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1/8/70

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JANUARY 8, 1970

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: My opening statement is Happy New Year.

Q Governor, you've often stressed the importance of economy in state government. Your office announced that they were going to remodel part of your office for a cost of \$55,000. Would you consider cutting back in an area of economy?

A Well, as a matter of fact, I only knew about it reading it out in the paper. This seems to be something that has to do regularly with the maintenance of the building here and it is not in my office, it happens to be over in the -- it is in the Executive offices, it happens to be in the department that is used for incoming mail and it is evidently some construction that's needed.

ED MEESE: Actually, Governor, it is a streamlining of our correspondence system to save five employees.

Q That raises another question about how many employees you do have, that is how many people are actually on your staff?

A I don't know the exact --

MR. BECK: We can get that information, too, if you'd like.

THE GOVERNOR: What?

MR. BECK: We can get that.

GOVERNOR REAGAN: We can get the figures for you.

Q I asked the same people before and they weren't sure. Is it true that it is more than what Governor Brown had?

A No, I don't think you'll find that it is more than Governor Brown had.

Q Governor Reagan, realistically speaking, do you think you'll get much out of the legislature in this political year?

A Yes, I'm very optimistic. I've been working with the leadership, their own people, while there are going to be a number of things that require two-thirds votes, then the responsibility falls on the other party to deliver, they would be the only ones that would engage in partisanship if they are going to, and I have every confidence that there are a great many sound and responsible Democratic legislators who are not going to let partisanship stand in the way of helping to solve the problems of the state and I look for this to be a productive session.

Q Does that include tax reform and the control of the environment?

A That includes tax reform and the control of the environment.

Q Hugh Burns announced this morning that he's not going to run and John McCarthy announced earlier that he wouldn't. What bearing would that have been on the political status on the legislature in the state?

A Well, I don't think that they are -- the fact that they are not going to run, I don't think changes their position. They may -- I suppose it would give them a little more feeling of freedom with regard to the decisions that they have to make on issues and how they are going to vote. I think any time announcements of this kind are made, in both those cases, a great many of us feel with regret.

Q Who would you say is the strongest candidate to replace either one as a Republican?

A That I couldn't answer. I have -- I just know nothing more than the announcement as yet, haven't even contemplated.

Q Spencer Williams announced this morning that he is a candidate for Attorney General. Do you support that candidacy?

A Well, there are three Republican candidates announced so far, two of our finest legislators and now Spence Williams, and I -- there is nothing I can do but be neutral in this race. I know that all three of them will conduct a fine campaign. I know they will all obey the 11th commandment and all we can do is stand back and wait until the decision is made in June.

Q How do you feel about obeying the 11th commandment yourself? *(Gubernatorial race)*

A About what?

Q About obeying the 11th commandment yourself next year or this year?

A Well, I hope that whoever the Republican candidate for

Governor is he will obey the 11th commandment? I'm sure he will.

(Laughter)

Q Governor, Spencer Williams also said this morning that the Mafia in California is active and expanding. Do you agree with this analysis?

A Well, I don't have perhaps the same information that he would have since he has been contemplating this race or all the information that the Attorney General has, but I do know that there have been announcements to this effect, that there is activity. We have heard the Sheriff of Los Angeles County say the same thing and I -- I think it would be very naive to assume that there is any part of the United States that isn't feeling the power of organized crime and I share the Attorney General's view in Washington that we must wage an all-out war against it.

Q Governor, when do you expect to be able to deliver your tax proposals, tax reform proposals to the legislature?

A Well, we are still working, the leadership of the legislature and myself, together, on this. There's still some things to be resolved, but I would say within a matter of days. We hope before the middle of the month.

Q Do you still hope that any ballot measures that may be necessary can be submitted to the people in the June election?

A Well, these are some of the details we are working on. It is possible that we may be able to come up with a tax reform program that won't require constitutional amendments.

Q Governor --

A There was a hand up there and then I'll come back to you. You.

Q Governor, I'll try to remember what I was thinking about at the time.

(Laughter)

A I'm that way about the answers sometimes.

Q Let's go onto the next one and come back.

(Laughter)

VOICE: That was a good one.

Q Do you -- are you still thinking of a one per cent educational tax to make up for property tax revenues or what -- what area do you think ought to be the source for this?

A Well, of course the main purpose and thrust and all of us are agreed upon it, is to relieve property tax, particularly as a prime source of revenues for education. And the logical two sources for this are the sales and the income tax. And we haven't -- these are some of the things we are still working on and adjusting figures on it, so I can't give you any information, but as I say, within several days we will come out with a program, but the bulk of the replacement for the property tax will come from those two sources.

Q You are considering increasing the statewide sales tax?

A Yes, yes.

Q Would it be half a cent or a penny?

A Well, as I say, let's wait till we continue to juggle it around. There are a great many alternatives in this and this is where we are right now, is trying to find the fairest and the best alternatives.

Q The Democrats say you are overlooking the oil severance tax possibility. Are you giving any reconsideration to that?

A That is one of the -- that's one of the alternatives that we are considering.

Q Possibility then?

A What?

Q It is a possibility then?

A Well, any of those alternatives are possibilities, yes. When they talk about the oil severance tax, I think they have been -- they have overlooked something that actually a tax on oil in California ranks ahead of a tax in even some of the other great oil producing states. That the problem with an oil severance tax is that California unlike Louisiana, for example, is an importing state and we have to figure that -- we have to watch for taxes that may seem to be an oil but that are then passed onto the consumer, because we do import more than we -- more than we produce.

Q Governor, this week the Public Utilities Commission has granted a substantial rate increase to the P.G. & E and earlier granted one to the telephone company. Now, do you think -- and they did the P. G. and E rate over the recommendations of their staff, greater than what their staff had recommended. Do you think that this is in the interest of the consumers and is it consistent with the efforts of your administration to try and fight

inflation?

A Well, I think we have to face this with regard to the utilities. First of all I have confidence in the Public Utilities Commission and I think the record back over the years has been a sound one. But the utilities, like any other business or like any individual, are faced with the problems of inflation. In California you complicate that problem further with our great growth. Utilities in California, it is not just a matter of continuing a service. They are constantly forced to expand to meet the increased needs, the spread of our population and there has to be a recognition of the need to accumulate investment capital so that they can make that expansion and I'm sure these are the things that were taken into consideration in these increases. I'd also like to point out that due to that same Commission last year there was a multi-million dollar rebate to the -- to the customers, to the consumers in California. So I think that the Utilities Commission has proven that it is being very responsible and representing the best interest of Californians.

Q Governor, last year you created a Division of Consumer Affairs. In your State of the State speech you mentioned creation of a Department of Consumer Affairs. What would the department do that a division can't?

A Well, this is in the whole context of some of the re-organizations that we were doing last year and are doing this year that we think will make the executive branch more effective.

And --

Q How?

A What?

Q How?

A Well, let me say that this will be the subject, also, of a message within the next few days, and I'd rather just wait and rather than get into the details and you'll get a complete message on this very shortly.

Q Governor, Mr. Monagan said yesterday that the cost of cleaning up the environment might be so high that a bond issue might be required. You emphasized the environment heavily in your State of the State message. Can you envision yourself going before the people this year and asking for a bond issue on cleaning up the environment?

A Well, let me tell you that on this, you know there are a great many areas in California that require bond financing and it is a proper thing. But right now we are engaged in a study and with the help of the private sector, also, on the whole bonding situation. There's going to be -- it's going to do no good to go before the people and ask for a bond issue if we know we can't sell the bonds and the bond market, as you know -- this is not the best market and the best situation. Beyond that, of course, in June the issue on the ballot to raise the interest rate is absolutely essential or we are just talking in empty space about any further bonding. We can't sell the bonds we have. So the issue of Proposition 7 must pass next June to go forward. But I couldn't answer your question right now because while we recognize this need and we have several other potential bonding issues, we -- we've decided that we first have to settle on whether you can sell the bonds, and what we are going to do about that bond market situation.

Q Where then does the environment stand in terms of priority of spending state money?

A Well, it stands as high as we -- as we said it would. This does not mean that everything that has to do with this requires the spending of state money. It doesn't require the spending of state money to enforce the Porter-Cologne Water Act, to force those who are polluting the waters to clean up. As a matter of fact, if they were recalcitrant there is a little source of revenue there because the Porter-Cologne Act says we can fine them up to \$6,000 a day until they do clean it up. I hope we don't have to do that.

Q Do you think you can clean up the environment then, to at least make progress on it, without spending new money?

A Oh, no, no, I'm quite sure that there will be areas where money will have to be spent, but again we have to face the reality of whether or not we can sell the bonds. Now, this is true of a bond issue already passed by the water program. We are all determined and we have all pledged to continue the water program and to complete it. But we all recognize when we make that pledge that there is one imponderable, one thing over which we have no control. That is that if we continue in a situation where we can't sell the bonds.

Q Can I change the subject?

Q I got another question.

Q Wait a minute, Governor. Governor, Assemblyman Z'berg is proposing a \$500 million dollar bond issue to buy park land. Aside from the fact can you sell the bonds, do you think this is a good idea?

A Well, we have several proposals before us in our own cabinet, in the area of parks and recreation and what the bonding requirements would be if we went forward with these complete plans. We are studying those, but as I say, we have actually placed that second echelon, to find out first whether bonds can be sold. Now, whether his amount is correct or necessary, I couldn't tell you at the moment because we are engaged in that study ourselves.

Q Governor, on this environment issue, you said a bay is being polluted. Is that San Francisco Bay?

A Yes, the Mayor was right, he recognized it.

Q Governor --

A Yes.

Q There seems to be agreement that California State has staggering problems in environment, education, welfare, health, crime, among others. If you really are -- has the time really come for you and others to think about the next generation instead of the next election, is it realistic to say you can even approach these things without confiscating more of the taxpayers' earnings?

A Yes, I think it is realistic from the standpoint that you are always in a state bound by -- call it invisible ~~barrier~~ barrier if you want, but that barrier as to how much money you can confiscate from the taxpayers without making your state non-competitive with the others and destroying the very source of your revenue by hurting the economy. Now, this is not just theory. Some years ago we saw this happen to a great industrial state. We saw it happen to Michigan. We saw Michigan reach the point that the great manufacturing plants in Michigan were closing their doors, were opening branches across the borders in other states, and the economy began to go down and the population, the workers were leaving, following the jobs. You can't go beyond that point in California or any other state and have anything left to build on. Now California is the second highest taxpaying state in the union. Only topped by New York, and I think if you look at some of the problems of

New York and New York City you have to say that we'd rather not follow their path. There may be here and there in the future some little leeway, but I think we are to the point at which you have to confront -- you have to say to the people, here is a service that the state could perform for you. Do you want it at this price? Right at the moment I think the people will say no to almost any service. Now this doesn't mean that we can't go forward with some of the things we want to do if we have the courage to meet the problems that exist right now in some of those programs that are utilizing vast sums of money and are not getting the full value and I have to say welfare is one of these. Welfare, which is increasing three times as fast as our revenues increase, is not meeting what welfare's goals should be. To me it is as simple as this. Welfare should be designed on a policy in which it attempts to work itself out of existence. Now I don't say they can ever achieve that, there will always be people who require help from the rest of us, particularly the disabled, but as to those others the welfare program that is -- simply is growing constantly and that even in our times of greatest prosperity and when there is a shortage in the labor market, continues to swell, the welfare rolls is off the track some place. And between ourselves and the legislature we think we can meet some of those problems and thus free funds for more constructive efforts.

Q Governor, what can the state do other than a few relatively minor administrative economies insofar as the total welfare picture is concerned? It is a federal program basically, is it not? What can the state do to make these broad changes you are talking about?

A Well, I think -- you know that right now the national administration is looking for answers to this. I feel that the states are in a better position than the national government to find some of these answers and I have confidence that if we do and some of them run afoul of federal regulations that we are in a position to go to the federal government and ask -- well at the very least ask for a waiver on regulations to grant us the right to experiment and go forward on ^{an} experimental basis in this field. We have had discussions in Washington with this and there has been interest expressed in that kind of an approach.

Q Governor Is what you are saying a moment ago tantamount to saying that in order to solve the problems of environment and education and so on new money is not going to be available and therefore existing programs are going to have to be cut back and money spent there is going to have to be shifted in other areas?

A No, and let's talk about environment from another standpoint and recognize that in many of these areas this is not a total burden that falls on government. As I said with water pollution it isn't. Other than in research for smog, the continuing research and the cost of enforcement and so forth, smog is not something that you can throw state money at and it will go away. We know pretty well the problem. The research now is in particularly the automobile, in the area of gasoline and the volatility of gasoline, the content of it to make it burn with less pollutance, is in the motor controls and great progress has been made. Now I mentioned the other day that we had turned a corner in smog in '66. Now you see how non-partisan I am, I wasn't here in '66. We did turn a corner. If you look at the graph on the emission of hydrocarbons, we reached a peak at '66; as some of the emission controls on automobiles began to take place we started down and right now strange as it may seem, we are at about the level of 1958 in smog and the line is continuing to go down. What we want to do is speed that up, target that will have us -- the next ten years, down to about the pre-war level, the pre World War II level. Well, it would be just fine if we could speed that up and reach that level in four or five years. Now this calls for legislation. This calls for putting a burden on the automobile manufacturer, the producer of gasoline. This does not require state money.

Q Governor, you are talking about the hydrocarbon, but isn't it oxides and nitrogen and some of the other things that are harmful to your health and they are increasing?

A Now you are getting me into the field of science I don't know anything about.

Q Isn't it the oxides and nytrogens --

A Yes, and this is where there is continuing research going on and as I told you, we made money available for research. And I don't say like in the purchase of parks and land, you want to take off the market this way. There are, however, a great many things that we can still do with regard to planning and the environ-

ment and the use of and that is still in private hands.

Q Governor, would you explain a little bit how we are at the level of '58 in smog. Is this in Los Angeles, statewide or --

A It is my understanding that -- I hope I'm right in this, it is my understanding that this is a statewide chart and this is in the emission of hydrocarbons in the air, which is one of the principal pollutants, and now the other pollutant that was mentioned back there is one that has a great irritant capacity and it is one that certainly has to be eliminated also, but the -- and I think if I'm quoting the Smog Commission right, it may present harder problems than the hydrocarbon emission.

Q Governor, on another subject. For the first time since you've come in, in your State of the State message, you did not call for your judicial reform program. Have you given up on that in view of its failure to get out of the Senate last year?

A No, I haven't given up on it. I might be a little less optimistic than I've been in the past, but as far as I'm concerned I still believe it is the way the state should go and in the meantime I'm going to continue to operate as we have in which we are voluntarily practicing the plan. We voluntarily are submitting and are appointing judges on the basis of the rating that comes back to us from a multiple committee of laymen, judiciary and the bar.

Q Well, the record on that is about 82 per cent Republicans, judges, under your voluntary non-partisan plan.

A My predecessor appointed all the Democrats. I can't find any that aren't judges already.

Q Your old friend, the open presidential primary bill is already back this year. Is your position going to change at all?

A No, no, I don't think this would be any advantage to the state. I think it is an unwarranted intrusion of law into what is an affair that belongs to the political parties. Actually, we have an open primary. There is nothing that says in California that the declaration of a Favorite Son candidate, which seems to be the principal target, shuts everyone else out. This is done within the party ranks and the other candidates themselves agree to it, but there is no way that legally you can bar anyone from running in a primary in California.

Q It seems to work out that the other candidates from outside the state are left out.

A Usually they agree to be left out.

Q Governor, on the judiciary, do you have any thoughts or plans yet for the Supreme Court appointment, Judge Traynor?

A No, this announcement caught me a little by surprise and we have already embarked on a search. I hope that very shortly we will be able to make an announcement.

Q What's your criteria?

Q Governor, I'd like to refer back to the very original question of Bob Schmidt's on the environment which has to do with if the problem of environment is really a problem of people, in entering the 70's are we reaching a point where the government is going to have to -- the state government is going to have to get involved in population ^(control) and make it less attractive for people coming to California, make it attractive not to produce children?

A I don't foresee that and certainly I wouldn't see how someone could. I don't see how in this country of ours we'd ever get to the place that we deny the free movement of people back and forth across the country. I think what you will see happening as a state begins to fill up, as this one has, and you have great metropolitan areas where only a few years ago within our memory they were fairly open communities without that kind of crowding, you see nature take its course. And the evidence of that is right now the projections of ten and twenty years ago for population in California are no longer valid. While we are increasing, the curve of increase is beginning to level off. It hasn't reached a level, we are still growing. I think we also still have room. I do think this, I think a state can embark on a program and this we have discussed in the cabinet, that in cooperation with the private sector you can do things to attract a wider spread in -- in other words, you can get industry to go out in the sort of new cities concept and see if you can't simply make people want to go to other areas of the state instead of continuing to pour into the most congested areas and this is something I think we should be doing.

Q Governor, the Butte County Board of Supervisors last month passed a resolution asking that the state reconsider the sale of those 50 homes near Oroville to Mr. Chandler, your appointee under the Butte authority Board. Have you decided whether you are going

to reconsider that sale or not?

A This hasn't -- we'll probably take this up in the cabinet on that. The cabinet decision to sell that piece of land and that property was made sometime ago and it was based first of all on the -- almost demands of the county to get that property back on the tax rolls. It was also the decision to sell -- was based on the fact that in Oroville there have only been three home building permits issued in the last year. There is no real estate demand there or home demand. The state would have a choice of staying in the real estate business for several years, at the same time being responsible for the maintenance and the prevention of vandalism in those empty homes, and the decision was made on the basis that we should put this whole block up for sale.

Q The homes aren't empty, Governor. They are 95 per cent rented and there is a rental income from them.

A Well, I think -- I don't know where you got your figures, but it is my understanding that there are more vacant homes than that.

Q Five out of 50.

A Well, I'm going to check the figures again.

Q In any case, the Board of Supervisors' resolution says that the taxpayers of the State and of the County could do better than was done under that arrangement and that's the basis of their request that you reconsider. Do you see any chance that the sale will be reconsidered?

A Well, I should take this up in cabinet and with General Services on this. The request hadn't reached me, it is probably over there.

Q No, they haven't -- they haven't delivered it down here yet, but they passed the resolution.

A But I think on the basis of the evidence we had and the information we had they -- what?

Q I say they haven't delivered -- they are apparently saving it to bring down personally, the Supervisors themselves, but --

A I tell you this on the basis of the information you had we may probably -- the basis of our information we made a proper decision.

Q Governor, I wonder what's going to happen with the race track situation. Can you fill us in?

A Your gun is as good as mine. I think it is a very regrettable situation, and I've kept abreast of it and made it known that if there is anything I can do to be of help I will. At the moment there doesn't seem to be anything. There is a complete impasse there, between the striking unions and the management of the track. It is a thorny and a sticky spot. They are negotiating for all of the tracks. There are some tracks that obviously couldn't operate at that same level, the level that's being demanded. I don't know whether others could or not.

Q Governor, Assemblyman Bill Campbell has asked you to intervene in this impasse. Will you consider that?

A Well, once again, as I said, I have made it plain that I am here. If I can be of help and so far no one has wanted me to intervene that's involved in this. Being an old labor negotiator myself I know exactly what that means and what's going on and I know that you can't do any good if you just stick your nose in unwanted.

Q How do you feel about the candidacy of John ^{Turner} Tunney?

A Well, that's the other side and I just stand here optimistic that none of them obey an 11th commandment. They will have themselves quite a squabble.

Q Governor, you say no one asked you to intervene. What was the meeting for yesterday afternoon?

A The meeting was one to bring us up to date on the whole situation and this is just about what took place there. The Racing Board has been my contact with the striking factions and this is -- simply brought me up to date on the whole history and where it stood.

Q Can you intervene constitutionally?

A No, they told me they have -- they have explored all of the racing law to see if there is anything we can do and there isn't.

Q Governor, a resolution was introduced in the Assembly yesterday which would call on the federal government to halt all oil drilling within its jurisdiction. The resolution has been referred to Rules. Do you support that resolution concept?

A Well, I think the concept has to be supported by the fact that we ourselves have asked the federal government to halt all drilling just as we have halted our own state drilling in all of our wells in spite of the fact that there has never been any problem

about ours of the 'nd that we have had this last year and we have halted it until we are absolutely sure even though we have been confident in these recent years that such a thing couldn't happen under our regulations and restrictions and the practices. We are rechecking to make absolutely sure of the safety of all of those and until such time as we know drilling is halted.

Q Governor, will you give the legislature the list of all your bills and the authors by February 1?

A You mean the legislature or one part of the legislature expressed such request? We are going to continue to do it the way we have done it, as we have recommended legislation that will be forwarded to the legislature. We are working very closely with the legislative leadership on these in advance. There won't be any surprised for them and our contact is through my legislative secretary, and --

SQUIRE: Any more questions? Thank you, Governor.

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1/13/70

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JANUARY 13, 1970

Reported by

Beverly Toms, CSR

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GOVERNOR REAGAN: Sorry to be late, but outside there was a lineup of some visitors about this high (indicating) that *they* are seeing the capitol and we had to stop and say hello. I have a statement here.

(Whereupon Governor Reagan read Release #24.)

Q Governor, do you accept the ~~estimate~~ by a Republican lawmaker that half a million California school children or children face the danger of malnutrition?

A Well, I haven't had a chance to go into the -- the entire report at that committee and I'm sure that they base their figures on some sound study. When you use the word "malnutrition" you are using the correct word. The problem is not just totally hunger and poverty. A great deal of the problem in the whole so-called hunger problem in the country and certainly here in California is in many instances malnutrition that is the result of a lack of knowledge of proper nutritional diet and of ethnic eating patterns and habits. And the result is that you do have a malnutrition problem that is not in any way associated in some instances with need or with lack of funds.

Q Governor, was -- is this developed independently by your office and does it have nothing to do with the program that the Health and Welfare Committee announced Monday which is almost the same as this?

A Oh, no, we are in communication and Assemblyman Duffy has been in -- as well as his committee members, has been working with our people in our own welfare department and our health and education welfare department over there and so I think there is a good communication.

Q Governor, this matter was as urgent last year as it is now, why wasn't a special session called in conjunction with the Teale session to correct these?

A I think this was explained in the first few lines that the fact was that we needed a lot more information than we had and the legislation that was advanced last year I think, if you will recall my expression when I had to pare it down was that there was no quarrel with the goal but that the legislation just ~~didn't~~ meet the problem. It simply augmented and in some instances augmented needlessly programs already in existence and did nothing about the areas where there were no programs.

Q You mentioned the ethnic eating habits, could you elaborate on that a little bit as far as causing --

A Whether I used the correct word there or not, I think it covers all of it, but we just find that a lack of knowledge about patterns -- there is a tendency to some areas to give the children what they may want. Let me -- let me broaden that to a national case and use an example that I happen to know of was found in Washington's looking into this problem, that there are certain localities in the country where the children themselves think a very tasty meal is bread with sorghum on it and because they like it and it is kind of customary and that's what they get and it is hardly what we call a balanced meal.

Q Governor, how many children do you think your program will feed that aren't being fed now?

A I couldn't -- I couldn't give you the numbers on that. I can only tell you that -- and maybe the committee has in that report a more accurate statement on numbers. Let me just say it will be aimed at feeding all those who actually need it but the basis -- I could give you one figure. This program is basically aimed toward those children who are in programs now under aid for dependent children and there are about 400,000 such children in California. So I would say that basically those 400,000.

Q Governor, one of the other recommendations of the committee was to increase -- the Assembly committee, was to increase the maximum grant in AFDC, which I understand hasn't been increased since 1957, except for two per cent due to increased federal contributions, while the cost of living has gone up 30 per cent since 1957. What

is your comment on that recommendation?

A This program -- there is no question about this program being at a lower per capita rate of payment than other welfare programs. For one thing, there has been an exceedingly rapid growth and there is some concern about it. There is more needed than simply augmenting the check that the recipients receive and this committee is well aware of the need of some safeguards and this is why if you augment it in the sense of this lunch program, as Assemblyman Duffy has made plain, if you talk in regard to food stamps to guarantee in some instances the great programs of malnutrition in this program and I can't tell you what percentage, but in some instances they again reflect a misuse of the money that comes in the check rather than directing it principally toward the -- the nutrition of the children and the augmenting of that budget by insuring in some way that -- and by a food stamp way that it must be used in food for the nutrition of the children. I think that this can be done practically but there are a great many problems in that whole program and studies that have to be made. I think that we will have more information when we have access to our report on fraud.

Q Are you saying then, Governor, that because of the increase in case load it is impossible to maintain the -- the grant level at --- and compensate --

A Over the recent years this has been one of the great problems that that case load has been increasing faster than, I guess, any other program and there are things that have to be looked at in finding out why that is so and finding out if part of the problem isn't that some of the really deserving recipients again are being cheated simply because they are sharing the available potential with others who are -- who truly don't belong in the program.

Q Governor, Mr. Duffy said that because of the level of grants the state is actually forcing some people to commit fraud because they don't have enough money to feed their children, enough money to buy food, so they are forced to commit fraud in order to feed their children. I realize your report is not in yet but what's your -- how do you feel about that statement at this point? Do you incline to disagree or agree with Mr. Duffy?

A Well, as I say, I haven't had a chance to get at the committee report but I have every confidence in Assemblyman Duffy and that committee so I'm not going to stand up here without having seen it and take issue. I think in this area when they are not getting sufficient money in many instances for the nutrition of the children, that's one case. Now you come to the other case, though, of that person who is -- whose cheating or whose fraud begins simply with being on the ^(welfare) program in the first place, and that problem has to be met also.

Q For clarification, is your attitude that -- the problem of fraud has to be cleared up before the maximum grants can be boosted?

A No, Oh, no, no. I think that this is a simultaneous operation.

Q You expect --

A You can't ask everybody to go hungry until we settle the problem.

Q Governor, you mentioned the figure \$6,000,000. Is that for the rest of this fiscal year or would that be over the next?

A I think that this would probably include the balance of this year and next year, too.

PAUL BECK: That's right.

A This would be through the next budget year.

Q Will you have a separate bill then than Assemblyman Duffy's or do you --

A No, I think that you will find there will be an omnibus package in this whole field.

Q Governor, what do you mean by the social welfare orientation of your program as compared to the others? What does that mean?

A Well, to -- to get the matching funds your program has to be directed to those people that are now welfare recipients in one or the other of the programs.

Q Governor, the Department of Agriculture funds, will it be in the way of funds, cash money or will it be like the kind of materials, helping, that sort of thing?

A You know, I honestly can't answer you right on that one. Right now they are providing, of course, surplus foods that are

available to the school districts free. I don't know whether this includes more of that, whether it actually includes cash grants.

Q Would it be an increase over what they are providing to California now or is it --

A Yes, I think it -- yes, it would be. No, it would be.

Q Assemblyman Duffy said in so many words if he were on welfare and his children were starving that he would cheat. If you found yourself in that position, what would you do?

A Well, now, everybody -- we take a poll of all the parents in the room, I don't think there is a parent here that would -- or a parent any place that isn't going to be pretty desperate and do whatever he can to provide for his children.

Q Can we get off this subject? There seems to be a report going around that at sometime during the President's stay at San Clemente you had a discussion with him. Is that correct? Did you see --

A No, I had one phone call from him in which early -- when he first came, you know, sort of checked in with the management.

(Laughter)

A Said the room was fine.

Q To the Supreme Court situation --

A Oh, Jack --

Q Burke and Marshall McComb, the rumor was to the effect that there had been some kind of an understanding between you and the President that maybe he would appoint Burke and you would appoint Marshall McComb on an interim basis.

A Jack, I just recently, and very recently, heard that rumor for the first time. There is absolutely no truth to it. There has been no conversation regarding the Court whatsoever between us, nothing, no subject of that kind was ever mentioned.

Q Governor, can we change the subject?

Q Well, look -- what is the -- are you closer now to making appointment to the State Supreme Court, Governor?

A No. No, I haven't heard back from the people that I have searching.

Q I want to know the criteria that you are going to use to select this justice. What is the basis?

A The criteria, well, I think it would have to be someone who was just eminently qualified in that field and on the same basis that we have been appointing judges, I think it would have to -- no question, it would have to be someone who has the approval of his associates and of the law profession, the judiciary as well as the laymen here in the state. The highest type we can possibly find.

Q Would you take a poll on that?

Q Conservative?

A What?

Q Conservative?

A You know me, I don't use labels. Let me say that if his philosophy was similar to mine I would not consider that a handicap.

(Laughter)

Q Governor, are you inclined in either direction whether to elevate to the Chief Justice or bring in a new Chief Justice?

A I have not made a decision at all on this.

Q How are you going to determine this, are you going to take a poll like you do for local judges?

A No, but I think that there will certainly be a canvassing of opinion on this -- on this appointment to the place that the -- virtually the same thing would have been achieved.

Q Other than a talk with the President, have you talked with any other federal officials about Burke's -- going up to the federal Supreme Court or State --

A No, -- yes, let me make that clear, if it sounded like I was simply limiting it to a conversation with the President. Let me say that I have had no conversation with anyone, no one has suggested or even brought up the subject of the U. S. Supreme Court with me.

Q Can we go to another subject, Governor?

Q Governor, can we go --

A Say, wait a minute, he was first for wanting to go change the subject, then I'll come back to you.

Q Will you comment, please, on President Hitch's plan for raising the fees at the University of California rather than going for the learn, earn and reimburse plan which you seem to like?

A Well, now, you are asking me to comment on something ahead of a Regents meeting which will be discussed at the Regents meeting

and I'll be there as one of the Board of Regents and I'd rather not do that. I will say this in the broad sense that I still am hopeful that here in California we can do more than simply over the long run in the long range do more than simply look at a kind of increased fee basis as an answer to this problem and find some -- call it revolutionary, if you will -- but some method of meeting the problem, the twin problems of financing the cost of higher education and insuring that no one will be denied an education because of his economic means.

Q You are convinced it is administratively feasible to the kind of plan that you are looking for?

A This is what I want help in finding out. I know that I'm not alone in this state in this. I know that some other governors are exploring this. The Governor of Indiana has gone so far as to propose something on a national level, would involve the trust funds of Social Security as a fund for underwriting loans and using the federal income tax as a collection method after the graduate reached a certain level of income. This is being explored throughout the country. This is only one of a number of alternatives. There are other plans that are being proposed by economists that are based on the use of the parent's tax return in advance at a scaled tuition, and I just -- I feel that these two problems we are naming, that the very poor literally are helping to subsidize education for people who are better off and they have less opportunity to get that education. Not just because of the cost of education. The biggest cost for the very poor is the revenue they must give up to go on to higher education and I think this problem is equally important with financing the cost of higher education and I think the two can be solved and they can't be solved by simply going on with band-aids of raising a fee system and then saying, well, we will give more money to scholarships over here with the other hand. I don't think this -- I don't think either one of these meet the problem. Now, remember, I'm talking on the broad problem of tuition, I'm not commenting on a specific recommendation right now.

Q This also concerns the University. President Hitch has proposed to legislative leaders that the University be given up to 13 million dollars over the next five years for crash research program on methods of eliminating smog and other pollution. What is your reaction to that?

A Well, I know that the recommendation involves an emphasis I would like to see and see even more widespread in the University of more research directed toward the solution of specific problems instead of just research in the abstract, but we have turned this over to what I think is the finest air pollution board to be found in the country and under the chairmanship of a man who discovered smog, Dr. Hagenschmidt, for evaluation. I think the thing that has to be determined is whether we are -- well, we wouldn't want to run the risk of duplicating research that has already gone on or is already going on but we will take all the help we can get, but I think that he and his board are the best ones to evaluate this and see if this can be of help to us in the battle.

Q Do you plan to submit your report on the Peripheral Canal at the Congress for Funding this year?

A I couldn't tell you what the timing or the schedule is on that. I actually couldn't.

Q I have an after-the-fact question. Do you think the Mayor of San Francisco chose a wise or statesmanlike course in deciding to remain on in that job?

A Well, some of the problems of San Francisco would require the best of San Francisco's talent to solve. I don't know what comment on that -- it is a decision that any man has to make for himself and he made that decision and you know that's over in the area of politics and I'm concerned now with the state issues and problems.

Q Do you think he sounded like he might like to be a ^(gubernatorial) candidate in 1974?

A Well, no comment. You can make your own interpretation of how he worded his withdrawal.

Q Do you think that the Democrats now are going to be able to rally behind a single candidate and just be stronger than they would have otherwise?

A I sincerely hope not.

(Laughter)

Q Governor, did you find Mr. Alioto's statement pleasing that he said you could be beaten but only by an incredible effort by the Democrats?

A Oh, I preened myself a bit when I heard that, but I don't

really take it seriously. In the first place, why should I consider it too heavily, I'm not a candidate.

Q Governor, can we change the subject?

A Gee, we were just beginning to talk about me.

Q Can you tell us if you and your staff are making any progress on your tax program and two --

A Yes.

Q Can you tell us if there's been any change in your position with -- regarding withholding tax.

A I will say this, we haven't -- I have no specifics to give you right now. We are meeting and continuing to meet with the legislative leaders. I've -- I wish I could give you a date. You always say, well, last week you think by next week, and the days come and you come to a growing problem. I'd rather simply say that we will very shortly, and I hope it is a matter of days, be able to come before you with all these matters resolved and tell you the tax program that we are going to support and I'd rather not comment on any of the alternatives because I think I opened up them a whole field of which way we are going to go. I will say this, because after last week I thought there seemed to be some misunderstanding in the way some of this was reported. Our tax reform program will hold true to this, that it will not be a tax increase. While some taxes will have to be increased to offset reductions, particularly in almost solely in the property tax, we will take no more gross from the pockets of the taxpayers than is presently being taken.

Q Senator Rodda has suggested legislation removing the ceiling on municipal district bonds. The interest ceiling. Will you support that legislation as a boost to construction of the project?

A I'll wait till I see what he has in mind. We have our own issue, of course, on the ballot. I think it is absolutely vital that issue be passed, but I think also there is no getting away from the fact that the whole problem of bonding is tied up now with the market for bonds and there is going to be a lot of soul searching done by every level of government as to what we can do until this situation is alleviated.

Q Governor, do you plan to go on television with your tax

program like you did last year?

A We've discussed only in general terms the best way for presenting this. At the moment I'd have to tell you personally I would hope that we could. I think it is something that the people should from the very first be completely aware of and I'd like to discuss it. Let me go to the back row and then we will be back down to a lady.

Q Governor, you didn't specifically respond to Tom's use of the word "concrete." Is there any interpretation that the concrete is either softened or starting to sway regarding the withholding?

A Well, you remember, even when my feet were in concrete I said I would be guided by the people, if the people changed what I believe was their sentiment, I certainly wouldn't stand in their way. So I'll go no further than that.

Q Last year you directed the Department of Motor Vehicles to stop selling lists of new licensees. In light of a recent discovery by the legislative analyst's office are you thinking of extending this to other categories of information that's being sold by the Department of Motor Vehicles?

A Well, we are studying this entire field to see if there aren't more safeguards that are needed. This has been a time honored practice in California as well as every other state for -- I guess for decades back and it first came to our attention about the time that we changed that -- the opening of a licensing list. We had made this a cabinet issue and we are getting more information on it and we think that perhaps there are some more safeguards that can be taken.

Q Assemblyman Campbell has called for an investigation by the Attorney General's office by certain agencies. Would you support in these?

A Well, I have to tell you that I think the original basis for the investigation was a misunderstanding. There is an organization that rents space in the DMV building and the original report was that they had opened mail addressed to the Department of Motor Vehicles and that is not true. It is determined that the mail -- the letter they opened was actually addressed to them, to this company.

SQUIRE: Any more questions?

Q Yes, Governor, you recently announced a consumer move of authorizing counties to set up an office of consumer affairs in the person of the county sealer of weights and measures. Since that announcement there's been legislative comments that it not only adds another county burden onto the county budgets, but that it empowers the sealer of weights and measures to do this, a man who lacks expertise and perhaps proper time to devote to investigating consumer complaints and following through the investigation. Did you consider these factors and decide to back this bill?

A I wish I could give you more details on this. This was part of the over-all reorganization in that field and I can't honestly answer as to whether like some of our own reorganization, which was going to be done with existing organizational funds at the county level also or not, I'd be inclined to believe that we were not asking the county to take on something --

PAUL BECK: It is optional with the county.

GOVERNOR REAGAN: What

PAUL BECK: It is optional with the county.

GOVERNOR REAGAN: That answers that, he says it was to be optional with the counties.

SQUIRE: Thank you.

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1/20/70

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JANUARY 20, 1970

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: I have a statement this morning.

(Whereupon Governor Reagan read Release #41.)

Q Governor, our state analyst, A. Alan Post, says you may face a \$167 million dollar deficit at the end of the year. Don't you think you might have to use some of this money to make up part of that deficit?

A Well, all of this money has already, as you know, been earmarked by the legislature in the last session by their own action to be used for education. They would have to rescind that. But at the same time I'm familiar with the address that A. Alan Post made. There were no surprises in it to us. We have been saying for quite sometime that our budget situation is still stringent in contrast to some of the great optimism that those with a pension for spending always seem to hail what they call surpluses, surpluses that are used and earmarked in advance. We will have a budget message very shortly, and in that budget message we will also have some recommendations that we are going to make to the legislature for some of the things that we have been trying to get for three years, which they will change some of the statutory spending in an amount that will be, I can say right now, over a hundred million dollars. But --

Q What area will that be in, Governor?

A Well, this will be in a number of areas and they will be spelled out in the budget -- in the budget message. I'd rather not get into them now, in that kind of discussion, but let me also point out that in Alan Post's address, some of the stories didn't carry this completely, that his projection of an estimate was also based on just estimates that he figured as to what the budget might be with regard to an estimated work load increase, and does not reflect any

knowledge as yet, because he doesn't have any of what the specific budget proposals will be.

Q Can a promise be made by you that there will be no new taxes imposed this year on California taxpayers?

A Well, now, how do you mean that, in a blanket way? Let me make this promise to you. When you talk tax reform, you are going to be moving taxes around in various areas. I will still hold with the promise that our tax reform proposal will not represent either a decrease or an increase in the total state and local combined tax take. It will be simply a shift.

Q Is it quite possible that income tax payers or some of them in California will be paying more this year than next?

A Well, I've told you that there are a number of sources if we are going to -- principal goal is to relieve the home owner principally, the owner occupied home and his property tax. We are going to have to find other sources and as I have said to you, the two principal sources of income are -- or state income are the income tax and the sales tax. This does not mean that we are not looking at the entire tax structure, for where we can in complete fairness and equitability^{still}/be able to relieve the property tax which we think is the most regressive and the one that is uneconomic at the moment and unfair.

Q Governor, are your recommendations in connection with this budget going to have anything to do with some of the sacred funds and trust funds and earmarked funds that the legislature and you cannot touch? Is there going to be a move in that direction? These are the things that freeze the budget to a point where you can only play with about a third of it.

A Well, even more than the so-called sacred funds, it gets -- this is not as much of a threat as the fact that due to legislation that two-thirds of the budget I can't control is in the area of programs that are mandated by statute and the spending in those programs is increasing faster than our revenues. This has been my complaint and my cry for a number of years. Not so much trust funds, but, for example, welfare, which is increasing in spending about three times the increase in revenues and until we can get some statutory leeway to have an effect on these programs this is going to go on. The discussion of trust funds, of course, always sends us

around to gas tax fund, and we ourselves have administratively -- have proceeded to use some of that in the area of smog research. Now, I don't know -- well, I'd better not get into any of the area of talking specifics until we are ready to come forth with a budget message. Wait a minute, there is a hand -- I'm sorry, you.

Q You mentioned welfare. That general area and schools are the major portions of those frozen funds.

A Yes.

Q Will you propose legislation to change the way those are allocated and will the -- having the balanced budget depend on that legislation and if so, does that raise the possibility of another budget impasse like last year?

A Well, I hope not. There was no need for last year's impasse. It was again, to use a phrase I used to use a couple of years ago, I think it was political fun and games. But the -- we are working right now over in the health and welfare department on exploring what we can do, still can do administratively and changes that we can make trying to find out where the restriction is imposed on us or imposed by federal regulations and what we could possibly come up with whereby we could have legislative help here in regard to our own state, and at the moment I say they are working on that and I'm not prepared to say what we would do or not do at this time, what we might need to ask for in the line of statutory change.

Q Is the goal of this study the reduction of the welfare budget or are you going to try to cut the welfare budget this year?

A Well, what we are trying to find is -- well, I think -- I think there are areas of needless overlap and administrative duplications. We have done a great deal administratively in that particular area. We made sizable cuts over the last three years in the administration of welfare. We still think there are things that could be done in that, and we also want to redirect the purpose of it. The answer, really, to the welfare spending is to have the leeway to move ahead. Will not actually reduce money right now, but to move ahead in areas to reduce the need for welfare by getting people off the welfare rolls and out into self-sustaining jobs and we are still handicapped in many ways by the regulations in that area. This would look toward savings. You can't -- you can't envision just suddenly cutting people off right now in an effort to meet this financial problem. It is more complicated than that.

Q Do you plan any specific actions as a result of welfare fraud, than you do right now?

A Well, that right now -- there were a number of recommendations in the welfare fraud report and those are being evaluated over in the department. We will be shortly having a ^{cabinet} ~~cabinet~~ meeting on it when they are prepared to make some specific recommendations.

Q Governor, do you feel now that perhaps welfare program might be more effectively or efficiently administrated on the state level rather than the county by county level?

A No, I've -- I've always been reluctant to remove from local control the actual administering of this program to a state level. I think there is a great danger of building a gigantic bureaucracy at the state level. Just as I am opposed to turning it all back as some would have us do, to the federal level. I don't think that from Washington, 3,000 miles away, they can run this efficiently for all 50 states, and I think here in our own state to get it more to a community level where there can be a more personal knowledge of the problems of the individuals involved it is better than what we have and the answer does not lie in just these proposals to change financing because this leaves the problem and simply tries to pass the buck of paying for it to someone else, and in our system of government over and over again I have to say, it sounds, you know, like an elementary school lesson, but for the county to think they can transfer a burden financially to the state or the state to think they can transfer it to the federal government, the burden is on the people and no echelon of government has people that the others don't have access to also. The people of this country are paying a burden they cannot keep up with. The increase is not only so great in this state, it is great nationally and until you can solve that problem, no matter which echelons of government pay for it, the people whose pockets are being emptied for this are the ones who are going to be hurt.

Q Governor, on welfare and welfare costs, a renewed legislative attempt is being made this session to get a bill through to permit old age recipients who also qualify for Social Security, to receive up to \$7.50 a month in free Social Security benefits. Similar legislation was vetoed during your administration. Have you changed your position on such legislation?

A Well, here again this will be in the budget message and so I won't comment because at the moment we do have some alternatives there of varying degree over this whole problem. This state, I guess, probably leads everyone else in the state assistance that we add to the federal where we don't think the federal assistance under Social Security meets the needs. We also have at the state level a built-in cost of living support and to simply go along with every federal decision which would be in contrary to our own laws would result in some people getting raises over and above those who were purely dependent on Social Security.

Q Governor, there is a gentleman from Denmark wants to ask you a question on national matters.

Q Governor, I wondered if you cared to comment on the first year in the Nixon administration.

A Well, yes, this is the anniversary, isn't it. Well, in one year I think the people in recent polls have indicated their own judgment of his one year tenure. They have -- something better than 60 per cent approve what he has been doing. I think that he's been proceeding in an orderly manner to organize his own administration but at the same time has very definitely started a fight back against inflation. We are feeling some of the pain of it right now. But there was never any pretense that there wouldn't be pain connected with curbing inflation and I think his approach has been sound. I think it's been courageous. Of course, it would be a lot easier to simply ride with the tide on that one. I think the -- the cooling of the demonstrations with regard to Vietnam is an indication that the people recognize that he has a program for Vietnam, that we are not just drifting there. Those two issues, I think, above all, are the ones of concern and he's been meeting them. Now, of course, just as we have been discussing here, he's meeting the problem, the national problem of a budget and again I think he is making every effort to stay within the federal income limits and bring to an end the more than three decades of budget deficits that we have known. So all in all I would have to assess it as a very -- a very workman-like and consistent job. It's been a benefit.

Q Governor Reagan, there have been a couple of three stories appearing about your meetings with student groups and different attitudes and so forth, calling you the new Reagan. Do you believe

A Well, I was sitting up there in the office calling them the new students. No, I've been terribly frustrated in that particular area for quite sometime now, of an inability to get back into communication with the students and part of it has been the knowledge that as we have seen throughout the country, so many who have attempted to speak to them finding that a small group of dissident could get between the speaker and the audience and prevent any communication and I have had a feeling this would also fit my own case. If you remember, more than a year ago I went over to Davis and appeared for an hour and a half on their school radio station in a question and answer program. Also including soliciting questions by phone during the program. And these students who finally-- we did get together and these student leaders, a number of them, student body presidents, complained of the same frustration, that they thought that the lack of communication was a choice of mine, and we are now beginning to find out that no, we -- they want communication and I want communication and at least we have a foot in the door.

Q Governor, along that same line, you met with President Hayakawa yesterday. Could you enlighten us about your meeting?

A Well, if you are looking for some specific purpose for the meeting or something that caused it, there was none such. President Hayakawa and I have been in communication by mail and by phone at times when things were very hot over there, since he took that position. But actually we have had very little opportunity to just simply become better acquainted and this was -- things were quiet enough that the schedule would permit and we just had a general meeting on that basis, to exchange views and for him to -- he told me -- wanted to tell me some of what's been going on, where they stand now on the campus and there are still many problems to be solved, but there was no specific reason for a -- the meeting other than that.

Q Along that same line, Governor, are you meeting today with President Hitch of California? He's going to be here.

A No, he's not on the schedule. No, I didn't even know he was going to be in the capitol. Probably on other business. Wait a minute, go back there.

Q New subject?

Q No, I was just going to ask that Jesse Unruh has been

appearing before campuses recently. When will you be doing the same? The campus you pointed out, Davis, was a relatively small group and not , for example, 2,000. Do you plan to meet before larger groups?

A Well, if the schedule permits, I hope to later in the spring get around. Of course he has a different purpose in mind right now in meeting with not only campus groups, but every kind of group. When I was a candidate for Governor, a few years ago, I was on practically every campus in California.

Q You say later in the spring. Do you think your status will have changed than what it is now about later in the spring?

A No, as a matter of fact, this is grown out of the same meetings with student leaders, as the discussion as to how we can broaden this and get a better contact with more students.

Q Governor, you have taken a position in the past that your mere presence on the campus could precipitate a riot. Are you over that period?

A Well, I'm hope -- I've used that as an expression. I don't know whether it would or not, but this was at a time, if you will recall, when the common activity of the -- the radicals, not only here in California, but all over the country, was to simply place themselves between speakers with whom they disagreed and the audience and make it impossible for them to be heard. I think you'll recall at UCLA, the Mayor of Los Angeles trying to speak and I don't think there was any question but that the majority of the audience wanted to hear him, but this dissident and very noisy group simply made it impossible for his voice to carry to the students or for their questions to get back to him and he just -- he gave up. This has happened to a number of cabinet officers and under the previous ~~administration~~ it even happened to some of the nationally elected officers.

Q Do you think it is safe for you to go on the campuses now, to walk on the campuses and appear in public on the campuses?

A I don't know. I'm willing to find out.

Q Governor, you said last summer, I believe, an intelligence report indicated to you that there was going to be more unrest this year on campuses than there had been in the past. That doesn't seem to be the case. Can you explain why that hasn't happened?

A Now, if you will recall, I said that as nearly as we could learn there were plans and there was discussion among some of these people as to change in tactics and there was a -- I told you that as far as our information was concerned, they had -- they were trying to decide whether more massive confrontations, but there was a large element that favored switching to a kind of sniping and guerilla type attack, firebombings and so forth, and I gave as evidence last summer the number of fires that were occurring on some of the campuses. A dozen in about an eight-week period on one campus. Most of them fortunately put out without great extensive damage. Now, there has also been out of that same discussion, there has been some splitting apart of those radical groups. There is evidence that great effort is being made right now to -- for regrouping. As a matter of fact, the FBI reported to Congress a few weeks ago, that on the week-end of January 9, 10, and 11 in Chicago, a meeting was held bringing together various radical leaders of the student groups for a meeting, now aimed at spending the remainder of the time of this year regrouping and re-organizing and with an eye toward continuing their campaign in one way or the other of violence beginning next fall.

Q Governor, Mr. Post in another document raises a question of whether the contract up in Oroville doesn't put the concessionaire in the driver's seat rather than the state in the driver's seat. Would you comment on that or --

A Well, we are going to -- this will be a matter for cabinet discussion before the week is out. Actually I wish that many of you on that had checked with all of those involved on this story because you'll find that we have been trying for two years to interest private investors in this project. There haven't been too many takers and all of this plan was engineered through all of the normal channels and usual channels and the office of architecture and construction through Alan Post's office. He was privy to it in the meetings beginning October, through the Attorney General's office, and seemed to get approval all the way along the line. And we will review this to see what, if any, validity there is in the complaints which were uttered as I recall, and it was indicated in his response, and his office's response to a question from Mr. Unruh. Now, wait a minute, I've been missing --

Q Same question.

A Same question.

Q Governor --

Q Governor, can I now change the subject?

Q Wait a minute, on that same subject, Governor, you say the Attorney General approved this, too?

A Yes, this was all -- all of the departments that would have to be involved in this were involved, including the Attorney General's office.

Q Governor, I understand a Butte County Board of Supervisors mailed that resolution January 9.

(Laughter)

Q And it has arrived in your office asking that the state reconsider the sale of 50 houses up there. Have you acted on it in cabinet yet?

A No, that -- that, too, will be on the agenda.

Q This week?

A Yes.

Q Before Friday?

A Well --

(Laughter)

A I haven't pinned the Secretary down that closely. I simply, and I assume that it is going to come up this week. Now, wait a minute here, a lot of hands are getting up.

Q Governor, I'd like to go back and try to clarify something on this welfare program and budgeting that you commented on. Now, are you saying that there won't be -- you won't ask for any changes in the program itself, but just administratively and how would that effect the budget this year, this budget deficit this year?

A No, no, I said that in the more than hundred million dollars of legislative changes that will be suggested, some of these will involve various facets of welfare also, but I'd rather not get into details because we will be coming out with a message and we haven't resolved some of the alternatives that are open to us.

Q And again does this -- will balancing the budget depend on making these changes?

A No, not balancing the budget. When you talk about what welfare will do to us in its vast increasing of cost, this is looking down the road ahead as we have to, as we look at expenditures rise and as the rise we can expect in revenues, we can see a point at which

unless this is corrected those two lines cross and expenditures get ahead of revenues, but the budget as presented will have to be balanced. The Constitution requires that a balanced budget will be presented.

Q Governor, what's your view of President Nixon's promise to veto the ATW budget in view of the fact that such a budget would wipe out impacted areas aid, particularly the large sum involved here in California?

A Well, I think his threat to veto has to do with Congress putting in more money than was requested for the program. I think his Secretary of Health, Education and Welfare, Robert Finch, has supported the idea of a veto if this is done. And if -- again, you can't talk economy and a balanced budget on one hand and then turn around and refuse to take the action necessary when someone unbalances the budget. This -- to me this comes a little under the heading of what here in California I'm permitted to do with the blue pencil, when the budget comes back down and each year I call to your attention well to the total of the three years I have blue pencilled out more than 200 million dollars. I've been coming closer to 300 million dollars in the budget.

Q Governor, on the week of your State of the State message and a week later you presented basically two different consumer affairs plans. What is the correlation between the county sealer of weights and measures handling it and last week you come up with your state consumer affairs department.

A I don't think there is a difference. We are re-organizing at this end, but we also believe that we could have the cooperation from the county end in which they who are right on the scene, the local level, could work with us and could be entrusted with some of the measures of control and enforcement. These are not contrary plans.

Q I asked the correlation between them; you answered that, but when you came out with your department -- your new department in the state, you said that then the consumer only had one phone number or one place to register a complaint, but if there are two separate departments, how do they work together?

A Well, no -- if I -- now, I may not understand all that they are doing in that re-organization over there, but it was my

understanding that they would work with the local level and perhaps some of those complaints themselves would come from the local level to us, but also some of the corrections would go back there for a purely local situation.

Q Governor, what would happen in the State of California if the President were to veto the ATW bill?

A I couldn't -- I'd be hazarding a guess. I haven't gone into this deeply enough to find out just what the repercussions would be.

Q Governor, a quick flashback to Rcn's question on the consumer issue. 'Wouldn't it be fair to say that instead of creating an entire new department of consumer affairs you are renaming the department of Vocational and Professional Standards?

A No, we are centralizing and consolidating just as we are in the re-organization of the Health Department. What used to be some of the department's -- if you remember some of the statements of Kay Vallory, times she acted actually as an agent receiving complaints and there were already departments and areas that she could refer those to for action and the action was usually forthcoming. Well, now we are consolidating these because their function is pretty much the same and we find that there has been an overlap in many of them and well, using an example in the other department I mentioned, the Health Department, we had the situation the way it stands now of one agency setting the standards and another agency over here entrusted with the enforcing of them.

SQUIRE: Thank you, Governor.

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1/27/70

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JANUARY 27, 1970

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, good afternoon. Bright and sunny day.

Q Governor, the Thoroughbred racing association says that if these tracks keep getting shut down by strikes they'd like the state to move in and take over the tracks. What do you feel about that?

A Well, as I understand their proposal first was for a -- the investigation of a permanent situation similar to a plan in New York where the state would be running horse racing and the second was for a temporary or I mean a situation where the state would do it temporarily in the event of an impasse such as the one we have right now. I have to -- I can understand their frustration. This dispute, there is no question, has hurt a great many people who are not actually participants, ranging all the way from the breeding farms to the men who work on the back, on the stable row to the horse owners, but I would be opposed to the state going into the race track business. I don't think that the fact that it is done in one other state necessarily means that it is good and after some 25 years of being an officer of a labor union and participating in negotiations of this kind, I would hope that it wouldn't be necessary for government to get in. I think that labor-management disputes as far as possible should be settled between labor and management. I do have a suggestion right now on this one. I think it is a tragedy it's gone so far and I would like to suggest right now that the unions involved in this strike submit the latest proposal from management and submit this issue to their members for a vote. I don't think this has been done. I don't think anybody knows right now the position of the rank and file membership and I would suggest also that it be a secret ballot and certainly we could offer the state conciliation

service for the handling of this, the counting of ballots and the insuring of the vote and that all members had an opportunity to vote and I think that this might be a very forward step and lead to some conclusion in what is a very regrettable impasse at the moment.

Q Governor, if the voters -- if the union members were to turn it down, would you then be in favor of maybe temporary takeover by the state?

A This would be something you'd then meet and discuss. I've kept out of involving myself in this because of my belief and that labor and management can, although they have known my willingness at any time if they thought that there was any way that I could be helpful that I was willing to. This would be something you'd look at as a result of that, but again as I say, I -- I hate to open the door to government injecting itself in these disputes. We didn't have to have it in all the years I was connected with the Guild and I think that labor itself would prefer to handle these affairs with management.

Q I wonder if you might be a little prejudiced against horses right now.

A We had a dinner last night for the trustees and I told them they were eating the horse that had me limping. It wasn't quite true, but no, I'm not prejudiced against horses. I bought this one. He's a new horse. He's not a completely trained horse, and I guess I learned the old horse trading idea, buyer beware. No one had mentioned this particular characteristic of the horse and I discovered it for myself. I -- you might say that what happened to me was I simply dismounted involuntarily.

Q Did you get bucked off, Governor?

A I got bucked off. We were -- I put him over the first -- or a jump and a sizable jump, and he took advantage of that moment when he had his head going over the jump and I was a little forward and he added a few ideas of his own following the jump.

Q Governor, what do you think about state employees adopting the strike --

A Doing away with their constitutional provision of no strike? I'm disappointed. I don't -- I have to say frankly I don't think it was a good move. I think our employees have a quality and a caliber, as I have said before, that are outstanding among all the 50 states. I think this gave them a professional status that was better than taking this stand because I have to tell you again, I do not believe in the right to strike against the public.

I do not think you can equate public jobs and job holders with the private sector in that regard. The state cannot go out of business. The state is not a factory that can close down its assembly line until the dispute is settled. The services that government provide must be provided. And there is no higher authority other than the people. With business, if the public good is in danger you can always turn to the representatives of the public in a last resort, just as we have been discussing here as to where should the state get involved if the public is being hurt. But when the strike is against that highest echelon, the public themselves, I just have to say that this cannot be recognized or tolerated.

Q Governor, there is a rumor going around that the budget will be so tight this year you won't have any salary adjustment funds for the state employees.

A Well, you'll all know the answer to all of that by next week. We are still and just finished a meeting on the budget. There is no question about it being tight. Some of the -- I'm not going to get into a discussion now, you'll get the message on the next week of what the final decisions have been made on some of the priority items that are still under discussion.

Q The state employees said they put that no strike pledge in in 1960 only to get a collective bargaining agreement with the state and that they will put it back in, the no strike pledge, if they do get such a collective bargaining agreement. Would you favor giving them a collective bargaining rights in some form?

A Unless I've been misled, let me say that we have been working for quite a considerable time with them to try and work out exactly the kind of grievance machinery that I assume they are talking about, machinery whereby there can be an input and there can be collective bargaining in the sense of meeting to work out the problems, mutual working out of the problems without leading to the -- the end result of a strike. And I do not believe there's been any breakdown in that -- in that procedure or the effort to find such a procedure. Am I correct in that? I certainly haven't known of it and I have been urging it and in back of it. It is not as simple as it may sound, but to my knowledge it's been going forward. As to whether they simply put that in to win a pay raise a few years ago, I don't believe it. I honestly believe that this was a matter of principle

And I would point to the fact that a number of chapters of state employees have said that they are not willing to give this -- this pledge up, three groups of state employees have notified me that they will fulfill their duty to the people regardless of cause or conditions. In other words, they will not strike.

Q Who are they?

A The Highway Patrol, the Forestry Firefighters and all of the Wardens and the personnel of Fish and Game.

Q Some of these people apparently want something more iron clad like an agreement among state workers, legislature and you before the budget is signed. How would you respond to something like that?

A Now you are getting into details in which I haven't been participant in those from our office who have been working with them trying to work out this machinery and I don't know what some of the issues are, John.

Q Governor, there seems to be a growing feeling among legislators and some citizens that there will be no real property tax relief in this election year from the legislature. What is your comment?

A I don't believe that, I think the legislature is ready to move and while we can't go into details and are not ready yet, but hope to be very shortly, we are continuing to meet on this with legislative leaders. We are hoping and we believe that we can present a property tax reform that would come up with property tax cut that would range from 40 per cent or more in the lower-priced homes on up to at least 20 per cent in -- at the highest level of the privately owned home.

Q When will the administration bill be introduced?

A Oh, -- believe me, I've been saying a matter of days. I know, and I'm still saying that, we know that we must come up with an answer on this. I hate to pin myself to a day because then when we run into a particular item and it takes more discussion than we thought and we wait for the next meeting to get back to it, but -- I still think that we will be a matter of days and we will present this program.

Q After the budget, Governor?

A Well, it won't be before.

including withholding in it?

A Well, again you are getting into details that will also be revealed. There are certain decisions and alternatives that have not been faced up to, and as I said earlier, I think the safest thing, so there is no misunderstanding of what I'm trying to say to you, is last year a number of us found ourselves in adversary positions and I think for me to comment on something of this kind that might be voicing an adversary position on my own part, that I opened the door to you asking others some of our legislators on the other hand, and I think the fact we are trying to come up with a consensus approach is one in which I'm better off if I tell you I will not discuss the details beyond the goals that I've always discussed, of what we are all trying to achieve, and you'll find that out when we finally have agreed upon these alternatives.

Q You are now taking an adversary role, you are not taking the role of in favor or opposing?

A No, but you are suggesting I comment my view on something that last year was controversy between those of us who were trying to come up with a consensus. If I do that they are then entitled to express their others and we are trying to arrive at a consensus.

Q Does that mean in so many words you haven't made up your mind on withholding in 1970?

A No, it means that I have made up my mind that I won't talk to you about the details.

(Laughter)

A There and I'll come back down.

Q Governor, is there any employee that's left your -- left the administrative level here that's gone back to Washington to help the President write speeches. There is a great similarity between yours and the State of the State and the President's State of the Union, the opening.

A What a terrible temptation this is to hark back to an old cliché about certain types of minds and certain types of channels.

No, I've had no communication and I said what I thought was proper to say for the state and it is possible that the nation is in the same condition.

Q Governor, back to taxes a moment, if we may. Are you -- when you are talking about a consensus you are trying to reach a

Q Governor, getting back to the state employees. In November you stated that you would fire any employees who struck. Is that still your position?

A I don't recall actually putting it in those kind of words, but when you say that you will not recognize a strike it means that the state will take whatever action it has to take to continue providing the services to the people that are affected of government. And -- I see no other choise. We just -- in other words, cannot recognize a strike. I am confident that faced with that particular issue I'm just confident, optimistic enough to believe that the fine employees of this state would not do that to the state of California.

Q Governor, do you believe the state employees are paid enough in terms of salary and fringe benefits in comparison with their counterparts in private industry?

A Well, I think that when you -- when you get down to all of the benefits and some of them intangible in state work, I think it is far closer than some people would have charged that the -- actually the factor of job security alone. I think there is some improvement that could be made in some of the fringe benefits and I grant you that as is true, I guess, in every line of work, when you have the kind of inflation we have had the last few years, it is just impossible to keep up and keep the people up with the increase in prices. As I said earlier in one of these meetings here last year, the earnings of Californians in general reached an all-time high and they were almost two per cent worse off than they were before they had those increases last year, simply because of inflation. Now, there is-- I don't know of any group that can totally conquer the effects of inflation without doing it at the expense of someone else. Everyone is hurt by inflation and they have been hurt also and there is no question that there are certain inequities that we haven't been able to correct in their employment because of the financial situation of the state and because of inflation itself.

Q Will your budget embody any improvements in fringe benefits for the employees?

A Well, again you are getting into the details. You will find that out next week.

Q Governor, is there any possibility that in order to get demoractic votes for your tax reform measure you might consent to

consensus on tax reform, are you talking entirely about a Republican consensus or are you talking also to Democratic legislative leaders about tax reform?

A No, I must be honest and say that at the moment this is trying to get our own leadership and the -- our own committee membership, the chairman and ourselves, together on this. There is no question, of course, that they bring in as to their input the views of those other votes on the other side and what their views are and this is a consideration.

Q Governor, do you have -- are you going to make any recommendation at the California delegation about overriding or not overriding Mr. Nixon's veto a little bit?

A Well, not it all came -- I mean it's all come to a head with the veto. Personally, I believe that the President indicated last night in his veto message, that certain problems that would result from the veto could be solved and he would be willing to agree to them in legislation, direct legislation. I think this points once again to one of the weaknesses of the system where the President, unlike the governor of California, is denied the right of item veto. I thought he made it very plain there were certain elementsⁱⁿ/there that he regretted having to veto in vetoing the whole bill and it is too bad this had to be done. I think, for example, of great interest to California is the impacted school area bill and it is my understanding that Congress is going to meet that one with specific legislation. And it is also my understanding that there will not be any great opposition to that.

Q Governor, do you favor the impacted aid program as it is now set up?

A I can't tell you honestly whether there are improvements that can be made or whether down through the years changes have occurred that should be reflected in the way it is administered, but I do know that basically here in a state where there are so many government installations, we have had more federal employees in California than there are state employees, and our large military bases. We have a situation where some school districts would actually have to increase their school tax by 2,000 per cent if there was no impacted aid program. It is just, you know, for someone to have a \$52 tax rate doesn't make much sense.

Q Governor, back to property tax relief. 40 Democratic

legislators today announced they're trying for an initiative and also a constitutional amendment including Assemblyman Unruh, to reduce the property tax on residential property at the -- and finance that by withholding and increasing business taxes. Have you had a chance to look that proposal over?

A Well, frankly, I have to say that other than the one which we know would produce some revenue, there is a little bit of demagoguery in this. For anyone to assume that you could retain a normal business climate and remain competitive with our -- with businesses in other states and try to get the almost billion dollars that might be needed simply from upping some of our business prices, it is pretty unrealistic and they know it is unrealistic.

Q Governor, you said last week that you would take up in counsel sale of Groville housing and the recreation tract up there. You said you'd do it last week. Have you done it?

A I was afraid that you were going to ask that.
(Laughter)

A Gosh, we got -- we got so bogged down in -- and right up through this morning's cabinet meeting in budget and tax reform, which is taking all of this, that we didn't. Actually, some of us at the staff level have been talking about this and my own position is -- well, I'm re-affirmed in my own belief. Are you talking now about the sale of the housing or the --

Q One at a time, the sale of the housing first.

A Well, I think in that particular problem there are two issues and there seems to be a concerted effort on the part of some to lump them together and pretend that the decision to sell the property and the houses and the manner of the sale or who the buyer was, are one and the same issue and let's separate them. The first one was an issue that came up as to whether the -- whether the property should be sold off piecemeal, house at a time by the water project or whether we should get out of the landlord business and the real estate business and dispose of the whole property. Now, this decision was made by the water project. It is true there were some people on the staff who would have been involved over a long period of time in disposing of the houses who wanted to do it that way. But those houses -- and incidentally there was a little misunderstanding here and it was on my part the other day when I said that I thought the houses were vacant,

and I think you said they were occupied. You were right, I was confusing occupancy with ownership. They were occupied and rented, and one of the factors that led to the decision to dispose of the property was that all of the renters in those houses were solicited by the water project as to whether they would be interested in buying their houses. They received less than a dozen replies. Now, Oroville happens to have only issued three building permits for homes in all of last year. It is not a great real estate market. So the decision was made to dispose of it and I'd like to point out that all of this talk that someone bought this at a bargain and the problem of sealed bids, that there was some 14 bids. A number of them were for only small packages or portions of the entire property and of the bids that were for the entire property the winning bid was \$26,000 over the next nearest bid. Now, this would indicate that experienced people in real estate did not share the view that because the assessed evaluation, that the tax assessors evaluation was a half a million dollars that this meant that this property was marketable at that price. And that's the one issue. The second issue now comes down to whether a man who is a member of a commission concerned with parole and rehabilitation and whose profession happens to be real estate, should have engaged in this secret bidding or sealed bidding process. Actually, this man made every effort to find out this was cleared by attorneys for General Services, that there was no objection because this was simply a sealed bid along with other sealed bids that went in and he turned out to -- to have made the winning bid. I stand here and tell you that there was nothing ethically, morally or legally wrong. You might question his political judgment at this particular season, knowing that there are always going to be a few people around who don't care who they attack in an effort to find a political issue. May I say also on the first issue, the part of whether we should have sold it or not, this went through all the channels, including the legislative analyst and all of them had an input on this, so there was no -- there was no controversy about the idea of disposing of the property.

Q Another subject.

Q Well, wait a minute. Governor, you said this is your personal position. Does that mean that you expect then to -- the state to uphold the sale?

A The state to uphold the sale?

Q Yes.

ED MEESE: The sale is final.

A The sale is final. The sale has been made.

Q Mr. War (phonetics) said that no contract is final, and that both sides -- if either side wants to pull out and it is agreeable to the other side, and he said he would be agreeable to pulling out. Does this mean then the state will make no move to go ahead and pull out of the contract?

A You are talking about Mr. Chandler pulling out of the deal?

Q Well, it would be up -- it is up to both of them.

A Mr. Chandler pull out of the deal, the state, as I understand, would lose \$26,000, because we'd have to take the second bid and we'd lose \$26,000.

Q Well, what -- no money has come across yet.

A What?

Q No money has been put on the table yet.

A You are talking about the winning bidder withdrawing -- with our permission withdrawing the bid. That leaves the next bidder below.

Q You can throw out all the bids, they threw them out before, start from scratch.

A So far I've made no step in that direction.

Q What I'm getting at, is this the position of the administration now that the sale is going to be -- go ahead?

A Now you are coming down to the meeting that we haven't held as yet in the cabinet, in which I imagine this very thing will be brought up and suggested, and I would be anxious to hear the input of Mr. Gianelli, Ike Livermore and General Services. So far I haven't had that input.

Q ^(rephrased) On this area of supposed conflict of interest, I wonder if you could give us your reaction about the charge of the Democrats there is a conflict of interest where you are living, accepting this \$40,000 worth of improvements to the home and with no increase in rent from business -- private businessmen. Can you just give us your answer on that subject?

A Yes, this is another one of those with one side who is now an announced candidate, watching him try for campaign issues is like

waiting for a street car. If you miss one there will be another one along in five minutes. Yes, it is very simple. I've explained this before. I would explain it once again. Our home was being sold out from under us, or the home we are renting. We sought all over town to rent comparable quarters. We were within two weeks of being evicted and we have been unable to find a place we could rent and a group of businessmen both Democrat and Republican felt that this was kind of disgraceful in a state this size, that such a situation should take place, and they bought the home. The home was furnished when we rented it. It was furnished with furniture that the owner assessed at \$40,000 and was willing to sell with the home at \$40,000. My wife happened to think that there -- better things could be done with that same \$40,000 and what's actually been accomplished is that we have a furnished home with the addition of a dining room that was added on and the glassing in of the porch and a powder room which the house didn't have, all within the \$40,000 figure. So the investment which we are renting is exactly, dollar for dollar, the same amount or that we were renting prior to this sale. Now, you might wonder how she could make those additions and those changes with their permission and have it furnished. Well, because part of the house is now furnished with our furniture from our ranch house, and other parts of it Nancy found that a number of people in this state, who were in sympathy with the original idea of trying to raise money to buy a governor's -- build a governor's residence and contributed to the state were willing to contribute fine pieces, antique pieces of furniture to the State of California, that some day hopefully will be housed in such a governor's residence. And so far there are \$25,000 worth of such pieces that have been contributed to that house. And other contributions and lending a number of pieces that have been lent both for the house and for the Capitol by the citizens of California total in all about \$100,000. Hopefully, perhaps, some of those that are being loaned at the moment, as time goes by, might wind up as contributions to the state. And we are paying through a trust fund -- or to a trust company, I should say, exactly the same rent for the same amount of investment that we were paying before and the reason I've gone into this in detail at this moment is because I don't mind the sniping that he may attempt for a political purpose at me, but it seems to me that when someone reaches out and doesn't care how many legitimate good honest citizens

he hits and vilifies ... an attempt to get a political issue, he is beneath respect. And this is exactly the situation. As I have said to you before, some of the landlords happen to be very prominent supporters of the Democratic party and they felt at this time that this was a state issue and was above partisan politics.

Q How much is that rent? Is that \$1250 a month?

A Yes, that makes \$15,000 a year, doesn't it?

Q What's the total number of landlords?

A What?

Q What is the total number of landlords?

A You know, I'm not -- I think it is about 17, I'm not sure. If you ask me to name all of them I couldn't do it.

Q How many Democrats?

A I can't -- I don't know the total number. I know of three that I happen to know personally.

Q Is Ben Swig one of them?

A Yes.

Q Governor, for the record, can you state categorically that none of these landlords have ever approached you regarding any state business?

A Oh, for Heavens sake, of course not. This -- first of all, I don't think they ever would. Second of all, I wouldn't listen if they did. But none of them had ever even thought about such a thing and incidentally, this has been true of everyone else that has had anything to do with supporting me as a candidate from the very first. I told you once before and it is true, they told me when I sat down here up in this office after the election that the only string that they had on me was they had done what they did because they wanted good government and that's all they asked. And to this day no one has ever asked any more.

Q Governor, Mr. Unruh is the one who made the initial comments about this. Did I understand you to say that he's beneath contempt?

A I said that the -- did I say him or did I say the deed, whichever way I think it is beneath contempt in partisan politics to -- in an attempt to get at what you think might be an opponent, to vilify and hold up, as he has, legitimate citizens in this state.

Q You are speaking about Mr. Unruh, when you use that term?

A Well, I guess you tagged it, it is true, he's the only one that so far has brought this issue up, that I know of, but anyone that wants to join him comes under the same classification.

Q Governor Reagan, did it ever occur to you that this could be used either rightfully or wrongfully, though, as a political issue in a campaign, that you were living in a home bought and paid for by supporters?

A Well, it didn't -- no, it never occurred to me because how could it occur to me, I was renting the house already. No one ever challenged the landlord before and said that some way by -- you know, I don't know how you fellows feel and maybe I don't know much about renting, but I want to tell you that when I'm paying \$15,000 a year I don't exactly feel that I'm obligated to them to do them any favors. As a matter of fact, I might ask for a favor or two.

(Laughter)

Q Governor, this morning you mentioned you were considering declaring a disaster or state of emergency because of the floods. Did you or have you?

A Yes, for 12 counties we have declared a state of emergency.

Q What counties?

A Oh, come on.

(Laughter)

A I feel -- you start alphabetically, computing on from there.

Q Governor, you have one more on the house. Will you live in this house for the foreseeable future, as far as you --

(Laughter)

A Will I live in this house for the foreseeable future.

MR. MEESE: It is a year to year lease, Governor.

A Ed Meese just provided the answer, it is a year to year lease.

Q When does it expire?

A The end of each year. No, this gets into a whole another subject and one of these days maybe we will talk about it. I think that the whole thing is -- still rather disgraceful. I think that this was a good start, those people who unselfishly and they were bipartisan, wanted to contribute a residence to this state and set out to raise money, they were discouraged, they were driven off simply by the partisan attacks that were launched, the making of this into a political football, so they contributed the land they had already bought and they contributed the plans they had and whatever money was left over, and no action has been taken and no action has been

taken for 30 years, and the truth is to those who editorialize that this was not the way to do it, roughly about half of the governor's residences in the United States were contributed to those states by citizens who did exactly that, raise the funds and gave them as a gift to the state.

Q Do you anticipate or have any hope or optimism, Governor, that the legislature will expand on that further this year or some progress?

A Your guess is as good as mine.

Q I'd like to return to Oroville for just a second. You said an offer was made to the residents of the rented homes asking if they wanted to buy them. Was that made with the assessed valuation as the figure for purchase?

A I don't know whether they put a price in or whether they simply asked if they had any interest in buying those homes, or not. I suspect it was the latter. We could find that out from Mr. Gianelli, but I think it was simply an inquiry as to whether they were interested in owning those homes and they received less --

Q No, it wasn't, Governor, they had a price in the letter of \$11,000.

A What was it?

Q Ten to eleven thousand dollars.

A Well, then that's the assessed valuation of the homes, so then they were asked if they were interested at the assessed valuation.

Q Was any thought ever given to asking them if they would purchase them at a lower price comparable --

A That you would have to ask Mr. Gianelli.

Q One of the Russian editors said your comments about the Vietnam war yesterday were not conducive to a swift settlement of that conflict. What did you tell them that caused such an immediate reaction?

A I didn't tell them anything like that.

(Laughter)

A But I don't really know what they were getting told because some fellow when I finished talking, he talked to them. I will tell you this, I was quite interested to note, though, that in a couple of my answers that might have led to a pleasant smile or a chuckle with regard to what I was saying, there were some of them who

chuckled before they heard the translation. Which has led me to believe that they were not all completely ignorant of our language.

Q Governor, your daughter's quoted as saying that she's been to South Vietnam and she doesn't think a military victory is possible there. Do you have any comment on that?

A Well, now, while I'm partial to my daughter and love her very much, I don't think foreign policy should be decided by USO entertainers.

SQUIRE: Any more questions?

(Laughter)

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