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For information:
Lyn Nofziger, Press Secretary
Traveling with Governor Reagan

March 13, 1976

EMBARGOED UNTIL 9:30 A.M. CST

Excerpts of remarks by the
Honorable Ronald Reagan at
Illinois appearances on
Saturday, March 13, 1976

Before they go to the polls, Republicans must ask themselves,
"which candidate can win in November?"

If the candidate is to lead the Party to victory...help put more
Republicans in Congress, he must be able to campaign...

...Without having to defend the largest budget deficit in U.S.
history.

...Without having to defend an administration which has added
two thousand one hundred dollars to every family's share of the national
debt.

...Without having to defend the Washington buddy system when the
American people want to return power and tax dollars to their states and
communities to solve problems.

...A Republican who can campaign without having to defend last
year's grain sale embargo which cost farmers so much.

...Without having to defend the firing of a James Schlesinger
or the inability to keep at his post a Daniel Patrick Moynihan who was
saying at the U.N. what needed to be said.

...Without having to defend the one-way street which detente has
become.

...Without having to defend the decline in U.S. military strength
in a world where it's dangerous -- if not fatal -- to be Number Two.

I am deeply concerned about the mounting evidence that we are Number Two. The people are concerned, too. When I review world events of recent months, I do not see a U.S. foreign policy that has a coherent global view. I do not see it in our policy toward Cuba, when Mr. Ford suddenly discovers just before the Florida primary that Castro is an "international outlaw", but takes no action to match his words. I do not see it in the quiet, almost secret negotiations to give away the Panama Canal to a leftist military dictator. Neither Mr. Ford nor Dr. Kissinger will explain why they are determined to give away this sovereign U.S. territory, but a State Department official the other day insisted that all instructions to the U.S. negotiating team "are by the President."

Mr. Ford tells us his foreign policy is just fine the way it is. As proof, he says he will keep Henry Kissinger as Secretary of State under almost any circumstances.

Both of them tell us we musn't criticize their policy. Criticism might damage it. Well, the people have a right to criticize a policy they see is wrong. And, if our foreign policy can be ruined by telling the people the truth about it, then it's time we reexamined it thoroughly.

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NOTE: Since Governor Reagan speaks from notes, there may be changes in, or additions to, the above text. He will, however, stand by the above quotes.

RR
Speech File

Information:
Matt Lawson
(traveling with Governor Reagan)

March 20, 1976
FOR RELEASE UPON DELIVERY

Excerpts of Remarks by The Hon. Ronald Reagan,
North Carolina, March 20, 1976.

Although the Washington Establishment doesn't think so, this primary election system of ours -- long and imperfect though it is -- is still one of the best instruments the people have to express themselves. Now, on the eve of the North Carolina primary, there are those who would deprive you of the chance to vote for something different in Washington. They don't want an election next Tuesday.

Yesterday, some mayors who support Mr. Ford were persuaded to call on me to withdraw. Then, yesterday, several Governors (there is some confusion as to just which ones) asked me to withdraw. Then, in a broadcast interview in Washington, Mr. Ford delivered a not-so-well-disguised invitation for me to withdraw.

I'm touched by their concern for my welfare, but can't help but feel they sound a little nervous about their own.

I hope the people of North Carolina will not let themselves be intimidated by the Washington Establishment.

Only one-ninth of the delegates to the Republican Convention have been selected so far. In baseball, you don't call the game at the end of the first inning because one team has a slight lead. So far, almost half the members of our Party -- 45% have indicated their support of my candidacy.

We are doing better at this point than our original projections and I'm in the race all the way to Kansas City because I believe I offer a better chance for victory in November than does my opponent.

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Since Governor Reagan speaks from notes, there may be additions to or changes in the above text. He will, however, stand by the above quotes.

March 23, 1976

FOR RELEASE: 12:15 PM CST

Excerpts of Remarks by the Hon. Ronald Reagan,
at the Wisconsin Women for Reagan Luncheon,
Brookfield, Wisconsin, Tuesday, March 23, 1976.

Mr. Ford says we are second to none militarily. Here is what the experts say:

--Paul Nitze, former Deputy Secretary of Defense, writing about strategic (nuclear) weapons, says, "...after 1977, the Soviet advantage after an assumed attack mounts rapidly."

--General Alexander Haig, Commander of NATO, "...explosion of the Soviet military capabilities...far exceeds the requirements of a purely defense posture...We are getting to the fine edge of disaster."

--Dr. Fred Ikle, director of the U.S. Arms Control & Disarmament Agency. (we have a)... "disadvantage in having a far smaller number of armed forces, a smaller number of tanks, and general inferiority in a number of conventional arms."

--James Schlesinger, former Secretary of Defense. "...at no point since the 1930's has the Western world faced so formidable a threat to its survival."

--John Collins, Sr. National Defense Specialist of the Library of Congress: "As it stands, the quantitative balance continues to shift toward the Soviet Union."

--Dr. Malcolm Currie, Chief of Research and Engineering, Department of Defense. "...The momentum is now on the side of the Soviet Union and it is staggering."

--According to the Department of Defense, we are behind in strategic defensive weapons more than 20-1; in offensive

weapons $1\frac{1}{2}$ -1; in major combat ships nearly 2-1; in military manpower 2-1, and the Soviet Union is investing some 50% more than we are annually.

--Recently, Admiral Elmo Zumwalt, former Chief of Naval operations, told a group, "Secretary Kissinger told me face-to-face that he thinks of the United States as Athens and the Soviet Union as Sparta. The day of the U.S. is passed and today is the day of the Soviet Union. My job as Secretary of State is to negotiate the most acceptable second-best position available."

I challenge Mr. Ford to tell the American people that we are Number One.

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NOTE: Since Governor Reagan speaks from notes, there may be additions to or changes in the above text. He will, however, stand by the above quotes.

I thank you for a warm and gracious welcome; fellow guests here on the platform and you, ladies and gentlemen; I hope my fellow Republicans and always I hope a goodly gathering of Democrats who want something better out of life. You see, I can say that because I spent most of my life as a Democrat and then switched over when I found I could no longer follow the leadership of that party but I still believe that the millions of rank-and-file patriotic Democrats in this country are as much in disagreement with that leadership as evidenced in this very irresponsible Congress as I am. Maybe one day we'll all get together. Now, maybe you're surprised after all the events of yesterday that I'm still here in the campaign. Well, although the Washington establishment doesn't think so, this primary election of ours, long and imperfect as it is, is still, I believe, one of the best interests that the people have to express themselves. Now on the eve of the North Carolina primary, there are those who would deprive you of the chance to vote for something different in Washington. They don't really want an election in the next week. Yesterday, some mayors who support Mr. Ford were persuaded to call upon me to withdraw from the campaign and then some Governors; there is some confusion as to which ones; asked for my withdrawal and then yesterday afternoon in an interview in Washington, Mr. Ford delivered a not-so-well disguised invitation for me to withdraw from the campaign. Well I am touched with their concern for my welfare but I can't help but feel that they sound a little nervous about their own. They sound a little confused too, because here it is only the day after and Washington says well, it didn't talk to those mayors, didn't know anything about them and your Governor says that he talked the whole thing over with the campaign people in Washington but they say they haven't talked to anyone in North Carolina. And Mr. Ford, who issued the invitation on television, is now doing an instant replay now that he's arrived here in North Carolina. He says he didn't say it. Well, I guarantee you, I didn't say it.

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Well, just to calm them all down, to put their minds at rest; as the American general said at the Battle of the Bulge when the Germans asked him to surrender; NUTS! I am in this campaign to stay and to win.

I hope that you people in North Carolina will not let yourselves be intimidated by the Washington establishment. Only one ninth of the delegates to our convention have been selected so far. Now, in baseball, you don't call the game at the end of the first of nine innings because one team has a slight lead. So far, almost half the members of the Republican party, 45%, have indicated their support of my candidacy. We are doing better in votes and in delegates than our own projections before this race started and I am in the race all the way to Kansas City because I believe I offer a better chance for our party to win in November than does my opponent.

You know, Abraham Lincoln, the first Republican president, said that, "A man can be loyal to his government and still disagree with the policies of those in power". Well I do disagree with a number of the policies of those in power. For example, I disagree with a policy in Washington where neither the administration nor the Congress is fighting inflation as they should be fighting it. Today, this country is 95 billion dollars deeper in debt than it was one year ago today. As a matter of fact, it took our country 166 years, until the middle of World War II, to accumulate a total debt of 95 billion dollars. Now we increase it 95 billion dollars every 12 months and the debt is some 600 billion dollars. You and I at least can do one thing for our children and our children's children who are going to have to pay for this debt. At least let us set a pattern and, before we leave the scene of the stage of history, let us start by balancing the budget and starting to make payments to reduce that national debt. And when I say there are disagreements in policy, I didn't disagree at the very beginning when Mr. Ford started a program of fighting inflation

You'll remember the "win buttons". I don't know what happened to them. They disappeared very swiftly. And the first thing you know, he had told us and you remember on television, he drew a line on a chart on the budget and he said, "I will not allow the budget, the deficit, to go over 60 billion dollars." And in a few short months, he was before fighting recession, not fighting recession and asking us for a tax cut and saying that we could accept a budget deficit of somewhere around 70 billion dollars and now we're told that the deficit is going to be somewhere around 80 billion dollars. Ladies and gentlemen, you may be asking why does an 80 billion dollar budget or a 60 billion dollar budget add 95 billion dollars to the debt. Well, I'll tell you why. They play tricks with the bookkeeping. They always use the term "the budget deficit" but what you and I aren't told is that they shove a number of programs outside the budget; the post office is no longer in the budget and so they don't have to count the deficits that are being piled up there. They just quietly accrue to the size of the national debt. But when we fight recession, of course we want an end to recession, we want an end to unemployment. But what causes both? Inflation. And what causes inflation? The federal government spending more money than the federal government takes in and its not going to stop until we balance the budget. Now balancing the budget is hard but not impossible. It's like protecting your virtue; you have to learn to say no.

Not too long ago, Mr. Ford came forward with a new plan. He would go for a 28 billion dollar tax cut. That was to be bait for us. Everyone wants a tax cut. But we want an honest tax cut because the cost of governemnt has gone down. And he wanted 28 billion dollars cut but it was to be matched by a 28 billion dollar cut in the proposed budget. I had a question then and I have a question now: If there was \$28 billion

in the proposed budget that could be cut, what was it doing there in the first place? That's a little like a merchant. You know, the fellow that tells you he's going to have a sale -- 20% off, but he raised the price 40% before he cut the 20%.

I am in disagreement with the energy policy. It's going on three years now since we lined up at the gas stations; couldn't get gas for our cars. 500,000 American working men layed off and lost their jobs because of industries that couldn't get fuel oil to continue in operation. We were only buying 14% of our oil from the Arab nations at the time; and look what it did to our country with the oil embargo. Well, now, today, the President has signed the energy legislation spawned by an irresponsible Congress. And, today, just three years later, we are importing 40% of our oil. What happens if they embargo us now? We'd literally grind to halt in this country. We are producing less oil now, after all the promises that we would become independent of outside oil, we are producing less oil than we were three years ago and last week, for the first time in our nation's history, we imported more oil than we produced in this country.

I disagree when the President says he wants to preserve the integrity of Social Security. I disagree with one word -- I want to restore the integrity of Social Security, because that program is financially out of balance right now.

The other day, a very elderly gentleman came up to me. He said he wanted to be for me. But, he said, many people today who are dependent on Social Security are disturbed because we are being told, he said, that if you become President, you will destroy Social Security. Well, I don't being told by whom -- I'm not telling them. And, I'm kind of surprised if the other side is telling them because all the way through New Hampshire they had a fellow taping everything I said and all they'd have to do is play the...maybe they erased 18 minutes.

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I can tell you where I stand on Social Security when I say restore its integrity. I believe there should be a Presidential Commission appointed, not of the bureaucrats who got us in trouble in the first place, but of private citizens, experts in the fields of insurance and pensions and actuarial statistics, given a commission to put that program on a sound basis; but, at the same time, given an order that in the reform they propose, there must be a guarantee that those depending on Social Security and those looking forward to it in the years ahead will continue to receive their payments -- and their payments will keep pace with the cost of living, which they have not done up till now. While they're doing it, I think there are a couple of other reforms we could put into Social Security. The women in this country -- working wives particularly -- are discriminated against by the entire program, and that should be corrected. And one other correction, if we're going to call it insurance. If a senior citizens reaches retirement age, is entitled to receive his benefits but wants to continue working for awhile, he ought to be able to do so without losing his benefits.

I am disturbed by something else of a different nature -- something, I believe, that shows that this nation is in great danger, and the danger grows greater every day. We hear that the new slogan is not going to be detente. We're not going to use the word, but the policy remains the same. Well, the policy has been a one-way street by which the Soviet Union has been advancing its aims at our expense. Now they talk of peace through strength. But, Secretary of Defense Schlesinger, a short time ago, tried to tell the American people about our strength, tell us the truth, and I believe that's why he's no longer a member of the administration. He was trying to tell us that there is no strength -- certainly not the kind of strength we've known ever since World War II. The Soviet army is double the size of ours; their reserves are four times the size of ours;

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their navy has twice as many ships and submarines as we do; their artillery outnumber us three-to-one; their tanks outnumber us four-to-one; their nuclear missiles are bigger, more powerful and more numerous than ours. We are not dealing from strength. We are making concessions to the Soviet Union, not in return for a concession from them, but in the hope that they will smile and treat us more gently now that they're ahead. I believe in the peace of which Mr. Ford talks; but I don't believe you get peace through weakness; I don't believe you get it by making concessions; I believe you have peace, and can only have it, when we restore the military supremacy of the United States so that no other nation on earth will dare attack us or challenge us.

And, while we're talking foreign policy, I have disagreed for more than a year with a policy that has seen our government relaxing the trade bans on Castro's Cuba, urging the organization of American states to to the same thing. And, as we butter up to Mr. Castro, he is exporting revolution and now has 12,000 mercenaries interfering with the activities of the new emerging states in Africa. And, Mr. Ford, just recently, in spite of this policy, journeyed to Florida prior to the primary, in the area where lives the greatest number of Cuban-American refugees and told them that he now recognizes Castro as an international outlaw and will never recognize him. I will believe that when the United States asks the rest of the free world and the rest of the American States to quarantine Castro's Cuba until he brings those 12,000 mercenaries home and stops exporting revolution.

I am in disagreement with a foreign policy that sees as we stand here today, negotiations continuing down in Panama to give away the Panama Canal and the Canal Zone to a military dictator -- a friend of Castro's named General Omar Torrijos, who overthrew the duly elected government of Panama eight years ago, has allowed no election since, no civil liberties and censors the press. He has threatened that he will sabotage the Canal

and that he will start guerilla warfare -- as he calls it, a second Vietnam -- against the Canal Zone unless we return the Canal Zone to Panama. The negotiations continue and Juan Tack, the Foreign Minister, the counterpart of Dr. Kissinger in Panama, has made a statement to the press that he has the assurance of the president of the United States that we have already agreed to a preliminary treaty to turn over the Canal Zone to them. The Canal Zone, ladies and gentlemen, is sovereign United States territory. It is every bit as much sovereign territory as is the state of Alaska and I think it is time for us to tell Mr. Torrijos that we're not yielding to him blackmail; that we bought the place, we paid for it, we build it and we darn well intend to keep it. Now, there's another issue that's been raised in this campaign; an issue that says that there are no differences between the candidates and the inference is, therefore, we should preserve the status quo -- that's Latin for the mess we're in. Well, I say there are great differences between us and one of those differences is our relative approach to government. I believe that this has been determined by our previous experience in government work. Mr. Ford was a congressman for 25 years. He represented his district well but for 25 years, his interest had to be the welfare of a single Congressional district. Then he was appointed Vice President by Richard Nixon and, 19 months ago, stepped into the White House. I have not had that long experience in government but my eight years were spent as governor of a state which, if it were a nation, would be the seventh ranking economic power in the world. But as your chairman told you, that nation, that state, was on the verge of bankruptcy; spending a million to a million and a half dollars a day more than it was taking in. I didn't know whether I had been elected governor or appointed receiver. California was in just about the same position as New York City and; with New York City, the only difference between it and Washington is that Washington has a printing press. The teachers retirement fund

in California was an unfunded four billion dollar liability hanging over every property owner in the state; the great water project was unfinished and underfunded by a half a billion dollars. The entire year's budget for Medicaid had been spent by my predecessor in the first six months of the year before we got there and so we knew that we had to turn to the people for a tax increase. I didn't like that because I thought the taxes were already too high, just as I think they're already too high nationally with governments; ~~taking~~ federal, state and local, taking 44 cents out of every dollar we earn. But I told the people of California that I considered the increase temporary and that as soon as we could, we'd give the money back. And there, perhaps, is where the difference lies between us. As President, Mr. Ford has revealed his faith, because of his previous existence as a part of the Washington establishment, he has turned to the people of that establishment. His appointments have been of former members of Congress, of former bureaucrats and department heads and officials of that establishment to all the high positions to which he can make appointments. I don't happen to believe that those who have been a long time associated with the problems have necessarily been able to prove that they're the best able to solve them. When I became Governor, I thought of myself not as a part of government. I never had aspired to a government position and I'm not quite sure yet how it all came about, but there I was. I thought of myself as a citizen, temporarily in govt. to represent the people against government and I turned to the people for the kind that I could appoint that would feel the same as I did. I did not accept the applications of those who wanted jobs in government. I sought out people who arms had to be twisted; someone who would give up a few years of their own careers to serve for a time in govt. to help do what I wanted to do. I looked for people who would be the first to tell me that their job was unnecessary if it was. And we gathered that kind of a team in Sacramento. There was a reason behind it. You know, Dr.

Parkinson has written in his book that government hires a rat catcher and the first thing you know, he's become a rodent control officer. We had a team and for eight years, we kept that attitude. For eight years, among ourselves, we said to each other that when we begin talking about govt. as "we" instead of "they", we've been here too long. I think that attitude is needed desperately in Washington D.C. right now.

I believe that what was done in California.....well, let me go on. One other thing we turned to the people for; the most important thing; I almost forgot. After we had our team together, we went back to the people. We gathered together in a group like this the most expert ~~group~~ people in their respective specialities that could be found in California and we asked them to volunteer; offered them nothing. They received no pay, no expense to the taxpayer; more than 250 volunteered to come into govt., organized into task forces based on their specialty, go into every agency and department of state government and come back and tell us how modern business practices could be put to work to make governmtne more responsive to the people . They gave 117 days a piece full-time away from their own jobs and careers. They came back with 1800 specific recommendations. We implemented more than 1600 of those and the result was that a little over a year ago, I turned over the administration to the new incoming government and, as the chairman has told you, they were the first new administtation to be handed a balanced budget in CA. in a quarter of a century. We handed them a 500 million surplus, the teachers' retirement fund is fully funded on a sound actuarial basis; the water project is completed with a 165 million dollars left over. Our bonds have a rating of triple A, the highest credit rating you can get. And we kept out pledge to the taxpayers; we returned in refunds and rebates five-billion-seven-hundred and sixty-one million dollars. What was done in California can be done at the national level if someone will ask the people to help.

You'll remember Lyndon Johnson tried to have a great society but he

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tried to have it by government edict and government regulation. Only a great people can have a great society and have we forgotten that we are a great people? We've built this country; we opened the west without an area redevelopment plan; we built our cities without urban renewal and I know that in Washington today, that elite that breathes the mist off the Potomac, they don't think the American people have the courage anymore to face the truth, so they don't tell the extent of the problems. They don't tell us that we're number two in strength. They don't tell us that the energy situation or the domestic problems. Well, I happen to believe and think that it is time to turn to the people of this country; to tell the people of this country

DRAFT -- RR speech in Ashville, N.C. -- 3/24/76

I thank you for a warm and gracious welcome; fellow guests here on the platform and you, ladies and gentlemen; I hope my fellow Republicans and always I hope a goodly gathering of Democrats who want something better out of life. You see, I can say that because I spent most of my life as a Democrat and then switched over when I found I could no longer follow the leadership of that party but I still believe that the millions of rank-and-file patriotic Democrats in this country are as much in disagreement with that leadership as evidenced in this very irresponsible Congress as I am. Maybe one day we'll all get together. Now, maybe

Crossfiled Under:

Federal Spending 2-~~3~~ 4
Energy 4
Social Security 4-5
Balance of Power 5-6
Cuba 6
Panama 6-7

TEXT OF GOVERNOR RONALD REAGAN'S NATION-WIDE TELEVISION ADDRESS,
WEDNESDAY, MARCH 31, 1976.

RELEASE: Embargoed: Release upon delivery 10:30 p.m. (EST),
Wednesday, March 31, 1976.

CONTACT: Lyn Nofziger (202) 452-7606

Good evening to all of you from California. Tonight, I'd like to talk to you about issues. Issues which I think are involved -- or should be involved in this primary election season.

I'm a candidate for the Republican nomination for President. But I hope that you who are Independents and Democrats will let me talk to you also tonight because the problems facing our country are problems that just don't bear any party label.

In this election season the White House is telling us a

Crossfiled Under:

Economy - Misc. 1-5
Energy - Supplies - 5
Business - 10
Housing - 10
Gun Control 10-11
Federal Regulations - Impact 11
U.S. Foreign Policy 12-14
Balance of Power 14
Human Rights 14-15

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I'm a candidate for the Republican nomination for President. But I hope that you who are Independents and Democrats will let me talk to you also tonight because the problems facing our country are problems that just don't bear any party label.

In this election season the White House is telling us a solid economic recovery is taking place. It claims a slight drop in unemployment. It says that prices aren't going up as fast, but they are still going up, and that the stock market has shown some gains. But, in fact, things seem just about as they were back in the 1972 election year. Remember, we were also coming out of a recession then. Inflation had been running at around 6%. Unemployment about 7. Remember, too, the upsurge and the optimism lasted through the election year and into 1973. Then, the roof fell in. Once again we had unemployment. Only this time not 7%, more than 10. And inflation -- wasn't 6%, it was 12%.

Now, in this election year 1976, we're told we're coming out of this recession. Just because inflation and unemployment rates have fallen, to what they were at the worst of the previous recession. If history repeats itself will we be talking recovery four years from now merely because we've reduced inflation from 25% to 12%?

2-2-2 Text of Governor Reagan's Address

The fact is, we'll never build a lasting economic recovery by going deeper into debt at a faster rate than we ever have before. It took this nation 166 years -- until the middle of World War II -- to finally accumulate a debt of \$95 billion. It took this administration just the last 12 months to add \$95 billion to the debt. And this administration has run up almost one-fourth of our total national debt in just these short nineteen months.

Inflation is the cause of recession and unemployment. And we're not going to have real prosperity or recovery until we stop fighting the symptoms and start fighting the disease. There's only one cause for inflation -- government spending more than government takes in. The cure is a balanced budget. Ah, but they tell us, 80% of the budget is uncontrollable. It's fixed by laws passed by Congress. The laws passed by Congress can be repealed by Congress. And, if Congress is unwilling to do this, then isn't it time we elect a Congress that will?

Soon after he took office, Mr. Ford promised he would end inflation. Indeed, he declared war on inflation. And, we all donned those WIN buttons to "Whip Inflation Now." Unfortunately the war -- if it ever really started -- was soon over. Mr. Ford without WIN button, appeared on TV, and promised he absolutely would not allow the Federal deficit to exceed \$60 billion (which incidentally was \$5 billion more than the biggest previous deficit we'd ever had). Later he told us it might be as much as \$70 billion. Now we learn it's \$80 billion or more.

Then came a White House proposal for a \$28 billion tax cut,

to be matched by a \$28 billion cut in the proposed spending -- not in present spending, but in the proposed spending in the new budget. Well, my question then and my question now is, if there was \$28 billion in the new budget that could be cut, what was it doing there in the first place?

Unfortunately, Washington doesn't feel the same pain from inflation that you and I do. As a matter of fact, government makes a profit on inflation. For instance, last July Congress vaccinated itself against that pain. It very quietly passed legislation (which the President signed into law) which automatically now gives a pay increase to every Congressman every time the cost of living goes up.

It would have been nice if they'd thought of some arrangement like that for the rest of us. They could, for example, correct a great unfairness that now exists in our tax system. Today, when you get a cost of living pay raise -- one that just keeps you even with purchasing power -- it often moves you up into a higher tax bracket. This means you pay a higher percentage in tax, but you reduce your purchasing power. Last year, because of this inequity, the government took in \$7 billion in undeserved profit in the income tax alone, and this year they'll do even better. Now isn't it time Congress looked after your welfare as well as its own?

Those whose spending policies cause inflation to begin with should be made to feel the painful effect just as you and I do. Repeal of Congress' automatic pay raise might leave it with more incentive to do something to curb inflation.

Now, let's look at Social Security. Mr. Ford says he wants to "preserve the integrity of Social Security." Well, I differ with him on one word. I would like to restore the integrity of Social Security. Those who depend on it see a continual reduction in their standard of living. Inflation strips the increase in their benefits. The maximum benefit today buys 80 fewer loaves of bread than it did when that maximum payment was only \$85 a month. In the meantime, the Social Security payroll tax has become the most unfair tax any worker pays. Women are discriminated against. Particularly, working wives. And, people who reach Social Security age and want to continue working, should be allowed to do so and without losing their benefits. I believe a Presidential commission of experts should be appointed to study and present a plan to strengthen and improve Social Security while there's still time -- so that no person who has contributed to Social Security will ever lose a dime.

Before leaving this subject of our economic problems let's talk about unemployment.

Ending inflation is the only long range and lasting answer to the problem of unemployment. The Washington Establishment is not the answer. It's the problem. Its tax policies, its harassing regulation, its confiscation of investment capital to pay for its deficits keeps business and industry from expanding to meet your needs and to provide the jobs we all need.

No one who lived through the Great Depression can ever look upon an unemployed person with anything but compassion. To me, there is no greater tragedy than a breadwinner willing to work,

with a job skill but unable to find a market for that job skill. Back in those dark depression days I saw my father on a Christmas eve open what he thought was a Christmas greeting from his boss. Instead it was a blue slip telling him he no longer had a job. The memory of him sitting there holding that slip of paper and then saying in a half whisper "That's quite a Christmas present" -- it will stay with me as long as I live.

Other problems go unsolved. Take energy. Only a short time ago we were lined up at the gas station. We turned our thermostats down as Washington announced "Project Independence." We were going to become self-sufficient, able to provide for our own energy needs.

At the time we were only importing a small percentage of our oil. Yet, the Arab boycott caused half a million Americans to lose their jobs when plants closed down for lack of fuel. Today, it's almost three years later and "Project Independence" has become "Project Dependence." Congress has adopted an energy bill so bad we were led to believe Mr. Ford would veto it. Instead he signed it. And, almost instantly, drilling rigs all over our land started shutting down. Now, for the first time in our history we are importing more oil than we produce. How many Americans will be laid off if there is another boycott? The energy bill is a disaster that never should have been signed.

An effort has been made in this campaign to suggest that there aren't any real differences between Mr. Ford and myself. I believe there are, and these differences are fundamental. One of them has to do with our approach to government. Before

Richard Nixon appointed him Vice President, Mr. Ford was a Congressman for 25 years. His concern was the welfare of his congressional district. For most of his adult life he has been a part of the Washington Establishment.

- Most of my adult life has been spent outside of government. My experience in government was the eight years I served as Governor of California. If it were a nation, California would be the 7th ranking economic power in the world today.

When I became Governor, I inherited a state government that was in almost the same situation as New York City. The state payroll had been growing for a dozen years at a rate of from 5 to 7000 new employees each year. State government was spending from a million to a million-and-a-half dollars more each day than it was taking in. The State's great water project was unfinished and underfunded by a half a billion dollars. My predecessor had spent the entire year's budget for Medicaid in the first six months of the fiscal year. And, we learned that the teachers' retirement fund was unfunded. A four billion dollar liability hanging over every property owner in the state. I didn't know whether I'd been elected Governor or appointed receiver.

California was faced with insolvency and on the verge of bankruptcy. We had to increase taxes. Well, this came very hard for me because I felt taxes were already too great a burden. I told the people the increase in my mind was temporary and that, as soon as we could, we'd return their money to them.

I had never in my life thought of seeking or holding public office and I'm still not quite sure how it all happened. In

my own mind, I was a citizen representing my fellow citizens against the institution of government.

I turned to the people, not to politicians for help. Instead of a committee to screen applicants for jobs, I had a citizens' recruiting committee, and I told this committee I wanted an administration made up of men and women who did not want government careers and who would be the first to tell me if their government job was unnecessary. And I had that happen. A young man from the aerospace industry dissolved his department in four months, handed me the key to this office and told me we'd never need the department. And to this day, I not only never missed it. I don't know where it was.

There was a reason for my seeking people who didn't want government careers. Dr. Parkinson summed it all up in his book on bureaucracy. He said, "Government hires a rat catcher and the first thing you know, he's become a rodent control officer."

In those entire eight years, most of us never lost the feeling that we were there representing the people against what Cicero once called the "arrogance of officialdom." We had a kind of watchword we used on each other. "When we begin thinking of government as we instead of they, we've been here too long." Well, I believe that attitude would be beneficial in Washington.

We didn't stop with just getting our administrators from the ranks of the people. We also asked for help from expert people in a great many fields, and more than 250 of our citizens volunteered, to form into task forces. They went into every

department and agency of state government to see how modern business practices could make government more efficient, economical and responsive. They gave an average of 117 day apiece full time, away from their own jobs and careers. At no cost to the taxpayers. They made 1800 specific recommendations. We implemented more than 1600 of those recommendations.

This was government-by-the-people proving that it works when the people work at it. When we ended our eight years, we turned over to the incoming administration a balanced budget, A \$500 million surplus. And, virtually the same number of employees we'd started with eight years before. Even though the increase in population had given some departments a two-thirds increase in work load.

The water project was completed with \$165 million left over. Our bonds had a triple A rating, the highest credit rating you can get. And the teachers' retirement program was fully funded on a sound actuarial basis. And, we kept our word to the taxpayers -- we returned to them in rebates and tax cuts, \$5 billion, 761 million.

I believe that what we did in California can be done in Washington if government will have faith in the people and let them bring their common sense to bear on the problems bureaucracy hasn't solved. I believe in the people.

Now, Mr. Ford places his faith in the Washington Establishment. This has been evident in his appointment of former Congressmen and long time government workers to positions in his Administration. Well, I don't believe that those who have been part of

the problem are necessarily the best qualified to solve them.

The truth is, Washington has taken over functions that don't truly belong to it. In almost every case it has been a failure. Understand, I'm speaking of those programs which logically should be administered at state and local levels.

Welfare is a classic example. Voices that are raised now and then urging a federalization of welfare don't realize that the failure of welfare is due to federal interference. Washington doesn't even know how many people are on welfare. How many cheaters are getting more than one check. It only knows how many checks it's sending out. Its own rules keep it from finding out how many are getting more than one check. Well, California had a welfare problem. 16% of all welfare recipients in the country were drawing their checks in our state. We were sending welfare checks to families who decided to live abroad. One family was receiving its check in Russia. Our caseload was increasing by 40,000 people a month. After a few years of trying to control this runaway program and being frustrated by bureaucrats here in California and in Washington, we turned again to a citizens' task force. The result was the most comprehensive welfare reform ever attempted.

And in less than three years we reduced the rolls by more than 300,000 people. Saved the taxpayers \$2 billion. And, increased the grants to the truly deserving needy by an average of 43%. We also carried out a successful experiment which I believe is an answer to much of the welfare problem in the nation. We

put able-bodied welfare recipients to work at useful community projects in return for their welfare grants.

Now, let's look at housing. Washington has tried to solve this problem for the poor by building low-cost houses. So far it has torn down three and a half homes for every one it has built.

Schools. In America, we created at the local level and administered at the local level for many years the greatest public school system in the world. Now through something called federal aid to education, we have something called federal interference and education has been the loser. Quality has declined as federal intervention has increased.

Nothing has created more bitterness for example than forced busing to achieve racial balance. It was born of a hope that we could increase understanding and reduce prejudice and antagonism. I'm sure we all approved of that goal. But busing has failed to achieve that goal. Instead, it has increased the bitterness and animosity it was supposed to reduce. California's Superintendent of Public Instruction, Wilson Riles (himself a black), says, "The concept that black children can't learn unless they are sitting with white children is utter and complete nonsense." Well, I agree. The money now being wasted on this social experiment could be better spent to provide the kind of school facilities every child deserves. Forced busing should be ended by legislation if possible. By constitutional amendment if necessary. And, control of education should be returned to local school districts.

The other day, Mr. Ford came out against gun control. But,

back in Washington, D.C., his Attorney General has proposed a seven-point program that amounts to just that: gun control. I don't think that making it difficult for law abiding citizens to obtain guns will lower the crime rate. Not when the criminals will always find a way to get them. In California I think we found an answer. We put into law what is practical gun control. Anyone convicted of having a gun in his possession while he committed a crime: add five to 15 years to the prison sentence.

Sometimes bureaucracy's excesses are so great that we laugh at them. But they are costly laughs. Twenty five years ago the Hoover Commission discovered that Washington files a million reports a year just reporting that there is nothing to report.

Independent business people, shopkeepers and farmers file billions of reports every year required of them by Washington. It amounts to some 10 billion pieces of paper each year and it adds \$50 billion a year to the cost of doing business. Washington has been loud in its promise to do something about this blizzard of paperwork. And they made good. Last year they increased it by 20%.

But there is one problem which must be solved or everything else is meaningless. I am speaking of the problem of our national security. Our nation is in danger, and the danger grows greater with each passing day. Like an echo from the past, the voice of Winston Churchill's grandson was heard recently in Britain's House of Commons warning that, "the spread

of totalitarianism threatens the world once again and the democracies are wandering without aim."

"Wandering without aim" describes U.S. foreign policy. Angola is a case in point. We gave just enough support to one side to encourage it to fight and die but too little to give them a chance of winning. And now we're disliked by the winner, distrusted by the loser and viewed by the world as weak and unsure. If detente were the two-way street it's supposed to be, we could have told the Soviet Union to stop its troublemaking and leave Angola to the Angolans. But it didn't work out that way.

Now, we are told Washington is dropping the word "detente" but keeping the policy. But whatever it's called, the policy is what's at fault. What is our policy? Mr. Ford's new Ambassador to the U.N. attacks our long-time ally, Israel. In Asia our new relationship with mainland China can have practical benefits for both sides. But that doesn't mean it should include yielding to demands by them as the administration has, to reduce our military presence on Taiwan where we have a long-time friend and ally, the Republic of China. And, it is also revealed now that we seek to establish friendly relations with Hanoi. To make it more palatable, we are told this might help us learn the fate of the men still listed as Missing in Action.

There is no doubt our government has an obligation to end the agony of parents, wives and children who have lived so long with uncertainty. But, this should have been one of our first demands of Hanoi's patron saint, the Soviet Union, if detente

had any meaning at all. To present it now as a reason for friendship with those who have already violated their promise to provide such information is hypocrisy.

In the last few days, Mr. Ford and Dr. Kissinger have taken us from hinting at invasion of Cuba to laughing it off as a ridiculous idea. Except, that it was their ridiculous idea. No one else suggested it. Once again -- what is their policy? During this last year, they carried on a campaign to befriend Castro. They persuaded the Organization of American States to lift its trade embargo, lifted some U.S. trade restrictions, they engaged in cultural exchanges. And then, on the eve of the Florida primary election, Mr. Ford went to Florida, called Castro an outlaw and said he'd never recognize him. But he hasn't asked our Latin American neighbors to reimpose a single sanction, nor has he taken any action himself. Meanwhile, Castro continues to export revolution to Puerto Rico, to Angola, and who knows where else?

As I talk to you tonight, negotiations with another dictator go forward. Negotiations aimed at giving up our ownership of the Panama Canal Zone. Apparently, everyone knows about this except the rightful owners of the Canal Zone -- you, the people of the United States.

General Omar Torrijos, the dictator of Panama, seized power eight years ago by ousting the duly-elected government. There have been no elections since. No civil liberties. The press is censored. Torrijos is a friend and ally of Castro and, like him, is pro-communist. He threatens sabotage and guerrilla attacks on our installations if we don't yield to his demands. His foreign

minister openly claims that we have already agreed in principle to giving up the Canal Zone.

The Canal Zone is not a colonial possession. It is not a long-term lease. It is sovereign U.S. Territory every bit the same as Alaska and all the states that were carved from the Louisiana Purchase. We should end those negotiations and tell the General: We bought it, we paid for it, we built it and we intend to keep it.

Mr. Ford says detente will be replaced by "peace through strength." Well, now that slogan has a nice ring to it, but neither Mr. Ford nor his new Secretary of Defense will say that our strength is superior to all others.

In one of the dark hours of the Great Depression, F.D.R. said, "It is time to speak the truth frankly and boldly." I believe former Secretary of Defense James Schlesinger was trying to speak the truth frankly and boldly to his fellow citizens. And that's why he is no longer Secretary of Defense.

The Soviet Army outnumberers ours more than two-to-one and in reserves four-to-one. They out-spend us on weapons by 50%. Their Navy outnumberers ours in surface ships and submarines two-to-one. We are outgunned in artillery three-to-one and their tanks outnumber ours four-to-one. Their strategic nuclear missiles are larger, more powerful and more numerous than ours. The evidence mounts that we are Number Two in a world where it is dangerous, if not fatal, to be second best.

Is this why Mr. Ford refused to invite Alexander Solzhenitsyn to the White House? Or, why Mr. Ford traveled halfway'round the

world to sign the Helsinki Pact, putting our stamp of approval on Russia's enslavement of the captive nations? We gave away the freedom of millions of people -- freedom that was not ours to give.

Now we must ask if someone is giving away our own freedom. Dr. Kissinger is quoted as saying that he thinks of the U.S. as Athens and the Soviet Union as Sparta. "The day of the U.S. is past and today is the day of the Soviet Union." And he added, "...My job as Secretary of State is to negotiate the most acceptable second-best position available."

I believe in the peace of which Mr. Ford spoke -- as much as any man. But peace does not come from weakness or from retreat. It comes from the restoration of American military superiority.

Ask the people of Latvia, Estonia, Lithuania, Czechoslovakia, Poland, Hungary and all the others -- East Germany, Bulgaria, Rumania, ask them -- what it's like to live in a world where the Soviet Union is Number One. I don't want to live in that kind of world; and I don't think you do either.

Now we learn that another high official of the State Department, Helmut Sonnenfeldt, whom Dr. Kissinger refers to as his "Kissinger," has expressed the belief that, in effect, the captive nations should give up any claim of national sovereignty and simply become a part of the Soviet Union. He says, "Their desire to break out of the Soviet straightjacket" threatens us with World War III. In other words, slaves should accept their fate.

I don't believe the people I've met in almost every State of the Union are ready to consign this, the last island of freedom, to the dustbin of history, along with the bones of dead civilizations of the past. Call it mysticism, if you will, but I believe God had a divine purpose in placing this land between the two great oceans to be found by those who had a special love of freedom and the courage to leave the countries of their birth. From our forefathers to our modern-day immigrants, we've come from every corner of the earth, from every race and ethnic background and we've become a new breed in the world. We're Americans and we have a rendezvous with destiny. We spread across this land, building farms and towns and cities, and we did this without federal land planning or urban renewal.

Indeed, we gave birth to an entirely new concept in man's relation to man. We created government as our servant, beholden to us and possessing no powers except those voluntarily granted to it by us.

Now a self-annointed elite in our nation's capital would have us believe we are incapable of guiding our own destiny. They practice government by mystery, telling us it's too complex for our understanding. Believing this, they assume we might panic if we were to be told the truth about our problems.

Why should we become frightened? No people who have ever lived on this earth have fought harder, paid a higher price for freedom or done more to advance the dignity of man than the living Americans, the Americans living in this land today. There isn't any problem we can't solve if government will give us the

facts. Tell us what needs to be done. Then, gets out of the way and lets us have at it.

Recently on one of my campaign trips I was doing a question and answer session, and suddenly I received a question from a little girl who couldn't have been over six or seven years old, standing in the very front row. I'd heard the question before but somehow in her asking it, she threw me a little bit. She said, why do you want to be President? Well I tried to tell her about giving government back to the people; I tried to tell her about turning authority back to the states and local communities, and so forth; winding down the bureaucracy; it might have been an answer for adults, but I knew that it wasn't what that little girl wanted, and I left very frustrated. It was on the way to the next stop that I turned to Nancy and I said I wish I had it to do over again because I'd like to answer her question. Well, maybe I can answer it now. I would like to go to Washington; I would like to be President. Because I would like to see this country become once again a country where a little six-year old girl can grow up knowing the same freedom that I knew when I was six years old, growing up in America. If this is the America that you want for yourself and your children; if you want to restore government not only of and for but by the people; to see the American spirit unleashed once again; to make this land a shining, golden hope God intended it to be, I'd like to hear from you. Write, or send a wire. I'd be proud to hear your thoughts and your ideas.

Thank you, and good night.

(END)