

The original documents are located in Box G07, folder “Transcripts (1)” of the President Ford Committee Campaign Records at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

LET THE PEOPLE RULE

(Remarks by the Honorable Ronald Reagan, former Governor of California, to the Executive Club of Chicago, McCormick Place, Chicago, Illinois, Friday, September 25, 1975.)

In his first Inaugural, nearly a century and three-quarters ago, President Thomas Jefferson defined the aims of his administration: "A wise and frugal government", he said, "which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned -- This is the sum of good government."

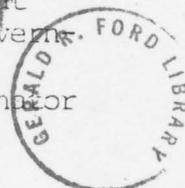
Jefferson believed the people were the best agents of their own destinies, and that the task of government was not to direct the people but to create an environment of ordered freedom in which the people could pursue those destinies in their own way. But he also knew that from the very beginning the tendency of government has been to become player as well as umpire. "What has destroyed liberty and the rights of men in every government that has ever existed under the sun?" Jefferson asked. "The generalizing and concentrating all cares and powers into one body."

If Jefferson could return today, I doubt that he would be surprised either at what has happened in America, or at the result. When a nation loses its desire or ability to restrain the growth and concentration of power, the floodgates are open and the results are predictable.

Fiscal Year 1976 ends four days before our bicentennial. In this fiscal year, government at all levels will absorb 37 percent of the Gross National Product and 44 percent of our total personal income. We destroy the value of our pensions and savings with an inflation rate that soars to 12 percent a year, at the same time we suffer unemployment rates of eight and nine percent.

Every minute I speak to you the Federal Government spends another \$700,000. I'd stop talking if they'd stop spending, but Washington is spending a billion dollars every day and goes into debt a billion and a third dollars every week. I don't think it would surprise Jefferson to learn that real spendable weekly income of the average American worker is lower than it was a decade ago -- even though in these 10 years that same worker has increased his productivity 23 percent. As Jefferson said, that is taking from the mouth of labor the bread it has earned.

If government continues to take that bread for the next 25 years at the same rate of increase it has in the last 40, the percent of GNP government consumes will be 66 percent -- two-thirds of all our output -- by the end of this century. A single proposal now before Congress, Senator Kennedy's national health insurance plan, would push the share of GNP consumed by government from 37 to more than 45 percent, all by itself.



This absorption of revenue by all levels of government, the alarming rate of inflation, and the rising toll of unemployment all stem from a single source: The belief that government, particularly the Federal Government, has the answer to our ills, and that the proper method of dealing with social problems is to transfer power from the private to the public sector, and within the public sector from state and local governments to the ultimate power center in Washington.

This collectivist, centralizing approach, whatever name or party label it wears, has created our economic problems. By taxing and consuming an ever-greater share of the national wealth, it has imposed an intolerable burden of taxation on American citizens. By spending above and beyond even this level of taxation, it has created the horrendous inflation of the past decade. And by saddling our economy with an ever-greater burden of controls and regulations, it has generated countless economic problems, from the raising of consumer prices to the destruction of jobs, to choking off vital supplies of food and energy.

As if that were not enough, the crushing weight of central government has distorted our federal system and altered the relationship between the levels of government, threatening the freedom of individuals and families. The states and local communities have been demeaned into little more than administrative districts, bureaucratic subdivisions of Big Brother government in Washington, with programs, spending priorities, and tax policies badly warped or dictated by federal overseers. Thousands of towns and neighborhoods have seen their peace disturbed by bureaucrats and social planners, through busing, questionable education programs, and attacks on family unity. Even so liberal an observer as Richard Goodwin could identify what he correctly called "the most troubling political fact of our age: that the growth in central power has been accompanied by a swift and continual diminution in the significance of the individual citizen, transforming him from a wielder into an object of authority."

It isn't good enough to approach this tangle of confusion by saying we will try to make it more efficient or "responsive," or modify an aspect here or there, or do a little less of all these objectionable things than will the Washington bureaucrats and those who support them. This may have worked in the past, but not any longer. The problem must be attacked at its source. All Americans must be rallied to preserve the good things that remain in our society and to restore those good things that have been lost.

We can and we must reverse the flow of power to Washington; not simply slow it, or paper over the problem with attractive phrases or cosmetic tinkering. This would give the appearance of change but leave the basic machinery untouched. In fact, it reminds me of a short fable of Tolstoy's: "I sit on a man's back, choking him and making him carry me, and yet assure myself and others that I am very sorry for him and wish to lighten his load by all possible means - - except by getting off his back."

What I propose is nothing less than a systematic transfer of authority and resources to the states - - a program of creative federalism for America's third century.



Federal authority has clearly failed to do the job. Indeed, it has created more problems in welfare, education, housing, food stamps, Medicaid, community and regional development, and revenue sharing, to name a few. The sums involved and the potential savings to the taxpayer are large. Transfer of authority in whole or part in all these areas would reduce the outlay of the Federal Government by more than \$90 billion, using the spending levels of Fiscal 1976.

With such a savings, it would be possible to balance the Federal budget, make an initial five-billion-dollar payment on the national debt, and cut the Federal personal income tax burden of every American by an average of 23 percent. By taking such a step we could quickly liberate much of our economy and political system from the dead hand of Federal interference, with beneficial impact on every aspect of our daily lives.

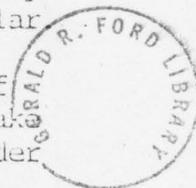
Not included in such a transfer would be those functions of government which are national rather than local in nature, and others which are handled through trust arrangements outside the general revenue structure. In addition to national defense and space, some of these areas are Social Security, Medicare, and other old-age programs; enforcement of Federal law; veterans affairs; some aspects of agriculture, energy, transportation, and environment; TVA and other multi-state public-works projects; and certain types of research.

Few would want to end the Federal Government's role as a setter of national goals and standards. And no one would want to rule out a role for Washington in those few areas where its influence has been important and benign; crash efforts like the Manhattan and Apollo projects, and massive self-liquidating programs like the Homestead Act and the land-grant colleges. Certainly the Federal Government must take an active role in assuring this nation an adequate supply of energy.

Turning back these programs would not end the process of reform in Washington. In the immediate years ahead:

- In our regulatory agencies dealing with non-monopoly industries, we must set a date certain for an end to Federal price fixing and an end to all Federal restrictions on entry.
- We must take steps to keep the spending and borrowing of off-budget agencies under control.
- We must reform our major trust funds to ensure solvency and accountability. Particularly important is the need to save Social Security from the colossal debt that threatens the future well-being of millions of Americans, even while it overtaxes our workers at a growing and exorbitant rate.
- We must put a statutory limit on the growth of our money supply, so that growth does not exceed the gain in productivity. Only in this way can we be sure of returning to a strong dollar.
- And we must radically simplify our method of tax collection, so that every American can fill out his return in a matter of minutes without legal help. Genuine tax reform would also make it more rewarding to save than to borrow, and encourage a wider diffusion of ownership to America's workers.

In the months ahead, I will say more on each of these major areas of



transfer of Federal programs to the states would mean.

It would be a giant step toward solving the problem of inflation that is sapping the strength of our economy and cheating American wage-earners and pensioners. There is no mystery about inflation. It is caused by spending money that has not yet been earned. Without the enormous pressure of a 60-to-80-billion-dollar deficit, the Federal Reserve System would have no mandate to pump too many dollars into the economy -- which is the ultimate cause of inflation. The Federal deficit provides the chief motive for the debauching of our dollar.

Add to this the gain in purchasing power that will accrue to all Americans from a sharp reduction in Federal income taxes -- the biggest spending burden the average family must absorb. Indeed, taxes of all kinds are a bigger family expense item than food, shelter and clothing combined. Last year, according to a study by the Joint Economic Committee of Congress, income taxes at all levels rose by 26.5 percent -- the largest increase of any item in the family budget. By far the greatest part of this growing load of taxation is the Federal personal income tax, whose bite gets sharper as inflation pushes taxpayers into higher surtax brackets. Government doesn't have to raise the tax rate to profit by inflation. The progressive income tax is based on the number of dollars earned, not their purchasing power; thus a cost-of-living pay increase results in a tax increase.

An immediate tax cut, some of which might have to be balanced by tax rises in the states, would be only the beginning of the savings that could be achieved. When we begin making payments on the national debt, we will also begin making further reductions in the tax burden. American taxpayers are currently being billed an average of one billion dollars every ten days just to pay interest on the debt. As the debt is retired, we can progressively reduce the level of taxation required for interest payments. Senator Hubert Humphrey, in excusing government spending, once said, "A billion here and a billion there -- it adds up." Well, it can work the other way 'round.

With the spending reduction I propose, the Federal Government will no longer be crowding capital markets to finance its deficits. That will make available billions in new capital for private investment, housing starts, and job creation -- and the interest rates will come down.

The transfer I propose does not mean that the specific programs in question are not worthwhile. Many are, though in my opinion many others are not. But the point is that all these programs are losing effectiveness because of the Federal Government's pre-emption of levels of government closer to the problems, coupled with Washington's ability to complicate everything it touches. The decision as to whether programs are or are not worthwhile -- and whether to continue or cancel -- will be placed where it rightfully belongs: with the people of our states.



It is theoretically possible that local governments will simply duplicate programs as they now exist, and if that is what the people in the states desire, that is exactly what will and should occur. Certainly the bureaucrats who run them now will be available, for they will have no further work in Washington.

I think it likely, however, that some of the more worthwhile programs will be retained essentially as they are, many will be dropped, and others may be modified. But all the surviving programs will be run at much lower cost than is presently the case.

The present system is geared for maximum expenditure and minimum responsibility. There is no better way to promote the lavish outlay of tax money than to transfer program and funding authority away from state and local governments to the Federal level. This ensures that recipients of aid will have every reason to spend and none to conserve. They can get political credit for spending freely, but don't have to take the heat for imposing the taxes. The French economist Bastiat, 100 years ago, said, "Public funds seemingly belong to no one and the temptation to bestow them on someone is irresistible."

So long as the system continues to function on this basis, we are going to see expenditures at every level of government soar out of sight. The object is to reverse this: to tie spending and taxing functions together wherever feasible, so that those who have the pleasure of giving away tax dollars will also have the pain of raising them. At the same time we can sort out which functions of government are best performed at each level. And that process, I hope, would be going on between each state and its local governments at the same time.

The transfer of spending authority to Washington blurs the difference between wasteful states and prudent ones and this too destroys incentives toward economy. If a state spends itself into bankruptcy on welfare, under the present system it is bailed out when Washington picks up the tab; indeed, many Federal programs are geared toward encouraging this kind of behavior, bestowing greater aid in proportion to spending levels imposed by the states. The way to get more is to spend more.

By the same token, efforts at state economy are punished under the present system. A state that keeps its fiscal house in order and, for example, prevents the welfare problem from getting out of hand will find it derives no benefits from its action. It will discover, as we did in California, that efforts to impose some common sense in welfare will run afoul of Federal bureaucrats and guidelines. Its citizens will be called upon to pay in Federal taxes and inflation for other states that don't curb their spending.



Another benefit of localizing these programs is that state and local governments are more accessible to the local citizen, and in most cases prevented by statute from going in debt. When tax increases are proposed in state assemblies and city councils, the average citizen is better able to resist and to make his influence felt. This, plus the ban on local deficits, tends to put an effective lid on spending.

Federal financing is the spenders' method of getting around these restraints. Taxes are imposed at a level where the government is far away and inaccessible to the average citizen. The connection between big spending and high taxes is hidden, and the ability to run up deficits and print more money makes efforts to control the problem through the taxing side alone almost meaningless.

The proposals I have outlined will bring howls of pain from those who are benefiting from the present system, and from many more who think they are. But as another Frenchman, Thiers, said, "For those who govern, the first thing required is indifference to newspapers." We must turn a deaf ear to the screams of the outraged if this nation and this way of life are to survive. The simple fact is the producing class in this nation is being drained of its substance by the non-producers -- the taxpayers are being victimized by the tax consumers. We may be sure that those in Washington and elsewhere whose life style depends on consuming other people's earnings while working people struggle to make ends meet, will fight to the last limousine and carpeted anteroom.

But if we ignore the taxers and the centralizers and do the things I know we can do, we'll do more than survive: we will inaugurate a new era of American diversity.

Take education. The United States built the greatest system of public education the world has ever known -- not at the Federal level, not even at the state level, but at the level of the local school district. Until a few years ago, the people had direct control over their schools -- how much to spend, what kind of courses to offer, whom to hire. Is it an accident that as this local control gave way to funding and control at the Federal and state level, reading and other test scores have declined? It has just recently been announced that scores in college entrance exams have been nose-diving for 10 years and this year took the greatest plunge of all. And yet, spending on education in that same period has been sky-rocketing. The truth is, a good education depends far more on local control than on the amount of money spent.

There is no question but that under local agencies certain abuses took place and certainly they needed to be cured -- sometimes by Federal intervention. This was certainly true of racial segregation in the South. But



now that according to some estimates the South is the most integrated area of the country -- now that there is an ongoing enforcement structure in the Department of Justice -- is there any further reason to deny local control and funding of our schools?

Or take welfare. For years, the fashionable voices have been calling for a Federal takeover of welfare. (Well, the old-age portions of welfare have been taken over -- and in the first 18 months, more than a billion dollars have been paid out by mistake!) If there is one area of social policy that should be at the most local level of government possible, it is welfare. It should not be nationalized -- it should be localized. If Joe Doaks is using his welfare money to go down to the pool hall and drink beer and gamble, and the people on his block are paying the bill, Joe is apt to undergo a change in his life style. This is an example of why our task force in California found that the smaller and more local government becomes, the less it costs. The more government is localized, the less you will see a situation like the one in Massachusetts, where a mother of six was receiving, through cash and services, the equivalent of a \$20,000 earned income. That is twice the average family income of the state.

The truth is that people all over America have been thinking about all of these problems for years. This country is bursting with ideas and creativity, but a government run by bureaucrats in Washington has no way to respond. If we send the power back to the states and localities, we'll find out how to improve education, because some districts are going to succeed with some ideas and other districts are going to fail with others, and the word will spread like wildfire. The more we let the people decide, the more we'll find out about what policies work and what policies don't work. Successful programs and good local governments will attract bright people like magnets, because the genius of federalism is that people can vote with their feet. If local or state governments grow tyrannical and costly, the people will move. If the Federal Government is the villain, there is no escape.

I am calling also for an end to giantism, for a return to the human scale -- the scale that human beings can understand and cope with; the scale of the local fraternal lodge, the church congregation, the block club, the farm bureau. It is the locally-owned factory, the small businessman who personally deals with his customers and stands behind his product, the farm and consumer cooperative, the town or neighborhood bank that invests in the community, the union local.

In government, the human scale is the town council, the board of selectmen, and the precinct captain.

It is this activity on a small, human scale that creates the fabric of community, a framework for the creation of abundance and liberty. The human scale nurtures standards of right behavior, a prevailing ethic of what is right and what is wrong, acceptable and unacceptable.



Three and a half centuries ago, peoples from across the sea began to cross to this great land, searching for freedom and a sense of community they were losing at home. The trickle became a flood, and we spread across a vast, virtually unpeopled continent and caused it to bloom with homesteads, villages, cities, great transportation systems, all the emblems of prosperity and success. And we did this without urban renewal or an area redevelopment plan. We became the most productive people in the history of the world.

Two hundred years ago, when this process was just beginning, we rebelled when, in our eyes, a mother country turned into a foreign power. We rebelled not to overturn but to preserve what we had, and to keep alive the chance of doing more. We established a republic, because the meaning of a republic is that real leadership comes not from the rulers but from the people, that more happens in a state where people are the sculptors and not the clay.

We are losing that chance today, and we know we are losing it. Two hundred years ago it was London that turned into a foreign power. Today, and it is a sad thing to say, it is Washington. The coils woven in that city are entrapping us all, and, as with the Gordian knot, we cannot untie it, we must cut it with one blow of the sword.

In one reference book, cutting the Gordian knot is defined as follows: "to solve a perplexing problem by a single bold action." The Gordian knot of antiquity was in Phrygia, and it was Alexander the Great who cut it, thereby, according to the legend, assuring the conquest of Persia.

Today, the Gordian knot is in Washington, and the stakes are even higher. But this is a republic, and we have no king to cut it, only we the people, and our sword has been beaten into ballot boxes. What applies to the role of government applies equally to the means of changing that role: leadership is necessary, but even more necessary is popular choice. The anonymous sage who defined leadership must have lived in a republic, for he said, "He is not the best statesman who is the greatest doer, but he who sets others doing with the greatest success."



Western States
Republican Conf.
Sheton Hotel
Portland, Oregon -
October 1975

Reason TAX

We must reaffirm our major trust funds to insure solvency and the countability, particularly important is the need to save social security from the colossal debt that threatens the future well being of millions of Americans, even while it overtaxes our workers at a growing and exorbitant rate. Today social security itself virtually bankrupt by any insurance standards, is selling retirement and liability insurance fifth rate quality at three or four times the cost the individual could buy it in the open market.

We must put a statutory limit on the growth of the money supply so that growth does not exceed the gain in productivity. Only in this way can we be sure to return to a strong dollar.

We must radically simplify our method of tax collection so that every American can fill out his return in a matter of minutes without legal help.

General tax reform would make it ~~generally~~ more rewarding to save than to borrow. And encourage wider diffusion of ownership to American workers. In the months ahead I will say more on each one of these subjects including the fact that I believe the Republican party should come out solidly for a program which, from here on, there will be a permanent limit on the percentage of the people's earnings that the Government can take without the consent of the people.



Introduction-introducing young people attending

What party can do and the state we find ourselves in.
I've been getting around the country- let me say when I talk
about attacking the Washington beaurocracy, those that are
here- present company excluded.

joke-

Talking to all groups on the state of the free enterprise system.
joke-about government interference.

Important to change Congress- policies now affecting us are
the result of those in power.

An accounting firm has for the first time in our history
at great cost they have created a balance sheet on the U.S.
Government similiar to corporation . The total financial status
shows we are bankrupt. Cannot continue. Reverse course.
Fitting national convention be held in N.Y.C.

Jefferson defined aims of his administration- wise and frugal
government- which shall restrain men from injuring one another.
To leave them otherwise free to lead their own pursuit of
industry etc. abd improvement and shall not take from the
mouths of labor the bread it has earned. This is the sum
of good government. etc. etc.

Gov't in 1976 will absorb 37% of the GNP
34% of the total personal income- 44¢ out of every dollar.
All figures on spending and inflation

Washington spending one billion a day and going into debt
1 1/3 billion every week. Real spendable weekly income is
lower than it was 10 years ago even though in these 10 yrs
has increased his productivity by 23%

One single proposal now before Cong. is Senator Kennedy's
Health insurance would push the share of the GNP from 37% to more
than 45% all by itself.-more than we can afford.

All stems from the source that the belief is that our Federal
Government has the answer to all our ills.

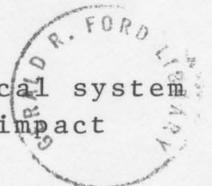
Transfer the power from the private sector to the central power-
This collectivist central approach or whatever name or party label
it wears has imposed an intolerable burden of taxation upon the
citizens. Created inflation. Saddling our economy with unprecented
controls it has generated countless economic problems from raising
consumer prices and destruction of jobs to choking off surplus of
food and /or supplies of food and energy.

Threatening us with freedom of individuals and families. State
and local governments have been demeaned . Beaucratic agencies
set up in local cities . Thousands of towns and neighborhoods
have seen their peace disturbed by beaucrats, social planners thru
busing, questionable educational progræms, tax on family unity.

It isn't good enough to say we will try to make this situation
more efficient or more responsive to the people or modify an aspect
here or there. Reverse the flow of power to Washington

Systematic transfer of authority to states is what I propose.
Reduce outlay by gov't ~~want to reduce~~ by more than \$90 billion
using spending level of 1976. This would make it possible to balance
budget and make a \$5,000,000 payment of the nat'l debt and
reduce the tax burden of individuals by average of 23%.

We can quickly then liberate much of our economy and political system
from the dead hand of federal interference with beneficial impact
on every aspect of our daily lives



Not included in such transfer would be the functions of government which are national rather than local in nature. and others which are handled through trust arrangements, outside the general revenue structure. In addition to the national defense, some of these areas are national security, medicare and other old age programs enforcement of federal law, veteran affairs, some aspects of energy, agriculture, transportation and environment. TVA and other multistate projects and certain types of research - few would want to end the Federal government role in setting of national goals and standards. and no one would want to rule out the role of the federal government-crash programs like the Manhattan and the Apollo projects Home stead Acts and -energy . In the immediate years ahead in our regulatory agencies dealing with non-monopoly industries set a date to End to price fixing.

end to all federal restrictions on the entry of new industry and business in competition with others

We must take steps to keep the spending and borrowing of off-budget agencies under control.

We must reaffirm our major trust funds to insure solvency ~~xxxxxx~~ and the countability , particularly important is the need to save social security from the colassel debt that threatens the future well being of the millions of Americans, ~~xxxxxxxxxxxxxxxx~~ even while it overtaxes the millions of workers at a growing and exhorbitant rate.-s.s. is costing thre e or four times the rate an individual could buy it in the open market.

We must put a statutory limit on the growth of the money supply so that growth does not exceed the gain in productivity

Only in this way can we be sure to return to a strong dollar.

We must radically simplify our method of tax collection so that every American can fill out his return without legal help.

General tax reform would make it more rewarding to save rather than to borrow.

Republican party should come out with a definite policy on the percentage of income the government can take.

Inflation is caused by spending money not yet earned.

Income tax increases by 26%- progressive income tax based on numbers of dollars earned- gov't does not have to increase income taxes. Immediate tax cuts- some of which may have to be balanced by tax increases in the States= would be the beginning of the savings that could be achieved. When we begin making payments in the national debt we will also start making a reduction in the tax burden. Govt would not crowd the money market-interest rates would come down .

*Included
page 2+
3+*

Programs may be good-some are and some are not- but the point is that they are losing their effectiveness because of the federal government's preemption of local levels of government.

Decision about whether to continue programs will be placed where it belongs-with the people of our states. If people want to duplicate existing programs-that is what the people want and that is fine. Survng programs would be run at lower cost.

"Public funds seem to belong to noone and the temptation to bestow them upon someone is irristible.

To tie spending and taxing together so that those who spend tax dollars will also have the pain of raising them.

If states run themselves into bankruptcy under the present system- it is bailed out when Washington picks up the tab. Pray every night "please dont let the Federal government save N.Y.C."

Where states keep their spending under control- ~~xxxxxxxxxxxxxxxx~~ citizens may have to pay more in taxes ~~xxxxxx~~ for other states that do not keep their spending under control



The Republican Party should come out solidly for a program in which from here on there will be a permanent limit on the percentage of the people's earnings that the government can take without the consent of the people.

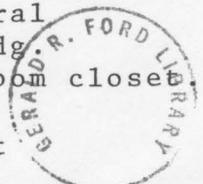
Let me tell you what I think the massive transfer of federal programs to the states would mean. It would be a giant step of solving the problem of inflation, that is sapping our strength of our economy, cheating American wage earners. There is no mystery about inflation. Its caused by spending money that has not yet been earned. Without the enormous pressure of a 60 to 80 billion dollar deficit, the Federal Researve system would have no mandate to pump too many dollars into the economy which is the ultimate cause of inflation. The Federal deficit provides the chief motive for devuching our dollar. Add to this the gain in purchasing power that will accrue to all Americans from a sharp reduction in Federal income taxes and the biggest spending burden the average citizenbears. Indeed taxes of all kinds are the biggest family expense item today than food, shelter and clothing combined.

Last year, according to a study made by the Joint Economic Comm. in the Congress, income tax at all levels rose by 26 $\frac{1}{2}$ % This did not require any change in the tax rates. The largest increase of any item in the family budget-greater than any thing that we had to do with inflation- by far the greatest part of the growing load of taxation is the federal personal income tax whose bite gets sharper as inflation pushes the tax payer automatically into higher surtax brackets. Govt does not have to raise the tax rate to profit by inflation-the income tax rate is based on the number of dollars earned- not their purchasing power. Thus, a cost of living pay increase results in a tax increase. Immediate tax cuts, some of which might have to be balanced by tax increases in the States, would be only the beginning in the savings that can be achieved. When we begin making payments in the national debt we will also begin making a further reduction in the tax burden. The American taxpayers are currently being billed an average of one billion dollars every ten days just to pay the interest on that debt. As the debt is retired we can progressively reduce the level of taxation that required for those interest payments. Senator Hubert Humphrey in excusing government spending said defensively "well-you know a billion dollars here and there- it adds up-

Well it can work the other way around. With a spending reduction I just proposed, the Federal government will no longer be crowding the capital market to finance its deficits and will make available billions of dollars of new capital for private investments, housing starts and job creations. Interest rates will come down. In the airplane a man was telling me- a businessman- that at a cost to no dividends to the stockholders they plowed \$69,000,000 worth of earnings back into his own company and he can show you on paper by actual count those 69 million dollars created instantly 5,000 new solid jobs with a future.

Now the transfer that I propose does not mean that specific programs in question are not worthwhile. Many of them are although in my opinion many are not. But the point of all these programs- they are losing the effectiveness because of the federal government's pre-emption of local levels of government. Closer to the problems coupled with Washington's ability to complicate everything it touches, One brief example of that kind of complication - there is a door in the Nation's capital-on that door is printed General Services, Administration- Region 3, Public Bldg. Service Bldg. Management, Division Utility Room, Custodian- It is the broom closet.

Now the decision as to whether the programs are or are not



worthwhile and whether to continue or cancel them will be placed where they rightly belong - with the people of our states. It is theoretically possible that local governments will simply duplicate the existing programs and if that is what the people in that state want that is exactly what should happen in that state. Now beaucrats in the Federal government in Washington - they will be available for any such programs- therecertainly wont be any work for them in Washington-

Some more worthwhile programs will be retained essentially as they are- others will be modified and many will be dropped. But all the surviving programs will be run at a much lower cost than is presently the case. The present system is geared to maximum expenditure and minimum responsibility. There is no better way to promote a lavish outlay of tax money than to transfer program and funding authority away from the state and local government tto the Federal level. Insuring that the recipient of aid have will have every reason to spend and none to conserve. They can get political credit for spending freely - they dont have to take any heat for imposing the taxes. A French economist Bastille (?) years ago said-" Public funds seemingly belong to no one and the temptantio to bestow them on someone is irresistable.

So long as the system continues on this basis, we are going to see expenditures on every level of govt soar out of sight. The object is to reverse this. To tie spending and taxing functions together wherever feasible so that those who have the pleasure of giving away tax dollars will also have the pain of raising them.

At the same time we can sort out which functions of government are best performed at each level and that process I hope will be going on between each state at its local levels of govt at the same time. A transfer of spending authority to Washington blows the difference between wasteful states and prudent ones., and this too destroys incentives towzard economy. If a state spends itself into bankruptcy under the present system, it is bailed out when Washington picks up the tab and in my evening prayers I ask each time - please dont let the Federal government try to save NYC

The trouble is that many federal governmentprograms are geared toward encouraging this kind of behavior. The way to get more is to spend more. By the same token efforts of State economies are punished under the present system. A state that keeps its fiscal house in order, for example, prevents its welfare problem from getting out of hand, will find it derives no benefits from its activities, it will discover as we did in California that efforts to impose some common sense in welfare will run afoul of Federal bureaucrats and guidelines. Its citizens will be called upon to pay in Federal taxes and inflation for other states that dont curb their spending. Benefit of localizing these programs is that state and local governments are more accessible to the local citizen



State and local governments are more accessible to the local citizens and in most cases prevented by statute from going into debt.

Proposals I have outlined will bring howls of pain from those who are benefitting and from many more who think they are.

Producing class of this nation is being drained of its substance by the non-producing. The tax payers are being victimized ~~by the tax consumers~~ by the tax consumers. 71 1/2 million of us being employed in the private sector. Sum total from which govt must get every dime, it needs. Today 80 million are receiving checks from govt

Education- greatest system ever known-not at the state level or the federal level but at the level of the local school district Until a few years ago the people had direct control over their schools-how much to spend- what kind of courses to offer- who to hire. Is it an accident that at this level of control gave way to funding by state and federal level, test results have been nosediving- for ten years but this year the greatest plunge. Spending has during the same period- been sky rocketing. Good education depends far more on local control than it does on the amount of money spent. Certain abuses did need to be cured- integration for instances-in the South- Now that these problems have been relatively cured- is there any reason why we cant go back to local control.

Welfare- old age welfare has been taken over by Federal govt During the last 18 mo nearly one billion dollars has been paid out by mistake. This area definitely should be at the local level. The more local control- the less the cost of programs

Govt run by beaucrats in Washington has no way to respond to ideas and creativity of its people. If we send the power back to the local level- ~~wax~~

End to giantism. The locally owned factory-the small businessman Real leadership comes from the people.

Need to cut the cord from Washington. Leadership is necessary but more necessary is popular choice.

People want control of their destiny returned to them.

Old rules of politics no longer acceptable to people. If we had the courage to offer not a banday or a me-too-ism the drastic reversal of the suicidal course this ~~nation~~ nation has beenon We offer the way-open the door- to these people can make their desires and dreams come true. We can give the majority once again the opportunity to control their own destiny . We stand for what they themselves ~~stand for~~ are hoping and praying for- we can restore the American dream.



Citizens for Reagan For President

Sen. Paul Laxalt
Chairman

John P. Sears
Exec. Vice Ch.

George Cook

H. R. Gross

Louie B. Nunn

Mrs. Stanhope C. Ring

Henry Buchanan
Treasurer

CONTACT: LYN NOFZIGER
202-223-8560

EMBARGOED FOR RELEASE UNTIL
9:30 a.m., Nov. 20, 1975

STATEMENT BY THE HON. RONALD REAGAN
NOVEMBER 20, 1975

Thank you for coming.

I have called this press conference to announce that I am a

candidate for the Presidency and to ask for the support of all Americans who share my belief that our nation needs to embark on a new, constructive course.

I believe my candidacy will be healthy for the nation and my party.

I am running because I have grown increasingly concerned about the course of events in the United States and in the world.

In just a few years, three vital measures of economic decay--inflation, unemployment, and interest rates--have more than doubled, at times reaching 10 percent and even more.

Government at all levels now absorbs more than 44 percent of our personal income. It has become more intrusive, more coercive, more meddlesome and less effective.

Our access to cheap and abundant energy has been interrupted, and our dependence on foreign sources is growing.

A decade ago we had military superiority. Today we are in danger of being surpassed by a nation that has never made any effort to hide its hostility to everything we stand for.

Through detente we have sought peace with our adversaries. We should continue to do so but must make it plain that we expect a stronger indication that they also seek a lasting peace with us.

(MORE)

2021 L St., N.W., Suite 340, Washington, D.C. 20036 • Phone: 202 / 223-8560



In my opinion, the root of these problems lies right here--in Washington, D.C. Our nation's capital has become the seat of a "buddy" system that functions for its own benefit--increasingly insensitive to the needs of the American worker who supports it with his taxes.

Today it is difficult to find leaders who are independent of the forces that have brought us our problems--the Congress, the bureaucracy, the lobbyists, big business and big labor.

If America is to survive and go forward, this must change. It will only change when the American people vote for a leadership that listens to them, relies on them and seeks to return government to them. We need a government that is confident not of what it can do, but of what the people can do.

For eight years in California, we labored to make government responsive. We worked against high odds--an opposition legislature for most of those years and an obstructive Washington bureaucracy for all of them. We did not always succeed. Nevertheless, we found that fiscal responsibility is possible, that the welfare rolls can come down, that social problems can be met below the Federal level.

In the coming months I will take this message to the American people. I will talk in detail about responsible, responsive government. I will tell the people it is they who should decide how much government they want.

I don't believe for one moment that four more years of business-as-usual in Washington is the answer to our problems, and I don't think the American people believe it either.

We, as a people, aren't happy if we are not moving forward. A nation that is growing and thriving is one which will solve its problems. We must offer progress instead of stagnation; the truth instead of promises; hope and faith instead of defeatism and despair. Then, I am sure, the people will make those decisions which will restore confidence in our way of life and release that energy that is the American spirit.

###



PRESS CONFERENCE BY RONALD REAGAN
ANNOUNCEMENT OF CANDIDACY
November 20, 1975

TEXT OF QUESTIONS AND ANSWERS

REAGAN: And now, for whatever questions you may have. Yes?

Q: Governor Reagan, Senator Goldwater said here at the Press Club last week that he didn't think your policies would be much different than those of President Ford. I wonder what specific differences you could cite there with Mr. Ford, and how specifically you could do a better job than the President in translating your philosophies into action?

REAGAN: I have already said, and have pledged to the people in my party and to others, that I am going to abide by the "11th Commandment", which was given birth in California, and which says, "Thou shalt not speak ill of another Republican". I have made no difference of, or list of the differences between us. I'll campaign on what I think should be done, the proposals that I would make, what I believe the philosophy of government should be; I'm sure the President will campaign in the same way, and then it will be up to you, and the American people to draw the distinction where there are differences, and to make their decision.

Q: Governor Reagan, would you accept the \$40 billion deficit for next year, and if not, what programs or what areas would you cut?

REAGAN: I believe that there are areas where the Federal government has been involved where it should properly be returned to local governments and to the states. I think that this could reduce the Federal budget as some of those things are replaced and administered by the State, obviously would have to result in local increases in taxes, but I believe that it would be run more effectively, more economically at the local and State levels, in those particular areas, than the Federal government can do it, and whatever the exact deficit might be or the attempt to change it, I believe that we have no choice. This government must get back as quickly as possible to a balanced budget. We're -- I think the only difference between the national government at the moment and New York City is the national government has a printing press.

(more)



Q: Governor, in light of your statement about fiscal responsibilities, I wonder whether it is true that during your term as Governor, the California State budget went up by a higher percentage than did the Federal government budget during the same time period?

REAGAN: The California budget did increase during the eight years that I was Governor. But I think you have to understand that every State has its own system and its own way of doing things with regard to budgeting. Some states don't show in their budget the same things that others do. Now the truth of the matter is, in California, I've heard this information around, that California's budget increased in spite of all our talk of economy. It did increase, but a great part of California's budget consists of money that must show in the budget as income and outgo, because it is collected by the State. But it is then, this great coercion of the budget, returned directly in subventions, to school districts, to local government. In the case of California, when we began, nine years ago, only half the California budget was in subvention to local government. When we finished, more than two-thirds of the California budget was going back to local government and to the school districts. The actual portion of the budget which runs the State of California, and over which we had administrative control or legislation control, for that matter, that portion of the budget over a period of eight years only increased thirty percent. Inflation alone over that period was 40%, and you add to that the fact that California was one of the fastest-growing states in the Union, and you have the situation that in constant dollars, the actual administration of the State of California was costing less at the end of eight years than it did eight years before.

Q: Governor, what makes you think that you could knock-off an incumbent President?

REAGAN: Makes me think I could "knock-off" an incumbent President? Well, that's going to be something that the voters and our Party will decide after they've heard both of us and we have run our campaign in a gentlemanly manner, and they will make their decision as to who they think should carry the Party standard.

(more)



Q: Governor, supposing you do "knock-off" an incumbent President, supposing you do defeat an incumbent President, isn't the Party going to be so badly divided because of the passions of the supporters on each side, no matter what you say, that it's going to be very difficult for you, or the Republican nominee to win in November?

REAGAN: Well, I think, Lou, that you have to face one thing, that even if the most united Republican Party that we can muster goes forward on the behalf of any candidate, you're talking about 20% of the voters. And there's about 40% of the voters out there of the other Party, many of them disaffected, but the key to the election, and no Party is going to win without that other 40% of the voters that are now disenchanted with both Parties and decline to state. And so I think what has to happen, is the candidate has to offer a program that is going to bring back into the political process, those Americans who are disallusioned and who are not voting. Actually, there's no need for a Party to be divided. Practicing our "11th Commandment" in 1966 in California, we had a Republican Party that for two years had been more divided than any Party has ever been anyplace in this country, and they came together, and the simple idea is that you campaign on what you believe -- all the candidates do -- and I'm not convinced that there will only be two candidates in this race in the Republican Party, and then you all rally behind the choice of the Party, and go forward with that choice.

Q: Governor, you're asking your Party to choose between you and President Ford. Your "11th Commandment" aside, what's wrong with President Ford?

REAGAN: Well you have made the answer to your question impossible by your one line, 'the "11th Commandment" aside.' I will not put aside the "11th Commandment" for anyone.

Q: Governor Reagan, in addition to your California delegation, one of the biggest of the Republican convention will be that from the State of New York. Do you plan to make any determined effort to pick up delegates in New York, particularly considering that's it's the home state of the Vice President, who says he's supporting Mr. Ford?

(more)



REAGAN: Well, I'm sure that I will be represented, and whether I actively campaign or not in all of them, or whether anyone could actively campaign in all of the primaries, I'm sure that I will be represented in all of them, and I'm going to try to take my message as far and wide as I can, and appeal to as many people as possible.

Q: Governor Reagan, the President will soon have on his desk legislation which would, on this energy bill, which would roll back domestic oil prices, and also, common situs picket legislation. Would you sign either of these bills, putting yourself in office a little bit early?

REAGAN: I hope the President will veto both of them. I believe the energy bill goes backwards as to what we should be doing; it not only discourages conservation of scarce energy supplies, it makes it less advantageous for anyone to try and find new energy supplies, it increases our dependency on outside sources, rather than domestic. And the common situs bill, I think is nothing more than the United States Government putting itself in the position of forcing compulsory unionism in an entire industry.

Q: Governor, I hope as a Veteran leader, that you never, that you don't intend to vote against tax and increases for the Veterans of the United States, do you?

REAGAN: Well, you're asking about something that I haven't had an opportunity to look into at all, so I can't answer your question as yet.

Q: Governor Reagan, Sir, how do you think you can capture the 40% of the people that were dissatisfied to vote Party, given the fact that some of them have traditions that are considerably to the left of yours?

REAGAN: Well, some of them may be considerably to the left -- I, as you know, have never really believed in that "left" or "right" distinction. I have to believe that, and from going around the country as much as I have in the last ten months, that the American people are in a time of discontent. They believe that government is too big and too intrusive in their lives. They believe it's too costly, they finally have discovered who is paying for all of the Federal programs, or all of the government programs for that matter, and I think the people are waiting for some of the things and willing to go forward with some of the things that will reduce that power and size of government

(more)



and make it more responsive to them, and if the polls are any indication, the people believe the government should be returned, in a greater extent, to the local level. They have a greater faith in government at the local level than they do at the national level.

Q: Governor, when did you finally decide to run?

REAGAN: Well, to put my finger on the exact moment would be rather difficult, but I can tell you, not very long ago. I haven't been playing any games; it is a decision that, as I've said so many times, to so many of you, not an easy decision to make, not a decision that the average person thinks he would ever be called upon to make. I wanted all the information I could get -- I wanted to be as sure as I possibly could be, and answers to a number of questions, and it has only been extremely recently that, in my own mind, I felt that I was coming to this particular moment.

Q: Governor, do you respond to President Ford's challenge and enter all the primaries?

REAGAN: Well, as I say, I will be represented in all of them. Yes?

Q: Governor, if you can win the New Hampshire primary, will you satisfied to come close to President Ford?

REAGAN: Whatever primary I enter, and that decision has been made, I will enter and campaign in the New Hampshire primary and in the Florida primary, the first two primaries, and in the New Hampshire primary, I'm just going to do my best to win.

Q: Governor, Senator Percy doesn't seem to have heard about the "11th Commandment". He's put out a press release that says that your nomination would be "foolhardy", and lead to a crushing defeat for the Republicans, just as George McGovern's nomination was disastrous for the Democrats. Do you have -- he also says you're too far out of the centrist mainstream. Do you have a reaction to Senator Percy's remarks?

REAGAN: Well, yes, and, I also have his personal assurance that he too will abide by the "11th Commandment" while he is not in support of my candidacy, he will campaign in the same way.

Q: Does this then, comply with the "11th Commandment"?

REAGAN: Well, I don't know which came first, his pledge to me, or that. Maybe he's reformed. I will say this, however. When he says that I'm not in the centrist position in the Party, I do have a record, for anyone's inspection, of what we did in the State of California, and anyone who could point to that record and

(more)



suggest that there was anything extreme about any of the positions that we took, I'm very proud of the record, and will hold it up for inspection for anyone that wants to see, and I think it will indicate that it is pretty much in the mainstream of the thinking of the people of this country, because it was approved heartily by a State in which Republicans are outnumbered three-two by Democrats.

Q: Governor Reagan, what are you going to do for Women?

REAGAN: Well, I'm going to continue to support Nancy to the best of my ability -- I believe I think I understand the point of your question. You know Will Rogers once said, and I have to do this, I have to quote him, Will Rogers once said that women were going to try to become more and more equal to men until pretty soon, they weren't going to know any more than the men do. And, I believe that if there are any injustices, if there are still any inequities with regard to difference in treatment of men and women, they should be corrected by statute. I think that they have a place in government, I think they can make a great contribution to government.

Q: Governor Reagan, your opening remarks in regard to reduction in Federal spending in every area except military. Yesterday, the Senate passed a military spending bill of \$90 billion. How much is enough in your view -- are you calling for a massive increase to achieve what you call the military superiority over the Soviets?

REAGAN: Well, I think when you get to the defense budget, you have something different than you have with most other areas of government. It isn't a case of what you decide to spend in military. That is based on what you have to spend -- what is necessary if you are to remain equal in power to any potential enemies in the world. And so, military spending is virtually forced on you as a necessity. Now, this does not mean that we should not continue to look at the military budget, not from the standpoint of whether we need or do not need the weapons, but mainly from the standpoint of are we running it efficiently, and getting the best buys for our dollars. And I think any administration should continue to do that. But the military budget as I say, is forced upon us. It is not something in which you can just decide whether you want to spend it or not.

(more)



Q: Mr. Reagan, \$150 billion, \$200 billion, what do you want to spend?

REAGAN: I didn't say what I wanted to spend. There you have me in a position in which the answer is very difficult. Because I think only when you are in that position of command, do you have access to all the information that is necessary for making that decision, and obviously, I'm not in that position, and do not have that information at this moment.

Q: Governor, how do you stand on gun control?

REAGAN: On gun control, I am against the kind of gun control that is being proposed so much in Congress, that would make it difficult for the legitimate citizen to own a gun and that which I feel would do nothing whatsoever to take the gun away from the criminal. I think that we embarked on a program in California that is the proper kind of gun control. It has nothing to do with taking the weapons away from legitimate citizens. What we did do, is pass a law for one thing that any criminal convicted of committing a crime, who had a gun in his possession carried with him at the time of the crime, whether he used it or not, add five to fifteen years to the sentence. We now have a law also in California, that says that no judge can take a criminal convicted of a crime and turn him out on probation if he carried a gun in connection with the crime, he must go to prison -- he must serve a mandatory prison sentence. I think these are the kind of gun controls that we need. It is naive and foolish to believe that there is anything you could do in the nature of gun control that would prevent the criminal from having a weapon. He would simply disarm the citizenry.

Q: Governor Reagan, if the choice were yours to make, whom would you name to replace Justice Douglas on the Supreme Court, and also would you tell us what kind of a judicial philosophy you might have in naming Justices to the Supreme Court? Do you share former President Nixon's view that so-called "strict constructionists" should be named to the court?

REAGAN: I don't have any name in mind, at the moment, because it's not my decision to make, with regard to the appointment that is now open in the Supreme Court. I do believe that yes, you should have someone who is a constitutionalist, whose philosophy and belief is to interpret the Constitution, and not to legislate. I think there has been too much legislation by the courts, not only there, but in other areas of the country and in other levels

(more)



of the court, but I would look for the best person I could find with understanding of the Constitution, and as I say, who would interpret that Constitution.

Q: Governor, what is your stand on the Equal Rights Amendment?

REAGAN: On the Equal Rights Amendment. I should have quit with the first answer over there. I originally started out, it sounded like a very simple thing, and why not? I have to say that as we progressed, and as I found myself with a position where I had to know more about it than that, like many others, I do not believe that a simple amendment, the Equal Rights Amendment, is the answer to the problem. I think that it opens a Pandora's Box, and could in fact militate against the very things that women are asking for. I believe the answer is by statute, that the Constitutional amendment, once in the Constitution, can be by strict interpretation, used to deny women many of the advantages they now have. I would prefer to resolve things by statute.

Q: What advantages?

REAGAN: Well, I think you open up the question then of special provisions in say factory work, industrial work, for employees that take cognizance of the fact that there are physical differences between men and women; I think you open up the whole role of individuals in time of emergency being able to challenge their own call to duty on the basis that now it was their Constitutional rights that were being denied because others were not being called, and I don't care how some women may feel about it, but I would hate to see a nation that's going to rely on women in the combat forces.

Q: Governor Reagan, do you see in the anti-bus movement a special constituency for yourself?

REAGAN: See in what?

Q: Anti-bus -- school busing of children, forced school busing of children, a special constituency for yourself?

REAGAN: No, but I have to say this, that I think forced busing has failed signally in its purpose; it has added to the bitterness that it was supposed to cure, and has solved none of the problems of prejudice or bigotry, and when you find that evidently Coretta King and I are on the same side, that she too is opposed to busing, I think we find that it must be pretty widespread among the people -- their objection to it. I think

(more)



the greatest definition that I've heard of the evil of forced busing was made by the very highly respected Superintendent of Education of the State of California, Wilson Riles, who himself is black, and Wilson Riles said that he considered it insulting and demeaning, and I do also, to tell a Negro child that the only way he can learn something is if you put him in school between two white kids.

Q: Governor, if the President next week should decide to support a policy of some aid to New York City, of any kind, would that become an issue between you and him and the campaign?

REAGAN: This would depend on what kind of program we're talking about. I don't think anyone wants to see the people, the hard-working, tax-paying people of New York, who have been victimized by their own political leaders, back over the years, in a way that lead to this situation, to see them penalized. But any situation for help to New York must be predicated on a reorganization that stops the process that has lead to this situation. We see in New York a very simple situation, that for many years back, politicians wanting to never say no, but always say yes to everyone, have been increasing spending in New York City almost twice as much as the increase in their revenues each year. They have been creating independent authorities with bonding power, in which they did not have to ask the consent of the voters, but then the bonding power was distorted and abused in that bonds sold to create one-time capital improvements, the borrowed money was used instead on top of the tax revenue to pay for ongoing government expenses. And so we find that New York City today, in providing the basic services, has a per capita cost of \$1446, all the other major cities in the United States of a million population or over average less than half of that -- \$670. That has to be corrected as a premise for any program for helping the New York citizens.

Q: If you should bomb-out in the early primaries, contrary to your plans, would you withdraw?

REAGAN: If I should "bomb-out" in the early primaries, that's a hypothetical question, and it's a hypothesis that very frankly I ruled out in my own mind before I ever stood up here, and I don't bother to think about that.

(more)



Q: If we can go back to the New York City question -- what specific plan do you advocate concerning the New York City fiscal problem, at what point would you recommend federal assistance, and in what form?

REAGAN: Well, I can't answer that again, because I have to say that this is a little bit like the defense question, that until you have access to all of the information, which I don't have, I don't think that you can come up with a specific plan. All I can give you is the generalization, that you do not want to see distress imposed upon the hard-working people of New York City who are not to blame for this, but you do want to see that before anything else is done, that New York City has adopted a plan that they will not find themselves down the road doing the same thing over again.

Q: Mindful of the generalization again, what you're saying is that if New York City did meet these requirements, move toward a balanced budget, whatever the requirements are, that federal dollars moving into help New York City would then be alright? As far as you know?

REAGAN: It may not necessarily be Federal dollars. As I understand it, there's consideration of nothing but assurance and a backing by the Federal government of loans that might be made whatever the solution is, but I would want to look at that very carefully, and I don't have one in mind myself right now.

Q: Governor, you said that this issue was difficult and compared it to the defense budget. But certainly nothing about New York City's finances is very, has a classification stamp on it. You're running for President, this is a large national issue, why don't you have the specifics and the details at your command?

REAGAN: Well, because, I don't think that when you are not a candidate and you're as busy as I have been going around the country, you have an opportunity to get as deeply into every single subject that might confront you in the days ahead as you'd like. And I don't have that answer.

Q: Governor, on the same point, do you intend to go through the whole primary campaign taking the position that you cannot make recommendations on the defense budget because you don't have access to information?

REAGAN: Well, now wait a minute. When you specify defense, let me say I will have positions, of course, and will be speaking in detail on those in the months ahead. I must say, however, in that particular area, one always has to face the fact that there are facts not known to you and which cannot be known to you because

(more)



of classification, and this is always, must be kept in mind as a reservation about any opinion that you might render. No, I will be taking positions. First of all, as I've said before, I'll take one flat position -- I don't believe that the United States can afford to be second to anyone in the world militarily. There is no such thing as second -- if you're second, you're last.

Q: Governor, you say "second, you're last" -- would this also apply to you if you took the Vice Presidential slot?

REAGAN: I have given no consideration to that -- I'm not interested in that.

Q: Governor, will you support whoever the Party's nominee is, and if your candidacy is as healthy as you say, would it also be healthy if some other people would enter the primaries against President Ford?

REAGAN: Well, as I said, I would not be surprised if others did, now that someone has broken the ice. This is a part of the "11th Commandment", that you submit yourself to your Party's voters and then you'll abide by their decision and rally behind the winner.

Q: Governor, what is your reaction to the recent disclosures that the FBI (tape ran out) ...

REAGAN: ... is news, the paper in the news this morning, and I've had no opportunity to read the paper as yet, all I saw was the headline, and haven't had a paper in my hand to find out what those revelations or what that story is.

Q: Now you have said that there will probably be other Presidential candidates...

REAGAN: No

Q: ...besides Nelson Rockefeller, who do you think it will be?

REAGAN: Well now, I didn't say besides him, and I didn't say probably. I said that possibly, and I would not be surprised if there were others. I don't know that there are going to be others, I don't know whether it's going to be probable, and I'm going to make no speculation as to who they might be.

Q: Thank you, ladies and gentlemen.

REAGAN: Gentlemen, the time is up.

####



Citizens for Reagan For President

Sen. Paul Laxalt
Chairman

John P. Sears
Exec. Vice Ch.

George Cook

H. R. Gross

Louie B. Nunn

Mrs. Stanhope C. Ring

Henry Buchanan
Treasurer

CONTACT: LYN NOFZIGER
202-223-8560

FOR RELEASE ON DELIVERY

MEMORANDUM FOR THE PRESS:

Governor Reagan will vary the attached speech slightly
at each stop to meet the local situation.

attachment



SPEECH BY RONALD REAGAN, NOV. 20-21, 1975

There's a passage in the Bible that says, "If the trumpet gives an uncertain sound, who shall prepare himself to the battle?"

Well, just to make sure no one mistook the sound of the trumpet, I took it to Washington this morning to announce my candidacy for the Presidency.

I chose Washington because it is such an intimate part of our troubles: inflation, recession, unemployment, bureaucracy and centralized power.

There are times in a nation's history when the people become aware that only a new and constructive course can solve the problems besetting them. America is in such a time now.

Ironically, it was in another troubled time more than four decades ago that we set in motion some of the forces which have brought us to this present time of decision.

Back in the Depression years there were those who promised to overcome hard times. Franklin Delano Roosevelt embarked on a course that made bold use of government to ease the pain of those times. Although some of his measures seemed to work, he was soon moved to sound a warning. He said, "...we have built new instruments of public power in the hands of the people's government...but in the hands of political puppets of an economic autocracy, such power would provide shackles for the liberties of our people."

Unfortunately, that warning went unheeded. Today, there is an economic autocracy, born of government's growing interference in our lives. Yet Washington, for all its power, seems powerless to solve problems any more.

I am running because I have grown increasingly concerned about the course of events in the United States and in the world.

In just a few years, three vital measures of economic decay--inflation, unemployment, and interest rates--have more than doubled, at times reaching 10 percent and even more.

(MORE)



Government at all levels now absorbs more than 44 percent of our personal income. It has become more intrusive, more coercive, more meddlesome and less effective.

Our access to cheap and abundant energy has been interrupted, and our dependence on foreign sources is growing.

A decade ago we had military superiority. Today we are in danger of being surpassed by a nation that has never made any effort to hide its hostility to everything we stand for.

Through detente we have sought peace with our adversaries. We should continue to do so but must make it plain that we expect a stronger indication that they also seek a lasting peace with us.

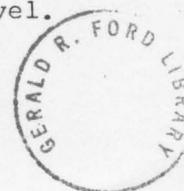
In my opinion, the root of these problems lies right here--in Washington, D.C. Our nation's capital has become the seat of a "buddy" system that functions for its own benefit--increasingly insensitive to the needs of the American worker who supports it with his taxes.

Today it is difficult to find leaders who are independent of the forces that have brought us our problems--the Congress, the bureaucracy, the lobbyists, big business and big labor.

If America is to survive and go forward, this must change. It will only change when the American people vote for a leadership that listens to them, relies on them, and seeks to return government to them. We need a government that is confident not of what it can do, but of what the people can do.

For eight years in California, we labored to make government responsive. We worked against high odds- an opposition legislature for most of those years and an obstructive Washington bureaucracy for all of them. We did not always succeed. Nevertheless, we found that fiscal responsibility is possible, that the welfare rolls can come down, that social problems can be met below the Federal level.

(MORE)



I am convinced that under the layer of self-doubt that seems to have settled like a fog on our country, the true, strong spirit of the American people still glows, ready to be reignited so that we can once again have a sense of mission; a pride in our capacity to perform great deeds.

Washington seems to have lost track of the American Dream. But you and millions more like you across this land have not. You are determined to be free and independent, to solve your own problems and to help your neighbors solve theirs. Over the last ten months, visiting nearly every corner of America and meeting many thousands of people, I have seen this determination in their faces and I have heard it in their voices.

I have become a candidate because I believe strongly in this American spirit to move forward; to try the untried; to dream the new dream--knowing that our energy and our ingenuity can turn them into realities.

In the coming months I will take this message to the American people. I will talk in detail about responsible, responsive government. I will tell the people it is they who should decide how much government they want.

I don't believe for one moment that four more years of business-as-usual in Washington is the answer to our problems, and I don't think the American people believe it either.

I am here to tell you that I shall be running in your primary. Not just running, but putting all my energy into it. I cannot reach the goal alone. I need your help. Together, we can reach it.

We, as a people, aren't happy if we are not moving forward. A nation that is growing and thriving is one which will solve its problems. As we work toward our goal, we must offer progress instead of stagnation; the truth instead of promises; hope and faith instead of defeatism and despair. Then I am sure the people will make those decisions which will restore confidence in our way of life and release that energy that is the American spirit.

###



PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS ABC NEWS RADIO
AND TELEVISION PROGRAM TO "ABC NEWS' ISSUES AND ANSWERS."

I S S U E S A N D A N S W E R S

SUNDAY, NOVEMBER 30, 1975

GUEST:

RONALD REAGAN - Former Governor of California
and Candidate for the Presidency

INTERVIEWED BY:

BOB CLARK - ABC News Issues and Answers
Chief Correspondent

FRANK REYNOLDS - ABC News Correspondent

- - -

- - -
This is a rush transcript for
the press. Any questions re-
garding accuracy should be re-
ferred to ISSUES AND ANSWERS

- - -



1 ANNOUNCER: Former Governor of California and candidate
2 for the Republican Presidential nomination, here are the
3 issues:

4 Will your challenge to President Ford destroy Republican
5 chances of holding on to the White House?

6 How do you propose to reduce the power of the federal
7 government without substantially increasing local and state
8 taxes?

9 If you were President, would you go to China to advance
10 detente?

11 * * *

12 MR. CLARK: Governor, your challenge to President Ford
13 has been greeted with alarm by some liberals and moderates
14 within your party. Senator Percy says your nomination would
15 wreck the party, and Senator Mathias is talking about starting
16 a third party.

17 Do you have a plan to make peace with the liberals, to
18 keep them under the Republican banner and under your banner
19 if you win the nomination?

20 MR. MEAGAN: Well, Bob, I have always disagreed with
21 those Republicans or those outside of the party who insist
22 on hyphenating Republicans, giving them saliva tests and
23 classifying them into narrow brackets as to where they stand
24 philosophically. I think all of us must have certain basic
25 agreements or we wouldn't be in the Republican Party



1 I think they are wrong, and I think what they are ignoring
2 is a record of eight years that stands up there for anyone
3 to look at, the record of my administration in Sacramento,
4 California.

5 They can look at that record, and I doubt if they can
6 classify that into the narrow categories that they are viewing
7 with alarm. So I hope that by our practice of the 11th
8 Commandment, which was given birth in California, that their
9 fears will be eased.

10 MR. CLARK: Do you mean by this, Governor, that you
11 don't think it is necessary for you to offer any special olive
12 branch to the liberals? You think they simply have to look
13 at your record? Is that your view?

14 MR. REAGAN: I think they barked rather early, and maybe
15 if they will sit down in good faith and have a discussion --
16 which I would be very happy to have with them -- they would
17 find out that their fears are groundless.

18 MR. REYNOLDS: Governor, one of the reasons, I suppose
19 the major reason why liberals express misgivings about you
20 is because of some of the things that you have said
21 and the programs you have offered.

22 For example, your proposal to cut federal spending by
23 consequent
24 \$90 billion, with a / reduction in federal income taxes
25 of about 23 percent, that you propose to give so many of
these programs now funded in part or in whole by the



1 federal government back to the states. Is there anybody
2 else that you can think of in the Republican Party that really
3 believes that kind of a program?

4 MR. REAGAN: Well, yes, as a matter of fact, it has been
5 Republican philosophy for quite some years, and many times in
6 the platform, that there was an overcentralization of govern-
7 ment under Democratic regimes and over these last 40 years
8 of Democratic control of the House and Senate, and that the
9 Republican Party was pledged to government at the levels near-
10 est the people. I think that is standard Republican philosophy.

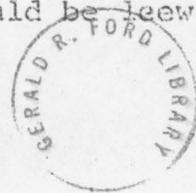
11 Now, my so-called cut of \$90 billion with the total based
12 on the '76 budget projection, it was based on the amount of
13 money that is invested in programs that properly, regardless
14 of the money, properly belong at the state and local level.
15 And my own experience in California indicates that this is
16 so, and I think that most people today believe that. I think
17 many of our ills would disappear if some program such as welfare
18 and education were turned back to the states where they properly
19 belong.

20 MR. REYNOLDS: What would that do to the states them-
21 selves in terms of their own financing? For example, take
22 the state of New Hampshire. You will be interested in New
23 Hampshire before very long. New Hampshire now gets, on the
24 subject of welfare you would propose to return all welfare
25 obligations back to the states. Well, the federal government



1 pays 62 percent of the New Hampshire's total welfare expendi-
2 tures. That means New Hampshire has to either assume that or
3 cut it down.

4 MR. REAGAN: This is true, and I made the point this
5 would not be a net gain, but if these programs were turned
6 back -- let me say, also, not an instantaneous
7 cancellation of Federal government, and hopefully somebody
8 picks it up. I think you would have to have an orderly phas-
9 ing of these programs to local government or state government.
10 I think state governments at the same time when this happens
11 should be reviewing whether they should indeed pass the
12 program on to their local communities. Then I think that
13 you would have to have taxes increased at state and local
14 levels to offset this, or to maintain some of these programs.
15 Some programs undoubtedly would be dropped, because the federal
16 government has many programs. You know there is nothing that
17 is closer to eternal life than a government program once started
18 at the federal level. But the thing is, what we learned in
19 California with our own welfare reforms is, not only can they
20 be better administered, they can be more economically adminis-
21 tered. Now, if the federal government stopped preempting so
22 much of the tax dollar, taking all the sources of taxation
23 at the federal level, leaving local and state governments
24 strapped as to where they are to get the money they need,
25 if this was reduced at the federal level there would be leeway



1 for the states and local governments to take these over.
 2 They would also be run at a much lower cost. The administra-
 3 tive overhead of running any program at the federal level is
 4 much greater than it is at any other level of government.

5 MR. CLARK: Governor Reagan, as I am sure you are aware,
 6 New Hampshire is quite proud of the fact it is the only state
 7 in the country that has neither state sales nor state income
 8 taxes. Campaigning in New Hampshire on a program to turn
 9 back responsibility for numerous federal programs to the
 10 state, in candor wouldn't you have to tell the people of New
 11 Hampshire that you are going to have to increase your tax bur-
 12 den and that probably means either a sales tax or a state
 13 income tax?

14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25



1 for the states and local governments to take these over.
2 They would also be run at a much lower cost. The administra-
3 tive overhead of running any program at the federal level is
4 much greater than it is at any other level of government.

5 MR. CLARK: Governor Reagan, as I am sure you are aware,
6 New Hampshire is quite proud of the fact it is the only state
7 in the country that has neither state sales nor state income
8 taxes. Campaigning in New Hampshire on a program to turn
9 back responsibility for numerous federal programs to the
10 state, in candor wouldn't you have to tell the people of New
11 Hampshire that you are going to have to increase your tax bur-
12 den and that probably means either a sales tax or a state
13 income tax?
14
15
16
17
18
19
20
21
22
23
24
25



1 MR. REAGAN: But isn't this a proper decision for the
2 people of the state to make?

3 MR. CLARK: But isn't this going to be forced on them if
4 they are forced to take back these federal responsibilities?

5 MR. REAGAN: Yes, how they were to administer them, whether
6 they would administer them is properly a decision to be made
7 at the state level in these particular programs.

8 Let's emphasize I made it very plain in the same address
9 in which I outlined this overall plan, I made it very plain
10 that there are functions that are properly federal, properly
11 belong to the national government and should stay there. This
12 doesn't mean they can't be improved. It doesn't mean they can't
13 be made more efficient. I am sure they can be.

14 But, as you have just said, the federal government is --
15 your situation with regard to states -- now, in California we
16 have an income tax too, but we realize we are limited in that
17 income tax because the federal government is in there first
18 and that is the most elastic tax, that is the one that
19 grows with the economy the most, and the federal government has
20 pre-empted it to such an extent that local and state governments
21 are hard put to find legitimate sources for taxation.

22 MR. CLARK: Governor, that raises an interesting point.
23 You have lost a celebrated item here in California, proposition
24 one where you attempted to put a limit on the amount of state
25 taxes that should be collected and paid the taxes to the local



2
1 personal income in the state.

2 If you become President, would you try to do the same
3 thing with federal taxes? Would you think of some outer
4 limit that might be placed on federal income taxes?

5 MR. REAGAN: As a matter of fact, it is not just income
6 taxes; it is all taxes. The percentage of the earned dollar
7 that government takes is too high. That all governments take
8 is too high.

9 It is one of the things that is holding down our economy.
10 We lost in California on that. We would take more than a
11 half hour if I tried to explain it in full. Frankly, we were
12 just out-muscled. The big lie defeated us and we didn't have
13 the muscle to overcome it, but 69 per cent of the people who
14 voted against that program had been deceived into believing
15 they were voting against a tax increase.

16 MR. CLARK: If you become President, might you think in
17 terms of a proposition one on the federal level?

18 MR. REAGAN: Well, you take your problem to Congress
19 but that is already there. There is legislation that has been
20 introduced in Congress by a group of congressmen who saw this
21 California experiment and believed ---

22 MR. CLARK: Would you support it, though?

23
24 MR. REAGAN: I certainly would.

25 MR. REYNOLDS: Governor, before we leave this whole area,



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

what would your program, if fully implemented, do to the poorer states?

All states are not equal. California seems to be in pretty good shape, but what about Arkansas and Mississippi and some of these other states who don't have --

MR. REAGAN: It is true, there are states that get more from the federal government than they return to the federal government. They are low-taxed states. They are not burdened with heavy taxation, but let me ask you something: One of those high tax-paying states, so-called wealthy states, is New York.

Is New York, today, in a position to solve its own problems and at the same time send money to some other states?

MR. REYNOLDS: Is New York in a position to assume all of the programs that you would give back to New York, all Welfare costs, all aid to education and everything else?

MR. REAGAN: Yes, because many of these programs, you see, are -- the manner in which the federal government insists on their implementation is excessive, and the rules and regulations force upon states and cities like New York things that administratively they would not do if they had the leeway to do it.

Now, let's point out another thing. If Welfare were returned to the state level, a state could have a limitation, or a residency requirement in order to get welfare, which they



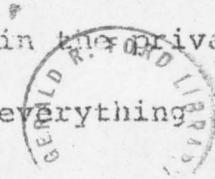
1 always had, until the federal government was involved to such
2 an extent that the Supreme Court ruled that, no, you could
3 move anywhere in the United States you wanted and instantly be
4 eligible for Welfare in whatever state you chose.

5 Now, states like New York and California that have tried
6 to do more than other states, that had higher Welfare payments,
7 found themselves with an in-migration from these other states.
8 But if you returned this to the states and the federal govern-
9 ment was not involved, a state like New York that was burdened
10 with this great in-migration could have had a rule that said
11 "Oh, no, you have to live here a year before you are eligible
12 for Welfare."

13 MR. REYNOLDS: Now that you have raised the topic, suppose
14 we ask you, what do you think of the way the President has
15 handled the New York situation? Are you in agreement with him
16 as far as New York's finances are concerned?

17 MR. REAGAN: I am worried about a precedent being establish-
18 ed that might be passed on, or that might lead to other cities
19 saying, "Well, we can be careless with our bonding and we can
20 float more bonds than our credit requires and count on the
21 federal government to bail us out."

22 I do recognize that the President has placed this on
23 New York, reversing the trend that led to their problem.
24 There is no question but that the victims in New York are the
25 three million working tax-paying citizens, working in the private
sector who must put up all the money that pays for everything



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

else; who for some 20-odd years have had their political leaders deceive them as to the practices they were following to the place that New York now has a per capita cost for basic services that is more than twice that of all the other big cities in the United States.

MR. CLARK: We would like to get a specific answer on New York. If you were President do you think you would have made the offer that President Ford has made to make direct federal loans to New York City to help get it out of its financial crisis?

MR. REAGAN: I wish I could give you an answer to that. As I say, I am worried about the precedent.

On the other hand, I don't want to see those three million working citizens I have mentioned victimized with creditors holding the bag and with bondholders in the same position.

I haven't had an opportunity to study all the ramifications. I heard the President make his statement. It sounded like a practical plan. I have the concern that I have mentioned. I frankly want to give this more study before I tell you that is the solution that I would pick.

* * * * *

MR. CLARK: Governor, as you know, Vice President Rockefeller hasn't quite taken himself out of the 1976 picture. He has declined to say flatly that he will not be a candidate for the Republican nomination.



1 Do you view him as a rival for the nomination?

2 MR. REAGAN: No. I am aware of his position and it is
3 similar to a position he has taken in previous national
4 elections and that is a decision for him to make.

5 I have said that I will not be surprised if, now that I
6 have declared, if others do not follow suit and get into the
7 race.

8 MR. REYNOLDS: Do you expect John Connally to come in?

9 MR. REAGAN: I don't know. I think that John Connally
10 certainly is available and would not refuse if there was an
11 indication from enough people that they thought he should make
12 a run for it.

13 MR. REYNOLDS: Governor, what is your strategy, to knock
14 the President out in the early primaries, force him to withdraw?

15 MR. REAGAN: My strategy is a little more
16 naive than that. My strategy is to take my case to the people
17 as to what I believe should be done with regard to the problems
18 and what I think the solutions are, what the policy should be,
19 and let the people decide.
20
21
22
23
24
25



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. REYNOLDS: The President has indicated no great willingness to debate you. Would you like to debate Mr. Ford, say up there in Manchester?

MR. REAGAN: Well, I have to say this. I know that the challenge and the rejection of debate is kind of a campaign tactic that is used both ways, in politics. I have to say that I believe the people can find out what you believe, what your principles are, without the two of you appearing simultaneously.

MR. REYNOLDS: You don't think it is easier to choose between the two of you, if they could see you side by side discussing these issues, having a free and frank exchange of views?

MR. REAGAN: Well, is it any different than seeing each candidate frankly express his views and then someone else -- and you gentlemen of the press make no -- you leave no stone unturned to pin each one of us down on what the other one has done and what you would do likewise. I am not sure that it is beneficial.

MR. CLARK: Governor, one more question about Vice President Rockefeller. He has refused to say that if you win the nomination he would support you. If by some chance he became the Republican nominee, would you support him?

MR. REAGAN: Well, he is not even a candidate yet. I will wait and answer that when he becomes a candidate.



1 I think I would be surprised and disappointed if Vice President
2 Rockefeller took that attitude with regard to a Republican
3 nominee. I would be surprised, myself. I believe in the
4 philosophy of the Republican Party. I know that the Vice
5 President and I differ philosophically on a number of points.
6 At the same time, we have a most friendly and cordial rela-
7 tionship.

8 MR. CLARK: Governor, would you say -- this is a way out
9 of the dilemma we put politicians in on this -- would you simply
10 say you would support the nominee
11 of the Republican Convention, whoever he may be?

12 MR. REAGAN: Well, now, that is a hypothetical question.

13 MR. CLARK: Is that hypothetical? There aren't very many
14 candidates.

15 MR. REAGAN: Wait a minute. You can get into all sorts
16 of things. Would I, when I was a Democrat, would I have
17 stayed with my party in '72 when they chose a man who I thought
18 was so far afield from what the American people wanted, then
19 the answer would be no. So you can't rule that that can't
20 happen to any party as it did to that one. I don't think it
21 could happen to the Republican Party, but you can't make
22 a flat assertion that it won't.

23 MR. REYNOLDS: You are well on your way right now to
24 reviving talk about a third party with you heading a
25 third party possibly?



1 MR. REAGAN: No, I rule that out.

2 MR. CLARK: Neither you nor Vice President Rockefeller
3 will say they will support the nominee of the party. Doesn't
4 this inspire the sort of divisiveness that Republican leaders
5 in both the left and right wings, the liberal and conservative
6 wings, are trying to avoid?

7 MR. REAGAN: No. There are two candidates at the moment
8 for the nomination of the Republican Party - myself and Presi-
9 dent Ford. If President Ford wins, I will support him.

10 MR. CLARK: There have been reports when you telephoned
11 President Ford to tell him you were going to challenge him
12 for the nomination he told you, as the report read, that this
13 would cause bitterness and divisiveness within the party and
14 weaken its chances of defeating the Democrats next year. Did
15 the President say this to you?

16 MR. REAGAN: The President expressed a concern. I made
17 my pledge to him about doing nothing divisive. He made the
18 same pledge to me. He did express a concern that in spite
19 of this, the other people who are involved in campaigns, that
20 the danger was there. Well, I have the experience of a '66
21 campaign in California in which we all did observe the 11th
22 Commandment, and we put the Republican Party back together in
23 this state for the first time in 50 years, that it had been
24 a united party.



1 MR. REYNOLDS: Governor, do you believe the President's
2 current trip to China -- he is on his way there today -- is
3 worthwhile?

4 MR. REAGAN: Well, he expressed the hope it was to improve
5 chances for peace. In that regard I hope it is successful.
6 Frankly, I have to wonder if it isn't time for China to come
7 visit us.

8 MR. CLARK: Governor, one of the questions that is still
9 hanging over our relations with China is whether we should
10 upgrade our diplomatic relations with China and establish an
11 embassy in Peking. Now, the one could be that this would mean
12 abandoning Taiwan. If you were President, would you take that fur
13 ther step toward closer relationships to China?

14 MR. REAGAN: Not if it in any way reduced our relation-
15 snips with Taiwan. Taiwan is an ally. We have a treaty
16 with Taiwan. I believe Taiwan as a trade partner is an
17 economic force in the world far in excess of Mainland China. But
18 while I want better relations on an honest basis with Red
19 China, as I am sure everyone else does, that this country
20 not, if it means sacrificing our relationship with Taiwan.

21 MR. CLARK: Would you, as President, place conditions
22 over further moves toward detente
23 with the Russians? Would you want specific
24 for instance, on the subject of further talks toward mutual
25 reductions of nuclear arms?

MR. REAGAN: I have criticized detente because



1 think detente is as much of a two-way street as it was set
2 out to be, and as it is supposed to be. I believe Russia is
3 violating certainly the ^{spirit, the} intent of detente, with its help to
4 the rebels in Angola and its involvement in the civil war in
5 Angola. I think that the Soviet Union with its out-spending
6 us in both nuclear and conventional weapons, its rapid build-
7 up trying to attain a superiority, none of this is in the spirit
8 of detente, and I think detente, a worthy idea -- none of
9 us wants confrontation, we want a world that can find areas
10 where we can discuss our problems and talk about them -- I
11 believe the United States, however, should insist that we not
12 give more than we are getting.

13 MR. REYNOLDS: Is that what has happened, Governor? Have
14 we given more than we have been getting?

15 MR. REAGAN: I think we have. As I say, we are not in-
16 volved in Angola, we are not involved in Portugal as the Soviet
17 U nion is. We have just had the Congress of the United States
18 I think dangerously reduce our defense budget, but we know
19 that the Russians are outspending us, 60 percent in nuclear
20 weapons, 25 percent in conventional weapons. They have added
21 2,000 pieces of artillery and 1,000 tanks to the forces in
22 Eastern Europe that are opposed to the NATO line. We have added
23 none. I think this is not detente, as I view it.

24

25



1 MR. REYNOLDS: You have said that you believed the
2 Vladivostok Agreement should be renegotiated. How would you
3 persuade the Russians to do this?

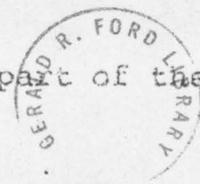
4 MR. REAGAN: I think we gave away too much in Vladivostok.
5 SALT I started out on a basis of equality. This is all actually
6 former Secretary Schlesinger was aiming at with the budget he
7 submitted. It was not a superiority but an equality of arms.
8 To maintain a status quo. What was left out in Vladivostok
9 was throw weight. We counted numbers of missiles. Well, if
10 we are going to have "x" number of little rocks and you are
11 going to have "x" number of great big rocks, it is not going
12 to be an even contest if we have to start throwing them at each
13 other.

14 MR. CLARK: Governor, we wanted to ask you a couple of
15 specific questions.

16 President Ford is under pressure from conservatives and
17 the oil industry to veto the compromise oil energy package
18 finally being worked out by Congress. If you were President,
19 would you veto this compromise bill?

20 MR. REAGAN: Yes. In two ways it violates to me everything
21 that we need to do. First of all, it wtakes away any stimulant
22 for the production of new sources of energy in this country,
23 and, second of all, it does away with one important factor in
24 attempting conservation.

25 Now, there is a need for conservation on the part of the



2
1 people, but, reducing the price of gasoline, happy as it would
2 make all of us that have to drive into the gas station
3 and fill up the tank, at the same time we have to recognize it
4 is going to encourage further use of petroleum sources.

5 MR. CLARK: And, Governor, another specific question:

6 Do you favor a constitutional amendment to prohibit courts
7 from ordering school busing to achieve racial balance or inte-
8 gration?

9 MR. REAGAN: Well, before we turn to a constitutional
10 amendment -- I know it is awful easy to look at that as a
11 simple answer to many things, and I don't think the Constitu-
12 tion should deteriorate into involving itself in what should
13 be done by statute and legislation. If that is a last resort,
14 yes, because I am unalterably opposed to forced busing. I
15 don't think it has solved the problem. It has added to the
16 bitterness we were trying to alleviate.

17 I believe here, in what we talked about earlier,
18 education is one of the areas where I think the federal govern-
19 ment should get its nose out. Again, if control of schools
20 was turned back to the local level, then those decisions would
21 be made by the people at the local level in the local school
22 districts and forced busing usually has come from decisions
23 at the federal level.

24 MR. REYNOLDS: What is your alternative to busing,
25 Governor?



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. REAGAN: I think there are a number of alternatives. I think, for one thing, you start out, if there are schools of unequal quality, if you have schools in a metropolitan area like New York and Los Angeles, where in certain areas they are inferior in facilities and teaching quality to others, you upgrade that. But I think there are things that you can do --

MR. CLARK: Governor, I hate to interrupt you in the middle of an answer as complicated as this one, but we are out of time. Thank you very much for being with us on ISSUES AND ANSWERS.

MR. REAGAN: Thank you.

