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Conservatives Back GOP Special Plank

Denver Post 9/24/76

By RONALD REAGAN

HENRY KISSINGER'S quips to the press that his African shuttle diplomacy might keep him out of the country till after election day could turn out to be prophetic.

Conservative dissatisfaction with Kissinger, along with President Ford's need for conservative support, may result in the Secretary of State being almost anywhere but home until after election day.

At Kansas City, the Republicans passed by voice vote a 223-word amendment to their platform that could bring important changes in both the style and substance of U.S. foreign policy during the rest of President Ford's term—and beyond, if he wins in November.

Titled "Morality in Foreign Policy," the amendment began as a minority report of the platform committee the week before the convention. It ended up—without argument on the floor—as a plank in the party's platform; one to which conservatives are attaching a good deal of importance.

THIS PLANK may be unique in party platform history in its implicit recognition of past foreign policy mistakes under the party's own leadership. The opening paragraph includes this statement: "The principles by which we act to achieve peace and to protect the interests of the United States must merit the restored confidence of our people." This recognizes that confidence had been declining under Kissinger, a fact confirmed by public opinion polls.

The special plank may also remove a sore point that had been bothering many Americans for more than a year: last year's White House snub of Alexander Solzhenitsyn. On the advice of Dr. Kissinger, President Ford did not invite Solzhenitsyn to the White House when the Nobel Prize-winning Russian author was in Washington to address an AFL-CIO-sponsored dinner. The apparent reasoning behind Kissinger's advice was the fear that a Solzhenitsyn visit to the White

House would upset the Kremlin. What the lack of an invitation did do was upset American public opinion. Criticism was loud and long. Now, the Republican platform lets Mr. Ford set the matter right gracefully with a plank that reads, "We recognize and commend that great beacon of human courage and morality, Alexander Solzhenitsyn, for his compelling message that we must face the world with no illusions about the nature of tyranny."

PERHAPS MOST important of the points made in the "Morality in Foreign Policy" plank is the clear call for dealing with the Soviet Union on an unambiguous quid pro quo basis. It says, "Ours will be a foreign policy which recognizes that in international negotiations we must make no undue concessions; that in pursuing detente we must not grant unilateral favors with only the hope of getting future favors in return."

Revelations of a Soviet violation of the new nuclear test treaty and earlier confirmation of SALT I violations were on the minds of convention delegates ready to battle for the plank. So were memories of the irony of Dr. Kissinger's sharp criticism of the Soviets for their intervention in Angola just as he was getting ready to leave for Moscow to negotiate SALT II. So was the Helsinki document, the signing of which by Mr. Ford has worried and alienated Americans of Slavic descent and has concerned many others as an example of a pre-emptive concession, given "with only the hope of getting future favors in return."

With his party solidly behind this remarkable document, Mr. Ford can use it as his guideline in putting his own imprint on U.S. foreign policy from now on, thus giving him the opportunity to blunt the Carter and Mondale attacks on Henry Kissinger's highly personalized stewardship of U.S. policy in the recent past.

WASH POST 10/12/76

Ronald Reagan

Why Not Cut the Income Tax?

Warren Harding did it. John Kennedy did it. But Jimmy Carter and President Ford aren't talking about it.

The "it" that Harding and Kennedy had in common was to cut the income tax. In both cases federal revenues went up instead of down.

The presidential candidates would do us all a service if they would discuss the pros and cons of the concept. Since the idea worked under both Democratic and Republican administrations before, who's to say it couldn't work again?

Tax reform has been a major subject of debate and platform rhetoric in the Ford-Carter campaign, but tax cuts as a means of increasing revenue (and even helping to balance the budget) have been ignored.

President Ford's position right along has been to favor tax cuts so long as they were matched, dollar-for-dollar, by budget cuts.

Carter, on the other hand, concentrates his attention on tax "equity." That is, who should pay what share of the federal tax burden. With it, he carefully nurses the myth that if only we could get some more money out of a relative handful of tax-sheltered billionaires we could make everything come out right.

Some economists, with Milton Friedman in the lead, argue for "indexation"—pegging tax rates to inflation rates so that when a worker gets a cost-of-living wage increase it doesn't throw him into a higher tax bracket, thus nullifying the effect of his raise.

One representative, Jack Kemp (R-N.Y.), has sponsored a bill (which he calls the Jobs Creation Act) which would index the income tax and do several other things designed to stimulate the economy. The assumption, as it was in the Harding and Kennedy tax cuts, is that lowered tax rates will

produce greater spending; thus a greater demand for goods and services; thus economic expansion and more jobs. It worked both times before.

Norman Ture, a Washington economic consultant who had advised Kemp, estimates that passage of the bill would add \$151.4 billion to the gross national product the first year and that federal tax revenues would increase by \$5.2 billion.

As it did in 1962, the Treasury Department is sticking to its classic position and predicts a serious decline in revenues. Kemp's bill does call for making indexation retroactive, which makes the Harding-Kennedy experience less applicable. In any event, Treasury's cool attitude is one reason the Kemp bill hasn't gone anywhere yet.

After the Republicans took both the White House and Congress in 1920,

Harding's Secretary of the Treasury, Andrew Mellon, argued—successfully—for removal of the high wartime taxes (there had been both an excess profits tax and a 65 per cent surtax). The cuts were made and federal revenues went up. Another cut was made in 1924, under Coolidge. During that decade, per capita production rose by 30 per cent; one-third of the national debt was paid off; and unemployment dropped to 3 per cent.

In 1962, President Kennedy, seeking to pay off on his campaign theme ("Get the country moving again"), studied the effects of the earlier tax cuts and, in 1962, gambled that a series of cuts would have the same effect. The Treasury Department, however, insisted that tax cuts would cut revenues. They projected a six-year revenue loss of \$89 billion. Instead, there was a \$54 billion increase in revenue.