

The original documents are located in Box G05, folder “Reagan, Ronald, 1/1976-2/1976 (2)” of the President Ford Committee Campaign Records at the Gerald R. Ford Presidential Library.

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January 29, 1976

MEMORANDUM FOR:

PETER KAYE

FROM:

FRED SLIGHT

SUBJECT:

Reagan's "Carrying Charge"
Contention

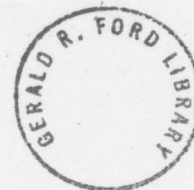
Reagan, as you know, is fond of using the hypothetical example that taxpayers of a state send to Washington \$115 million and receive in return only \$100 million -- the \$15 million balance being the "carrying charge" absorbed by the Federal bureaucracy. This statement does not appear to be based on fact in terms of aggregate amounts or percentage figures nor is it consistent with a basic element of our federal system -- that monies collected from individuals in the more affluent states may be used to assist persons in the less affluent states. Nor does Reagan's statement take into account monies spent by the DOD, State Department, Supreme Court, etc., which indirectly benefit the citizens of a state.

New Hampshire is certainly not in the "more affluent" category and this is borne out by the below statistics on tax monies collected from individuals and corporations compared to actual Federal outlays in the state. As you will note, New Hampshire citizens actually received \$461,426,000 more than they sent to Washington for FY '75.

<u>Fed. Taxes Collected</u>	<u>Actual Fed. Outlays</u>	<u>Difference</u>
\$714,325,000	\$1,175,751,000	\$461,426,000

The tax collection figure is an IRS estimate as the final tabulations have not yet been completed, however I have been given very firm assurances that it is a credible statistic.

cc: Stu Spencer
Skip Watts
Dick Mastrangelo



ERA

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.

O. Governor Reagan, your opening remarks in regard to reduction in



The WALL STREET JOURNAL

February 4, 1976

VOL. CLXXXVII NO. 25

Round One

Ford's Attack Leaves Reagan on Defensive In New Hampshire

Race Tightens as President
Gains; Reagan's Backers
Hit 'Desperation Politics'

Fate of 11th Commandment

By ALBERT R. HUNT
Staff Reporter of THE WALL STREET JOURNAL
CONCORD, N.H.—Ronald Reagan has
become the issue.

With New Hampshire's Republican presi-

On the Defensive

But for now at least, the Californian has been knocked off balance by a heavy barrage from the Ford camp, aided by intense press scrutiny of Mr. Reagan's proposals. Consequently, the challenger is finding it necessary to spend much of his time before audiences here fending off the attacks rather than leading a tough charge against the President's policies. Principally at issue are Mr. Reagan's proposal to transfer \$90 billion of federal activities to state and local governments and his alleged vacillation on issues such as Social Security and the Equal Rights Amendment.

The Reagan forces profess to be unworried about the tide of events. Hugh Gregg, who is running Mr. Reagan's New Hampshire drive, dismisses the Ford campaign charges as "desperation politics." The Californian himself uses tougher language, calling the attacks "the cheapest kind of demagoguery."

Furthermore, the Reagan people say, the very positions for which their man is under attack have widespread appeal among the state's predominantly conservative GOP voters. "In our surveys, these flaps never come up in the minds of people to any serious extent," says Jim Lake, a top Reagan

Breaking His Stride

Nevertheless, the assaults clearly have broken Mr. Reagan's stride, forcing him to spend far more time than he would prefer in answering the accusations. In the town of Gilford the other night, for example, he was wowing 600 people at the high school with his articulate statements of conservative gospel on budget deficits and the like. But then he broke off for a lengthy denunciation of his critics, who are engaging, he said, in "despicable practices . . . unworthy of a campaign."

There are other signs that the Ford attacks are beginning to tell. The fervently pro-Reagan Manchester Union-Leader, the state's largest newspaper and an often-vicious critic of President Ford, lately has been devoting much of its political coverage to long justifications of Mr. Reagan's controversial stands.

And Wall Street Journal interviews with two dozen Republicans at a Tilton, N.H., shopping center the other day uncovered a notably high awareness of the Ford criticisms of Mr. Reagan. Nearly half of those questioned in this unscientific sampling expressed reservations about Mr. Reagan that seemed to echo the line from the Ford campaign.

The Los Angeles Times, Feb 5, 76

Teachers' Group Seeks National System Like Hitler's for U.S. Schools, Reagan Says

BY RICHARD BERGHOLZ
Times Political Writer

FT. LAUDERDALE, Fla.—The National Education Assn. is seeking a "national school system" similar to the German school system under Adolf Hitler, Ronald Reagan charged here Wednesday.

Answering a question during a rally with Florida supporters, the Republican presidential candidate said the 1.7-million-member NEA "is becoming more and more a sort of union of educators and I don't believe that is right."

ten his views because he would antagonize "a lot of teachers," Reagan declined and said he meant just what he had said.

In San Francisco, Ralph Flynn, acting head of the California Teachers Assn., one of the largest affiliates of the NEA, called Reagan's remarks "vicious calumny."

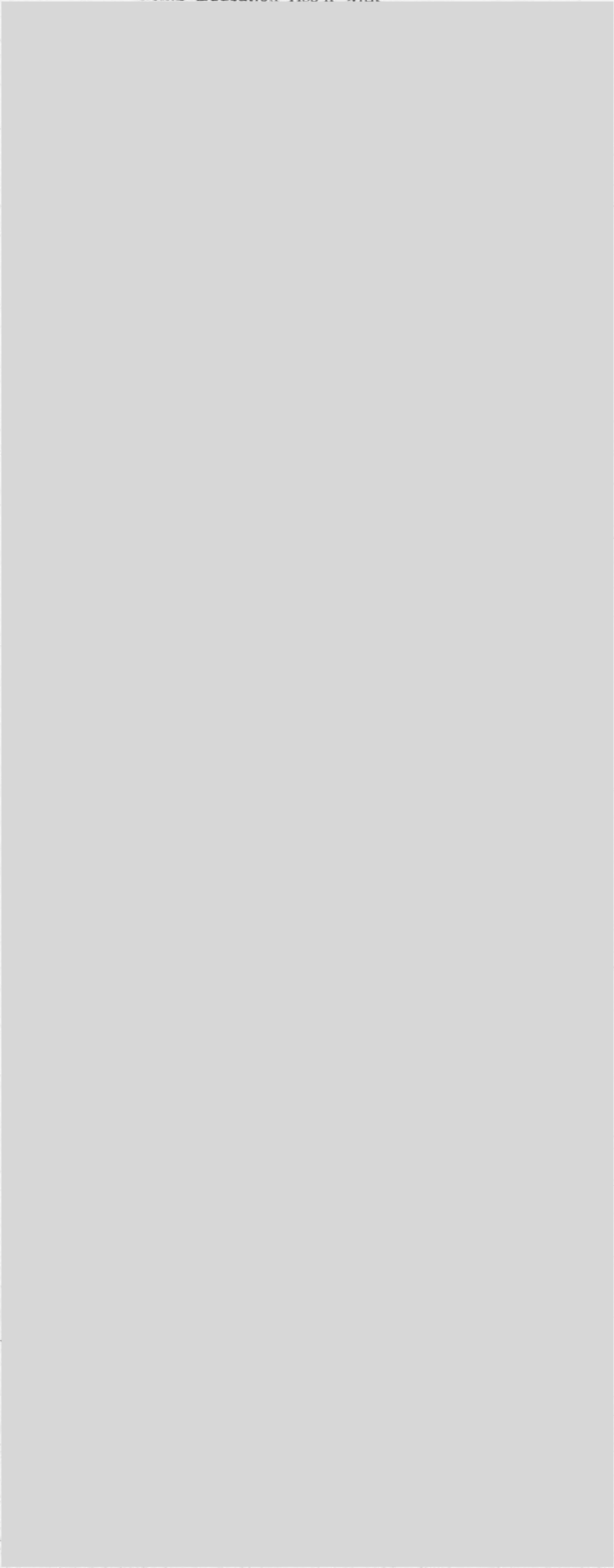
"It is simply a lie to say that the NEA is seeking a national school system, and Gov. Reagan's campaign for the Presidency must be in truly desperate straits to force him into such gross misrepresentations of the NEA position,"



HERALD
2-8-76

Teachers ask Reagan to apologize

The Massachusetts Teachers Ass'n board of directors last night demanded an apology to American teachers from presidential candidate Ronald Reagan for remarks he made charging the National Education Ass'n with



Rockefeller Attacks Reagan Program

BY REMER TYSON
AND TOM HENNESSY
Free Press Staff Writers

Vice-President Nelson Rockefeller attacked the fiscal proposals of presidential contender Ronald Reagan Friday, describing Reagan's plan to reduce federal aid to the states by \$90 billion as "one of the seven wonders of the world."

The Reagan program would

The Detroit Free Press
Jan 31 76

he'll win in Florida."

Asked how he viewed the Democratic presidential campaign, Rockefeller quipped, "With glee."

ON OTHER matters, the vice-president said recent CIA disclosures pointed up a need



The Washington Star, Jan. 26, '76

Garry Wills

Reagan's facts just aren't there

Was it a greater mistake to say part of his plan was a mistake, or to say that reports that he had called all of it a mistake were mistaken?

Reagan's dance looks like an attempt to swallow himself. He thinks it is mean of

draw from the real facts, if he ever gets the facts straight.

When asked how he might work with a Democratic Congress, Reagan trots out another story made of thin air. He tells us that Frank-

aspect of that story straight, on his own chosen ground, what right have we to expect him to sort out inconsistencies in the big spending cut which he assures us is not quite a slash? The only way to be fair to such a man is not to

wing hopes to win blue-collar workers away from the union leadership on issues like busing. Reagan seems destined to keep playing second lead, even to a bungler like President Ford.

As for the other candidates — well, Harris offers

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The Philadelphia Inquirer
Op-ed Page

Sunday, Jan. 25, 1976

7-D



Ford has the initiative

Reagan's plan is shot full of holes

By Hobart Rowen

WASHINGTON—President Ford has presented the nation with a budget that has been honed and polished to meet the right-wing challenge of Ronald Reagan—but still



ped. "I can't imagine 50 states having all of these programs dumped on them and then having to increase taxes if they want the programs continued."

Rockefeller, enjoying a rare moment in the limelight of a presiden-

solidate 59 categorical grant programs into four "block" grants that would give states total discrimination in spending money. But under the Ford plan, Uncle Sam would still supply the money—growing more

'Gregg Blasts Ford Camp Analysis

Reagan's Record Is Challenged

CONCORD, N.H. (UPI) — Ronald Reagan's record as governor of California was marked not by fiscal restraint but by increases in state taxes, the state budget and the state payroll, an analysis released by President Ford's campaign organization showed today.

The five-page typewritten

populous state during two terms as governor.

Reagan returns to New Hampshire next week to campaign against President Ford in the Feb. 24 primary.

Backers of President Ford have greeted Reagan's two previous visits to the state with attacks on his plan to return \$90

"These stooges representing Ford should stop talking long enough to listen to the whole truth about Reagan's record," said Hugh Gregg, Reagan's local campaign director.

The Ford analysis outlined fiscal changes during the Reagan years:

—State personal income tax

—Taxes on cigarettes rose 7 cents a pack. Tax on liquor rose 50 cents a gallon.

—The state budget increased between 1966-74 from \$4.6 billion to \$10.2 billion, an annual average of 12.2 per cent.

—The state payroll increased from 113,779 employees to 127,000.

LIBRARY

Reagan Disparages Own Funds Shift List as 'Some Stuff the Economists Gave Me'

BY RICHARD BERGHOLZ
Times Political Writer

CHARLOTTE, N.C.—Ronald Reagan said Tuesday that he had had no intention last September of providing details concerning his plan to shift certain federal programs to the states.

In an exclusive interview with The Times during a

But he became particularly excited and angered when he accused Ford campaigners of preceding him (Reagan) into a campaign state and giving local politicians or officeholders figures purporting to show what the Reagan plan would mean in each particular state.

Reagan said he was angered by "the thing of going into a state and getting a state senator and priming him then

Editorial

Nashua Telegraph

1/22/76

Bus Ticket Solutions?

Ronald Reagan's political legerdemain in promising \$90 billion of relief from the federal government by tossing the burden of social services back into the laps of the state and local governments cannot

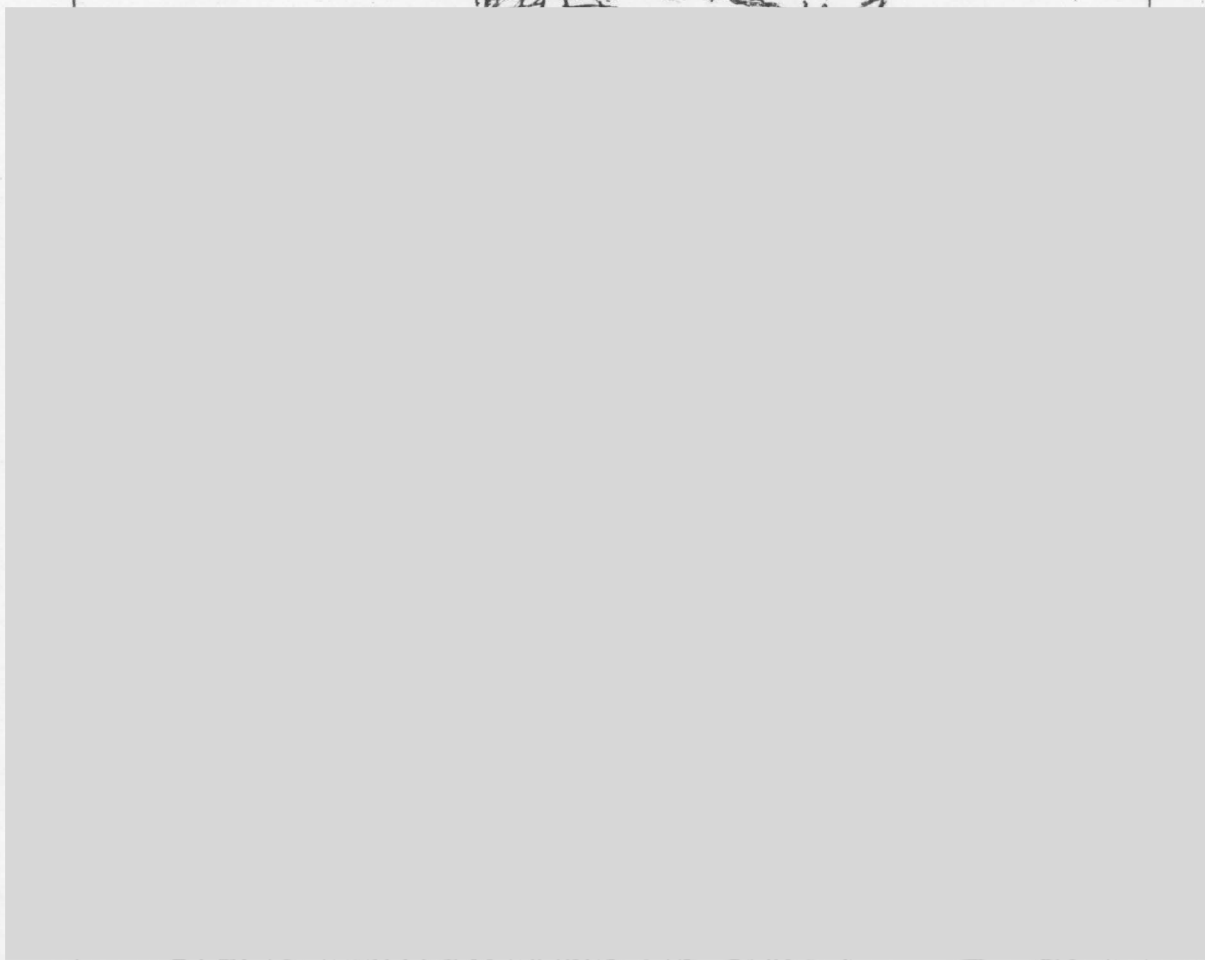
existing programs? To most public officials and office-seekers, that would seem a knotty problem, but not to Ronald Reagan, the deep-thinker from California — the nation's political Disneyland

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Nashua Telegraph 1/22/75

Editorial Page

"... So YOUR mistake is in making the mistake
of mistaking my mistake for a mistake."



The Philadelphia Inquirer, Feb 1, '76



Reagan's \$90 billion: Now you see it, now you don't

By Creed Black
Editor of The Inquirer

Ronald Reagan says he is "tired of questions that tend to confuse" people about his

in turn, would enable the government "to balance the federal budget, make an initial \$5 billion payment on the national debt and cut the federal personal income tax burden of every American by an average of 23



Mr. Reagan read still another statement.

This time he emphasized that he was talking only about the \$90 billion price tag. And he also said that he intended to transfer not only federal programs but "the tax



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Earl G. Waters

Few Outside the State Know Reagan, the Man

The political eyes of the nation are turned to New Hampshire where next month the voters will signify their preferences for the nation's next four year leader. Fig-

grew to condemn student strikes and fought the organization of farm labor.

A self-proclaimed citizen-politician, inferring both a dislike and distrust of the professional, he became one of the most

governor, he is still best known as a Hollywood personality.

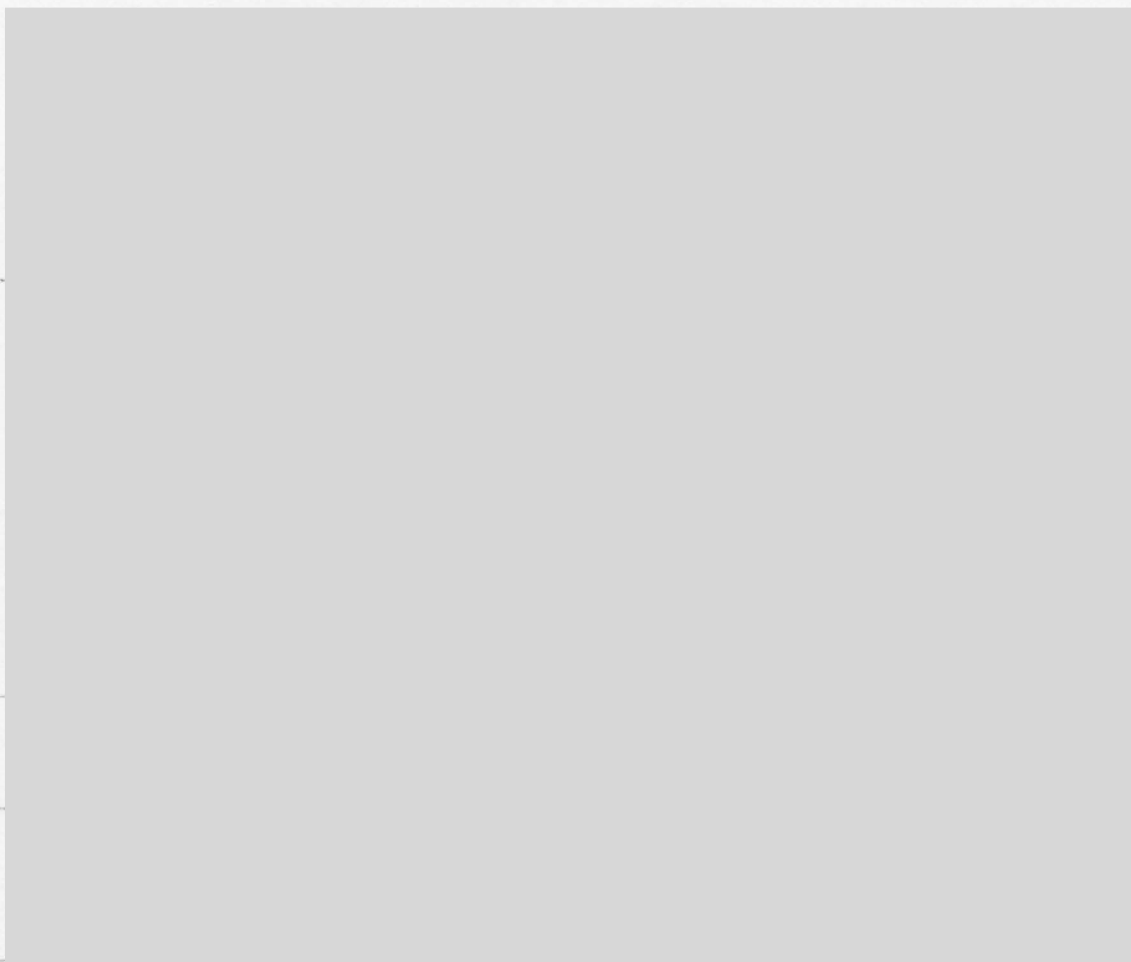
It is unlikely that many who will cast their votes in New Hampshire, and in the early primaries that follow the next month in Massachusetts, Florida, Illinois

and tripling the state's taxes to pay for it. He berated "big government" while creating the most massive, unmanageable branch of government of any state.

This is the huge Health-Welfare Agency with more than 45,000 employees. His



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Reaganstein's Monster



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Ford Jabs at Reagan in New Hampshire, Stresses Record in 'Running Government'

By JAMES M. NAUGHTON
Special to The New York Times

DURHAM, N. H., Feb. 8—President Ford, stressing that he had already experienced "running the Federal Government," urged New Hampshire

Reagan by the President, were telecast live across New Hampshire on an educational television network.
Earlier, Mr. Ford told more than 1,000 of his campaign workers and their families in Concord, the state capital, that

nomination "just because he's there."
In effect, Mr. Ford suggested today, the answer is yes.
Like everything else in his weekend journey across central New Hampshire, Mr. Ford's news conference today was de-

tional affairs and prone to take inconsistent stands on issues.
"We can't say one thing and do another," Mr. Ford said of this Administration. "We must deal with reality."
At another point, the President implied that Mr. Reagan's

had made no personal attacks on Mr. Reagan but had "raised legitimate factual questions, legitimate factual issues."
"There are plenty that ought to be raised," he added.
Defying the common view

Hampshire would help overcome Mr. Reagan, said he was unsure if he would return before the Feb. 24 primary. He said he had visited the state many times in the last decade and had "vast reservoir of good friends here," suggesting



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B-2

LONG BEACH, CALIFORNIA, TUESDAY, FEBRUARY 3, 1976

★

Editorials

Not so dirty a trick

Ronald Reagan has charged that he is the victim of "dirty tricks" in the New Hampshire presidential primary. The charge has only the thinnest sort of justification.

better to stick with his original line of attack, which was to scoff at "Mr. Blank" press releases.

INSTEAD, REAGAN went so far as to say that Ford campaign

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2/12/76

P.K.-

This is an old
article which I pre-
sume you have already
seen.

Fred



Formal Announcement:**REAGAN: A STRONG CHALLENGE FROM THE RIGHT**

Conservatives have been chafing for a long time for a genuine electoral duel between their limited-government philosophy and the big-government reflexes of the liberals. If the well-laid plans of former California Gov. Ronald Reagan do not go awry, 1976 may be the year. He will make his official announcement for the Republican nomination Nov. 20.

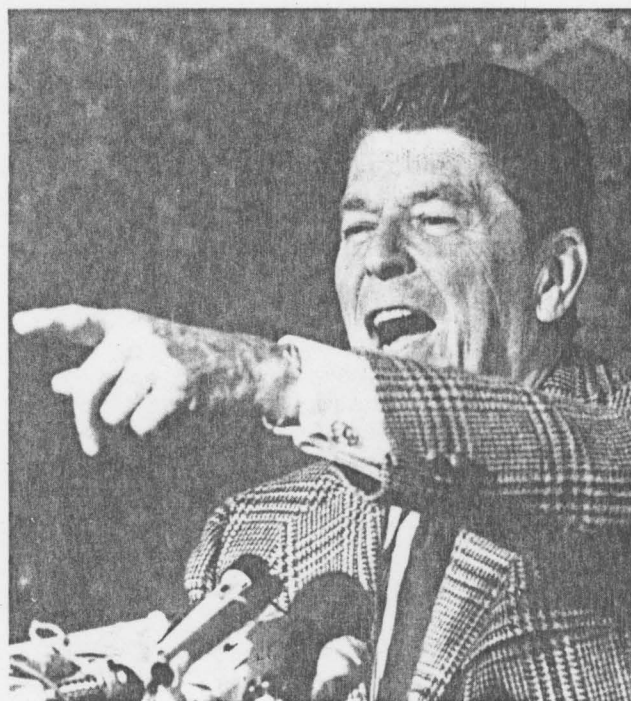
Other years seemed more propitious, yet they disappointed the conservatives. A true choice between governmental theories was expected in 1964, but the assassination of President Kennedy placed Arizona Sen. Barry Goldwater in an impossible electoral situation. The 1972 Nixon victory still is claimed by some as a clear conservative mandate, but to most minds an inept McGovern candidacy and Watergate nullified the claim. In 1976, with a lifelong Republican Party loyalist in the White House, the time should seem wholly unripe for a challenge to that incumbency from the right—a challenge that is the necessary prelude to the ideological shootout conservatives desire.

By Reagan's reckoning, however, the time is in fact quite ripe. As one of his chief backers, Sen. Paul Laxalt (R Nev.), put it in an interview with Congressional Quarterly, "Much of the Ford support is soft, lukewarm. He was unelected. He was blessed by the Congress, because he got along with it, and Congress is not in great shape as an institution. He is identified with Congress and with Washington, after 25 years here. He is perceived by conservatives as having a tendency to compromise, not to act on principles."

That view of the Ford strength is supported both by opinion polls and by the results in elections where Ford has laid his presidential prestige on the line. An August 1975 Gallup Poll showed that while 52 per cent of Republican voters approved of Ford as President, an embarrassingly low 19 per cent expressed strong approval. In the 1974 general election, Ford was markedly unsuccessful in helping stem the expected Democratic tide. And nearly a year later, in the key 1976 state of New Hampshire, Ford's stumping for Republican Louis C. Wyman against Democrat John A. Durkin in a replay of their 1974 Senate contest apparently had little effect. Durkin handily won the race that had been a draw the previous year.

If Ford's support is as lukewarm as Reagan partisans believe, the early primaries should provide the proof. Thus New Hampshire and Florida loom as even more important in the electoral scheme than they usually do. Laxalt and other Reagan strategists already are proclaiming that a 35 per cent showing in New Hampshire would be considered a Reagan victory, since they will be confronting an incumbent, if unelected, President. Twice in recent history, such defeats were hailed as victories by bad-odds Democratic candidates, Eugene J. McCarthy in 1968 and George McGovern in 1972. The media-abetted play may be feasible again.

But the Reagan forces entertain greater ambitions. They do not rule out the possibility of winning outright in New Hampshire and Florida. If they do, Laxalt predicts that "there is a strong probability that Ford would withdraw in the manner of Johnson. The ball game would be over." Alternatively, Reagan backers foresee mixed but



positive results leading up to a Reagan victory in his home state June 8, clinching the nomination for their man and knocking Ford out late rather than soon.

Early Maneuvering

As early as 1973, Reagan was preparing the way for a presidential bid. That year, he mounted a much-publicized campaign to convince California voters to place a constitutional ceiling on state taxation and expenditures. Before the November vote was held, he was touting it as a potential model for other states and the federal government to employ in grappling with what Reagan views as the overgrowth of government and the dangerous level of taxation of American citizens.

The measure was heavily criticized as unworkable and was roundly defeated, but no steam appeared to go out of the Reagan drive. In 1974, he resisted the implorings of California Republicans to run for a third term as governor. He headed out instead onto what he called the national "mashed potato circuit" to give speeches and promote his role as conservative spokesman.

For most of 1974, Reagan appeared to cling to the hope that President Nixon could remain in office. Should that have occurred, the reasoning went, Reagan probably would have been a solid choice within the party over Vice President Ford. Ford's ascent to the presidency at first balked Reagan's steady march toward the Republican nomination. In just over a year of Ford's tenure, however, Reagan has come to the view of the incumbent's position that Laxalt articulated.

Reagan's announcement will bring to an end an anxious period for his supporters. As early as last summer,

Fort Lauderdale News and Sun-Sentinel, Sunday, Feb. 15, 1976

Is The Jig Up For Candidate Ronald Reagan?

The gloves are off in the Republican presidential primary.

Challenger Ronald Reagan, once the candidate on the attack, is now the man on the defensive. And it's not just his celebrated \$40 billion plan tripping him up.

President Gerald Ford's campaign has repealed the "Eleventh Commandment," it appears, the one Reagan often invokes that says "thou shalt not speak ill of another Republican."



Politics

By W.D. Luening



St. Petersburg Times

editorials

"The policy of our paper is very simple — merely to tell the truth."
— Paul Poynter, publisher, 1912-1950

12-A

SATURDAY, FEBRUARY 14, 1976

Welcome, Jerry

President Ford's visit today marks only the second time that an incumbent U.S. president has set foot in St. Petersburg and Pinellas County.

And, most appropriately, Mr. Ford's two-day campaign swing through the Sunshine State was preceded by full disclosure of his personal financial affairs. The financial statement released Thurs-

day information Reagan has released is far from complete. He has insisted, for instance, that his income since leaving the governor's office 13 months ago is a private matter.

Reagan's resistance to meaningful disclosure is matched by Democratic candidate George Wallace and Independent Eugene McCarthy. Wallace, going



The Miami Herald

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6-A

Saturday, February 14, 1976

EDITORIALS

When the Issue Is Honesty, It's Thank You, Mr. President

MOST Americans expect candor from their public servants but do not often get it. The famous British Foreign Office instruction to its initiates, "Never tell a lie

went in federal and state taxes. His bank account shows that he had only \$1,230 cash on hand as of last Dec. 31.

"Servants of the people," said Mr. Ford's statement, should account to the public on finances "in an ethical and



The Star 11/16/66

A-Clip

Peter Hayes

Credibility in sentencing

By increments, the Ford administration is offering some sensible suggestions to revivify a sensitive arm of the criminal justice system — sentencing. President Ford last August sent a proposal to Capitol Hill to provide mandatory minimum sentences for particular crimes, such

nals should be sentenced to fixed terms for categories of crime, as defined by a permanent federal sentencing commission. This procedure, of course, would narrow the latitude of judges in setting sentences; they would be able to deviate only in specific cases and these would be subject



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The Chicago Tribune, Feb. 11, 76

Jerald terHorst

Reagan defectors explain why

WASHINGTON—A man is known by the company he keeps. And, if he's a political man, by the company that no longer keeps him.

On that score, Ronald Reagan may be the most shamed of all the presiden-

former aides as George Steffes and Russ Walton.

Most noticeable are the three ex-Reaganites who have taken up key positions with the President Ford Committee:

erts, for example, has bluntly termed Reagan "a figurehead" who merely reacts to events, a man "totally incapable of exerting national leadership." That's a strong condemnation from one who



Ford Attacks Crime

Death Penalty, Minimum Jail Terms Urged

By Lou Cannon
Washington Post Staff Writer

MIAMI, Feb. 14—In a tough-talking law-and-order speech, President Ford today advocated capital punishment for

Mr. Ford said. "But in murders involving substantial danger to the national security, or when the defendant is a cold-blooded hired killer, the use of capital punishment is fully justified."

Earlier in the day, Mr. Ford stressed his proposals for medical insurance for catastrophic illnesses, and an increase in Social Security taxes in an outdoor speech to a cheering crowd of senior citizens in St. Petersburg.

"It's all too easy to say that the federal government is too big — that this program and that program ought to be cut out of the federal budget — tossed back to the states to

cope with if their taxpayers will permit," Mr. Ford said. "It's not that simple, and you know it and I know it."

Mr. Ford is concentrating on senior citizens in Pinellas County (St. Petersburg)

road philosophy," Mr. Ford said at the St. Petersburg airport.

Later, in his speech to the senior citizens, the President jabbed at Reagan's proposal to transfer a half-dozen federal programs to state and local government.

Mr. Ford also tried to preempt foreign policy issues from Reagan, who has been critical of Ford Administration negotiating efforts in Arms Limitation talks with the Soviet Union. On this issue the President tried simultaneously to appeal to voters who find Reagan too bellicose and to voters who are concerned that the Ford Administration is not tough enough in dealing with the Russians.

Mr. Ford assured voters in the latter category that he has no illusions about Russian intentions in the arms

The Washington Post, Feb 15, 76

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The Chicago Tribune, Feb 14, 76

'Finances in blind trust'

Can't tell net worth: Reagan

By Neil Mehler
Political editor

RONALD REAGAN said Friday he has no way of determining his net worth because he has placed his "financial affairs in the hands of a blind trust so that I would have no conflicts."



The first area of transfer would be welfare because this already is administered at state and local levels, he said.

When programs are transferred, you "eliminate a layer of administrative overhead," he said.

The biggest problem would be to determine which sources of revenue should be passed from the federal government



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The Los Angeles Times, Feb 14, 76

Reagan Not Ready to Detail Budget Cuts

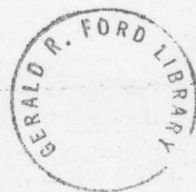
BY RICHARD BERGHOLZ
Times Political Writer

KANKAKEE, Ill.—Republican presidential candidate Ronald Reagan said Friday he was not prepared to detail how he would balance the

with a relinquishment by the federal government of revenue sufficient to fund the programs.

But giving up the revenue along with the cost, Reagan conceded, will not result in a budget reduction suffi-

for the first time that he planned to issue a financial statement soon that would include "income figures on my tax burden and my average salary over my last five years as governor, through the year 1974."



President Must Act Responsibly While Challenger Offers Snake Oil

AN INCUMBENT president does have obvious advantages over the fellow who's trying to unseat him. He can hire an old political pro like Rogers Morton, for instance. And whatever

hike that will mean 97 cents a week more in payroll deductions for the highest salaried workers.

That's the rub. Reagan doesn't have to make unpopular recommendations to the Congress. He

The Atlanta Constitution, Feb 16, 76

Carl Rowan

Sly Racism Of Reagan

WASHINGTON — Two or three local cab drivers, those wise old men of the streets, have warned me lately that I'm not taxing Ronald Reagan seriously

Voters in middle-income brackets (and that's anywhere from \$12,000 to \$50,000 a year, by my judgment) long ago decided they are the victims of a society that lavishes welfare benefits on the poor and tax shelters and special privileges on the rich, leaving the in-between families to carry an unfair share of the burden.

We've all heard the sad litany:

"The poor get free T-bone steaks; the rich buy filet mignon; those of us



The Washington Star
Feb 15, 1976

The Kind of Crowd Ford Wanted

By Fred Barnes

Washington Star Staff Writer

ST. PETERSBURG, Fla.

— It was exactly what President Ford had hoped for. A sea of gray hair stretched from the foot of the bandstand to the outer

apparent lead in Florida, the Ford campaign is not concentrating on the Social Security issue. "In this state, Social Security is Reagan's Achilles heel," a Ford aide said.

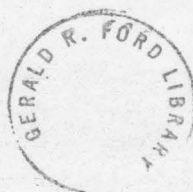
For his part, the President devoted his speech

headquarters, questioned and released.

Both here and in Fort Myers, Ford plunged into crowds and rode standing in an open limousine, waving to spectators along the streets. At the St. Petersburg airport, he kissed

best interest of the world to deal in this area with your finger on the trigger," he said. "I think it is better to be strong and keep your powder dry."

WINDING UP the day in Miami, the President took a



The Los Angeles Times, Feb 15, 76

GOP Moderates Uneasy Over Reagan

Won't Discuss Possibility That He Might Be Nominated

BY JOHN H. AVERILL
and PAUL HOUSTON
Times Staff Writers

WASHINGTON—Like a small boy whistling as he hurries past the graveyard, liberal and moderate Republicans in Congress tend to dismiss any suggestion that Ronald Reagan will be the 1976 GOP presidential

Continued from First Page

party has been suffering for the past 20 years," said Sen. Charles McC. Mathias Jr. (R-Mo.), who has said he is considering running for President as an independent to protest the conservative postures of Ford and Reagan.

Sen. Lowell P. Weicker Jr. (R-Conn.) put it more bluntly. Asked if

as President than he did as House minority leader. I feel we have to associate ourselves with him and try to influence him rather than isolate ourselves and do nothing."

For association purposes, the GOP liberals and moderates in both houses of Congress tend to join what is known in the House as the Wernes-

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The Inside News

Vol. 2 — No. 1

THE PRESIDENT FORD COMMITTEE, Washington, D.C.

February 1976

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Common Sense Is Theme for 1976

Budget to Slow Big Government

President Ford has prepared a trimmed fiscal '77 budget which he said is designed to "curb the continued growth of big government" and return resources to individual Americans.

Next year's budget proposes limiting federal outlays to \$394.2 billion and includes tax cuts of \$28 billion.

Total spending, if Congress follows the President's plan, will increase by only 5.5 per cent over 1976 levels—less than half of the average increases in federal spending in the last 10 years.

Signing the budget document before sending it to Congress, the President said it holds no "false promise" to solve all of America's problems, but is dedicated to achieving "a better, more bountiful life for the American people."

"It reflects on every page the common sense, the new realism" the President called for in

(Cont. on Page 7)

New Budget Highlights

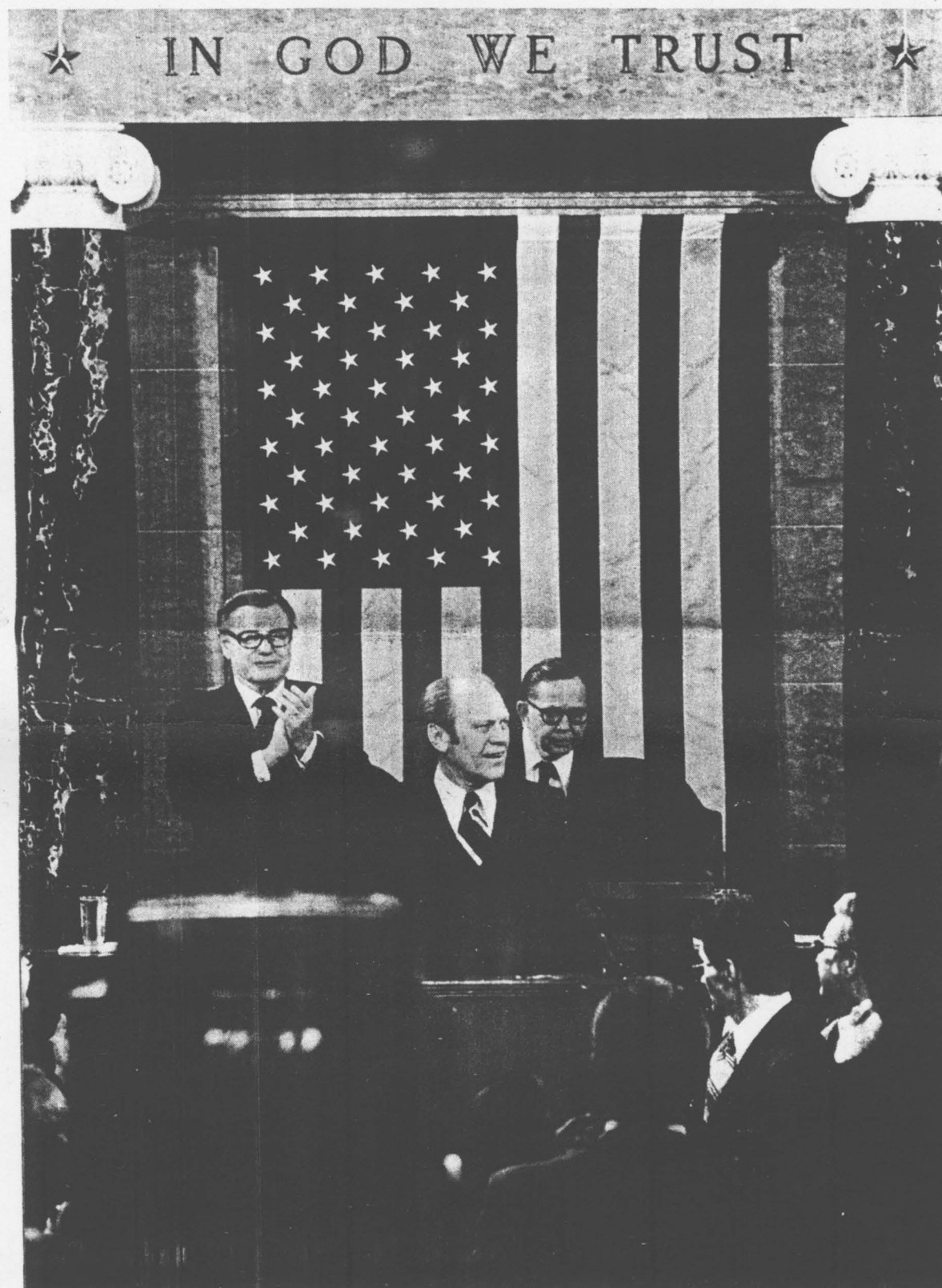
- Government spending held to \$394.2 billion, up only 5.5 per cent from the current fiscal year. This is less than half of the average annual growth in federal spending in the last 10 years.

- Increases in social security benefits to equal the hike in the cost-of-living index.

- Income tax cuts totaling \$28 billion, reducing the tax bill for an average family of four (with an adjusted gross income of \$20,000) by \$340 next year.

- Catastrophic health insurance provided for the elderly. The President's proposal would guarantee that an elderly person would spend no more than \$750 in a year for medical expenses.

- Consumer price increases to be held to 5.9 per cent compared to 6.9 per cent in 1975 and 12.2 per cent in 1974.



State of The Union Is Better

The Ship of State is on course, guided by the hard work, courage and common sense that are America's heritage, President Ford told the nation in his Bicentennial State of the Union address.

"Just a year ago I reported that the State of the Union was not good."

"Tonight I report that the State of the Union is better—in many ways a lot better—but still not good enough," Mr. Ford said.

"1975 was a year of hard decisions, difficult compromises, and a new realism that taught us something important about America."

"It brought back a needed measure of common sense, steadfastness and self-discipline. Americans did not panic or demand instant but useless cures."

"In all sectors people met their difficult problems with restraint and responsibility worthy of their great heritage."

The President said the course he set for America a year ago turned out to be the right one. "Common sense tells me to stick to that steady course."

He said his first objective for 1976 is "sound economic growth without inflation" to be achieved by slowing the growth of the federal government and speeding the growth of the private sector.

"The government must stop spending so much and borrowing so much of our money; more money must remain in private hands where it will do the most good."

"To hold down the cost of living, we must hold down the cost of government."

The President called for a balance "that favors not only sound, active government but also a much more vigorous, healthier economy that can create new jobs and hold down prices."

"The genius of America has been its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity."

"In all what we do, we must be more honest with the American people, promising them no more than we can deliver, and delivering all that we promise."

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New Hampshire has the first presidential primary in the nation on Feb. 24.

The Inside News

Vol. 2 — No. 1

THE PRESIDENT FORD COMMITTEE, Washington, D.C.

February 1976

BULK RATE
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Permit No. 46424

Common Sense Is Theme for 1976

Budget to Slow Big Government

President Ford has prepared a trimmed fiscal '77 budget which he said is designed to "curb the continued growth of big government" and return resources to individual Americans.

Next year's budget proposes limiting federal outlays to \$394.2 billion and includes tax cuts of \$28 billion.

Total spending, if Congress follows the President's plan, will increase by only 5.5 per cent over 1976 levels—less than half of the average increases in federal spending in the last 10 years.

Signing the budget document before sending it to Congress, the President said it holds no "false promise" to solve all of America's problems, but is dedicated to achieving "a better, more bountiful life for the American people."

"It reflects on every page the common sense, the new realism" the President called for in

(Cont. on Page 7)

New Budget Highlights

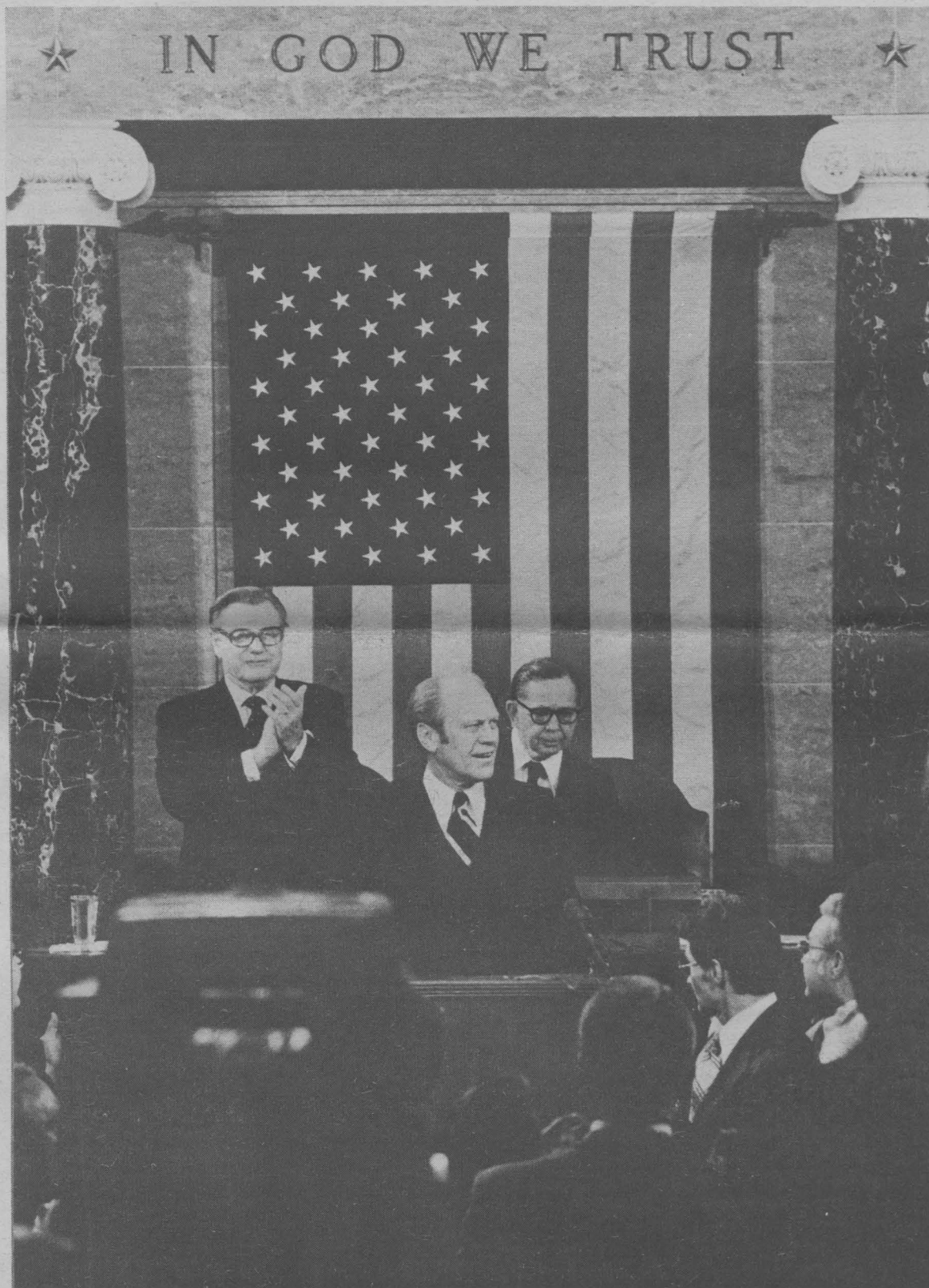
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N E W S

from

COMMON CAUSE
2030 M Street, N.W.
Washington, D.C. 20036

202/833-1200

For Information: Franci Eisenberg
Ellen Tchorni

FOR RELEASE 11:00 A.M.
WEDNESDAY, FEBRUARY 18, 1976

COMMON CAUSE CHAIRMAN URGES REAGAN
TO MAKE PUBLIC HIS PERSONAL FINANCIAL DISCLOSURE

Common Cause Chairman John Gardner, today in Miami, Florida, called on former Governor Ronald Reagan to make a public disclosure of his personal financial status. Gardner issued the following statement:



"To restore public confidence in the integrity of our public officials, candidates as well as officials should make public disclosure of their personal finances.

In the past 3 years, 30 states have enacted or strengthened the laws requiring public financial disclosure by officials. In Florida, Common Cause is presently working closely with Governor Ruben Askew to create a new public disclosure law for this state.

At the federal level, strong support exists in both houses of Congress and the Executive Branch. Such legislation has received added impetus as a result of the shocking stories involving the business dealings of Rep. Robert Sikes of Florida.

A list of 9 standards of conduct for presidential candidates,

which was proposed by Common Cause on November 4, 1975, included public financial disclosure by each candidate.

In our view, all but one of the Republican and Democratic candidates have made serious efforts to make such information available to the public. President Ford has updated his personal financial disclosure by providing comprehensive financial information as of December 31, 1975.

Governor Reagan is the one major candidate on whom we are still awaiting word. We are told that Reagan has said he would soon release 'total income' and 'total tax' figures (or average figures) for his last 5 years in public office. I trust he recognizes that standards for financial disclosure that are now widely accepted call for full disclosure of the nature of his assets and the sources of his income -- by year.

A Reagan aide has said that Governor Reagan will not disclose financial information for 1975 'because he was a private citizen that year'. That completely misses the point of disclosure. If he becomes our president, and that is his intention, he will preside over vast expenditures of our hard earned tax dollars. We want to know the nature of his own financial involvement. It is not unreasonable. President Ford has set the standard. We have a right to expect that he will match President Ford in the fullness of disclosure by the date of the New Hampshire primary (February 24)."

#



3/2

~~PK - Do
you want this?
Ship~~

~~Hold for
Reagan
file~~



1124 Perkins Way
Sacramento, CA 95818
February 29, 1976

Mr. Skip Watts
Ford Campaign Headquarters
1828 L Street, N. W. , Suite 250
Washington, D. C. 20036

Dear Mr. Watts:

I have been wanting to do something to help President Ford in the primaries in a few major states , such as Florida, Illinois, and California.

In response to that desire, I put together the attached letter and supporting newspaper articles. It was my thought that they could be sent to the managing editors of the major newspapers supporting the president in those states for using whatever items they might desire. Or the letter could be revised some with the exhibits omitted and sent to the same newspapers for inclusion in their section on "Letters From The People". Even thought of sending it to a few of the leading syndicated columnists.

Had intended to send this letter and articles to President Ford's chairman in Florida for his comments and the names of major supporting newspapers. In calling Nita Ashcraft for his name, she suggested I send them to you.

There may be other or better ways to use this material, or maybe it shouldn't be used at all. I just felt so strongly from personal experience and observation that the voting public in other states should know some of the things related in the letter and articles that I assembled them , hopefully, for appropriate use somewhere.

Sincerely,

Gordon O. Finley

Gordon O. Finley

(Retired Economist)

Attachments

Telephone No. (916) 442-6522



1124 Perkins Way
Sacramento, CA 95818
February 28, 1976

Dear Mr.

As a life long Republican, a conservative native of Illinois, and head of California's Industrial Development activities during the first four and two-thirds years of Governor Reagan's Administration, I would like to pass along the following information your readers should know about some of his performances as Governor before they vote in your March 9 primary election:

1. In his campaign for Governor, he pledged to appoint the best qualified persons, regardless of party affiliation. Many of his appointments would not meet this criteria ---several being young men in their early and mid 30's who had insufficient experience for the responsible jobs they held (See Exhibit A attached. Have several other articles covering his appointments as supporting examples).
2. Appointed 5 different directors of our Department of Employment(13,000 employees) during his 8 years in office. This Department underwent two names changes and three reorganizations during that time and finally returned to the Department's primary function of matching available jobs with unemployed workers seeking jobs that existed when Reagan became Governor(See Exhibit B).
3. The Department of Consumer Affairs had 4 different Directors in 3 years, some with limited or no experience for the functions of that Department, the last being Governor Reagan's 34 year old scheduling secretary(See Exhibit C).
4. Appointed Ed Reinecke, an obscure California Congressman, to be Lt. Governor when Lt. Governor Robert Finch resigned to join the Nixon Administration in Washington. Reinecke later became involved in the International Telephone & Telegraph Corporation proposed \$400,000 offer to help finance the Republican National Convention in San Diego and was forced to resign(Exhibits D and E).
5. Without legislative authority, transferred the Department of Commerce from under the jurisdiction of the Agriculture & Services Agency to Lt. Governor Reinecke(Exhibit F). He then dismissed Department Director, an experienced business official from Lockheed Missiles and Space Company, and appointed his young Assistant for Intergovernmental Affairs who had little experience for directing such a business related department (Exhibit G and H).



6. Appointed his young Executive Secretary to a Superior Court judgeship over the recommendations of a local committee (Exhibit I), then a few years later appointed him to the California Supreme Court over the objections of the legal profession (Exhibit J). Later, also tried to appoint one of his appointed Public Utilities Commissioners to the Appellate Court, but was forced to withdraw the nomination because of strong opposition from the California State Bar. (Exhibit K).
7. In a welfare aid dispute, Governor Reagan made an intemperate and unjustified attack on the courts, including the California Supreme Court (Exhibit L).
8. Used \$161,000 of state funds of other departments to finance a task force to promote his tax initiative proposal (Exhibit M).
9. Mayor Peter Wilson of San Diego, and a former Republican legislator during part of Reagan's term as Governor, said "in his association with Reagan he found him a man of great charm, but his rhetoric is not matched by performance". (Exhibit N).
10. Leonard Firestone, of the Firestone Rubber Company family, and one of Reagan's financial backers in both his campaigns for Governor, stated "I would say he was a good governor, but I don't think he is qualified to be President" (Exhibit O).
11. State expenditures during Governor Reagan's 8 years in office, after allowance for inflation, increased \$2,631,221,306 (52.5%), while number of civil service employees (excludes exempt employees) increased 12,000 (10.5%). (Exhibit P).
12. Although a millionaire and earning a salary of \$44,100 as Governor, he did not pay any state income tax for 1970. While there was no question of wrong-doing, public resentment arose from (1) tax laws that permit some people to avoid what appears to be a just payment, and (2) Reagan's remarks in 1967 that "Certainly, no one should avoid their fair share of taxes" and to the legislature in 1969 that "The burden of taxation should fall equally on all taxpayers in proportion to their income" (Exhibits Q and R).

There is an old saying "you can't tell what's in a book by its cover". My purpose in submitting this information at my own initiative and expense is, hopefully, to enable some of your readers and voters to see underneath the charming and persuasive surface of Ronald Reagan's public presentations.

Sincerely,

Gordon O. Finley
(Retired Economist)



Governor Says He Names Only Best Men

here has been no change in, however, have noted most of "It's just a remarkable coincidence that some of the most-qualified people available happened to be in my campaign."

Earl Brian Is Named Head Of Human Relations Department

Dr. Earl Brian, at 30 one of the bright young men in Gov. Ronald Reagan's administration, has been named secretary of the state Human Relations



Sacramento Bee
Nov. 24, 1966

Reagan Fills State Cabinet Secretary Post

William P. Clark, Jr., of Oxford today was named cabinet secretary to Gov.-elect Ronald Reagan.

Clark, 35, served as Ventura

Sacramento Bee
May 19, 1972

Consumers Get A New Spokesman

Gov. Ronald Reagan has appointed his legislative secretary, John T. Kehoe, as the new state director of consumer affairs.

The 41-year-old Kehoe,

effective July 1.

Brian will receive \$35,000 a year in the position, \$5,000 more than he is getting now.

Dr. Earl Brian

Sacramento Bee
May 18, 1972



Named

Mrs. Jean Auer, San Francisco housewife and environmentalist, has been ap-



*See
Feb. 8, 1967*



James M. Shumway

Solano Counsel Will Quit Post, Take State Job

FAIRFIELD — James M. Shumway, 45, who served as Solano County counsel since 1956, submitted his resignation

EXHIBIT A (Continued)

Sacramento Bee - Oct. 11, 1967

Parks Deputy Is Appointed By Governor

10/11/67 Bo
Ray B. Hunter of Sonora, former Tuolumne County rancher, building contractor and real estate developer, has been named by Gov. Ronald Reagan as deputy director of the State Parks

Reagan Special Assistant Gets Planning Post

10/11/67
O. James Gibson, a special assistant to Gov. Ronald Reagan, has been promoted to secretary of planning and research. One of the tasks of the 34-year-old Gibson will be to help

*Sacramento BE
1967*

Antipoverty Post Goes To Reagan Aide

Theron (Skip) Bell, 35-year-old aide to Gov. Ronald Reagan, has been named director of the State Office of Economic

*Sacramento Bee
June 28, 1973*

Reagan Picks DeMonte For Plans Post

Robert J. De Monte, 30, has been named to the

Idea That Went Sour

Changes Proved To Be Undoing Of HRD

By Ronald Blubaugh
Bee Staff Writer

Sometime next year, if all goes according to plan, a workman will place a ladder against the side of that two-block-long, fortress-like building on the south side of Capitol Mall.

He will mount the ladder and carefully chisel off the words "Human Resources Development Building." In their place, he will cement a new set of words, "Department of Manpower."

And with that, the ending mark should be tapped into place on a curious, four-year-long Odyssey that nearly wrecked the third largest department in California State government. It could be a case study on how ideas can go sour and almost spoil decades of hard work in the process.

That something was amiss at HRD has been apparent to members of the legislature and Reagan administration officials for some time.

Job placements for unemployed persons, once the department's strong suit, sagged dramatically. Two successive legislative reports castigated the operation of a highly touted job training program. Employee morale, which had been none-too-good in recent years, continued to plummet with nothing in sight to reverse it.

Then, perhaps most critical of all, the federal government began dropping hints that unless the department's performance improved there would be a steep reduction in federal money. For a department that gets 80 per cent of its \$219 million budget from the federal government, that was no threat to be lightly regarded.

To find out what was wrong, Health and Welfare Agency Secretary Earl Brian sent a fact-finding team into the 13,000-employee department about the middle of last year. The group was put under Gene Lynch, who had been a top staff member of Brian's administration when the young doctor led the Department of Health Care Services.

Lynch concluded the department was poorly organized. Brian then named him chief deputy director of HRD and gave him the mission to reorganize it. Last week, Brian removed the department's director, Sigurd I. Hansen, and appointed another of Brian's former aides, Dwight Geduldig, to take over on April 1.

What happened to HRD can be traced through a series of reorganizations and two major reversals of philosophy at both the federal and state levels.

As originally established, the predecessor agencies of HRD were primarily a public employment service. The concept was to establish a place where an unemployed person could go to find out about jobs available from companies that needed workers.

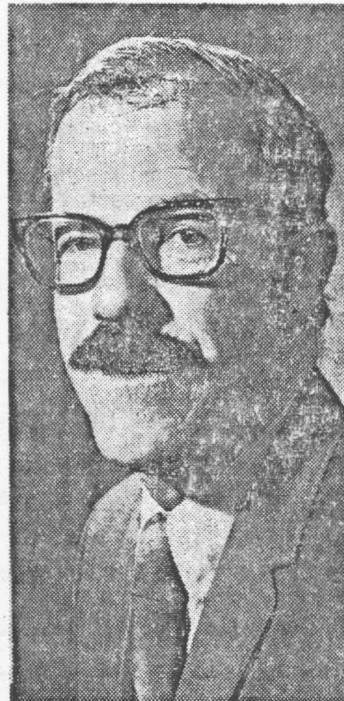
The state became very proficient in this operation and during the years after World War II and the Korean War it operated one of the nation's top state job placement agencies. Federal rankings consistently showed California among the top three or four state job placement agencies.

Cracks Showed

"We were working pretty well but the system was beginning to show some cracks during the last years of the Brown administration," said one long-time department employee. "There was a growing demand for services by youth and minority groups. We knew we had to change because we were not in the same economic situation. We had to realize we were a total manpower agency and must serve the needs of these others."

Into that atmosphere came newly elected Ronald Reagan, with a substantial skepticism about the efficiency of all of the huge bureaucratic agencies in Sacramento. During the early years of his administration, the governor talked a lot about "deadwood" in state departments and set about to prune away. The second director he sent into the Department of Employment, Gilbert Sheffield, arrived with an obvious mandate to use the shears.

"Formerly, when a change in administration took place, the department continued to operate because



Dwight Geduldig

the structure remained the same with very little change," the long-time employee continued. "But with this administration, that all changed."

A number of career civil servants were encouraged to retire, and others were reassigned. The organizational structure was completely redesigned.

"We have had so many changes of organizational structure it would make your head swim," the source continued. "Organization charts one right after the other. Before one organizational structure could get settled into place, we were into a new one."

Complicating this organizational change was a total shift in philosophy for the goals of the department. With federal government encouragement, the administration and the legislature created the Department of Human Resources Development in 1968. Gone was the Department of Employment.



Consumer Unit Calls State Bureau 'Sham'

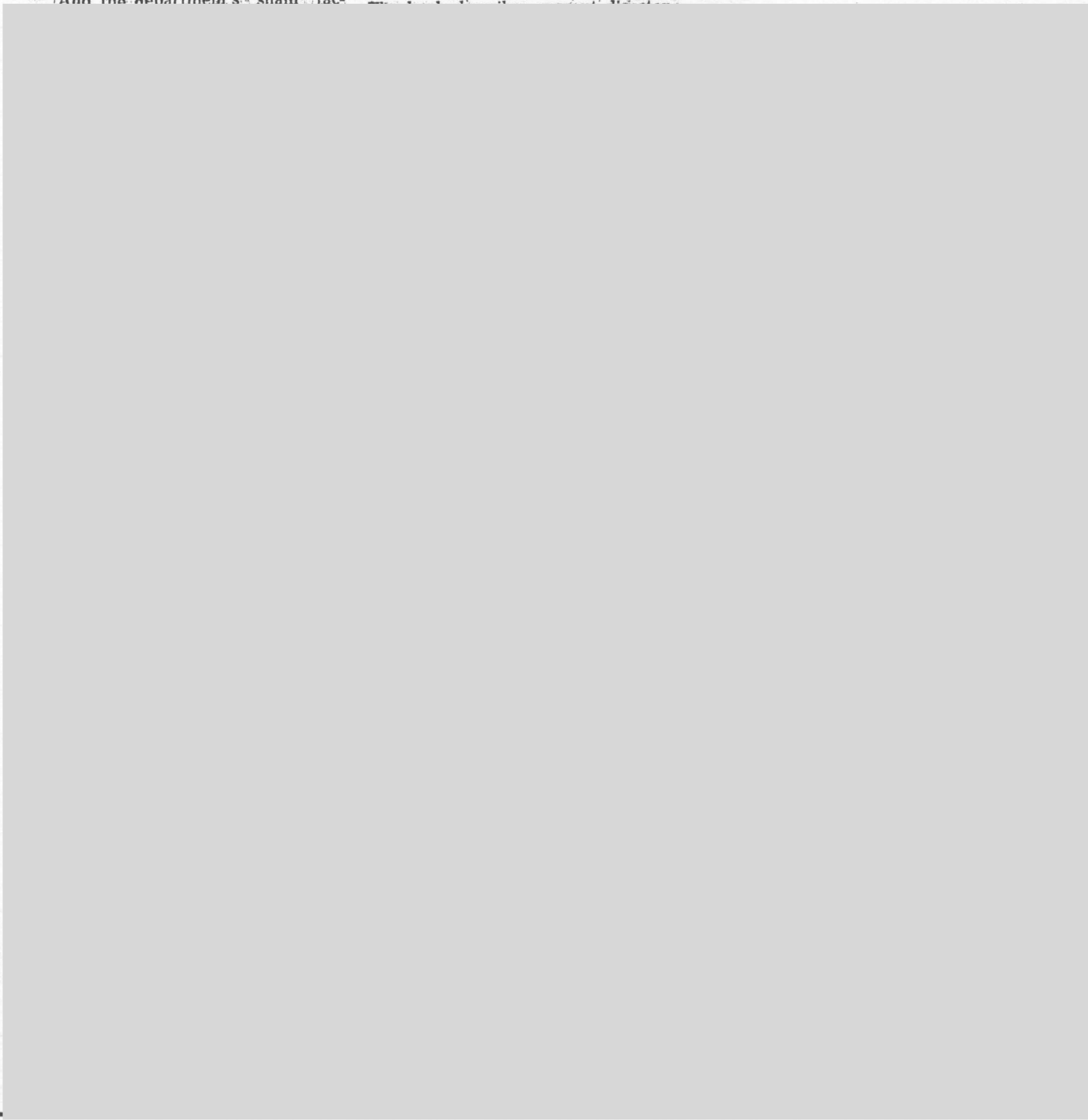
By Nancy Skelton
Bee Staff Writer

The State Department of Consumer Affairs is one of the "most cruelly deceitful frauds" now working the streets of California, warns the largest consumer action group in the United States.

And the department's "sham" fac-

Bee 9/30/74
employed to keep the facts from the public.

What more can the people of California expect, the book asks, from a department masterminded by the administration of Ronald Reagan, who has seen fit to install four directors in three years — each staying only until the next "political plum" came along.





Ed Reinecke was sworn in as lieutenant governor by Associate Justice of the Supreme Court Louis H. Burke on Jan. 24, 1969. With them were Gov. Ronald Reagan and State Controller Houston Flournoy, right.

Bee Photo

A Capitol Goodbye

Reinecke Slips Into Oblivion

By Richard Rodda
McClatchy Newspapers Political Editor

Ed Reinecke arrived in Sacramento 5½ years ago with much fanfare—an eager member of the Reagan team with his eyes on the governor's chair

the women to hold back tears.

Reinecke himself did not come to the Capitol. He spent the day on his ranch, the Diamond R, in the foothills near Placerville. His last office visit was Monday when he issued a press

jury found that Reinecke had lied in connection with the ITT episode.

Reinecke was an obscure congressman from Studio City when Gov. Reagan summoned him to Sacramento to succeed Lt. Gov. Robert H. Finch in

SACRAMENTO BEE



SACRAMENTO, CALIFORNIA, Monday, September 30, 1974

15c

STOCKS FINAL.

Reinecke Out Wednesday

Lt. Gov. Ed Reinecke today said he will resign simultaneously with his sentencing on a perjury conviction, scheduled Wednesday in Washington.

And despite Reinecke's plans to announce his resignation, Atty. Gen. Evelle Younger has ruled that the office would be vacated automatically un-

for a reversal of conviction or a new trial.

In answer to a question about speculation that Reinecke had been of-

Earlier today, Assemblyman Richard Alatorre, D-Los Angeles, formally introduced a resolution in the Assembly to impeach Reinecke.



Memorandum

: HEADS OF AGENCIES, DEPARTMENTS,
MAJOR UNITS AND OTHER KEY PERSONNEL

Date : January 21, 1971

Subject: Transfer of the
Department of Commerce

71-2

From : Governor's Office

The Department of Commerce which previously reported through the Agriculture and Services Agency has been transferred to the Office of Lieutenant Governor Ed Reinecke. Beginning this date, the Department of Commerce will report to me through the Lieutenant Governor's Office.

The Department of Commerce consists of four operating units, the Division of Economic Development, the Division of Tourism and Visitor Services, Division of World Trade, and California Museum of Science and Industry. In support of these operating units, in an advisory and policy making capacity, there are the California Industry and World Trade Commission, Tourism and Visitor Services Commission, and the Board of Directors of the Museum of Science and Industry.

Inquiries received for information and other assistance pertaining to business and industrial development, tourism and foreign trade activities should be referred to the appropriate unit in the Department of Commerce.

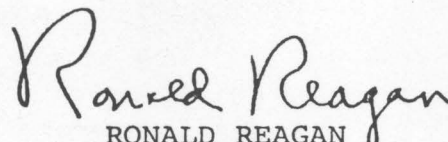

RONALD REAGAN
Governor



EXHIBIT G

DEPARTMENT OF COMMERCE

RELEASE: Immediate

1400 Tenth Street

Sacramento, CA 95814

Contact: Hans Engh

(916) 445-7455

2-8-71

Governor Ronald Reagan has assigned the California Department of Commerce to the office of Lieutenant Governor Ed Reinecke and appointed Edgar M. Gillenwaters as new department director.

Primary purpose of the reorganization plan, the Governor said, is to stimulate commerce and industry throughout California. Functions of the department include the Division of Economic Development, the Office of Tourism and Visitor Services, the Division of World Trade and the Museum of Science and Industry in Los Angeles.

Reinecke said the department will seek to mobilize the private sector and governmental forces in a concerted effort to improve California's business climate by attracting and expanding industry and by promoting tourism to and in California.

Gillenwaters, former assistant to the Governor for intergovernmental affairs in Sacramento and California's deputy director of finance in Washington, D. C., replaces J. Bryan Sullivan, who has returned to private business.

#

H3:djc



THE SACRAMENTO BEE -- November 10, 1971

Aide Quits, Claims Reinecke Is Spending Tax Money In Drive For Governorship

By Lee Fremstad
Bee Capitol Bureau

Hal D. Steward, special assistant to Lt. Gov. Ed Reinecke for the last seven weeks, jumped off the Reinecke bandwagon today with a bitter resignation blast at his boss.

Steward's prime charge in a volley of parting shots is that Reinecke is devoting "hundreds of thousands of dollars a year of California taxpayers' money" in staff salaries and expenses in a long-term political campaign to get elected governor.

"I categorically refute the charges made as unfounded," Reinecke said today in a telephone interview from his Los Angeles office.

"I think it's pretty much of a sour grapes situation. The (resignation) letter is so transparent I don't know how anyone could put any credibility in those charges.

"With reference to the personnel aspect of his termination, personnel proceedings are generally kept confidential and I would like to keep this that way other than to say I regret Mr. Steward is apparently as unhappy as he is."



Hal D. Steward



Lt. Gov. Ed Reinecke

Reinecke also was publicly contradicted on his disavowal yesterday of the controversial criticism of state workers which went out in his name. The lieutenant governor said Steward sent the speech out without Reinecke's okay; Steward contends his superior approved it, but then backed off when the critical response began growing.

"The heat got too much for him," Steward said late yesterday in an interview as the \$22,500-a-year aide left Reinecke's staff.

"It was approved by him before he left for Coronado," said Steward. "He had personally seen it and approved it."

Denied By Reinecke

Reinecke denies this in a statement prepared for the California State Employees Association which backs off from the stronger language employed a week earlier.

In the four-page letter of resignation on Reinecke's desk today Steward, a retired Army lieutenant colonel, author and former newspaper-

See Page B-2, A-24, Col. 1



THE SACRAMENTO BEE

December 7, 1968

Reagan Fails To Keep His Promises

During the 1966 gubernatorial campaign against incumbent Gov. Edmund G. Brown, Gov. Ronald Reagan promised over and over again he would take the appointment of judges out of politics. After he was elected, he accused Brown — with bitter language — of naming “political hacks and cronies” to the bench.

Then when he took office, he continued to say he would remove judgeships from partisan politics. On

“We will continue to do this until the legislature and the people act,” he added.

Since taking office, Reagan has appointed mostly Republicans to judgeships. He has gone probably as far as Brown did in naming political associates.

But with his latest appointment he doubled in spades. He named his executive secretary, William Clark Jr., to a new superior court judgeship in San

THE SACRAMENTO BEE -- February 21, 1973

Another Viewpoint

'Indefensible' Is The Word

While one association of attorneys compiles a file on William Clark, another group — the California Trial Lawyers Association — has already called it "indefensible" to elevate this man to the State Supreme Court.

It is most unusual for the govern-

Apart from that report, however, there is the evaluation of the trial lawyers, and their damning indictment of Justice Clark. The association's statement lists absolute minimum qualifications for a justice of the Supreme Court: the universal respect of the officers of the court, and

some jurists have publicly expressed approval, but declined again to name names. Others he claimed have offered their support privately, but he said he wouldn't feel right listing them.

Subsequently, the governor came up with endorsements of Justice

Editorial From
The Riverside
Press

THE SACRAMENTO BEE -- March 6, 1973

The Governor And The Chief Justice

Chief Justice Donald R. Wright exemplified the highest standards of the judiciary in casting the lone vote against confirming William P. Clark Jr. as an associate justice of the California Supreme Court.

was not qualified "by education, training and experience." Clark had come under fire because he flunked out of law school and because of a high number of reversals during his three years on lesser courts.

Reagan Withdraws Nomination Of Vukasin To Appellate Court

By Lee Fremstad
Bee Capitol Bureau Chief

Gov. Ronald Reagan yesterday afternoon abruptly withdrew his nomination of controversial Public Utili-

complete lack of demonstrated excellence of judicial talents."

Asks Withdrawal

Vukasin, 45, an Oakland attorney, campaigner for Barry Goldwater and

request that my name be withdrawn from consideration."

Reagan said he will offer another nomination in the next several weeks.

The Vukasin development and the

federal district court in San Francisco in 1972 but refused confirmation.

Reagan's statement blamed but did not identify "certain people" for generating unwarranted controversy over the nomination. At his press conference on Thursday Reagan said he is in "total disagreement" with the bar's assessment of Vukasin.

"Well, all I can say is it was an unusual thing for them to do and I'm quite curious myself as to their motives," the governor declared.

A consumer group, a fellow commissioner and a state senator were

The Sacramento Bee

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Editorials

Governor Makes Intemperate Attack On Courts In Welfare Aid Dispute

Gov. Ronald Reagan's intemperate and unjustified attack on the judiciary, including the California Supreme Court, for rulings suspending implementation of some of his pet changes in the wel-

with dependent children program simply because recipients had not been properly notified of changes in their assistance. This was a failure of the state administration.



Reagan's Plan

Tax Initiative Task Force Cost State \$161,000

By Lee Fremstad
Bee Capitol Bureau Chief

It cost an estimated \$161,000 of state money in salaries, travel and overhead for the Tax

About two-thirds of the money — a "good-faith estimate" of \$103,000 once salaries are included — came out of the budgets of Social Welfare and Human Re-

More Capitol News

sultants and specialists were paid on a contract basis. Highest paid of the consultants was Jeffrey Davis of California Research Consultants who has a claim in

tration. "This is no different from the manner in which other task forces . . . have been supported in the past," said his memo.

"The governor's ability

ministrative resources of the executive branch is essential if he is to meet his responsibilities to solve state problems and innovate new programs to meet

THE SACRAMENTO BEE -- February 3, 1976

Reagan Contradicted Foe Predicts Tax Hike If \$\$ Sharing Ends

CONCORD, N.H. (UPI) — The mayor of San Diego, Calif., said Monday homeowners across the nation must realize they face a 10 per cent property tax increase if Ronald

five of the years Wilson spent in the California Assembly.

Wilson defended Ford's plan to achieve a balanced budget in three years, and said his "44 vetoes have

with neither such tax. They also have said property taxes would have to rise.

Reagan has denied new taxes would be needed, and has been backed in



THE SACRAMENTO BEE

Thursday, September 18, 1975

Page A3

'Too Right Wing'

Reagan Not Qualified, Former Backer Says

By Susan Sward
Associated Press Writer

Ronald Reagan is not qualified to be President, Leonard Firestone, the U.S. ambassador to Belgium, said Wednesday.

Firestone, a backer of Reagan during his two terms as California

correct them," Firestone said.

Firestone's support of Ford followed the recent announcement by several other former key Reagan financial backers who said they will support Ford next year.

Firestone was first appointed to his ambassador post by former President



COMPARISON OF STATE EXPENSES DURING GOVERNOR REAGAN'S FIRST
AND LAST BUDGET PERIODS AND THE INCREASE IN FLATION DURING
THAT PERIOD OF TIME

(Also number of state employees)

<u>Actual Expenses</u>	<u>First Budget Period 1967-68 Fiscal Year</u>	<u>Last Budget Period 1974-75 Fiscal Year</u>
General Fund -----	\$ 3,272,809, 294 -----	\$ 8,348,764,330
Special Funds -----	1,211,569,609 -----	1,680,499,736
Bond Fund -----	529,790,658 -----	247,348,108
	<hr/>	<hr/>
Total -----	\$ 5,014,169,561 -----	\$10,276,612,174 5,014,169,561
Amount of increase during 8 years as Governor-		\$ 5,262,442,613 (*)
Percent of Increase " " " " " -		105%

Consumer Price Index (measure of inflation)

1967= 100

1967 - 100
1968 - 104.1
1969 - 109.3
1970 - 114.9
1971 - 119.1
1972 - 123.1
1973 - 130.2
1974 - 143.5
1975 - 158.5

(*) Since Governor Reagan's last fiscal year expenses covered only one-half of the 1975 calendar year, it can be fairly assumed that the Consumer Price Index at the end of that period was about 150.

Allowing for 50% inflation during Governor Reagan's 8 years in office, the increase in state expenses during that period would be \$2,631,221,306 compared to \$5,262,442,613 indicated above.

Number of State Employees (full time 7 part time in round figures)

At beginning of Governor Reagan's first term -----	114,000
At end of Governor Reagan's second term -----	126,000
	<hr/>
Increase during 8 year period -----	12,000
Percent increase during 8 year period----	10.5%



New Reagan Tax Query

Was Most Of \$91,128 Paid On Single Deal?

THE SACRAMENTO BEE -- May 10, 1971

EXHIBIT 9

By James Wrightson

McClatchy Newspapers Staff Writer

LOS ANGELES — Was the \$91,128.22 Gov. Ronald Reagan says he paid in state income taxes during the

Last week, the governor grudgingly admitted he paid no state income tax for 1970.

He has refused to issue a financial statement accounting for the deduc-

acre for the unimproved land, and sold it for \$8,178 an acre with very few improvements.

Twentieth Century-Fox gave Reagan \$538,833 as a first payment on the property which was recorded in

cause he did not serve the balance from Fox until 1967, he would have paid about \$65,000 in state income taxes in 1967.

They say since the sale was not recorded until so late in 1966, it indicates Reagan's tax advisers decided to use the avenue of instalment payment of the tax.

Tax lawyers point out the federal

\$91,000-plus.

The governor paid about \$210 an

Another Viewpoint

Reagan And Tax Disclosure

Gov. Reagan is irked over the flap caused by the disclosure that he paid no state income tax in 1970.

none, but from resentment over the fact that the tax laws are constructed so that some of the people can avoid

When a man is elected to public office he foregoes part of the ordinary

Editorial
From The
Los Angeles Times

property had been assessed too low, and won its case before a Los Angeles County Assessment Appeals Board.

The tax experts and attorneys consulted by the McClatchy Newspapers refused to allow their names to be used because they say they have not seen Reagan's tax forms and therefore can only speculate about the governor's tax status.

even suggesting that some had imputed wrong-doing on his part. Significantly, Reagan failed to name names when pressed for specifics in that regard.

The governor misses the point. The public uproar did not stem from any hint of wrong-doing for there was

SACRAMENTO BEE
MAY 14, 1971

and by all civil service employees, appointed officials, and members of boards and commissions; and by the families of each.

The bill died in committee, but in endorsing it the governor acknowledged that public servants do in fact surrender certain rights of privacy in exchange for public trust. Including the governor.

THE SACRAMENTO BEE -- May 7, 1971

An Editor's Notebook

Reagan Is Denied Joy Of Tax Paying



By C. K. McClatchy, Executive Editor

SYMPATHY — This is a time to offer Gov. Ronald Reagan quiet sympathy and understanding because we now see that his very able tax accountant has deprived the governor of one of the most noble and rewarding experiences available to ordinary citizens — paying taxes until they hurt.

It was our very own governor who first evolved the theory there is something good about paying taxes until

get a lot of pleasure out of paying taxes "until they hurt," considering his income. In 1970 his salary as governor was \$44,100. In addition he received \$15,000 to spend on expenses and \$17,400 for his residence. Last year the legislature added another \$15,000 for the rent on his Sacramento residence and raised his salary to \$49,100.

He was paid \$19 million for 623

the state tax in 1970 he said: "You know something, I don't actually know whether I did nor not." That was something of a show stopper, since Reagan then recalled he had signed his return. It was one of the few times television viewers had seen their citizen-politician at a loss for words.

PERSPECTIVE — It was left to

EXPLANATION OF ANALYSIS

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

Several additional observations also are warranted:

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

Using the conclusions of the aforementioned writers, programs which would appear to have been affected by the Reagan proposal would have totalled \$ 1,856,471,000. This total amount might be broken down into the following two categories:

1. Programs terminated or drastically altered: \$ 529,233,000
2. Programs probably affected in whole or in part: \$ 1,327,238,000

Those programs that would appear to be directly impacted on (item #1 immediately above) are indicated with an asterisk (*).

Attachment



ACTUAL FEDERAL OUTLAYS TO
ILLINOIS FOR FISCAL YEAR 1975

I. EDUCATION, MANPOWER, & SOCIAL SERVICES

Department of Health, Education & Welfare

<u>Amount</u>	<u>Program Category</u>
* \$19,352,000	Child Development -- Head Start
3,552,000	Educ. Deprived Children -- Urban and Rural School Grants
5,479,000	Educ. Deprived Children -- Handicapped
793,000	Educ. Deprived Children -- In State Institutions
946,000	Educ. Deprived Children -- State Admin.
707,000	Educ. Deprived Children -- Migrants
84,061,000	Educ. Deprived Children -- LEAS
1,472,000	Upward Bound
(\$116,362,000 - SUB-TOTAL)	
1,837,000	Handicapped Pre-School and School Programs
1,065,000	Handicapped Teacher Education
611,000	Handicapped Early Childhood Assistance
(\$3,513,000 - SUB-TOTAL)	
276,000	Higher Educ. -- Land Grant Colleges and Universities
4,900,000	Higher Educ. -- Strengthening Develop. Inst.
1,261,000	Higher Educ. -- State Post Secondary Educ.
13,316,000	Higher Educ. -- Work Study
220,000	Higher Educ. -- Cooperative Education
684,000	Higher Educ. -- Graduate Facilities
68,000	Higher Educ. -- (other outlays from O.E.)
* 922,000	Special Services -- Disadvantaged Students in Higher Education
(\$21,647,000 - SUB-TOTAL)	
231,000	National Defense Student Loan Cancel
14,343,000	National Direct Student Loans
6,308,000	Student Loan Insurance Fund
11,737,000	Supp. Education Opportunity Grants
(\$32,619,000 - SUB-TOTAL)	
590,000	Rehabilitation Services & Facilities -- Special Projects
24,829,000	Rehabilitation Services & Facilities -- Basic Support



I. EDUCATION, MANPOWER, & SOCIAL SERVICES (cont'd)

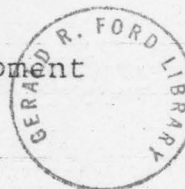
Department of Health, Education & Welfare (cont'd)

<u>Amount (cont'd)</u>	<u>Program Category (cont'd)</u>
\$ 1,464,000	Rehabilitation Training
(\$26,883,000 - SUB-TOTAL)	
11,431,000	Special Programs for the Aging
(\$11,431,000 - SUB-TOTAL)	
3,476,000	Emergency School Aid Act -- Grants to LEAS
412,000	Emergency School Aid Act - Pilot Programs
907,000	Emergency School Aid Act - Special Programs Project
100,000	Emergency School Aid Act - Special Programs
(\$4,895,000 - SUB-TOTAL)	
18,795,000	Vocational Educ. -- Basic Grants to States
1,580,000	Vocational Educ. -- Consumer and Homemaking
654,000	Vocational Educ. -- Cooperative Education
59,000	Vocational Educ. -- Curriculum Development
477,000	Vocational Educ. -- Innovation
724,000	Vocational Educ. -- Research
878,000	Vocational Educ. -- Special Needs
150,000	Vocational Educ. -- State Advisory
503,000	Vocational Educ. -- Work Study
440,000	Vocational Educ. -- Personal Development Awards
(\$24,260,000 - SUB-TOTAL)	
<u>\$241,610,000</u> -----	<u>TOTAL (H.E.W.)</u>

II. COMMUNITY AND REGIONAL DEVELOPMENT

Department of Commerce

<u>Amount</u>	<u>Program Category</u>
* \$ 46,000	Regional Action Planning Commission
* 4,063,000	Economic Development (Admin, Development Grants, and T/A)
<u>\$4,109,000</u> -----	<u>TOTAL</u>



II. COMMUNITY AND REGIONAL DEVELOPMENT (cont'd)

Action

	<u>Amount</u>	<u>Program Category</u>
*	\$ 335,000	Volunteers in Service to America (VISTA)
	<u>\$ 335,000</u> -----	<u>TOTAL</u>

Community Services Administration

	<u>Amount</u>	<u>Program Category</u>
*	\$17,031,000	Community Action
*	165,000	Older Persons Opportunities and Services
*	285,000	Community Food and Nutrition
*	884,000	Emergency Energy Conservation
*	3,358,000	Legal Services
*	82,000	Migrant Legal Services
*	429,000	State Econ. Offices
*	767,000	Summer Youth Recreation
	<u>\$23,001,000</u> -----	<u>TOTAL</u>

Department of the Interior

	<u>Amount</u>	<u>Program Category</u>
\$	152,000	Indian Education -- College & University
	372,000	Indian Employment Assistance
	42,000	Indian Industrial & Tourism Development
	16,000	Indian Education -- Adult
\$	<u>582,000</u> -----	<u>TOTAL</u>

Department of Health, Education & Welfare

	<u>Amount</u>	<u>Program Category</u>
\$	21,000	Indian Education -- Adult
	52,000	Indian Education -- Special Prog. & Progress
	7,000	Indian Health
\$	<u>80,000</u> -----	<u>TOTAL</u>



III. COMMERCE AND TRANSPORTATION

U.S. Postal Service

<u>Amount</u>	<u>Program Category</u>
\$780,088,000	Postal Fund
<u>\$780,088,000</u>	----- <u>TOTAL</u>

Department of Transportation

<u>Amount</u>	<u>Program Category</u>
* \$14,855,000	Grants-in-Aid for Airports
* 83,529,000	Urban Mass Transportation Fund
<u>\$98,384,000</u>	----- <u>TOTAL</u>

Department of Agriculture

<u>Amount</u>	<u>Program Category</u>
* \$ 3,351,000	Watershed Works of Improvement
* 68,000	Resource Conservation and Development Operations
* 247,000	Resource Conservation and Development
* 637,000	River Basins Surveys and Investigations
* 4,187,000	Water and soil Conservation
* 617,000	Soil Survey
* 288,000	Watershed Planning
* 839,000	Watershed & Flood Prevention Operations
<u>\$10,234,000</u>	----- <u>TOTAL</u>

Department of the Interior

<u>Amount</u>	<u>Program Category</u>
* \$ 27,000	Construction (Corps of Engineers - Civil)
<u>\$ 27,000</u>	----- <u>TOTAL</u>

IV. INCOME SECURITY

Department of Agriculture

<u>Amount</u>	<u>Program Category</u>
* \$257,377,000	Food Stamp Bonus Coupons



IV. INCOME SECURITY (cont'd)

Department of Agriculture (cont'd)

<u>Amount</u>	<u>Program Category</u>
* \$ 2,442,000	Other Food Stamp Program Costs
* 55,516,000	National School Lunch Program (Cost)
851,000	Non-food Assistance to Schools
	Food Distribution -- Other Program Costs
2,163,000	School Breakfast Program
5,087,000	Special Food Service Program for Children
8,326,000	Special Milk Program
3,228,000	Supp. Food -- Women, Infants and Children
151,000	State Admin. Services (FNS)
<u>\$335,141,000</u>	----- <u>TOTAL</u>

Department of Labor

<u>Amount</u>	<u>Program Category</u>
* \$ 1,111,000	Food Stamps Assistance
<u>\$ 1,111,000</u>	----- <u>TOTAL</u>

V. LAW ENFORCEMENT AND JUSTICE

Department of Justice

<u>Amount</u>	<u>Program Category</u>
* \$40,629,000	Grants -- LEAA
<u>\$40,629,000</u>	----- <u>TOTAL</u>

VI. REVENUE SHARING

Department of the Treasury

<u>Amount</u>	<u>Program Category</u>
\$273,538,000	Fiscal Assistance to State and Local Governments
<u>\$273,538,000</u>	----- <u>TOTAL</u>

VII. NATIONAL DEFENSE

(Dollar amounts in this category not capable of being calculated.)



VIII. HEALTH

Department of Health, Education & Welfare

	<u>Amount</u>	<u>Program Category</u>
*	77,000	Health Facilities Construction Grants
	0	Health Maintenance Organization Service
	9,883,000	Health Professions Capitation Grants
*	359,000	Health Professions Scholarships
*	2,348,000	Health Professions Student Loans
	7,508,000	Health Services Development -- Project Grants
	(\$20,175,000 - SUB-TOTAL)	
*	3,302,000	Mental Health -- Training Grants
	452,000	Mental Health -- Children Services
	5,738,000	Mental Health -- Community Mental Health Centers
	4,187,000	Mental Health -- Research Grants
	(\$13,679,000 - SUB-TOTAL)	
	1,752,000	Nurse Training Improvement -- Special Projects
	487,000	Nurse Traineeships
	1,801,000	Nursing Capitation Grants
*	251,000	Nursing Scholarships
*	1,073,000	Nursing Student Loans
	(\$5,364,000 - SUB-TOTAL)	
*	2,491,000	Family Planning Projects
*	5,892,000	Maternal and Child Health Services
	(\$8,383,000 - SUB-TOTAL)	
	<u>\$47,601,000</u> ----- <u>TOTAL</u>	