

A black and white photograph of Paul Gann, an older man with glasses, wearing a dark suit, white shirt, and patterned tie. He is standing at a podium with two microphones, pointing his right index finger towards the camera. The background features a large American flag with stars and stripes. The name "PAUL GANN" is printed in large, white, bold, sans-serif capital letters across the upper middle of the image.

PAUL GANN

How He Will Become California's Next U.S. Senator

Congressional Watchdog Ratings

The following groups have rated Senator Cranston's performance and Paul Gann has registered his position on their key votes. The two men's records are offered for your inspection. Senator McGovern's record is offered for comparison.

	Cranston	McGovern	Gann
National Security Index	10	0	95
Americans for Democratic Action	79	75	10
American Conservative Union	3	NA	90
Americans for Constitutional Action	4	19	80
National Chamber of Commerce	10	NA	90
Committee for the Survival of a Free Congress	18	16	75
Independent Petroleum Association	22	8	88
National Taxpayer's Union	26	38	90
National Association of Businessmen	27	22	95
COPE (AFL-CIO)	88	88	10
Public Citizen (Nader)	60	58	10

INTRODUCTION

For just a moment, forget everything you have heard about this year's Senate races.

Imagine a Senate candidate who was supposed to have a tough fight in the Primary, but **beats his nearest challenger by 250,000 votes** and **sweeps 53 of 58 counties**.

Imagine a Senate candidate who has **never** run a single television commercial, or newspaper advertisement, yet has an **84 percent** name identification, **31 percent soft** and **32 percent favorable**.

Imagine a Senate candidate with **46,000 volunteers** of his own statewide, outside of the regular party organization, all of them seasoned veterans of two highly successful campaigns.

Imagine a Senate candidate who has led two statewide ballot referendums to **victory** in the last two years, both of which bore his name. The first one won by a **2 to 1 margin** and the second by a **3 to 1**.

Now **imagine** that this Senate candidate is running against an incumbent which the polls show will **lose 13 points** as soon as the challenger runs his first set of attack commercials.

And, for the finishing touch, what if this candidate was running **in Ronald Reagan's home state**.

That's the Paul Gann story.

Although you may not have heard of Paul yet, this packet is designed to give you the full story of a campaign that, beginning the week before **Labor Day**, will come out of the box running and defeat the Senate Majority Whip.

Sounds incredible doesn't it? Well, Paul Gann has been doing the impossible for the past 30 years in California.

His primary victory was supposed to be impossible, because the experts said he could not win on the basis of a volunteer organization alone. Now, in the general election, he has decided to wage his campaign on two fronts: **volunteers and media**.

But his budget is going to be difficult to raise without your help. Please, read over the enclosed materials and if you aren't convinced that the Paul Gann race is one of the most winnable races in the country, call us...this race is getting better looking everyday!

ALAN CRANSTON BIOGRAPHY

Senator Alan Cranston was born and raised in San Francisco, California. He attended Pomona College from 1930 to 1932, then transferred to Stanford for two years. In 1935, Cranston transferred to the University of Mexico where his participation in the 1935 Mexican coup that overthrew President Thomas Canabal won him the title "boy revolutionary" according to the San Francisco Examiner.

Cranston was quoted in the July 19, 1935 Examiner as telling a large crowd: "We stand with the University of Mexico even though we're only summer students. Down with the Dictator Garrido Canabal."

Cranston returned to Stanford in 1935 and graduated in 1936. He took a job with the International News Service in London in late 1936. He reported on the governments of Italy and Ethiopia for two years until he returned to New York City in early 1939.

In New York, Cranston worked as a freelance reporter for several years before becoming the editor of a small newspaper called Common Ground. In 1942 Cranston was hired to work in the Office of War Information, where he served until July of 1944 when he resigned that position and enlisted in the Army.

In 1945, after his discharge from the Army, Cranston published his first book, *The Killing of the Peace*. He enjoyed widespread recognition for his work and was named director of the executive committee of Americans for World Government and as Chairman of the Ways and Means Committee of the Conference On World Government, predecessor to the World Federalist Movement.

In June of 1949 Cranston was elected president of the United World Federalists, a post which he would be reelected to four times. Today, he continues to serve on the board of directors of this group which is dedicated to the formation of one world government.

In 1952 Cranston founded the California Democratic Council (CDC). He served as the group's president until 1958 when he was elected State Controller. He was reelected in 1962 to a second term as Controller. He made his first run for the U.S. Senate in 1964, but lost the primary to Pierre Salinger. Then in 1966 he was defeated in his attempt to win a third term as Controller.

Finally, in 1968 Cranston won the Democratic Primary and narrowly won his first term in the United State's Senate. His tenure in the Senate has been marked by many achievements which won him the admiration of his Democratic colleagues. He faced a weak challenge in 1974 and in the wake of Watergate chalked up a 63 percent total, winning by almost a million votes over his nearest rival.

ALAN CRANSTON STRENGTHS:

Alan Cranston, expecting a serious challenge in his 1980 re-election bid, began raising funds early. According to the latest filings, Cranston begins the General Election contest with more than a million dollar cash **surplus**. His financial support comes from a variety of sources, including a surprisingly strong cross-section of business interests. Cranston has been extremely sensitive to controversy and will often alter his position to avoid alienating a significant support group.

Because of this willingness to negotiate, Cranston has won the support of businessmen in a number of particular industries. Among them are Leonard Firestone and David Packard, who endorsed Cranston earlier this year. At the same time, Cranston has kept very strong ties with organized labor. Although unions are increasingly unpopular in California, public employee groups are a formidable and growing force.

Cranston enjoys a relatively high Favorable rating of 58%, with almost 60% saying they would probably vote for him again.

WEAKNESSES:

According to the DMI survey, Cranston's support is not built upon a solid foundation. In fact, most of his own supporters know little about his actual positions on the issues, though they assume that his position coincides with their own. Although no media commercials have been directed against Cranston thus far, the poll indicates that much of Cranston's soft support could evaporate when that occurs.

In addition, Cranston has traditionally been unable to attract volunteers or grass roots support. His earlier fundraising pace has also begun to slow, causing his campaign manager to recently reduce the projected Cranston budget from \$5 million to only \$3.2 million. At that level, Gann could conceivably match Cranston dollar for dollar in the final 60 days of the campaign.

PAUL GANN BIOGRAPHY

Paul Gann has been active in California politics **for the last 25 years**, beginning his career (like Ronald Reagan), first a Democrat and then as a Republican. Although best known as the **co-author of California's Proposition 13**, Paul Gann has built a strong, tightly knit organization of volunteers through years of hard work, dedication and sacrifice.

Born the son of a Nazarene minister, Gann was raised with his 11 brothers and sisters in the small town of Delight, Arkansas. Stricken with osteomyelitis, a disease usually associated with malnutrition, Paul's mother served as both tutor and nurse throughout his early childhood.

In 1935, he moved West, settling in Northern California. His first venture into politics came almost 20 years later, when Paul **led a successful battle against a downtown re-development project** that would have put many small shopkeepers out of business. Later, he would help **organize and fund the "Parent Patrol", a self-help community group established by ghetto parents** to help fight crime and ease tensions in the riot-torn inner city.

When state and federal agencies refused to fund this highly successful project, Paul Gann realized that it was time for citizens to take their government back. Out of this experience came **People's Advocate, the organization that would give the nation Proposition 13**. Since its incorporation in 1974, People's Advocate and its founder Paul Gann, have been in the forefront of a string of successful battles against bureaucracy and government corruption.

In 1977, Gann formed a temporary alliance with Howard Jarvis to co-author Proposition 13. While Jarvis concentrated on building his tax group into a national organization, Gann continued to work in California at the grassroots level. **A year later, Gann would qualify the "Spirit of 13" Initiative**, placing before California voters a plan to place a comprehensive limitation on all levels of government spending. **In a landslide special election, the Gann Amendment was approved by a staggering 74% of the voters.**

Gann, 68, lives with his wife of 48 years, Nell, in a modest home in Carmichael, California. They have 4 children and 11 grandchildren.

On June 3, 1980, **Gann defeated six challengers for the Republican nomination, outdistancing his nearest rival by more than a quarter of a million votes as he swept 53 of the state's 58 counties.**

PAUL GANN STRENGTHS:

Paul Gann's statewide appeal, which was proven in the primary, is based upon his two highly successful statewide initiatives. Proposition 4, which limits the growth rate of state government, and Proposition 13, which cut property taxes, both passed by more than a 2 to 1 margin.

Perhaps more important is that both initiatives now enjoy approval ratings of more than 60 percent. This high approval rating has rubbed-off on Paul. His name identification is high and his approval rating enviable (32 percent), a large segment of the population (31 percent) have no firm image of Paul.

This means that **Paul is working with a clean slate.** The general election campaign strategy team is confident that, given the parameters of the new television budget, there could be no better situation for Paul to be in.

The image that Paul presents to the California voters in the few weeks is, therefore, all important. His "downhome" nature and "common sense" attitudes will be presented through the media. **Judging by the July DMI poll figures this presentation of Paul "as he is" will be highly attractive to the voters of California.**

WEAKNESSES:

The voters of California don't think Paul will be able to raise the money he needs to win. They see him as a common man going up against the establishment and they expect him to have a hard up-hill fight.

The question persists: Can Gann raise enough money to beat Alan Cranston?

FINANCE

Despite the overwhelming Primary victory, it was evident that the Gann campaign needed immediate reorganization to gear up for the General Election. Although the Primary campaign raised more than \$250,000, the November race would require a minimum of \$2,000,000.

The new Campaign Director, Wayne Johnson, was brought in because of his demonstrated major fundraising expertise. Johnson had raised \$185,000 of the Primary total and has worked with dozens of legislative and statewide California campaigns. He immediately divided the Finance Program into four key areas;

- A) Direct Mail- This fundraising medium has been the backbone of Paul Gann's success in his previous successful statewide campaigns and represented the major portion of the Primary funds raised. Gann has tremendous appeal to small donors in the highly responsive California market. Initial mailings netted 65¢ on the dollar, a phenomenal ratio for political direct mail. Many list owners, such as Howard Ruff, have volunteered to sign letters to their active donors on behalf of the Gann campaign. The same is true of the major taxpayer's organizations. We realistically expect to exceed \$1,000,000 in direct mail contributions.
- B) Cocktail Receptions- Each member of the Finance Committee will sponsor small cocktail receptions of \$250-1,000 donors in their respective locales. Twelve of these events are already scheduled for August and September with a projected net of \$12,000 per event. Most of these receptions will feature the candidate, a U.S. Senator, three or more state political personalities and a well-known entertainer, where scheduling permits. These series of events will raise approximately \$100,000 by November.
- C) Major Events- The Finance Committee, which includes virtually all of the major Republican financial community in California, has large events scheduled for Beverly Hills (at Lt. Governor Curb's home), Orange County (at the Convention Center), Los Angeles (Century Plaza), San Francisco (tentatively at the Bohemian Club) and San Diego (site not yet selected). Governor Reagan, Ambassador Bush and a variety of entertainers are currently co-ordinating their schedules to attend one or more of these major events. We are also hopeful of sponsoring a major reception in Palm Springs, but details are not yet final. Each of these events will net in excess of \$100,000, with the major Northern and Southern California dinners normally exceeding \$400,000 each for the Republican statewide candidate. We anticipate these events will net the campaign approximately \$1,160,000.
- D) Political Action Committees- PAC support has never been the primary funding source in California, simply due to the significance of the other sources mentioned. Nonetheless, more PAC funds are generally

contributed in California than in any other state. In the Gann campaign, PAC funds could make the critical difference. In the absence of PAC funding, the campaign will raise approximately \$2.4 million. Senator Cranston has recently been forced to lower his projected budget to \$3.2 million (of which more than \$1 million has already been **spent**). As late as early July, analysts were expecting Cranston to outspend Gann three to one. Now, it is clear that the actual spending figures will be almost equal in the three months **immediately preceding the November election**. PAC support will probably make the difference here. The Gann campaign expects PAC support to be in the \$200,000-400,000 range, with realistic expectations of about \$230,000.

This Finance Plan is based upon a realistic assessment of what can actually be raised between now and November 4. Although \$4 and \$5 million budget figures have been mentioned in the press, a realistic projection would be approximately \$2-3 million raised and spent by both candidates in the critical three months prior to the General Election. It should be noted that Senator Cranston has been actively raising funds for two and a half years. He has brought in more than \$2 million, but half of that is already gone. Furthermore, his income has slowed in recent weeks and he now is publicly projecting the 3.2 TOTAL figure, including the \$1 million already expended.

With a Finance Committee including such persons as Justin Dart, Margaret Brock, Holmes Tuttle, William French Smith, Jack Hume, etc., our projected budget is **well within reach**. The U.S. Chamber of Commerce has placed the Gann campaign on the Number One Priority target list. In addition, the National Senatorial Republican Committee has begun funding "co-ordinated" expenditures which will total more than **\$975,000** in the next ninety days. This independent resource, alone, puts us on an even keel with Cranston at the current time, since he cannot expect any such funding from the Democratic National Committees.

In short, Senator Cranston has done a remarkable job of creating the impression of massive financial superiority, an impression that is not substantiated by either the current facts or the probable fundraising dynamics of the final ninety days. This should become apparent upon the next filing date, when the Gann campaign will markedly close the financial gap.

STRATEGY

Although Gann outdistanced his nearest Primary opponent by more than a quarter million votes, this was due largely to Gann's very high name I.D. (84%) and his favorable image. The campaign itself was beset by financial problems which continued through the election, leaving a deficit of more than \$160,000.

While the deficit has been substantially reduced and fundraising for the General Election fund has picked up dramatically, the campaign lost credibility during that period and only now is recovering. Bad news dies hard and it was early August before the fundraising story was reversed in the eyes of the media.

Still, the campaign management team felt that it was critical to restore the credibility of the Gann candidacy and overcome the image of poor funding, before attempting to dismantle Cranston's support. Now that this has been largely accomplished, the first series of commercials have begun airing. They use soft imagery, but hit hard on the Cranston voting record. Even before the first spots hit the air, the California Poll (Mervyn Field) showed Cranston slipping from 59% to 51%, with the undecided column climbing.

After Labor Day, a series of positive spots, featuring Gann, Gov. Reagan and President Ford, will air for three weeks. At the same time, major fundraising events are scheduled. By late September, we plan to have gained considerably against Cranston by establishing the legitimacy of the Gann candidacy. Then, in October, we go on the offensive again for two weeks and finish with a fourth battery of positive commercials.

The volunteer network, which was largely overlooked in the Primary, has been fully re-assembled. It consists of seasoned grassroots volunteers, veterans of the Proposition 13 and 4 campaigns. Based upon Rose Institute precinct prioritizations, we have targeted precincts in 20 counties, from which Gann will secure more than 70% of the vote needed to win. The accompanying chart shows that, due to Gann's inordinate strength in the minor counties, we do not even have to match the Hayakawa or Ford votes in our target counties. With Reagan heading the ticket, this goal is well within reach.

With \$987,000 scheduled for the Gann race by the National Republican Senatorial Committee, it is likely that Gann can match Cranston's June to November spending goal of just over \$2 million. The overall Cranston spending goal has been officially reduced to \$3.2 million, with more than \$1 million already spent as of June 30. The NRSC, through August, had already spent more than \$250,000 on the Gann race, with \$737,000 to follow.

COUNTY VOTE TOTALS

As you can see below, the Gann Campaign's 20 target counties' vote goals compare favorably with the results of the 1976 Presidential and Senatorial races. If we can hold our own in these key areas, as Senator Hayakawa did, we will be victorious.

It is also important to note that these totals will certainly be higher in 1980 with Ronald Reagan heading the ticket.

	PRIMARY TOTALS	HAYAKAWA GENERAL	FORD GENERAL	VOTE GOAL
Alameda	64,598	150,813	155,280	153,372
Butte	18,261	12,390	28,400	46,552
Contra Costa	67,184	129,008	250,521	170,560
Fresno	25,770	75,951	72,533	44,104
Kern	30,006	59,740	58,023	42,060
Los Angeles	559,614	971,619	1,174,716	906,572
Monterey	20,818	43,029	40,896	47,288
Orange	229,393	387,681	375,265	320,252
Riverside	64,043	93,425	97,765	83,700
Sacramento	66,460	134,959	123,110	144,936
San Bernardino	74,535	106,715	113,263	110,996
San Diego	187,752	341,125	334,273	334,012
San Francisco	31,731	91,924	103,561	69,532
San Joaquin	72,552	52,465	50,277	59,964
San Mateo	51,819	112,445	117,338	123,020
Santa Barbara	33,651	58,653	60,922	62,756
Santa Clara	102,978	228,352	219,120	244,436
Santa Cruz	19,093	35,628	31,872	49,544
Sonoma	28,078	54,084	50,555	64,616
Ventura	<u>54,412</u>	<u>84,668</u>	<u>82,645</u>	<u>90,936</u>
	1,802,808	3,224,674	3,540,335	3,169,208

WHAT THE POLLS SAY

Interviewer: I'll read you a list of issues and problems and you tell me which issues are important in helping you decide how you will vote for an office such as U.S. Senator. That is, are the positions of the candidates for U.S. Senator on an issue...important or ...not important...to you as you make up your mind how to vote? Here's how we'll do it. I'll read down the list and you just tell me when I read one that's important. If it's not important, don't say anything.

National defense spending	(86%)
Federal influence on public schools	(54%)
Whether Social Security recipients should be allowed to earn unlimited income without forfeiting their benefits	(78%)

Many things determine how we will finally vote. I would like to read you some descriptions of some people. Please tell me for each one whether you would more likely or less likely vote for such an individual. First of all, would you be more likely or less likely to vote for someone who...

	More Likely 1	Less Likely 2	No Difference 3
voted to give up control of Panama Canal	(18%)	(71%)	(11%)
opposed Proposition 13	(37%)	(55%)	(8%)
favors the SALT II treaty with the Soviet Union	(40%)	(46%)	(14%)
collects more than one government pension	(15%)	(70%)	(16%)
voted to increase the national debt	(11%)	(79%)	(11%)

Now let's turn to the November elections.

If the election for President were being held today, would you vote for
 Ronald Reagan, Republican
 Jimmy Carter, Democrat, or
 John Anderson, Independent?

RONALD REAGAN 1	(41%)
JIMMY CARTER 2	(23%)
JOHN ANDERSON 3	(22%)
UNDECIDED 4	(15%)

Just a couple more questions concerning the U.S. Senate race.

If you were to find out that Alan Cranston votes like George McGovern 80% of the time, would you then vote for Paul Gann, Republican, or Alan Cranston, Democrat?

PAUL GANN 1	(34%)
ALAN CRANSTON 2	(47%)
UNDECIDED 3	(19%)

**MEMORANDUM**

TO: Wayne Johnson
FROM: Gary Lawrence
DATE: August 7, 1980
RE: Impressions from the Survey

...though I would have hoped for a smaller gap between Cranston and Gann in terms of present vote intentions, I am encouraged by our discovery of how much Cranston is out of step with California voters on at least three particular issues: **national defense, additional earned income for Social Security recipients, and the role of the Department of Education in local school matters.** What adds to this encouragement is that California's voters find each of these issues of importance (more than 50% so indicate) in their vote decision for Senator. In terms of the Social Security issue and national defense issue, these importance levels reach, respectively, 78% and 85%.

A good share of the electorate does not now suspect that **Cranston is out of sync** with them. This tells me that a very strong media campaign to inform voters of these distortions would help weaken Cranston. People are simply assuming compatibility on these issues when it does not exist. If we can hit them hard with unassailable documentation of Cranston's votes contrary to the voters' positions on these items, we will not only have the effect of surprise (and in turn anger), but it will also lead to some self-doubt among the voters. The combination of surprise and anger on the one hand together with self-doubt on the other not only erodes Cranston's support but makes the electorate more open to subsequent communications from the Gann campaign.

Of the 12 arguments tested, the argument that Cranston talks one way in California but votes another way in Washington and the argument that he does a flip-flop during election years and pretends to be more conservative, are the two which strike me as most usable immediately. Both of these argument topics are considered important by a majority of voters.

Another argument that has some immediate usefulness is that Alan Cranston is a big government spender and must take part of the blame for inflation. When we couple this argument with the more generic approach of whether someone would be more likely or less likely to vote for someone who voted to increase the national debt, then we find a significant dislike of such a person, and hence, a very useful weapon. There is also evidence that the Panama Canal question and the multiple government pension issue are two potent attack tools on Cranston. I would suggest that, wherever possible, copy be written to incorporate all of these issues under the umbrella of the pocketbook situation (the dollar and cents impact on the average voter) and the flip-flop perception. As people are jolted with revelations about what Cranston has been doing as a Senator (Panama Canal, defense foot dragging, lack of proper opportunities for the elderly, bureaucratic red tape, etc.), the opportunity should grow to portray him following the politically expedient path. This is an image which is not yet fully attached to him. It still requires some work to break through the resistance they have toward accepting that image of Cranston right now, but if that breakthrough can be made with the help of the triangulation issues and the other arguments tested, then I would expect to see some sharp erosion in Cranston's support...

The Gann Fundraising Plan: An Outline

Direct Mail/Personal Contributions	\$ 980,000
Cocktail Receptions (Gann)	100,000
Fundraising Receptions:	
Beverly Hills/Lt. Gov. Mike Curb's home (Special Guest, George Bush)	225,000
San Francisco/Bush Luncheon (Sept. 12)	120,000
Reagan Dinner and Reception	440,000
Sacramento/Baker Dinner (Oct. 7)	100,000
San Diego/Heinz-Singlaub Reception	65,000
Orange County/Helms Dinner	50,000
Central Valley/Dole Dinner	55,000
Marin County/Laxalt Dinner	40,000
PAC Contributions	230,000
Republican National Senatorial Committee	987,000
TOTAL	\$3,392,000

GANN CAMPAIGN ORGANIZATION

CAMPAIGN HEADQUARTERS: 4742 Madison Avenue
Sacramento, CA 95841
Phone (916) 332-8812

KEY CAMPAIGN PERSONNEL: Wayne Johnson, Campaign Manager
Niki Lapenieks, Finance Director
Bill Rhatican, Chief Political Consultant
Bob Goodman, Media Consultant

FRIENDS OF PAUL GANN
4742 Madison Avenue
Sacramento, CA 95841

Yes, Paul, I want to help you defeat Alan Cranston!
Enclosed is my check for:

\$2,500 \$5,000 Other \$_____

I pledge _____ by ____/____/____.
DATE

Name _____

Address _____

City/State _____ ZIP _____

Phone (____) _____ (____) _____
Office Home

Make check payable to:
Friends of Paul Gann
FEC ID No. C 00130559

Paid for by: The Republican National Senatorial Committee Authorized by: Friends of Paul Gann, 4742 Madison Ave.,
Sacramento, CA 95841 • FEC ID No. C 00130559

Federal law requires that we request the following information:

Occupation _____