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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD FEBRUARY 25, 1969

Reported by

Beverly Toms, CSR

(This rough transcript of the Governor's press conference is furnished to the members of the Capitol press corps for their convenience only. Because of the need to get it to the press as rapidly as possible after the conference, no corrections are made and there is no guaranty of absolute accuracy.)

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GOVERNOR REAGAN: Good Morning.

(Whereupon the Governor read press release #111)

GOVERNOR REAGAN: (Continuing) It really is one of the most inspiring things. People that have been over there and witnessing this said to see college and high school youngsters that are in homes shoveling them out, some of them that are filled with mud to the ceilings in most of the homes, that are working and volunteering in the entire community from every level on up and down. Women's groups have pitched in. One 71 year old grandmother spent 11 days, 12 hours a day service in the center helping the people that are in this need, and I would just commend to all of you this may not be the most exciting piece of news you think you've ever heard, but I think to help the people of California find out about this so that it can be done, because as you know, the conditions grow worse, not better, with the unusual weather that we are having.

Q Governor, on another topic.

Q On the same topic, just one question, please. Yesterday Assemblyman Leo Ryan was talking about legislation he's introducing for statewide flood disaster relief. Do you have a reaction to that?

A I haven't seen what he introduced. I'd be very happy to see it.

Q Mudslide insurance is what he's talking about.

A Oh, well, certainly there must be some kind of

need, and if as the weather people say we are going into a cycle where this kind of weather may be happening year in and year out, we are going to have to review a lot of our building ideas and where we are building some of California.

Q Governor, you commented on that when you were in Santa Barbara, too. Would you favor some sort of legislation that would prevent people from building homes in dangerous hillside areas or in flood plains like that subdivision you saw down there in Santa Barbara?

A Oh, I think we have some rules of this kind, but I'm afraid that most of them have been promulgated during a 20-year drought period. I think this was -- I mean I think the zoning people are going to have to do a review and say if this should become the standard winter more or less for a period of years, review their -- their building requirements and their zoning.

Q Are you talking about local zoning people?

A Yes.

Q Governor, as a member of the State College Board of Trustees, do you plan to vote approval of the tentative agreement to settle that teacher's strike at S.F. State?

A Not if that agreement is such as I have heard and as has been discussed in the press and on the radio. There are several things in there that just cannot be done. First of all, I think that that agreement to be ratified would in effect constitute the AFT as the bargaining agent for the faculty of the state college, and it has been repudiated as such a bargaining agent by the majority of the faculty members themselves, but more important than that, the idea, for example, that they can return to work and not be docked for the days that they have been absent is in effect asking somebody, some state employee to conspire to fraud which is a felony because the law makes it very explicit that you cannot pay a state employee for an unauthorized absence. There is no way that anybody can negotiate to break the law.

Q Do you see a hooker perhaps in the agreement to say they won't return to work unless there is a peaceful

free academic atmosphere prevailing on the campus?

A Well, I only know from my own 25 years experience in negotiating labor contracts that if I had a clause like that and that loosely inserted into any kind of an agreement, I would contemplate years of fun and games with that particular -- that particular loose clause. Obviously that must in some way indicate that they are making a settlement of the student strike a part of their agreement, but the thing is that whoever is supposed to have negotiated this, there was no authorized committee to negotiate. As a matter of fact, the trustees made it very plain that no one was authorized and no negotiations were to be permitted on this. So I have -- I have a hunch that it will be^a/rather interesting trustees meeting.

Q Governor --

Q Oh, Governor, wasn't that committee of the trustees --

SQUIRE: Who is running this show.

Q Wasn't that a committee of the trustees, given permission in effect by the trustees to negotiate that settlement?

A No.

Q You mean Mr. Heilbron just went out on his own?

A This was an ad hoc committee that was simply designated because there were people living in the area to be available for communication, any discussion that might be of any help to the college authorities or in resolving of this, but they were specifically told that they were not a committee authorized or delegated to negotiate, that no negotiations should be undertaken, nor would they be permitted, nor was there any chairman named to that committee. So they have held discussions and now seemingly this is being hailed as some kind of an agreement. Well, there is no such agreement.

Q Governor, one of the specific points of the agreement or whatever it is, is that the teachers can have their class load reduced from 12 units to 9 units and still get full pay, which of course they have been after

for sometime. What is your attitude on the -- such a cut, having 9 units for a full time professor?

A Well, here I would have to -- and I would have to plead a little ignorance of administrative procedures within the system, this might well be an administrative procedure where under certain circumstances an individual professor's workload could be designated by the college administrators without affecting the entire scale of work or the standard and within the budget that is allotted them. I believe that -- let me just say now I could be wrong in this, but I believe that that would simply be an administrative procedure in which a college president has always been able to do that in these individual cases if he so chose.

Q Governor, at the chancellor -- I mean the Regents meeting there was a motion made to censure Dr. McGill in San Diego for his action in hiring Marcuse. How did you vote on that?

A No, there was no move to censure. There was a movement when we discovered that contrary to the word released by Chancellor McGill, that he was turning this over to the Regents for settlement, that he had in effect contracted, and we were helpless, there was nothing we could do to alter the situation with regard to Professor Marcuse, that his rehiring was an accomplished fact and the Regents then voted to release a statement to the press expressing their displeasure because obviously this was not a unanimous view, that simply stated that a substantial number of Regents disapproved of the action that had been taken in the rehiring of Professor Marcuse and I can only call to your attention that a -- that a substantial number must have meant majority because it took a majority vote to approve that press statement. I voted for that press statement.

Q There was no motion by Glenn Campbell to censure McGill?

A There was no motion of censure, no.

Q Governor, in connection with that, your last

press conference, you had indicated that some new information had come to light regarding Dr. Marcuse, his credentials, that is in the general sense, and that you were going to bring -- this was going to be brought to the attention of the Regents. Could you tell us now what that information involved?

A No, because when it developed and we had a legal ruling that the whole thing was academic, I'm sure that information that I did not have access to, and I'm telling -- as I told you that I knew that there were people who had questions to bring up about this, those questions weren't brought up.

Q There was no -- was a discussion then strictly on the academic qualifications of Marcuse?

A No, as I say, there was no discussion because we learned from the very beginning that there wasn't anything we could do about it. Had there been a discussion as to whether to not hire him or hire him, that this had indeed been left in the Regent's hands, then I'm sure that information that various regents had acquired themselves would have been brought into the discussion. There was no such discussion.

Q What Dr. McGill had done, he had said he announced his intention to rehire Dr. Marcuse, saying it would stand unless he was reversed by the Regents.

A Well, but he also had communicated in writing with Dr. Marcuse and the effect of his writings were such that our legal counsel -- the Regent's legal counsel ruled that he had in effect in writing contracted with Dr. -- with Professor Marcuse.

Q Does the Regents' action pretty well guarantee that his contract will not be renewed next year?

A Well, I can only -- what can happen in a year to change someone's minds, you'd have to speak for each individual. I cannot foresee anything that would change my own opinion about the fact as to whether he should be there or not.

Q Could the Chancellor rehire him without going through the Regents?

A I have a hunch that the Regents will be a little more alert. As a matter of fact, we now have, as you know, a motion that will be taken up at the next meeting, it's been put on the agenda, to take the authority of chancellors, to make those decisions without the Regents approval, to take that away from them and return to the Regents the right to approve.

Q Would you approve such a --

A Yes, I will.

Q You will.

Q What are your reasons for your vote, your yes vote on that Regent's action?

A Well, because I would have been one who would have voted opposition. I believe there is an imbalance in the faculty of the university system, and frankly I don't believe -- this isn't just a case of deciding on someone's philosophy or something. I do believe that he is a -- an open advocate of the type of revolution that's causing so much disturbance in the campuses.

Q Governor, back to the settlement, could you tell us since you are going to vote against this committee's agreement, could you tell us how you would settle that strike?

A Well, I said from the very beginning that the -- that the settlement of this, first of all, there is no legal right for them to strike. I believe that, and as I told you sometime ago, that I would have no quarrel if the president of the college is willing to rehire them, if they are willing to end that strike, put down their picket signs. I would have no quarrel with individuals who were rehired going before the State Personnel Board to state their own case on its merits to see whether they should be reinstated with their seniority and the rights that they had acquired. But the -- and then the AFT as a representative of a segment of the faculty can join with the other representatives

of the majority of the faculty who are in meetings with us right now on trying to work out a future procedure for the settlement of grievances and in effect arriving at decisions with regard to their problems. All of this would go along with such a settlement, but I believe that at both the university and the college level the answer has to be an action from the -- on the part of the administration at the college and university system that makes it evident that strikes either of faculty or students, disruptions of the academic process, will not be tolerated.

Q Governor, you said a few moments ago that you couldn't foresee anything that would change your opinion as to whether or not Marcuse ought to be on this campus. I don't think you've ever given us that opinion.

A Well, I told you once earlier that I -- the issue of whether he should or should not be there in my opinion, I could go along with a man like this being there or his philosophy if the faculty was not so out of balance, that if there were others of an opposite viewpoint who were just as vociferous in giving the young people on the campus an opportunity to hear all sides and to make their own decisions. But that isn't true of too many of our campuses and therefore, as I say, I just believe that for his advocacies of a moral -- as he put it, his own words, a moral and sexual rebellion on the part of the young people of the country, this is not teaching, this is advocating a philosophy.

Q Governor, will this motion that the Regents will be discussing next time around, set up the Regents as the screening board for every appointment of a faculty member?

A No, and I --

Q Just in unusual cases like this one?

A No, I must -- no, I must, and I must confess I don't know where the divisions would be, but there are certain professors, tenured professors and above-scale professors that always were for 30 years at least Regents in point of service knows about, always had to have

regental approval. Recent years, just a few years ago, the Regents delegated this authority to the faculty and the chancellors and simply let this go by. Now, what has been moved is that the Regents in view of some of the controversies that have arisen take back this responsibility of approving those appointments and I intend to vote for that motion.

Q Is it logical to assume that in the view of your past statements on this, with regard to need for more balance, that one of the criteria which the Regents might use in these situations will be political philosophy?

A But only -- I would think that this would only come in in the sense of where there was evidence that someone used his political philosophy for indoctrination purposes. I don't think there should be -- in other words, I have no interest in whether a mathematics professor or anyone else, what his political philosophy is. But when evidence comes to light that he uses this political philosophy instead of just teaching his subject in the classroom, that he indoctrinates and seeks to convert others to his way of belief, then he is violating the very fundamental ethic of academic freedom.

Q Well, there does the question of balance in the faculty come in then? If it doesn't come in in the -- does it have to come in --

A No, what we are talking about here is in the social sciences when you get into the social sciences where in economics, for example, if there is evidence -- now these are not exact sciences -- if there is evidence, for example, that an economic theory such as the Keynes theory of economics is being taught as an exact science, as a rule, as the rule of economics, then I would suggest that you also have someone who is teaching the -- the counter-economic theory based more on the free marketplace. I use that example because my own degree is in economics, I want to stick with something I was familiar with.

Q Governor, have you drawn any conclusions over the decision by the dissidents at Cal yesterday not to

challenge the administration over use of the Greek theater for a full-blown convocation?

A Well, now let me understand your question. I know that the administration denied them the right to hold the meeting.

Q They decided not to challenge.

A They decided not to challenge. I think that was a wise decision on their part.

Q How do you assess the situation there now, at Cal now?

A This hasn't been solved or cured. It will not be solved or cured. It will not -- we can turn in all the force necessary to preserve order and will, but this will not solve the issue. The issue has to be solved by the university administration itself. And it will not be solved until they are ready to use their own powers to separate from the campus if need be either faculty or students who insist upon this kind of disorder and who will not obey the rules and will not avail themselves of the orderly educational and administrative processes. Until they are willing to do this, all we can look forward to is having a kind of armed camp protecting the rights of the majority who want to get an education. This is right in the lap of the college and university administrators now. There is only -- there is a limit to what we can do and our limit is we can try to use the force necessary for the protection of the innocent and to protect the property of the university and the college. The resolution of the conflict is in the administrators' hands.

Q As a practical matter they have expressed some question about how you separate so-called violators of the students regulations, those campus regulations.

A Yes, as a matter of fact, at the Regents meeting we discovered that it was very difficult to -- to identify even for the police because students there do not carry as they do on many campuses, identity cards. For example, here at Sacramento State you have a student carries a student card which gains him admittance to the library of the

college, but at Berkeley we discovered just recently this was not so. So even in the matter of arrests there was no way to determine whether you were arresting students or whether the majority of that crowd were dissidents from off campus. Now in the event -- in the incident of the striking teaching assistants, again the college -- the university administrators claimed difficulty in identifying or even knowing whether they were out actually striking or whether they were meeting their teaching requirements, and my own view is that if there is that much difficulty then the university should take them at their word. They have said they are on strike. Then the university should fire them in keeping with the resolution passed more than two years ago by the Regents that anyone who struck, any faculty member who struck should be fired and let the individual come back in and prove that he indeed was only pretending to strike, that he was actually teaching his class.

Q Governor, you and other Regents met in secret Thursday night after the riot at the Berkeley campus. Could you give us your view of how -- what right the public has to know what's going on behind closed doors by public officials?

A No, we did not meet in secret on Thursday night. Every Thursday night prior to the Regents meeting, from time immemorial there has been called -- what's called a chancellor's dinner and the chancellors and the Regents and many times if they bring them, the Regents' wives, have an informal social dinner simply for the purpose of meeting as socially and as human beings to get better acquainted. And there was absolutely no business conducted at that meeting. It was a purely social affair. There were a number of toasts to various individuals there and not there, and there was no business whatsoever discussed.

Q But no one is allowed to go into the room other than the Regents and their invited guests, is that correct?

A Well, that's right. It is -- it is a private social party and it takes place, as I say, every month at

every Regents meeting. Not all the Regents are there. Sometimes -- many times I'm not there, I can't go until the Friday meeting. I happened to be there this time.

Q Can we go on to a different subject, Governor?

Q I have one more question.

A Wait a minute, we got three hands over here, boom, boom and boom.

Q Governor, do you think that students at the University of California should be required to carry identity cards?

A Yes, I do, under these emergency circumstances. Maybe it might not be a bad idea in that big a campus where there are facilities that they have to utilize, as the library and so forth, that -- I don't see why that wouldn't be a good idea.

Q Could you again re-explain the difference between the Berkeley library and Sacramento State? I believe --

A I just said a student at Sacramento State told me that he had to show his associated students card to gain admittance to the library.

Q I believe that is in error, you need the card to check out books, but not to get in.

A Well, then maybe I misunderstood him or maybe he -- he told it wrong, but in other words he had a card, but to my understanding at the university there just is no use of any such card on the campus. Now you had your hand up.

Q I wanted to change the subject, too, Governor.

Q One more, Governor, on this.

A One more and then he'll change the subject first.

Q Back at S.F. State it is safe to assume that the five or six trustees who spent so much time and effort working out this so-called agreement will make some effort at the trustees meeting to get some kind of endorsement for it. If they do get this endorsement, what would be your -- your actions then or do you think that's a serious possibility?

A I don't know. I'm only one trustee, but I do

know this, that if as you say they should get an endorsement, that endorsement cannot include negotiating the right to break the law, and the law propounded by the people of California is that you cannot pay a state employee for an unauthorized absence for service not rendered, and that can't be negotiated by anyone.

Q On another subject, Governor, a joint hearing was held yesterday by the Assembly and Senate Agricultural committees on your administration's plan to close down the 18 border agriculture stations during the next five years. Now, united opposition was expressed at that plan by all the witnesses, people from the county agricultural departments, the Farm Bureau, the grains, the State Chamber of Commerce, the University of California. They seem to be a solid front. Could you comment as to whether there is any reconsideration possible on that plan or not?

A Well, I think that the position was well taken by our people in the Department of Agriculture based on their knowledge. It was a long-term thing. It was not going to be an automatic closing out. It was to be a phasing out as other and better and more effective means of controlling pests came into being. We were simply to exchange the one which is now only hitting a fraction of the people who are coming into the state as it could be replaced with a better inspection system, and perhaps the people who were testifying didn't understand that, but I'll say this, if there are any of them that simply want to cling to it because it now exists and not make any change, this is the same problem that you run into any time you want to talk efficiencies or economies. There is a human factor that resists change and everybody wants -- everybody wants improvement in economies and so forth but not in their own districts. Incidentally, I shouldn't use the word "economy" in connection with this because there was never any belief of ours that closing those stations would actually reduce the cost of protecting ^{plant} against/infestation. As a matter of fact, it is possible

that the -- a more improved system might even cost more than the present. The reason for this is only a fraction now of the things coming into the state -- basically the theory is human beings bring in the plant pests with the things they carry with them, and we are now only reaching a fraction of the people by stopping them at those stations. We are seeking a system that will -- that will catch them all.

Q Just one -- the main complaint was that most of them said they favored improving existing stations, but they feared the department was going to rely on untested methods to replace the stations that hadn't been proven yet, and they were giving up a more or less certain protection for an uncertain protection.

A Well, I'll stand on the record at least for two years of the Agricultural Department here in the state that it is not about to risk this \$4 billion dollar economy of ours, agricultural economy on untried methods and I think their record speaks for itself. As a matter of fact, the agricultural community in the last two years in California, and I think most of them agree to this, have never had it so good as far as state agriculture is concerned, this administration. Up to a few years ago their complaint was there wasn't anyone in California that heard or understood their pleas. Now there, and then you.

Q Governor, Senator Schmitz' bill to repeal that portion of what was AB272 on the overrides on local school districts passed out of the Senate, but he is suspecting -- and you support it, he said, and he's suspecting problems in the Assembly, but Assemblyman Monagan is the one that put that provision in. Do you have any comment either way as to supporting that bill or the provision of repeal?

A I honestly have to tell you that I haven't -- with what's going on I haven't had a chance to even look or to know what's going on. I couldn't comment intelligently on what you are saying. I just haven't had a chance to look at it.

Q Governor, back to agriculture, what are your reactions to the Federal Court permanently enjoining the state from providing convict labor to ranchers and growers and do you have any other plans to provide labor to agriculture this summer?

A I didn't even know that that had happened.

PAUL BECK: I think it is on appeal.

A It is on appeal right now.

Q Well, they approved on it yesterday.

PAUL BECK: I think there is a hearing on either one.

A Obviously I'd have to be opposed to it. It's been -- it's saved our crops and our agricultural economy in California many, many times and not just under this administration.

Q The Department of Cal Veterans Board is supposed to have sent you a notice over the week-end that they have now reversed themselves and they are against closing any of the Cal-Vet stations. Have you received word on that and what would be your reaction in closing this week-end?

A I would have to see whether they have presented any actual new evidence. So far it is difficult for me to see that anything new could have been presented. I think that this was gone into pretty thoroughly. There is not the backlog. We see -- we see no reason for the maintenance of those offices. It is being handled efficiently, but certainly we will look and see on what they base their decision or reversal of their previous decision to see if they have any new facts.

SQUIRE: Any more questions?

Q Governor, the Attorney General's office has formed a consumer protection unit. It used to be the consumer fraud unit. They are presenting a 12-points legislative program and prosecuting alleged consumer fraud. What is your own consumer counsel doing to protect consumers?

A Well, again you've asked me on one that I haven't an opportunity to review or see what -- or to comment on that. I just couldn't comment intelligently. I just haven't --

SQUIRE: One more over there, Governor.

Q What was the significance of your saying then you would wait two more years on the border --

A On what?

Q Two more years on the border stations before deciding whether to close them? I believe you said you would wait two more years.

A No, the phase out is over a five-year period and it was based on that it would take that long to bring into being substitute procedures, more efficient procedures. No, it was five-year.

Q Not two years?

A From the beginning it's been a five-year phase-out.

SQUIRE: Thank you, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 4, 1969

Reported by

Beverly Toms, CSR

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GOVERNOR REAGAN: Ladies and gentlemen, I have a very -- quite lengthy statement here on the subject that will probably be the first one you would open on anyway.

(Whereupon Governor Reagan read Release #149.)

GOVERNOR REAGAN: Now, we will proceed with tax reform and with the reports that we have had from our task forces, and the principals and the tax reform that we seek is a decrease, certainly not an increase, in the reliance on the property tax; to simplify the over-all tax system to reduce the cost and complexity of tax collection and not to increase the total tax burden. I repeat, that tax reform will not be employed by us to raise the present tax burden or impose a greater tax burden on the citizen.

Q Governor, do I read into this that you are softening a little, little bit on withholding? I mean you are not quite as much in concrete?

A No, I -- I still feel that nothing has been -- nothing has indicated to me that there would be an improvement by switching to withholding that would offset what I see is disadvantages, that the greatest convenience is for the sake of the state and not the taxpayer.

Q Governor, is what you are telling us here that

you would not sign legislation this year to extend the sales tax as in the Fluornoy report for withholding or for the statewide property tax?

A No, what I am saying is that we will come forth with a program of tax reform, that we have been continuing our own studies, we have this task force report much of which was presented to us as you saw in the report as a number of alternatives, and we have also had the previous task force report and out of this now it is our task to formulate a specific program of tax reform and this we'll do.

Q When will you do that, Governor?

A What?

Q When will you do that?

A We are going to start immediately. We hope that it will be a matter of weeks we will be able to do this.

Q You still hope to get it done this session?

A We sure do.

Q Governor, this is the second task force report that you've received that hasn't come up to your expectations. Are you getting -- do you think that your own department can come up with something?

A No, as a matter of fact -- well, yes, yes, but with the help of these and the studies they have made. I don't mean to disparage the efforts that have gone forth. I think we are, all of us, becoming aware that one of the greatest problems in tax reform I certainly hadn't anticipated was the very problem of distribution because of the interlocking relationship between local and state government, and it is true also as was pointed out in this task force's report that there was a -- there was a hampering for a thing as big as this, a time limitation we are aware of that.

Q Governor, Mr. Fluornoy said yesterday that the reason there weren't any great sweeping or sort of revolutionary ideas presented is because they couldn't probably get it through the legislature. Will your tax reform carry along that same philosophy in order to try and get it through or will you actually bring in something with some sweeping reform?

A We want to -- we want to find just what I said in these -- these four principles that I gave you, less reliance on the property tax; that means the substitute broader based, more elastic tax that is more geared to our system, our economic system than property tax is; a simplification that I think must go with -- with tax reform, and this would result in a reduction in the cost and complexity of the tax collection, and that we will not increase the total tax burden.

Q Governor, last year you recommended giving \$155 million dollars back to the counties and letting the Supervisors -- through the Supervisors and you said we had to have faith in our elected officials. You don't seem to display a great deal of faith here on your comments on the statewide property tax that they will just use it and build on top of it later on.

A Well, no, I -- because I think if we leave too much -- too much assessed against the property tax, we found when the -- years ago, when the sales tax was first imposed here in California, it was -- it was passed with the idea that it would relieve the property taxpayer and the result was that eventually the burden caught up and it went right on. No, this -- this isn't to deny that they wouldn't have a conscience about this, but I think it is just unless we take some practical steps to see that certain things now financed by property tax be removed from that,

some other limitation is placed that this being the principal source historically of local government, they will turn to it again. Now, the -- the \$155 giving back, the proposals we had in mind then was a direct -- and we tried three times to get this and finally had to settle for 1-A, which in my mind was not as satisfactory as what had been proposed -- we wanted simple remission by the state pro rata amount to the county and the taxpayer himself would simply deduct an amount from his -- from his tax burden.

Q Assembly Speaker Monagan a couple of hours ago told reporters in San Francisco that he could support withholding tax if it were part of a tax reform package. This then does not in any way reflect your thinking?

A No, I think there is great disagreement between many people upstairs and myself on withholding. I just don't see an advantage and I do see it as a convenience for the state, and basically it is advanced always as a means of while apparently not increase the rates, getting more revenue for the state.

Q Governor, are you saying in this message that if somebody came in with a forgiveness proposal on withholding that you would take a look at it?

A Well, I -- I've said to all of you before that if ever -- if ever the day came and it was inevitable there was nothing I could do to stop it, that one of the things I would certainly be fighting for would be complete forgiveness. I am very fearful that the one-time -- one-time windfall results in an increase in the cost of government before you are through.

Q Can we switch the subject?

SQUIRE: No.

Q No, Governor, I'd like to clarify your thinking a bit on this statewide property tax. Do you -- do you

support the concept, but not the method of the Fluornoy commission or do you just not see the statewide property tax for schools as a realistic part of tax reform?

A Well, no, I think what I was pointing out here was that the statewide tax did not lessen the reliance on property tax as a source of revenue, when one of the requirements of tax reform must be less reliance on property tax and a relief of the present burden.

Q Governor, one of the reasons for the statewide property tax was to force richer school districts to share their wealth with poorer districts. Would your program of tax reform have that principle in it?

A Well, this certainly is a problem that has to be met. No question about the fact that the distribution of funds right now, there must be found an answer for the inequities in the taxing base.

Q Governor, isn't it a fact you're a little cold on this report?

A What's that?

Q You are a little cold on this report, aren't you?

(Laughter)

A Why, I -- no, I tried to point out here specifically those areas where I don't think the -- in the extensive reform that we think is needed, and also those places where we are in agreement, and now it is our job -- they never, as they stated in the beginning, and as the previous task force stated, they did not come in with a specific recommendation and intentionally so they presented alternatives and I've tried to point out here that some of the alternatives I don't believe would fit our -- our concept of tax reform. Some would. Some we have already spoken of.

Q Would it be correct to say, Governor, that you are rejecting the major recommendations of the Fluornoy commission?

A You know, I never weighed it. This is possibly true in the -- yes, one of the major -- one of the major ones being that it -- it ends up with several hundred million dollars more burden for the taxpayer and that I do reject out of hand.

Q Governor, you are looking for some way to reshuffle taxes that will not have the -- won't have the effect of increasing taxes, something that the Fluornoy report couldn't discover.

A No, well now in doing this, in reshuffling there is no question but that some taxes undoubtedly would be increased, offset by others that would be decreased, but the end result should be that when the people finish reaching in their pockets they are not taking out any more money than they presently are taking. The burden remains the same. There is no question but that government -- now also let me point out that the -- this task force is very forthright in their statement that they faced up to whether they should involve themselves in any suggestions for the reduction of the cost of government, and they in the limitations of time and all turned aside from this and said no, they would confine themselves simply to taxes and leave to us the program of further economies in government. So, this is our goal and this is our problem. They simply geared their tax findings to the estimates that have been submitted as to the increased costs of government, increased demands by the local levels of government. I don't believe it is hopeless, I think we can reduce costs.

Q Is it fair to assume, then, in your own study of

tax reform later this year if you want to make the sales tax any more broadly based or elastic you would want a lower sales tax?

A They -- as I indicated there are two alternatives, you can keep the rate and broaden the base and substitute it for another tax, or you can broaden the base and reduce the rate of the sales tax, depending on how we come out now in our own deliberations and what we recommend.

Q Which of those would you favor?

A Well, I've always felt that the greatest reliance should be on a -- this is just my personal view, on a combination of sales and income tax as being the taxes that are most geared to our present form of economy, that they fluctuate, go up with inflation, expand with an expanding economy and to that extent lessen the possibilities of having to come back periodically and increase the rates.

Q Would you still -- would you look as a possible broadening in the sales tax any chance that it might be extended to groceries?

A Here we go again, that was in the first tax force report, wasn't it? No, we have not at any time contemplated the extension to food.

Q Governor, the report seemed to concern itself with a great deal with repairing what it said were sieve-like gaps in our taxing system and made the flat-out statement that there were inequities within various taxes. If that is so, wouldn't that mean that some people are just going to have to -- some people who are not now paying their fair share are going to have to pay more money, there is going to be a greater burden on some elements?

A Well, this is very possible, if you find an inequity. Actually, though -- now, Cap, you correct me if I'm wrong, but just the other day when we were looking over some figures on this, didn't we find that when you take the total state and local burden and put it down to percentage of income that we found that we -- we were fairly equitable, fairly even in being proportionate, that everyone was paying a proportionate share of his income.

CAP WEINBERGER: Brackets in California roughly produce that result.

A This we cannot complain about with our tax structure, that it has -- it does even out pretty well.

Q Well, Governor, haven't you already complained about loopholes in the income tax for the very wealthy, that where they can have tremendous income and yet pay no tax?

A Well, as we recommended in here, we certainly agree with their -- their recommendation that things being studied in the federal government, that with regard to a minimum tax.

Q Who will make this new study you speak of?

A That's -- now it is ours. It isn't a new study. We are now going to take the studies that have been given to us with all the alternatives by two task forces and as I say, we have continued ourselves, and I understand that just today there is a further information for us from Allen Post, that he submitted some suggestions also for tax reform, and we now must put together the package of tax reform.

Q Is this going to be a study of studies?

A No. It is going to be a studying of alternatives now to make our choice. Both task forces reports made it plain that they were presenting alternatives and

somebody was then going to have to choose between the alternatives. Well, that's us.

Q Governor, isn't there likely to be a Republican legislative package that might be different from the administration's?

A This is possible. We are individualists, you know.

Q Another subject?

A O. K.

Q The other day I understand the faculty and the students and most of the Regents were in favor of naming a building at -- a law building at Davis in memory of Martin Luther King, Junior and you voted against it at an executive meeting of the Regents. I wonder if you could elaborate on the reasons for that.

A I wouldn't discuss how I voted or what the vote was because this was an executive session, but I will say that I, along with others questioned the propriety or the applicability of a law building being named for Martin Luther King and we inquired as to whether there wasn't a building that might be more in keeping with Martin Luther King, with his calling, because he was not connected with the law. As a matter of fact, I suggested among others the possibility had they looked at some names that are distinguished and associated with law, such as the jurist, the judge, a Negro woman in Philadelphia, a Juanita Kid Stout, and several others, members of the bar profession there in the Regents questioned about certain very distinguished men in the field of law, judges and lawyers, all of them Negro, for the naming of that building, but the only question was, was there not a building that was more suitable. We were told that they had turned down naming a library after him.

Q I understand, Governor, that your lease expires in less than a month. Do you know what your plans are, where you are going to be living after April 1, and what the hangup might be and why it hasn't been renewed so far and if you are going to remain as a permanent resident of northern California.

A I am going to remain as a resident of California, but I turned the details -- I turned the details of -- or of northern California -- I turned the details of this over to Nancy. I let her take care of the big problems and I just play around with things like tax reform.

(Laughter)

Q Governor, today you met with the Coordinating Council of higher education. What did you discuss and was President Hitch and Chancellor Dukke there?

A Both were there. We simply discussed in not too much time that was left us for this, we get together every once in a while when they are over here and we had a limited time this morning, but just discussed some of the problems, discussed the fact that the coordinating council on higher education itself is reviewing -- in the midst of reviewing the master plan of education and will shortly come forth with some suggestions, proposals or how it looks now.

Q Governor Reagan, --

A Wait, wait. one second here, and then you and back over there.

Q It was on the same subject of education and that is I believe last week you attended a Governor's Conference. The subject you introduced was that of federal investigation on campus crises, and their causes, and there was some action by the Governor's Conference

on that. What was your reaction?

A Well, I was disappointed there were more Governors hadn't had trouble than there were Governors that had. The line was drawn about that way. I had proposed -- I proposed a resolution to the effect that the government perhaps under a commission system such as the commission on violence or something, try to establish if there is a national plan to this, to alert college-university administrators to bring to their attention if there is such a plan, and I lean to the belief that there is, but for them to definitely establish one way or the other so that they could be better prepared, better warned and would realize this is not just spontaneous outbursts, a kind of modernized version of the panty-raid, and it was defeated.

Q As you heard, possibly, Chancellor of the state colleges, Glenn Dumke, not so long ago said he believed that money for campus dissidents, their bail money was coming from Red China. Did you hear the story and if so --

A No, I didn't. I didn't hear the story so I wouldn't comment, but I do know that there doesn't seem to be any lack of financing for the travel, the bail and so forth of so many of these that are involved in this, the travel of a group of leaders that seem to be able to travel worldwide without any restriction on that travel, turn up wherever there is trouble.

Q Governor, yesterday you asked the Legislature for new laws to deal with campus disorders. A two-prong question; could you summarize what new laws you would like to see and tell us why you feel new legislation is necessary.

A Well, there were four -- four laws in my message to the legislature, four proposals that have come to us

by way of the college administrators that while they perhaps could do some of these things themselves, they felt they would be strengthened if they had the backing of law. Now, one of these, which as I say, they could do without law is the banning of unauthorized sound equipment, amplifying systems on the campus which are used to bring about and direct the disturbances; one of course which would require law and that is to make the penalty for assaulting a campus policeman the same as it is for assaulting a -- one of the other law enforcement officers. Right now it is a misdemeanor for one and a felony for assaulting the other. We think it should be even. One of these has to do with the student who has been suspended or dismissed not being allowed back on the campus without special permission and one would also set a period where you could not hire a faculty member who had been dismissed for -- after being convicted of a crime in connection with a campus disturbance from being rehired at least for a minimum period of a year by any state school or university in California.

Q Governor, there have been suggestions that the student and a faculty representative be added to both the Regents and the Board of Trustees which would re-open or establish better lines of communication. Would you comment on that?

A Frankly I feel we do have pretty good lines of communication and I know that there's great disagreement among some of the Regents on this, particularly with regard to the student representation, but I'd like to point out where there would be some difficulties, they might have to be limited to general meetings. What would you do with regard to a student representative or a faculty representative in executive session where you

were discussing hiring and firing? Do you believe that it would be wise to have a faculty member and a student who would be privy to a discussion in which you candidly discussed the merits of the faculty member's boss? an administrative officer of the university or a dean and I think these are problems that haven't properly been weighed. The other thing with regard to the students, if there is a communication gap or lack, I think it's on the campus itself and between the students -- student organizations and the administration, probably due to the size of the -- of so many of the campuses, but to establish a direct communication with the Regents is to bypass a normal chain of command, you put yourself in the position then of allowing students to thumb their nose at their own administrators and say we will go over your heads to the Regents, and I don't think that this is good administrative practice. Now you and then you.

Q Governor, how does a Governor celebrate a wedding anniversary?

A Well, so far today by getting a phone call from his wife along about noon. Actually it is -- it is a work day and just like all the rest. I will say this to you fellows, for whatever it is, you can sweat it out, I remembered it.

Q Governor Reagan, in keeping with your policy of separating the troublemakers from campus, do you think the firing of Dr. Nathan Hare and George Murray will go along way towards solving that problem at S. F. State?

A Well, I don't think -- I don't think Dr. Hayakawa had any choice in the matter. I think the conduct of them in this thing, visible public conduct was such that there was no way that a President could put up with what he -- what they were doing publicly and have any authority

left on the campus if they didn't take that action.

As a matter of fact, it was after the last faculty meeting in which--the beginning of the semester -- in which Dr. Hayakawa was addressing the faculty, at the beginning of the semester, that on television and everyone was -- saw Professor Hare and his conduct and I understand then that a number of his fellow faculty members themselves filed charges of misconduct.

Q Do you think some of the steam has gone out of the student's strike now that the teachers have gone back?

A I think the steam was going out of it prior to the Berkeley uprising. I think Dr. Hayakawa has been winning and I think that -- I happen to lean to the theory where at least the belief that possibly Berkeley erupted because the momentum was gone and the steam was running out at San Francisco State.

Q Governor, recently Attorney General Lynch indicated that he would run for re-election next year. He said in doing -- in his announcement he said that he felt the cooperation between his office and yours had been excellent. Would you evaluate Attorney General Lynch's performance as far as you are concerned, and your office is concerned?

A We have had the finest of cooperation.

Q Do you think he's been a good Attorney General, you have no objection to his being re-elected, I presume?

A Well, now --

(Laughter)

A You recognize, of course, that in the two-party system, and partisan politics there will undoubtedly be an opponent from the Republican party, Attorney General Lynch, and therefore I'll reserve any comments until campaign time comes along.

Q Governor, on another subject, I'd like -- at a legislative hearing this morning Senator Alan Short complained that you refused to appoint a democrat in his district as judge, even though this attorney had united support of the local bar and he made this statement, "No Governor in California has been more partisan than Ronald Reagan in the appointment of judges in this state." Can you comment on that?

A Well, yes, I would think that no statement with regard to my appointment of judges has been more partisan than Mr. Short's statement. We have followed a policy of submitting all names to screening committee of more than the bar, of laymen, the judiciary, of the bar and of the State bar -- the local bar and the State bar, and we have made our appointments on the basis of the -- how they rate, when they come back. It is true that sometimes there will -- in some instances there will be two and once or twice even three that are so closely aligned at the top that then you sit there and weigh whatever considerations, such as age, and so forth in making your choice. But for the most part we have taken -- been able to take the top-rated man when it came back and if he had a candidate that was not selected it was because he was not the top-rated. Now, many times the entire list is approved and unanimously approved, but they rate their approval. They rate it as to exceptionally well qualified all the way down to not qualified in their judgment, and we take this exceptional rating. Now, it is true that I have appointed a preponderance of Republicans. There aren't many Democrats left who aren't already judges since the last eight years.

(Laughter)

SQUIRE: Any more questions?

Q Just a point of clarification to an item back a moment ago, and that is about your rejection of the idea of having faculty or students, particularly students, involved in trustees -- on the Trustees or the Regents because as you pointed out an example of the executive session. Is it because you don't feel they could be trusted with confidence or what?

A Well, no, but look, suppose it comes down to -- suppose you have a faculty member and a student sitting in an executive session and it is a dean or an administrator, Chancellor, who's being discussed, and suppose there is fairly even division and there are quite some critical comments uttered about him and then by a narrow margin it is determined that he's employed, he stays, and you now have a member of the student body, you have a faculty member who now is privy to the information that almost half the Regents, let's say, strongly disapproved and in disapproving perhaps gave reasons, incidents that lead to their opinion. I just don't think that this would be fair to an administrator who would have to have -- would have to deal with that student or with that faculty member.

SQUIRE: Thank you, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 11, 1969

Reported by

Beverly Toms, CSR

(This rough transcript of the Governor's press conference is furnished to the members of the Capitol press corps for their convenience only. Because of the need to get it to the press as rapidly as possible after the conference, no corrections are made and there is no guaranty of absolute accuracy.)

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GOVERNOR REAGAN: Somebody lose them?

PAUL BECK: I'll take them. You rattle them otherwise.

GOVERNOR REAGAN: I thought maybe I might have found a ring that had a key to my office on it. I'm the only fellow in the place that doesn't have one. Well, no opening statement. Fire away on a beautiful Tuesday morning.

Q Governor, are you giving any consideration to the orderly removal of the National Guard from the California campus inasmuch as it's been reasonably quiet there lately?

A Well, we have a meeting this morning with some of the officials from the campus to discuss all such problems and particularly the security problems. The question you have to ask yourself is yes, we reduce manpower when it apparently isn't needed, we are almost forced to, it is a terrible strain to have to take people from their normal duties, but you also have to be careful that you simply don't precipitate more violence by removing them. The answer still lies with the university administration taking the action to bring the permanent end to this and that end is separation from the campus of those who are causing the trouble in the first place, and until they have the will to do it we are going to be faced with this recurrent problem of bringing in force and I -- all this talk about whether the force or whether the police

power that you bring in is any part of the issue leaves me very cold or maybe I should say very hot under the collar. I have one message for the dissidents outside the gate. I no longer hear their howls or their pleas as to what it is they are striking for. The one message can be given in two words, grow up.

Q Have you seen any example, Governor, that the administrators are in fact separating the trouble makers from campus?

A Well, let me say that I'm optimistic that perhaps they have begun to be aware of what the problem really is and what must be done. So far I can't point to any large scale statistics.

ED MEESE: Governor, I wonder if I can interject one thing to clear up some confusion about that question about the National Guard. The National Guard as such has never been used on the campus.

GOVERNOR REAGAN: No, that's right.

ED MEESE: The only group that has been there has been an 8-man detail to provide gas disperser support to the police units and I think that ought to be cleared up.

GOVERNOR REAGAN: That was because the police supply couldn't match the student's supply.

Q Governor, last night before the Stull Committee, the head of the Alameda County Sheriff's detail on the campus testified that in his view the university administration had been at first guilty of procrastination but now we are acting to -- I think his word was promptly or to end the problem, and he expressed satisfaction with the way they were acting at present. Would you agree with his assessment of that?

A Well, as I say, I haven't seen any wide-scale statistics. Maybe we will know more this morning about -- in the meeting about some of the action they are taking and if so I'll be delighted to know that they have been firmer.

Q Who are you meeting with this morning?

ED MEESE: We are meeting with some of the university officials this afternoon, actually.

Q Chancellor?

A I don't know just who or whether they have told us just which personnel will be coming over.

Q Governor, the public opinion polls show that your popularity with the people is at a new high and that apparently it is your policy toward the campus disorders that is responsible for this. How do you feel about that?

A Well, I was hoping that it had just been my personal charm.

(Laughter)

A Well, I'm -- I'm pleased, of course. I'm pleased that the people do support the positions we have taken. That's all I can say about it.

Q Governor, your political enemies, notably Jesse Unruh and Joseph Alioto have strongly implied -- unmistakably implied that you want to keep the campus turmoil hot till next year because it would be a good election issue. What is your comment?

A Well, the fallacy of that is, and of course I think you are talking about two individuals who have made it plain they are in search of some kind of an issue, the only thing that you could say about that, that proves how ridiculous it is, is that if this is still an issue come election time it certainly will reflect badly on whoever permitted it to go that long. No, the contrary, I would have settled it like month before last or year before last if it could have been settled and I insist yet that -- or again that the weakness in the whole procedure has been an unwillingness on the part of the university personnel to recognize the true nature of this and to take the necessary action to bring it to a halt. They have unnecessarily complicated it.

Q Governor, has your increasing popularity had any effect on whether or not you plan to run for re-election?

A No. No.

Q What is your latest position on whether you are running for re-election?

A Well, as I told you all I'm just abiding by all the traditional rules that say it is too early to say.

Q It is snowing in the mountains.

A Yeah, I'll say it is snowing in the mountains. I think maybe someone if they are going to go by the snow in the Sierras any more, they will have to go by the melt instead, when it starts again.

Q I'd like to clarify your answer though about the campus disorders. Are you saying that if they are still going on in say, in '70 this will be a stigma on your record and that you would feel the responsibility?

A Well, I meant -- I meant if anyone -- if it became apparent that someone was just not doing everything that could be done to bring this to a halt, I just don't think the people are that easily fooled, the people would be aware of that and I would think it would be enough to throw anyone out of office and anyone should be thrown out of office who would perpetuate a thing of this kind for some kind of political advantage.

Q Governor, the poll indicated your popularity is higher than ever before with the people of voting age. Do you have any idea what your -- how your popularity is with the students, many of whom will be voters in 1970?

A No, except that from those who are not involved in the rioting and the disorders, I've had contact, I've had letters, I've had personal visitations from students who endorse what's going on and who plead for more action to bring this to a halt.

Q Wait till I get there -- Governor, in 1966 one of your campaign messages was that you would clean up the mess in Berkeley. Now, do you think that you have accomplished this in two and a half years?

A No, I never did say that I would or promise that I would or could, but I said that I would certainly take a different attitude, I was in disagreement with the permissiveness that had led to this. Now, in the campaign, if you'll check back, you will find that the issue of the

university had never been originated by me. It was the result of submitting the questions and answers, particularly in the primary campaign and up and down this state even then, back as -- 1965, the first question from the people of California was what can be done about the situation in Berkeley and I made some -- some statements then of what I believed could be done. At the time I suggested, as you know, a blue ribbon citizens investigation with the resignation of Clark Kerr. We certainly postponed that and I don't think that the idea -- that idea now is so necessary, the problem is there. But I also suggested that I thought that there should be more authority on the part of the administrators, that the academic senate should confine its efforts more to academic matters, curriculum, and so forth and that the administrators should have the authority and the responsibility for taking the disciplinary action that should be taken. Well, you've heard me practically every week in here saying the same thing. I still say that and I agree with it.

Q Do you think you've -- the state has reached a -- has turned the corner on the campus disorders or are you -- do you anticipate that there is going to be more serious trouble in the rest of the year and in the next academic year.

A Well, this is such a plot and plan thing. The SDS, for example, held a meeting at Princeton University a short time ago with representatives from campuses all over the country and they plotted another march on Washington in April and they issued quite a handbook nationwide and it includes the reference that they are going to move into the high schools because they believe they can get more action there, that much younger the people they arouse will have less inhibitions and restraints. They have also suggested all the phony issues that can be drummed up to surround this and to add confusion and so forth, and to try and enlist other people into this. So, until you know, perhaps now in the area of investigation the one that I suggested at the Governor's Conference, of

someone equipped to find out on the national scene what some of the plans are and how they intend to mobilize their strength you can't answer very well until you know all those things. I'm optimistic. I think that we are making headway here in California. This doesn't mean that you can't have some dying burst. If you look in past experiences of things of this kind you will find that sometimes as they begin to lose the war they suddenly stage their own battle of the bulge and make a few last outbursts trying to get the momentum going again. Now, this can happen. This can happen any place here in our state or any place in the country, but I believe that now after my strong words before about the college and university administrators, I do believe that there is an increasing awareness. I believe that the trustees and the regents of our colleges and universities in California have taken firmer action and have been willing to promulgate rules to stiffen the administration of the college.

Q Governor, if this still is an issue during next year's election, who do you think it will reflect badly upon?

A Oh, I -- I couldn't speculate on that. I just -- I just couldn't. You have to meet this. You are fighting a kind of a war, a guerilla war and you have to meet it with what's at hand and what the tactics are and what they are doing. I still say that the end result has got to be the simplest answer, if they want to call it that, of obey the rules or get out.

Q Governor, in light of your belief that things are getting better, I wonder whether you think they have gotten better since you took office, especially since according to the undercover sergeant of the campus police at Berkeley it is an entirely new era of violence down there this year.

A Oh, I didn't say since I took office. I'm saying that right now I think this whole thing had started several years ago here and there on campuses as I told you

sometime ago. There is a Congressional report, or a report by the Justice Department to a Congressional committee almost 10 years ago, outlining exactly what is taking place and how it would escalate and that this was their plan and it is nationwide. I'm only saying that here in California I believe now some people who were confused, some people who were unwilling to recognize this as anything but normal young people's unrest, are beginning to have a different viewpoint and are cooperating in taking firmer action, bring to a halt. That's what I'm optimistic about. There is no question that this whole thing nationwide has been escalating and not through anything we did in California or that anyone did at Columbia other than the contribution that is made every time you appease and back away, but this is a planned effort. Bill had his hand up here.

Q Governor, do you think that you would have solved this earlier if it hadn't been for the campus administration?

A Look it isn't a case of me solving it. They have the solution in their hands. They have actually all the authority they need and I -- I would only point to the score on one side and the score on the other. Now, I know that they claim certain disciplinary actions have been taken, but the damage to the university of California alone in the last few months is enough financially to have completely financed one of their complaints, the school for ethnic studies. You've had Wheeler Hall gutted by fire. You have had bombs, you have destroyed the ROTC building in the Berkeley campus, for example, with bombs. You have had students beaten. You've had the incidences of the paint spray and hundreds and hundreds of broken windows, perhaps even in the thousands by now. You have this on one side and you can't point to even a single expulsion of a student on the other side. And I think that this is a kind of a balance that shows that some place the reaction to the violence and the vandalism has not been swift enough, certain enough and firm enough.

Q Governor, you said 10 years ago there was some evidence of a conspiracy but you can't point to a single prosecution for criminal conspiracy. Isn't that peculiar?

A No, I'm saying there is a report that a group of campus leaders ^{who} ~~oo~~ years ago met at the Edgewater Beach Hotel in Chicago, this was told to Congress, and were told about the plans that were going to be forward, and this was their goal and their aim for the universities. Now they have continued to have such meetings. SDS has held an annual convention and in the annual conventions, for example, I don't know who you blame for the lack of prosecution -- but I know that it was a matter carried in your own papers, that at the SDS convention in Michigan State a couple of years back they were urged, their members were urged to continue to campaign for young people to burn their draft cards, but that they themselves were to accept the draft so that they could subvert the armed forces from within. Now, this was a matter of business at a convention in open session.

Q Governor, what is your personal reaction to the ESU allegation that you and Dr. Hayakawa are to blame for that blinding explosion that also blew off the fingers of that young black student that the police say ^{was} were carrying a bomb?

A We are to blame! Well, this young student was evidently planting the bomb, according to all the evidence. This is the allegation. The young girl at Claremont, where there isn't even a disturbance or a strike, a 20-year old girl in the administration building has also had her hands maimed and is possibly blind for life because of the bomb that arrived there. It was one of three that exploded on the campus at virtually the same time at Claremont. I say that the people are to blame are legion. They include those people who are too apathetic to take any action when they are in a position to do so. I claim that those people who have said for several years that it is all right to break the law in the

name of social protest are to blame. The plain truth of the matter is this was inevitable. What has happened, the tragedy in both places, the one who was willing to blow someone else up and who himself was the victim of his own device, and the innocent young girl on the other campus who was blown up herself through someone else's act, when you ^{set} loose violence and when you unleash these kind of dogs you have to recognize that there are going to be people whether unstable mentally or whether overemotional who are going to follow that path and it wasn't a case of whether it was just a case of when and who. Well, the when was at Claremont a week or so ago; the when was a few days ago at San Francisco state; the who was an innocent young girl on the one campus and a young man who had gotten himself so imbued with this revolutionary fervor that he was willing to plant a bomb and victimize someone else. And for someone to turn around and charge that those who have been trying to point out the necessity of an orderly society are to blame is a pretty ridiculous charge and I would think that it is time if they are really sincere about their demands, it is time for the black student union on one campus, it is time for the third world movement on the Berkeley campus to turn around to the violent ones, to turn around to those who have joined in and who are pushing them into the fray, who are supporting it for their own reasons, throw down their picket signs and say, look, we refuse to be an excuse for this kind of action, we are willing to go inside now and in an orderly way try to get our proposals accepted. And until they do, then they are continuing to contribute to this and I just pray that we are at the end of those tragedies, that there won't be more of them, but the odds are against us.

Q Another subject, Governor?

A Another subject? Wait, we got one back here.

Q Governor, are you concerned that there will be counter-violence on the part of people who are opposed to the BSU and opposed to bussing and opposed to school

integration?

There is some indication up in San Francisco already that this might arise.

A I think that there is a threat that has been hanging over this for a long time. As a matter of fact, I think it's a tribute to the vast majority of people of all races because remember, where the Black Student Union is the principal protagonist in the strike at San Francisco State, there are more black students continuing to take the abuse and harassment and go through the picket lines and go to school than there are those who are out on strike. So let me make it plain this is not a racial issue at all in any way, this revolutionary thing that is going in finds people of all races, every ethnic background on both sides of the issue, but I think it is a tribute to the vast majority in this country that they have so believed in law and order that they are willing to leave this to government and to law enforcement officers and that they have resisted this kind of retaliation. But the threat is there, there is no question, and once it happens, once if it comes about and we see the police back to back between the two factions trying to separate them, then a lot of people in this country are truly going to see the kind of violence and the kind of rioting that we haven't seen in this country since the great riots in wartime, back in Detroit, and then they are going to see real tragedy.

Q Governor, some of the Republican leaders upstairs, Speaker Monagan and Bill Bagley differ with you on the Fluornoy Commission ^(tax reform) report, particularly on withholding and they -- apparently they are going to go ahead. I wonder what comments you had on it.

A As I have told you, us Republicans are a highly individualistic group, but we shall meet in our councils and try in an atmosphere of legitimate debate and respect for each other's opinions to resolve our differences and come up with a satisfactory tax reform plan.

Q Governor, somewhat of a two-pronged question, Frank Lanterman has put in an augmentation bill for shortages last year of \$3.8 million dollars to pick up emergency appropriations. Mr. Weinberger said that the Legislature only limited it to a million dollars in the regular budget. How did it get to 3.8 million dollars and why couldn't the state colleges have had their \$500,000 out of that?

A Well, I'm going to -- Cap, do you have something on that because I must confess you've asked one that I'm not up on the details.

CAP. WEINBERGER: Governor, these are requests that were not honored because the Legislature limited the emergency fund to a million dollars as they have for several years. The requests are still there and the requests are contained in Assemblyman Lanterman's bill. Whether the Legislature will honor them or not of course depends on whether the bill passes. They are not bills that have been paid.

Q Since you are leaving the question of house hunting to Mrs. Reagan, but you only have less than three weeks to move, I wonder if you have got any word from her yet.

(Laughter)

A No, no, as a matter of fact I'm only days away from pricing trailers.

Q Mobile home.

Q Governor Reagan, last week you were talking about tax reform and you said you hoped you could enlarge a home owner's property tax exemption. Well, the state constitution requires an increase in state taxes to cover an increase in the exemption.

A Well, the whole problem of tax reform, we've said if we are to relieve the owner's burden of property tax, is going to have to be a matter of finding substitute taxes to replace. There certainly is not in the cards, particularly at the local level where they are so dependent on property tax, it is not in the cards that we can

simply reduce that tax and not provide another source of revenue. We are -- I'm afraid particularly local governor, we are not in the area where we can have tax reduction at the moment or where they can have tax reduction. So this is -- this is a part of the whole complicated package that must be put together.

Q On the same subject, Governor, have you had any indication or what might come out of Washington this year in the realm of more money back to the state, are you working on that as you said last year?

A Well, you know, of course this has been a subject that the governors en mass have proposed and have wanted to take up and we now have some people in the cabinet back there who were part of the deliberations, governors themselves, who recognize the need for a block grant type of approach, so we can only say that we are continuing to keep in touch and hopefully we will have more success now.

Q Governor, will you tell us what, if anything, what your administration is doing about this crises on bonds where we find that none of the state bonds are now marketable?

A Well, this of course, in a market with the high interest rates that are being made and are selling our bonds, this too is inevitable. We are exploring what we can do and what may be necessary by way of legislation to change our ceiling, of course, would require a constitutional change which means it couldn't be done before the 1970 election. Cap, do you have anything to add to that?

CAP WEINBERGER: That is true on the general -- on the general obligation bonds, that the people have voted, Governor. On the revenue bonds, that we can change the ceiling by legislation. We are moving a bill through the legislature to increase the ceiling to 6 and a half per cent on the -- on the revenue bonds for water. It will make the project more expensive, but it may be the only way to sell bonds. This is obviously not unique to California. Our bonds still have the highest ratings

but all states are having the same problem.

Q Is the state water program bond a revenue bond?

CAP WEINBERGER: There are revenue bonds and GO's for the water.

Q On another subject, Governor. Parochial schools have been complaining of their financial problems as well as the public schools and they say there is a threat they may have to close some of their schools and shift the load onto some of the public schools. Now, would you favor any amendment in the existing state constitution, prohibition of state aid to parochial schools to relieve that problem?

A We reached a climax of that kind I think the state might have to explore whatever could be done. You know, there are some precedents in other states at higher education, for example, in Pennsylvania. Pennsylvania actually subsidizes a kind of a contract basis private colleges and universities in place of building expensive state institutions themselves. I don't know what -- that situation that you've just mentioned, I know that the problem of financing education is nationwide and is both public and private. Most schools have reached the ceiling in this inflated market on the tuition they can charge. At the same time there are other sources of revenue, contributions, endowment and so forth, are being dried up so there is some hard answers that have to be found in this whole area.

Q How do you feel about the proposed regional government concept for San Francisco Bay?

A Oh, you've -- you've opened up another one. Whether it is just that I was too long flying back from San Diego last night or not -- I believe that there are certain specific functions that obviously require several echelons of government getting together. On the other hand, I am critical of so-called regional government which simply substitutes for the regular government entities and which also incorporates features where people participate in that government who are not behold^{en}ing to the voters, who

are not elected and thus~~e~~ the voters do not have a control over them. Now, what the situation is with regard to the proposals of San Francisco Bay, I'd have to tell you at the moment I'm not familiar with the details.

Q One of them, Governor, is the regional government would have control of where a freeway route might go and they would tell the highway commission that it would have to be done their way. Do you believeⁱⁿ/that concept?

A No, I don't think that would work. I think the thing we have been working toward is a cooperative deal in which we take in as we have, the parks and recreation people to have a voice representing the esthetic values, the highway people and local government and try as far as possible to meet the problems of the local area and this we have tried to do. There is no question but that a few years ago there was widespread unhappiness in California because it did seem as if that highways were simply being pushed through straight line, regardless. I think we have corrected that. I think we have made it plain in the letter that I sent to Mayor Alioto, which so far has not been acted upon, but a letter with regard to the Embarcadero freeway there and the freeway to the Golden Gate Bridge, that we want to sit down with San Francisco and explore every possibility of what could be done that would meet with the approval of the people in that city who have to live with it.

Q Governor, are you -- you just appointed a task force on credit personnel reporting practices. What sort of abuses are you concerned with there?

A Well, any abuses that victimize the consumer we'd like to find out if such practices are going on and I think that we have the cooperation of most people in credit because most legitimate businessmen don't want to be tarred with things that a few are doing outside the fold. We want to find out if there are abuses of over-charge, fine print that imposes conditions that the person is not completely aware of when he makes the purchase or --

SQUIRE: Governor, there is one more back there trying to get your attention.

Q Do you know when you might be calling the election in Modesto to fill Mr. Veneman's seat?

A Yes.

Q If it goes into a runoff would you expect to go down and assist the Republican candidate?

A Oh, yes, following the primary I'm going to do everything I can wherever there is a special election, just as I did in the general. Yes, we had to wait -- we were bound by the letter of resignation. We could not take action or set a date until Mr. Veneman resigned and he couldn't resign, I guess, until the Senate confirmed him. Now that has all taken place and just -- before the week-end we received the letter from Mr. Veneman and we have set the date. The primary or the first election will be on April 22nd. And this will make the final because undoubtedly there will be a runoff -- this would make the runoff on May 20.

SQUIRE: Thank you, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MARCH 18, 1969

Reported by

Beverly Toms, CSR

(This rough transcript of the Governor's press conference is furnished to the members of the Capitol press corps for their convenience only. Because of the need to get it to the press as rapidly as possible after the conference, no corrections are made and there is no guaranty of absolute accuracy.)

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GOVERNOR REAGAN: Well, how do you do.

Q Governor, can you tell us when your package is going to be introduced and what s going to be in it?

A When my --

Q Tax package.

A Well, we know that there is a deadline, it's got to be within -- or before the 28th now. We have been holding meetings and there -- we are continuing on it. No question, it is a tough -- it is a tough problem, as has been evidenced by the two task forces admitting that they were only able to present alternatives, that it is complicated and --

Q Can you give us any idea what may be in it?

A No, I really -- other than we are -- basicly one of the aims is to try and create some less dependence on the property tax and more on elastic taxes as an alternative and the -- one of the big problems no ed by both task forces and it is confronting us now, is how to in some way get relief back to the local levels of government without seeming to impose controls on them or have state imposition, interference with their autonomy.

Q Can we rule out withholding or any modified

withholding completely from your tax reform package.

A Well, Richard, the only thing that I can see that-- that being those who are proposing withholding now, the only argument I can see is that it would be they basically want it because I don't want it, and I have seen no arguments that suggest why withholding would be any advantage to the taxpayers of California. It would simply be an advantage to those who want the state to get more money than the state is now getting.

Q Assemblyman Bill Bagley, the Chairman of the Revenue and Taxation Committee this morning made a very strong pitch for withholding. Do you include him in that comment you just made?

A Well, I know that Assemblyman Bagley is the Chairman of a very important committee and I'm quite sure that he will study thoroughly all aspects of this matter and will not continue to let the concrete harden around his feet with regard to withholding.

(Laughter)

Q Governor, then you are ruling out withholding from your -- from the plan you are going to present?

A We certainly will not propose it.

Q Well, then, there are some other things that have been offered, proposed. Could you tell us some other things you won't present?

(Laughter)

Q You've seen other things, will there be an extension of the sales tax to other areas?

A These are the things that are still -- these are the alternatives that we ourselves are still sweating over, it will only be a matter of days, it can only be a matter of days and then we will have a proposal.

Q Will your ruling out withholding -- are you also ruling it out as a -- as something that could happen

if you start negotiating your tax package with what the commission has proposed?

A As far as I'm concerned, that's too high a price to pay.

Q Another subject, Governor?

Q No, no, Governor, what are the tough problems you are encountering in getting the program worked out?

A Well, I -- if you were only discussing just state tax and raising state revenue -- or not raising it in the sense of increasing it, I mean getting state revenue, this would be a far simpler -- more simple matter, but you can't rule out the way the two matters come together of local financing, particularly school financing and the need for the state to subvent back money to the school districts to try and equalize educational opportunities. When you do this you then run into the great problems of how you can do this without the state seemingly taking over control by way of the purse strings and it is -- it just isn't true, you can look at all the average figures and you can look at the figures on property tax versus other kinds of tax, but none of these figures on an average take into consideration the diversity of our 58 counties, that some counties of low population but large areas have a completely different financing problem for their needs and for their schools than do the big urban and metropolitan areas, and it just -- there is no perfect and simple answer to this so there is a lot of real study going into this.

Q Governor, today Assemblyman Bagley mentioned that \$50 million dollars in taxes are escaped entirely by those who don't file income taxes at all and another \$57 million dollars is lost from those who file but don't pay all their taxes. Do you have any plans to -- on how to capture this escaping money?

A Well, I would like to look at his figures and I'd like to see where he got them because this doesn't follow through with the figures that we've obtained in the past. As a matter of fact, California has a very -- very high rate of collection and a very low rate of defection on the tax. In fact I think that ours compares very favorably with the federal government's rate and they have withholding.

Q He quoted the Franchise Tax Board.

A Well, these -- the ones we have, our biggest estimate is that we probably -- there's probably 15 to 18 million dollars that are getting away by way of people leaving or not paying their tax.

Q Governor, can we change the subject?

A If we do, we got to go to Clyde, then I'll come to you.

Q Governor, could you shed any light or tell us of any progress being made regarding the problem of three large insurance companies, Prudential, Metropolitan and Massachusetts Mutual to buy all the state university and college campuses for \$2 billion dollars and lease them back to the state?

A No, all I know is the statement was made and the question was asked about that one day in here. I really have no information on that, not at all, but I could tell you if they are really serious about buying there have been days when I would have been eager to sell.

Q Governor, a package of four bills which Senator Harmer passed the Senate yesterday with reference to campus unrest, are these four bills closely aligned with the legislation you feel necessary to meet the problems on the campus?

A Some touch on that. There are other points that we made that we believe are still necessary and will either be sent in as a bill or incorporated by amendment into some of the pending legislation. I support those bills that were passed and believe that they do meet some of the problems but not all.

Q What specific changes would you like to see made?

A Well now, let me try to think back on our own proposals or requests here as to whether all of his -- well, there is the case we want of the equalizing of the penalty with regard to assaults on campus police as well as outside police. Ed, could you -- we were talking about a little while ago, reviewing this and what was accomplished and what still needs to be accomplished, what are the points that -- refresh my memory.

ED MEESE: Basicly the additional bills are those that when a suspended or expelled student comes back to the campus, he's immediately subject to arrest for trespass and the other rule has to do with bringing loud speakers on the campus without permission of the campus officers.

Q Well, Governor, would you call the bills that have been passed by the Senate administration bills or administration sponsored? Have you been working for them?

A No, as I said, I think they were in some of the areas that we were waiting to see -- and that we did not specifically declare we'd introduce bills, we are willing to take someone else's legislation or an amendment to some legislation to cover the points. Some of them do approach them, the idea of the automatic suspension and firing and so forth for those that have been found guilty of participating in disturbances, but these other points that we were discussing still have to be covered.

Q I'd like to know whether this legislation is -- if we succeed in forcing demonstrators off the campuses and they just merely move to streets or other locations around the colleges, do you then pass more legislation to keep them off the streets?

A Well now you get into the area of the local communities and what ordinances they want to pass and I would think they already have the ordinances they need with regard to obstructing traffic, disturbing the peace, this type of ordinance they already have and it would be a matter completely apart from the -- from the educational institution. No, what we are aiming at is legislation that will make it more possible and more probable for the school administrators to be able to separate from the campus, and I mean by separation from the campus expulsion of a student or firing of a professor.

Q Are you going to plan to put this problem on the community rather than --

A No, we are trying to stop the problem whatsoever by saying to students and faculty alike, obey the rules or get out.

Q Governor, do you think the state of emergency should now be lifted at Cal. in as much as the dissident students have declared a moratorium on their strike?

A Well, let's wait till the exams are over. Sometimes I'm not sure whether they suddenly have discovered the beauty of the bird of peace or whether they are just taking their exams, but so far we have -- we haven't met on this but so far there has been no particular request for us to lift this on the part of our university or the local officials. I think that it would be a mistake to take a momentary pause, especially among those who have made it plain that their philosophy is two steps forward and one step back. I think you shouldn't be too hasty in

believing that peace has come if they may just be in a pause for regrouping their forces. But I do believe that there is every reason to think that forceful response as we've had in the recent weeks has borne some fruit.

Q Do you think their decision to seek the moratorium was negotiation from weakness or from strength?

A Oh, I think they have been losing a certain momentum, yes. No question. Wait just one second.

Q Governor, on the same, with the Harmer bills, one of them gives Grant the right to declare a -- the president to declare a state of emergency which literally replaces your authority. Do you mind losing it?

A No, this would be a different thing. I don't think he could declare a state of emergency that would call out the guard or highway patrol or anything, but I myself have criticized them in the past for not declaring on the campus a state of emergency to the extent of them making such rules in advance and penalty in advance as Father Hesberg did at Notre Dame, saying this is now forbidden because of the emergency situation and if you do it automatically the penalty will be -- expulsion.

Q Governor, Senator Harmer said the alternative in his four bills was making concentration camps out of the campuses. Do you think that's an accurate statement?

A Well, whether I would have used that phrase or not, I think what he was referring to was the alternative if the administration of the colleges and universities fails to take the action they should take with students of simply guaranteeing some kind of academic process under armed guard, and I don't think this is satisfactory for anyone, nor do I think it lends itself to an academic atmosphere and so over and over again I said yes, we can preserve order, put the forces on to preserve order, but until the academicians themselves are willing to do a

little culling on their own campuses this is going to continue.

Q Governor, there are more than 60 bills have been introduced on campus unrest. Do you have any fear that any of these proposals in the legislature might go too far in curbing the dissidents?

A Well, I can't say about them specifically because I haven't read them all and don't know what they say, but I do say this, that any time -- and I've warned of this in regents and trustees meetings, any time that you have widespread opinion as you do now on the part of the people that not enough action was being taken at the campus level, you run the risk of government taking back into its hands powers that formerly were given to regents and trustees and administrators and I don't think that this is good. I think that you can go back, retrogress to a point where you are -- you have too much political control or interference. I had -- let me just illustrate, I've had fellow governors at governor's conferences talking about similar experiences and just casually telling me how they called the Chancellor and said, you know, do such and such or I'll get a chancellor who will. Well, I'm sorry, I -- a governor in California can't do that and I don't think a governor should be able to do it. I don't think that a governor or a legislature should be able to hire and fire on a campus. We've had -- the greatness of our institutions has been, I think, in part due to the fact that we don't have excessive political interference and so if there are any bills that lend themselves to that, I'd hate to see that happen.

Q Governor, do you agree with President Hayakawa's recommendation that we have satellite or branch state colleges in the ghetto areas in which these people can go to get training which would ultimately qualify them to enroll in regular state colleges?

A Well, of course something of that kind is what's supposed to be envisioned in the master plan with our community colleges, which have no entrance requirements whatsoever other than the willingness to go, and if he's speaking of the physical location, I myself have suggested in regents' meetings and in trustee's meetings where they have been discussing the possibility of additional campuses, that where we constantly find a tendency on the part of the educators to look to the open country and find a nice scenic hillside on -- overlooking the Bay or something as a site for a college, that it might be -- it might be just fine if you could afford it, but I have criticized the lack that maybe we should be turning and looking at downtown sites where the student can literally walk from his home and isn't burdened with the additional cost that it takes to go away from home to go to school, and I -- I do think that we should look at this. Even the vertical type universities or college, the picking of a downtown site and all right, do like the University of Pittsburgh did, build it straight up, build into a skyscraper so that you don't have to have several hundred acres of ground for one of these, and it is very possible there is a lack of this. But I do think that a lot of people have overlooked in this whole hassle the important part that can be made by the community college, those more than 80 now in California, there is no system like it, that those colleges are supposed to be the ones that take the great majority of the students who can't meet the entrance requirements and then in the two years there bring them up to the level that they can get into the state colleges and universities.

O This, you are talking about the junior college system?

A Yes, they prefer to be called the community

college.

Q President Nixon has made some comments on campus disorders and plans to make some tomorrow. Do you have any response to this action?

A He's -- well, now wait, he's going to make an announcement?

Q President Nixon has already made some comments on campus disorders, suggesting that the present laws be enforced on a national basis. He said that he's conferred with the -- the Attorney General's office and he plans to make some comments tomorrow.

A Well, I'll be very interested in his comments because again the same thing holds true, yes, the --

Q Do you know anything about his comments, Governor?

A I don't, uh-uh. I know that apparently, I've heard this morning that in his discussions with Dr. Hayakawa he endorsed the idea of taking -- withdrawing federal funds from -- federal grants from individual students who are breaking the rules, but then that's a part of the actual legislation on a number of those grants, so --

Q Have you had any conferences or conversations with the President on this particular subject, the college discipline?

A No.

Q A new subject, Governor.

Q I have more on that subject, Governor, do you think that the current rash of riots, demonstrations, and protests are over or is this the beginning of the end?

A Well, I think -- I think a person would be pretty optimistic to predict they are over. This is -- this is, as I say, exam time, another quarter beings. I do think that we've -- I think we have been making gains in having a strong attitude of resistance to these and I do believe that when they -- when you win it won't be a victory such

as the other side laying down its flats and walking in and saying I surrender. They will just go away. It will just disappear and suddenly you'll find yourself wondering how it happened and I think this is the way it will end and I think the momentum has been going downhill. I thought it was rather significant that at -- at Berkeley when the striking teaching assistants went back in it was revealed that they weren't really striking, that they just carried the signs and pretended to strike, but that they were sneaking off the picket lines in order to keep their jobs and teach their classes, which I thought sort of robbed their stand of some kind of nobility of principle.

Q Governor, do you plan to meet with President Nixon this week-end in California?

A I have no such plans.

Q Were you contacted by the White House?

A No.

Q Another subject, can we get into a question now on the Governor's residence. How is Mrs. Reagan doing in her negotiations?

A Well, we haven't packed yet and I think in a few days the situation will be resolved, and there will be some information available on that.

Q Do you have any generalizations you'd like to make about the Sacramento landlords?

(Laughter)

A Not until the situation is resolved.

Q Governor, do you have any comment or feelings about the legislature of one house using the press against the other house?

SQUIRE: Stay out of that, Governor.

A I would only say that I could not believe for one minute that you fellows would let yourselves be used

by anyone.

(Laughter)

Q Last month Assemblyman Gonsalves and a group from southern California met with you about the State Department of Public Health cutting down on the sale of raw milk in southern California. Subsequently Mr. Gonsalves introduced some legislation and it is over on the senate side now. What are your feelings along this line, do you think that they should be -- they should cut out the sale of raw milk or not, or cutting down the authority of this Department of Public Health?

A Well, it wasn't a -- I'll look at the legislation if it gets there when it comes down, it wasn't a case of what our opinion was at all. It was very clearly explained to me what the law is and the law says it isn't a case of being against raw milk, it is being against any milk that contains dangerous bacteria and once the establishment is made that the milk contains that, the law is very explicit and doesn't allow any leeway for your own judgment or opinion. The law simply states that it cannot be sold.

Q Would you agree on -- with some of the medical people that there should be no raw milk sold at all? Do you feel that it should be open to people if they want to buy it?

A I'm not enough of an authority on it. There is a conflict. A great many of them say it just isn't possible to keep bacteria out; there are others who claim that it is. But they'd have to -- they will have to settle that one better before I can make a ruling on it.

Q If I could change the subject, Governor, a couple general questions about pornography. Just how do you view this problem of the flood of pornographic material

here in California in the light of the recent Supreme Court decision?

A Well, this for two years has been disturbing me and even more so lately. This is a problem and we just can't sweep it under the rug and the reason it disturbs me is I myself, I receive -- there isn't a week goes by and many times not a day goes by that I don't receive in the mail from other parts of the United States pornographic brochures, advertisements of material. They come to me from parents, they have been received by their children and I mean children, many times with very -- of very tender age, and they send them to me because it has a return California address. This is -- we are the headquarters for this sort of thing, apparently, in the nation and it is not a first that I'm very proud of California holding. And something has to be done because some of this material is just -- it is unbelievable and it is -- I can't think of anything bad enough for those who are forcing this on young people, and it seems to be increasing, not decreasing and increasing in -- in quality. I mean in the sense that the brochures are getting more expensive and color photographs and this sort of thing and it -- it is a blot on California.

Q Can California stamp out the problem through legislation or not?

A Well at least we -- we can make an effort. We can give the law enforcement officers the tools that they have for sometime claimed they need. We can try to help, but I think we all have to do everything we can to try. It is an evil trade and you wonder sometimes what kind of people can be involved in this.

Q Did the courts in your opinion open the flood gates towards the flow of this material?

A I'm not qualified to say on that. I think it's always been around. It's always been a complaint and always the great problem has been how to treat with it and not go over the line of violating legitimate freedom of expression or freedom of press.

O Governor, may I back you up to taxes again, just for purposes of clarification for me. You said in reference to a question on bargaining that as far as I'm concerned that's too high a price to pay, referring to withholding tax. Do you mean to say that's too high a price to pay for any kind of tax reform, that you would rather leave taxes as they are now if the only way you could get a reform bill was with withholding?

A Well, I don't think I had to make it that choice. I just don't think it is going to be a price for it, but I really mean it, I think that -- that the entire argument for withholding and the one that is presented more and more, has to do with the fact that the state will get a great deal more money and they can talk all they want to about not increasing the rates, but if you take a half a billion dollars more from the people of California than you are now getting, I don't care what you call the rates, it is a tax increase. You are taking more money from the people and I find that there is a great deal less enthusiasm for withholding if you get down to the subject of complete forgiveness, but the economic impact on this state of asking the people of California to pay two years taxes in little more than one year is something that I don't think these people have thought through very much with our present high tax rates. There might have been a time when the people could afford it, but right now with our present tax rates, to be faced with paying the double burden I think we'd strike a great blow at commerce and trade in California if we did this.

Q Governor, is there any way you would go for withholding if it had forgiveness in it?

A Well, I've said that I would never go for it without that, but I don't -- the trouble is and this they also don't realize, there is no way that you can have complete forgiveness. It just -- it just won't work, there is no way that the state can shut off and start on the other unless you could get so far ahead and accumulate so much money from over and above the cost of government that you had a big cushion and that's -- that's not in the cards either. Yes, I once said purely a theoretical system of taxation which it could be, you could foresee having it, if you could have taxation so simplified that you had one tax, an income tax to pay for the total cost of state and local government, that you could figure out a distribution system of that and then have it just a gross taxation, percentage of everybody's income went to pay for the cost of government, then I could see doing that because then to get any increases in the cost of government you would have to tell the people how much more was going to be taken out of the paycheck than what's now being taken and this would give the people some ability to make their wants known with regard to the spending programs. But that is completely hypothetical. It is a system that unfortunately won't work, but it -- it would be the ultimate in complete simplification because it is true that all of us in the state are supposed to be paying the same percentage of our income for the combined cost of state and local government.

Q Governor, in the last months you've had quite a great number of appointments to the various commissions and boards, etc., etc., which have been available for several months to be done. Any particular reason why

you've waited until so long to do some of them?

A No. Sometimes it piles up on us. Sometimes it is a -- it is just the business of searching, finding people available and willing and qualified for them. Sometimes the press of other business and we have also had a transition in the department there. Paul ^{Harley} ~~Harley~~ returning to private law practice and Ed Hutchinson taking over and it is -- never has been really a regular flow. There's kind of a feast or famine business in it.

Q Governor, do you think the state has an obligation to build the Dos Rios Dam if the federal government decides not to help fund it?

A Well, a decision hasn't been reached yet with regard to the Dos Rios Dam at all, as to whether it should or should not be built or built in that particular place. I feel that in the completion of the water project, California has an obligation to complete the project.

Q Governor, depending on who you listen to, seer or ^{scientist} ~~scientific~~, it was either fear or rejection of a major earthquake in California sometime around April or somewhere in this world at some particular time. Assemblyman Patrick McGee suggested that there be an end to all nuclear testing as a possible trigger to a California earthquake. Would you like to see a halt as one means of triggering a possible earthquake?

A Well, as a matter of fact, we met with the Atomic Advisory Commission board not for that purpose, the other day and I understand that there is some areas a certain amount of -- well, dispute, disagreement or willingness to admit that there is an area of disagreement with regard to triggering certain things in the immediate area of the tests. I didn't gather any impression from these gentlemen that they thought that anything in the areas now being tested could even remotely affect the

earthquake faults here in California. I think this whole big thing about April is -- came out of a purely fiction book on California as -- and it is only pure coincidence that I'm spending the first week in April over in Arizona.

(Laughter)

Q Governor, on the Dos Rios question, you clarified it, you say you felt the state has an obligation to complete Dos Rios?

A Oh, no, the water project.

Q And that would not necessarily mean Dos Rios?

A No, that issue is yet to be decided on.

Q On that same subject, the Resources Secretary, Mr. Livermore, made a statement this week saying that if he did not accept his recommendation on whether to go ahead with Dos Rios, he would feel his usefulness has ended in this administration. What is your comment on that?

A Well, the Secretary has explained sort of -- he sort of got pushed into an answer, that this was -- this came out printed in print with a tone that he had not intended and that that wasn't exactly what he meant. We don't do business on ultimatums and I know that he himself is greatly concerned because he himself must make a decision between this as a part of the water project and the conservation angle as to whether that's the best location or not before he comes to me. Then eventually we have got to weigh all of those factors and make a decision on this, but no, I don't think that he feels that and he's so expressed himself and explained since that.

SQUIRE: One in the back row.

Q Is there -- Governor, is it possible that the adverse bond situation might answer that question on Dos Rios in itself? Is it really going to be possible to

finance it, the expansion of the water project, given the present bond situation?

A Well, we are exploring this entire ^{problem} ~~project~~. This is not just a California problem and the new increase in interest rates didn't help at all, the bond market. There is no question but the municipal and school and state bonds throughout the country are facing some tough going right now because of the difference in interest rates. But we haven't given up yet. You know that we signed legislation that on our revenue bonds will allow us to sell at a higher rate of interest. I hope we don't have to do too much of that because it is going to make things much more expensive on the people than originally had been planned. No, I don't think that the consideration for building that should be on the financial basis. I think it has to be on the basis of whether that's the right place to put it or not.

Q When do you expect to have a decision on Dos Rios, Governor?

A I honestly don't know the answer on that. I don't know when it is scheduled. I know that pretty soon we will have a cabinet presentation on it, but I couldn't tell you the schedule.

Q What other sites do you have in mind besides that one?

A Oh, I couldn't -- I don't -- don't know.

SQUIRE: Thank you, Governor.

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