Stever has strong support from the scientific and engineering community and from many members of Congress.

2. Q. Did the President wait until he had the nomination sewed up before going ahead?

The timing on this has no relationship to the timing Α. of the nomination. The time taken to complete the screening and evaluation of candidates and sending up this nomination is not unusually long. It's a time consuming process.

Q. HASN'T THE PRESIDENT SPENT MORE TIME TRAVELING AND CAMPAIGNING THAN BEING PRESIDENT THIS YEAR?

A. ABSOLUTELY NOT.

FROM JANUARY 1 TO JUNE 1, THE PRESIDENT HAS MADE 19 TRIPS AROUND THE COUNTRY INVOLVING 37 DAYS. MORE THAN 50 PERCENT OF THE 37 TRAVEL DAYS (19 DAYS) WERE WEEKENDS (SATURDAYS OR SUNDAYS). THUS, MOST OF THE PRESIDENT'S CAMPAIGNING HAS BEEN DONE OVER THE WEEKEND. WHILE IN WASHINGTON, WITH THE EXCEPTION OF ONE GOLF GAME AND ONE TRIP TO CAMP DAVID, HE HAS BEEN IN THE OFFICE WORKING EVERY DAY SINCE JANUARY 1.

110 OF THE LAST 150 DAYS HAVE BEEN FULL OFFICE DAYS. THIS MEANS THAT DESPITE THE TRAVEL, THE PRESIDENT HAS AVERAGED 5-DAY-PLUS WORK WEEKS. Q. How is the campaign reassessment going?

A. It's going fine.

Q. What can you tell us about the reassessment?

A. Oh, we're not going to telegraph our strategy. You will **m** find out when you see it unfold.

WHO GOES AND PAYS IN KC?

Q. How many White House staff people will accompany the President?

A. A total of 59. This includes members of the President's Senior Staff, other members of the staff and secretaries.

Q. Will there be others not included in that total?

A. Of course, there will be Secret Service and communications personnel which always accompany the President. In addition, there will be certain military, some few members of the staff who have been designated official (such as O'Donnell), NSC staff. I do not have numbers on communications and Secret Service. The numbers of military, etc. total 29.

Q. Who is paying for all of this?

A. Basically, the costs are being paid by the President Ford Committee or by the indivial staff members. Here is the breakdown:

paying their expenses.....35 paid by PFC.....24 (Those designated official paid by White House)

As a general rule, the PFC is paying all of the transportation costs. The exceptions are those individuals who, because of their duties in Washington, will have to fly out commercially. Those who fall into that category will pay their own expense.

Regarding hotel rooms, the people who are commissioned presidential appointees and some few others will pay personally for their rooms (costs from \$143 to \$204). Others will be paid by PFC. This same break-down applies to costs of their meals -- commissioned people pay personally, others paid by PFC. Q. But aren't these people on the government payrol1 -- aren't they being paid by the taxpayers while they are out there?

A. No. All White House staff people are taking their annual leave while they are in Kansas City.

Q. Who pays for the President?

A. The PFC. It has all through the campaign. (FYI ONLY: there is an option he pay his own room.)

Q. What about Air Force One --- who pays?

A. The PFC will pay for those on the plane who are political just as they have throughout the campaign.

Q. Why are your changing your rules now? Didn't some of these people travel at government expanse during the primaries?

A. Yes. However, during the primaries we were operating under a ruling by the Federal Elections Commission which specified that certain people were travelling officially. We abided by this rule to the letter during the primaries and in many cases, paid for some that weren't required.

However, the Convention is a different story. It is more difficult to draw the line where official duties end and political ones begin. So to avoid any criticism every person who is going who will perform any pk political duty of any type will either be paid for by the governx President Ford Committee -- or they will foot the bill personally. The taxpayer will not pay for any political duties.

NATIONAL CAMPAIGN

- Q. There has been some talk recently of your weakness in certain parts of the country, for instance, the South. Have you written off the South or other states and what type of campaign do you plan to run this fall.
- A. First, let me say that mine will be a national campaign and we will not write off any state or region of this Nation. As I said in my Acceptance Speech in Kansas City, we will wage the campaign from the snowy banks of Minnesota to the sandy plains of Georgia. We concede not a single state and we concede not a single vote.

FLIP-FLOP CHARGES

Rever

- Q. You have accused Governor Carter of flip-flopping on a number of issues, but aren't you guilty of flip-flopping on such matters as running for the Presidency, pardoning former President Nixon, bailing out New York City, and issuing a veto on common situs picketing?
- A. Let me say that I see no contradiction at all in my handling of the items you just listed, and I think a case by case review of my actions is called for to clarify any misunderstanding that some might have.

Seeking Election

As you know, I did not seek this office, but having succeeded to the Presidency, feel something that I'm sure a great many Americans feel in their daily lives, and that is a job well begun but with much to be completed.

Nixon Pardon

Before I issued the pardon the Special Prosecutor, Mr. Jaworski, estimated that there would have been a delay of nine months to a year in the event of an indictment of the former President before a trial could reasonably be held by a fair and impartial jury. I have said many times before that I pardoned the former President because the Nation had to put the matter behind us and get on with our business. I also issued the pardon because I thought Mr. Nixon, his wife and his children had suffered enough. I think that action was fully in line with the type of compassion which those who are now campaigning for the Presidency are saying that this Nation needs more of.

Common Situs

Prior to vetoeing the common situs picketing bill, I said as early as August that I did look favorably to signing common situs legislation, providing that it was presented with a companion measure that would positively reform our current labor/management negotiating process and providing that the changes were acceptable to both labor and management. As you may recall what was sent to me by the Congress was not acceptable to both interested parties and accordingly I vetoed the legislation. VISION SPEECH

- Q. A good deal has been said at the White House in the last few days about the "vision speech" that you plan to give at Michigan. Can you give us any hints about it.
- A. I don't want to give you all the details now, but let me say this:

I have felt for some time that much of my time during my first term was devoted to a healing process-to binding up the wounds of Vietnam and Watergate and restoring our economy to full health.

That process is largely completed. The patient is definitely on the mend, so that now we can begin to look toward the future with greater assurance and greater confidence. What I wish to speak about in Michigan is what this great Nation and great people can now plan to achieve together during the next four years and beyond.

- Q: Mr. President. Now that you have lost in Missouri, how is the campaign going?
- A: Oh ! I feel good about the nomination. Missouri was always a long shot, so that's no surprise. We'll do all right in other States and go on to win at the Convention. I'm very sure of that.

But, very frankly, I do have a concern over what we'll have when it's over -- the same concern I had when it all began months ago.

It makes no sense for us to scramble down to the wire for the nomination and then have the Party fall apart right afterwards. We tried that 12 years ago and saw what happened.

I think Republicans everywhere -- and I guess that goes especially for the Governor and me -- have got to keep this from turning into a "grudge" fight. Win, lose or draw in Kansas City, we have to have a united and enthusiastic Party for the Fall Campaign. I want all of my supporters to remember that, and I am sure the Governor wants his people to feel the same way.

So, right now, I have to say I'm more concerned about the Party than I am about the nomination. I really enjoy a good fight and it's plain the Governor does too. But, I want us to be able to shake hands afterwards and go on together to win in November.

GUIDANCE ON BUCHEN-FEC MEETING

Phil Buchen, Jim Connor and Barry Roth met with Commissioners Curtis, Harris and Stabler and Chief Counsel Murphy at the FEC today. The White House learned the areas of their concern. This will enable us to provide them the information they need to assure themselves that we will be living within the letter and spirit of the law on the Morton matter.

As we understand the concerns of some Commission members, it involves the extent to which Morton will spend time on "electioneering" activities. The Commission indicated if we spell out what we anticipate Morton's range of duties will be. The White House indicated it would do this.

The next communication is expected to be a letter from Buchen to the FEC spelling out Morton's duties.

Delbernes Will Regan.

- Q. You told us several weeks ago that there is no basic philosophical difference between you and Ronald Reagan. Yet in Florida you said Reagan was too far to the extreme right to be elected in November. Why have you changed your position?
- A. You may have misunderstood what I meant by basic philosophical differences. Former Governor Reagan and I both believe in the fundamental necessity of returning government to the people. In fact, that is an issue of such high importance today that many of the Democratic candidates have begun to argue for this position that we Republicans have stood for for a long time.

Export

The issue between Gov. Reagan and me, and all the Democrats, too, is how you return government to the people. Do you do it with a bludgeon, raising taxes, curtailing essential services such as social security, and hurting millions of people? Or do you do it with a sophisticated sense of how the Federal Government operates and how it relates to state and local government?

Our differences are that I have that sense. I've been in Washington long enough to know what can be done and what is just idle rhetoric. And it is on this basis that I am confident people will vote for me.

I'm More Moderale. Myddle & road Mathmercians reject attimes of Voll side 5.5, Valuntay, stock morhet 990 B. 18th Ameridant (Thomson) Tregger happy

Q. Every pool shows that you are far behind Reagan in New Hampshire. If you lose that primary, won't this really make it impossible for you to win the nomination? What is your honest assessment of your chances in the New Hampshire, Florida, and Illinois primaries?

Momentum shille

A. My assessment is that my campaign is doing well and getting better each day. I have been encouraged by my trips to New Hampshire and Florida and by the reactions of the crowds and people I have met.

I expect to do well in New Hampshire, in Florida and in Illinois. I expect to win the nomination in Kansas City this summer, and the election next November.

Ong palls that count - 60 commenter.

(8)

QUESTION: Mr. President, I got the impression from what you said to Phil Jones that you might still be seriously considering throwing that choice open to the Convention or at least giving them a list of names. Are you seriously contemplating doing that?

THE PRESIDENT: I didnt mean to infer the conclusion you came to. I simply said that we have not made any firm commitment as to what procedure we would take at the time of the Convention.

I think a Presidential nominee ought to make his wishes known to the delegates. How he proceeds after that, we just haven't made a final decision of it.

The President was pleased with the articulation by Governor Reagan of some of the key themes of the Ford Presidency--strengthening family, neighborhood, communities, for example--because it demonstrates to the Nation how united the Republican Party can be-and the President is confident will be - as we go into the general election for November.



ACCELERATE OFF-SHORE OIL DEVELOPMENT

- Q. Is there anything you can do to speed up the development of off-shore oil or the building of refineries in the Northeast?
- A. We have and we will continue to support every possible means of accelerating energy development -- so long as it can be done safely and without damaging the environment. I regard off-shore oil drilling as one such area.

With respect to off-shore oil, the Department of the Interior is moving ahead with an aggressive program to evaluate the environmental, energy, economic and other considerations in leasing developing outer continental shelf oil. Interior's schedule would permit a decision this summer on a lease sale in the Georges Bank area off New England. In all areas where OCS development is being considered there is controversy as to its desirability, but we are moving ahead in a way that permits balanced consideration of all the factors involved.

With respect to refineries, the principal problem is finding acceptable sites and this involves a variety of local, state, regional and national considerations. The contribution that the Federal Government can make is to help provide a process for making decisions on particular sites which (a) permits all appropriate considerations to be heard and balanced and (b) permits decisions on sites in a reasonable period of time. To that end, I have proposed legislation that would improve the process for making energy facilities siting decisions. That legislation is awaiting Congressional action.

- Q. The largest manufacturer and employer in New Hampshire is the non-rubber footwear industry. They say they are suffering from unfair competition with cheap imports, and they have taken their case to the International Trade Commission. What do you plan to do about it when it reaches you?
- A. As you say, the question is before the International Trade Commission. That's an independent regulatory commission whose decision must not be influenced by the Executive Branch, so that it would not be appropriate for me to comment upon it at this time.

I am advised that an ITC decision may be forthcoming in February, after which it will be reviewed by the Trade Policy Committee, who will in turn make a recommendation to me. The Trade Policy Committee is headed by Ambassador Dent and includes several Cabinet members. I will be prepared to act upon this matter as quickly as I can once it reaches me.

However, I am very aware that this is a serious problem in New Hampshire, the seventh largest producer of non-rubber footwear. As you probably know output and employment dropped in this industry 45% between 1968 and 1973, with the number of workers falling from 18,000 to 10,000 in this period.

My general view of this matter is also very clear. As Minority Leader, I opposed the deletion of import quotas on non-rubber footwear in the 1970 Trade Act. As Vice President, I supported the liberalization of terms for seeking relief from the ITC and later signed this into law as part of the Trade Bill on January 3, 1975. I have not changed my view.

**

CLOSING OF NEW HAMPSHIRE MILITARY BASES

- Q. Do the Defense base closures proposed in your budget apply to any bases in New Hampshire?
- A. No. The new lefense budget does not contemplate any base closures in New Hampshire. In particular, I want to point out that Portsmouth will remain open. Portsmouth is a vital part of our military establishment, and we want to keep it that way.

I also know that some of you may have questions about shifting around of personnel under this budget. We are in the midst of assessing both our combat and support services. We now plan, for instance, to increase the number of troops from thirteen to sixteen divisions. This may involve some consolidation of support services, but no final decisions have been made. Such decisions, when they are made, will not have a major impact on New Hampshire.

The important point about this defense budget is that it will ensure that the United States never becomes the second strongest power in the world. This will mean not only that we have the finest weaponry but that we also have the finest personnel -- an All Volunteer Force that has come to depend upon volunteers from your state. I hope that New Hampshire will continue to provide such fine recruits for the Nation.

BACKGROUND

under study: (not publicly announced)

(1) Navy Publications and Printing Services in Portsmouth,
 New Hampshire. Would involve only 40 civilian jobs. Date: October
 1977 (if actually done). Of 7,009 -- 296 are military and 6,713 are civilian.

1

(2) Realignment KC-135 Assets, Pease Air Force Base,
Portsmouth, New Hampshire. Would involve reassignment of about
208 military personnel to other locations. No date set (if done, it could be anytime.) Of 4,463 -- 3,875 are military and 588 are civilian.

SEABROOK NUCLEAR POWER PLANT

- Q. What are you doing to expedite the licensing and construction of the Seabrook Nuclear Power Plant which seems to be undergoing continuous delays due to Federal regulatory red tape?
- A. As you know, the Seabrook question is currently the subject of an adjudicatory hearing before the Nuclear Regulatory Commission.
 As such, it would be inappropriate for me to comment upon it.
 In fact, if I do comment upon it, I am told that my public statements might only raise questions and prolong the decision. Therefore, I am duty bound not to discuss it specifically.

However, I do think my position on nuclear power is absolutely clear. I am a firm advocate of such development so long as it is done in a way that protects the health and safety of our citizens. The people of New Hampshire know better than almost anyone else in the country how vital it is for this nation to attain energy independence and end its vulnerability to foreign producers. My goal is to develop at least 200 nuclear power plans by 1985; this is a realistic goal, and I am determined to meet it.

Your concern about Seabrook also raises another issue: the extent to which we have bound ourselves in regulatory red tape in so many different fields. You know that this country was a pioneer in the development of nuclear power, but today we have so much regulation that it takes us far longer to build a nuclear plant than either the Europeans and Japanese. I want to cut back on the red tape and get on with the job -- not just in energy but in many other vital fields such as transportation and banking. That's what this deregulation struggle is all about.

REAGAN \$90 BILLION

The analysis of programs definitely or probably affected by Ronald Reagan's proposed \$90 billion budget reduction plan utilized actual Federal outlays for Federal fiscal year 1975.

Several additional observations also are warranted

- a. Reagan's proposal has been "floated" but not released, consequently the specifics which are necessary for a thorough and accurate analysis are non-existent.
- b. Our understanding of the proposal's elements is based on news articles such as those authored by Stout, Ottenad, and Buchanan.
- c. Actual Federal outlays to the states for FY '76 will not be available for almost another 12 months, therefore Reagan's plan has been evaluated on the basis of its apparent impact on the FY '75 disbursements.

Using the conclusions of the aforementioned writers, programs which would appear to have been affected by the Reagan proposal would have totalled <u>\$112,739,000</u>. This total amount might be broken down into the following two categories:

- 1. Programs terminated or drastically altered: \$27,694,000
- 2. Programs probably affected in whole or in part: \$85,045,000
- Note: Total spending by the Federal Government in the State is far higher but we do not recommend that you go into it.

REAGAN TOPICS IN NEW HAMPSHIRE

The following topics have appeared in the President Ford Committee's transcripts of questions asked Ronald Reagan during his visits to New Hampshire:

1. Contrast between Reagan foreign policy views and that of President Ford's.

- 2. Attitude toward the United Nations.
- 3. Attitude toward big business.

4. Position on the Middle East.

5. The fact that Reagan paid zero income tax in 1971.

6. \$90 billion program.

7. Proposal concerning the elderly.

8. Social Security.

9. Nursing home care and cost.

10. Welfare spending and welfare reform.

11. Angola.

12. Level of defense spending.

13. Gun control.

14. Abortion.

15. Federal bureaucracy.

16. Decentralization of federal programs.

Q. To what do you attribute Ronald Reagan's strength?

A. I would have to say that his initial surge has been due to several factors:

-- He is able to capitalize effectively on the anti-Washington feelings that clearly exist in several parts of the country. It is notable in that regard that the Democratic candidate who has done the best in the early caucasing so far is also someone who is not identified with Washington: Jimmy Carter.

-- Secondly, there are many Republicans who have known Governor Reagan from past campaigns and have been attracted to him.

-- Finally, I think it is fair to recognize that the Governor has not yet been subjected to the rigors of having to make tough decisions in national office. For campaign purposes, that may be helpful, but I think the American people will have to judge whether that should also be a qualification for the Presidency.

INCREASE CAMPAIGNING

Q. Your present campaign strategy seems to be to rely heavily on your incumbancy. Do you see any circumstances under which you might campaign more actively?

A. As long as I have the privilege of serving in this office, I believe my first responsibility is to devote myself to the duties and responsibilities of the Presidency. I don't think it's any secret that I enjoy campaigning and I especially appreciate the opportunity to talk on a face-to-face basis with people all over the country, but this job demands that I spend the great bulk of my time here. Given that fact, the amount of time that I can carve out for active campaigning may vary from time to time, but it will generally be limited. And I think that's the way it should be. The people of this country want and deserve a full-time President.

REAGAN AS VICE PRESIDENT

Q. In your listing of acceptable candidates for Vice President, if you should be nominated to run for President, you have never listed Ronald Reagan. If the primary race were close, and eliminating him completely from the Republican ticket would run the risk of losing a large segment of staunch Republican votes, would you ask him to be your running mate?

A.I think its awfully premature to address questions like that one. I have always maintained that the Republican ticket is blessed with a great number of men and women who are qualified for the highest offices in the land. Whether the ultimate choice of the convention for our vice presidential candidate might be Mr. Reagan or someone else, I am certain that we will present to the electorate a strong and winning ticket. POLLS

Q. Public opinion polls have been mercurial, reflecting support for you leading during one polling period, support for Ronald Reagan leading during another. To what do you attribute these fluctuations?

A. There are always ups and downs in political polls, and this year is no exception. There may in fact be more volatility in the polls this year than in some election years in the past; that is only natural because the country has gone through some difficult times, especially on the economy. But the economy is on the upswing, and I think public confidence is growning. As it does, I would expect to see less volatility in the polls.

And as I have said several times in the past, the only poll that counts is the one in November. I continue to be confident about the result.

Morton May Resign as Ford Campaign Chairman (By Tom Jarriel, ABC)

President Ford's Campaign Manager Rogers Morton may step aside soon, according to sources close to the Republican National Committee.

Morton says he is not instigating any change, and would like to remain in his post at least through the Republican convention, and possibly through the fall campaign.

But reliable sources within the Ford political organization say that he will probably leave within the next couple of months. Speculation already centers on Deputy Defense Secretary William Clements as a possible successor to Morton. Clements has a reputation as a strong administrator, and is close to Defense Secretary Don Rumsfeld, a behind-the-scenes power in the Ford political organization.

Sources say it is felt that Morton has burned himself out while serving as a lightening rod during the primary campaigns. There have been bitter complaints from Republicans ranging from those in Congress to local and state office holders who are unhappy about the way the Ford national campaign was run. Since much of the pre-convention strategy now depends on support from those very Republicans who complain about Morton's management of the primaries, some sources feel he will go before the GOP convention opens in mid-August. ABC -- (7/6/76)