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4/28

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD APRIL 28, 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, I think the only opening statement today is to congratulate and welcome back our Medal of Freedom winner, Squire Behrens. Squire, congratulations.

SQUIRE: Thank you, sir.

GOVERNOR REAGAN: We are all very proud.

SQUIRE: You have an opening statement otherwise?

GOVERNOR REAGAN: That's my opening statement.

VOICE: He's looking for business.

Q Governor, the Los Angeles School Board has endorsed by an overwhelming vote proposition 8. What is your reaction to this endorsement and what effect do you feel it will have?

A Well, perhaps people do strange things under pressure. I hope that it won't have any effect because I still say that Proposition 8 is totally irresponsible and would be terribly destructive to the economy of this state. I -- it is not a tax reduction in any way. It is a gigantic built-in tax increase with no control whatsoever, over that tax increase. It would simply be mandated on the State depending on what local school districts wanted to spend on education.

Q You were quoted last week at the Women's Republican Banquet as having promised to end campus unrest.

Q Wait a minute, before we get on that, I have another question on this.

A All right.

Q Last week Secretary Finch said regarding the Los Angeles Teacher's strike that the State should take an active role in ending it, and he felt it's the State's responsibility and he disagreed with your recent statement that it was a local issue and did not warrant

intervention by State officials. Can you comment on that?

A I -- perhaps by just dropping out here for a quick visit the Secretary of Health, Education and Welfare didn't realize that the strike presently going on is illegal. It is in violation of the law. It is in violation of a court order, and for the State to inject itself or intervene at this time to negotiate, we would be undercutting not only the duly elected Los Angeles School Board, but the roughly 50 per cent of the teachers who are continuing to fulfill their contracts and we would in effect be recognizing an illegal strike.

Q Governor, what does it mean that there is a federal mediator involved in that situation when the State hasn't done anything at all?

A Well, because both factions there agreed to ask for the kind of mediation in labor disputes that the federal government has offered. I have made it plain that the State was -- if it was anything that both sides wanted us to do or meet or where we could be of help, we would always be willing to. I see nothing wrong with them asking a mediator to come in.

Q You say they could have asked the State but chose to ask the federal mediator, in which case why do you think they did that?

A I imagine because that's a normal -- a normal practice. Most labor disputes do.

Q Governor, aside from the immediate strike situation in Los Angeles, has your position changed at all insofar as what you feel the State might do or should do to alleviate this general financial crisis that's developed in the Los Angeles School District and schools elsewhere in the state?

A Well, no, but no one -- you are asking my position on that. I think that the State -- there is no question the State has a responsibility not only for educational policy but for help in financing the public school education. And the State for a considerable period of time has been unable to keep up with the skyrocketing cost at the local level in order to achieve the long sought goal of 50-50 financing. As a matter of fact, since World War II the State percentage in spite of vast increases in school aid, has been steadily going down. Now we have managed in these three years to halt that decline and even to turn it around and to gain a point or two -- a

percentage point or two, but we certainly have made no -- had no possibility of making any great stride toward achieving the 50 per cent ratio, but among the things that I've advocated in the past and still think the State out of the atmosphere of the strike should continue to study is to free the school districts from the districts that are attached to the present subventions. I'm not at all sure that with this strike mandating of how the money must be used, that we are getting the best use out of that money and that's why in last year's proposal for tax reform part of that tax reform was to free the schools from this mandating, to be more in the -- in the position of block grants to the local school districts and let them determine the best use of that money. I still think this should be done. Right now there are 7 boards and commissions starting with the Little Hoover Commission down through a state board of education, my own governmental commission on educational reform, but all told seven boards and commissions that are studying facets of this. Not only the mandating, but the entire subject of schools -- of school financing. And I think out of all of this should come some better answers not only as to the use of the present funds, but if additional money is needed how much and then it must be treated by the legislature and the administration in that manner.

Q Governor, you've been critical of the way that the L.A. school district has used the funds that it's getting. Would you --

A No, I -- no, I've said that I -- I've tried to read what I thought the people meant when the people in that district voted three to one against an increase in taxes, that they questioned whether the money is being effectively and efficiently used. Now, it is possible that it is. Also possible that it isn't. But you are not going to get public support for more money for education until you face this and until the people are assured one way or the other. And I think any governmental agency or any program can effect economies -- can find better ways to make use of the money and I'm sure this would be true in the schools as well as our own State departments. But once this is done, if there is still a need, very likely there is, then you -- you can come forward realistically and the people can have an open and objective view as to what the needs are and not be laboring under this impression they have that -- that the schools perhaps are exaggerating the need.

Q Are you speaking of State mandates when you speak of mandates, how the money is spent?

A Yes, the one billion sixty-five that is in the coming budget which is the State's subvention to the schools. A great deal of this is tied to specific manners in which it must be spent.

Q Can you be specific on that?

Q Governor, are you talking about -- when you say the past problem, generally are you opposed to both major parts of it, the 50 per cent financing by the State and the 90 per cent of welfare, or one or the other?

A I am opposed to an over-all program that makes no guarantee whatsoever of any property tax reduction that simply mandates that the State will have to come up in the first year with a billion 130 million in new taxes and that every year thereafter the State will have to come up with 50 per cent of whatever the local districts decide they want to spend on their schools.

Q But you are not opposed to the principle of the State contributing 50 per cent of the cost?

A I campaigned on that. And I'm -- I'm still pledged to that and have tried -- as I said before, for the first time we have reversed the downward trend not by much, only one or two per centage points, but beginning three years ago the State's percentage of what it was contributing, its percentage of the total school cost was about 41 per cent. And we have managed to raise that one or two percentage points since then. But it had come down to 41 per cent from about 45 per cent 8 years before.

Q One of the -- the new L. A. County budget which is out today calls for a 94 cent increase in local taxes, and the chief administrative officer there says that welfare accounts for over half that. The reason for that is the State isn't meeting its responsibility with respect to welfare and he's calling again the Supervisors for take-over of welfare by the State. Can you comment on that?

A I would<sup>not</sup>/like to see a total take-over of welfare by the state. I think you'll find in programs of that kind every time you move up in an echelon of government your bureaucratic overhead seems to increase and just as I would be opposed to a federal government take-over, but in our tax reform proposal we have offered a way whereby we will take about 160 million dollars off the backs of the counties in the financing of welfare.



Q Governor, as I understand it, your position is that you will -- or you will make a study or study will be made of the needs of the local school districts, and if it shows that they really need some more state aid then you will move in that direction. When would that be, do you think?

A Well, your guess is as good as mine. I know this, that there would be -- the only way at the moment in this budget that you could contemplate additional money for the schools would be the imposition of the new tax because there is no surplus money. We are not sitting on any funds. The Chamber of Commerce has -- has just recently cautioned the legislature, in a letter to each legislator, it's cautioned them about the lack of surplus that is envisioned in the coming budget and in a kind of soft economy such as we have right now the dangers inherent in that. We are well aware of those dangers but I think that the steps that logically should be taken -- well, first of all, the illegal strike should be brought to an end. I see no way that you can negotiate with a faction that is striking in contravention of the law. But with that ended, I think that the passage of our tax reform program would be of help in that it would remove a portion of the burden from the property taxpayer and would put it in the more elastic income, in sales taxes. Then beyond that point as we know what that will do and as I say, with the studies that are being made about the present use of the one billion sixty-five subvention, I think we should be able to get some facts and figures upon which legislature could go forward and we could look at what the real need is.

Q Would you rule out any increased aid and new tax this year for that purpose?

A Well, I -- I don't know that we could have any of the information that we need to get. As I have told you, there are seven groups right now that are all of them studying the various facets of the public school system, including financing and the present curriculum structure and a number of other things. Now, I don't know when they are going to come in with their findings.

Q Senator Harmer and Assemblyman Greene's committee, because of the L. A. strike, came out with an advance information on their studies of the L. A. school strike. How do you stand on their proposal that's coming out to reorganize this and the monies maybe from the State aren't being spent the way you feel they should be?

A Well, I don't -- you've thrown something up I don't know about their report and I haven't seen it. If it is similar to Senator Harmer's previous announcements about the breaking of the school districts into smaller groups, it isn't --

Q The reorganizational level.

A I don't know anything about it, so I couldn't comment.

Q Governor, is there any way other than the passage of the tax reform bill -- suppose it doesn't pass, is there any way that the State could assist the County of Los Angeles, it would have to have that big a tax increase?

A Well, as I have -- I'm not going to contemplate what if the tax reform program doesn't pass. I think it is going to. And I would question, really, those who would find it impossible to support it, because I think it is a good tax reform program. I think it meets the needs for reform and I think it solves some of the very problems that we are talking about and certainly it is responsible where Proposition 8 is totally irresponsible.

Q Do you think ~~it~~ constitutes the only way in which the State can be of assistance to the Counties now, the tax reform bill?

A Well, it is the only way -- the only way that is in a position right now to get something done.

Q Governor, the Finance Department confirms that California is in a recession. And this suggests that there will be further cuts in State spending. If so where will these cuts come?

A Well, the legislative analyst himself has suggested to the legislature some areas for cutting. We have suggested them in a package of welfare bills which could total -- we are not sure of the estimates, but anywhere from a hundred to a hundred 30 or 40 million dollars in savings if these bills were passed. And perhaps if they were passed, once again, this might also give us some leeway for some of the priority items we weren't able to include in the budget this time.

Q Governor, you have said in the past that barring any major revisions in your tax reform program as it is now before the legislature that you'd be perfectly happy with that. Assemblyman Bagley and George Steffes ~~of~~ said the same thing. I was told by Mr. Steffes that you could live with conformity on the oil depletion thing. That is if the State went along with the oil depletion rate as set



up by the federal government, provided there weren't any other major changes. Is that a correct statement of your position? Could you live with it?

A This is up to the legislature. As a matter of fact, the provision that we included in the tax bill at that time, we had believed as far as money was concerned was pretty much in conformity with the changes at the federal level. Now, there seems to be some discussion upstairs in the hearings -- there are hearings going on this afternoon on the tax reform bill. I will abide by what the legislature does in -- in this regard. It is a relatively minor part of the over-all tax reform program. I definitely am committed to the belief that the industry must share in this program, but I certainly wouldn't reject the whole program on the basis of some minor change that the legislature might make.

Q Governor, in regard to Sid's question, do you recognize that California is in a recession? And if so, what do you think should be done?

A Well, I don't know whether I'd use the word recession. Some of these terms have come to have a very technical meaning. I've heard economists debate whether something is a depression or a recession or something else, so I don't know whether I should properly use those terms. I think that there is no question that the anti-inflation fight has done some of the things that all of us must have recognized would have to happen or take place if we were to fight inflation. And this has been a softening of the economy, a slight increase of unemployment. Fortunately, California was in a better position to take this than it was a couple of years ago because we now are declining in that slight drop in unemployment, we are -- or increase in unemployment. We are increasing from a position where we have the lowest unemployment in 15 years. There have been complications also over and beyond the anti-inflation fight. These are particularly aerospace industry where changes in government contracts have caused an excess of unemployment there. Now, we have joined with our fellow Californians and our delegation in Washington to do everything we can to see that California is involved in contracts to be let with regard to future aerospace spending.

Q Governor, you made an offhand remark to the Allensworth people yesterday when you met with them that some of the revenue

estimates didn't seem to be quite what they were a few months ago.

A Well, this is -- This is the same thing that Sid was referring to that -- yes, if you've got a softening economy you've got an increase in such things as unemployment insurance outgo, and even welfare, but by the same token the inventory piles up, you are going to find a change in your estimates as to revenue for sales tax and income tax. You just have to -- I don't know that we have any real figures, but we have to -- the warning signs that we should be prepared to take new estimates on those.

Q Governor, if your tax reform package does pass pretty much as it is now, do you anticipate there is going to be any need for taxes increased next year or changes in the tax structure?

A No, other than the one that we were talking about here. If everyone should come in and there should be agreement on the part of everyone concerned, including the public, that additional school financing is needed, then I think you have to treat with that problem. And there is no excess money to get it from other than -- well, it is possible, as I said before, from this package of welfare legislation, and I think you'd have to -- you'd have to meet this problem and see what could be done.

Q Governor, Allen Post suggests that we double the tax on liquor and knock out fair trade minimum prices and that in the long run both the State and consumer would be better off. Lower prices and more taxes. Do you have any comment on that?

A I think this has been a -- this has been a controversy and it is not an easy one, it is a complex problem because I'm one who normally believes in the free market and letting prices find their own level. On the other hand, I've supported <sup>the</sup> fair trade practice act in this regard because of -- well, the licensing feature of this business and the fact that there are those who are engaged in the sale of alcoholic beverages for whom it is only a small part of their total business as compared to small business people, the family-owned store in which it is the sole stock and trade. So far our -- our own Bureau has -- which is closest to this, has taken a position of continuing to support the fair trade practices act. And I've seen nothing that's made me change my mind. I don't -- there is a limit on this kind of excise tax above which you -- you cannot go without beginning to shut off the supply. And I'm not sure that it is just

as easy as to say let's double the tax and believe that it will continue to go on. If that were the case, the sales tax would be a fantastic temptation to any governmental agency, but we also tread easily there because we know there is a point at which you come to diminishing returns.

Q Well, Mr. Post suggested that we are subsidizing in the out-of-state distillers about 20 per cent now. That if we let the free market have its way with lower liquor prices, 20 per cent and then you could increase the tax a little bit, the consumer would still be ahead. Is there some fault with that logic?

A Well, I don't know, I just have to tell you that I haven't had any studies that would -- it is something to look at, I'm not going to shut my eyes and pretend it isn't, I'll be asking some questions about that in the next day or two of our own people, but I don't have any information that would let me comment one way or the other.

Q Governor, is it your position that if there is a need for massive additional aid to schools as a result of these studies that the only way to get it would be increased taxes next year or when these studies are completed, is that the only --

A Well, when I -- I know that some opening -- or some remarks of mine a moment ago may have indicated that. I was overlooking and I don't want to overlook, the fact that right now the legislature has it within its means, within its hands, the possibility of making available something in excess of a hundred million dollars from existing revenues simply by changes that we believe are necessary in the -- in the welfare laws. Now, I suppose I should leave it at that, because I don't know whether more money is needed for education or how much more. I do know that the -- if our tax reform program is passed the schools will have financing that will automatically increase at a better rate each year than the property tax has in the past. Without a change of rates. That is because they will be getting their income from taxes that are geared to the economy.

Q The supporters of Proposition 8 say that a minimum of 300 million dollars is needed by -- in the next fiscal year. If that -- if your studies prove that out, what you are saying there will have to be new taxes to raise that amount of money?

A I will have to say there is nothing in sight now to raise 300 million dollars other than new taxes, but those same supporters are the same right now who have 67 pages of demands that would cost 1 billion 350 million dollars.

Q Governor, in light of our dual problems seemingly at the same time of recession and inflation, do you think that Californians ought to change their habits as consumers to try to help the economy get back on its feet?

A Well, now, wait a minute, give me that again, change their habits as consumers?

Q Do you think people should be buying less, taking less advantage of the financing and so on?

A Well, I have -- I've always felt that inflation basically stems from government and namely the federal government, which prints the money and increases the money supply. I grant you there are then things that take place later, increase in the cost of labor, which result in increases in the cost or price of the product, which keep inflation rolling. But no, I would not suggest to the people that they themselves embark on a program of buying less. In effect, a kind of personal boycott in each individual's part as an answer to this. Not at all.

Q What sort of federal action would you suggest, Governor?

A Well, the action that the President has been trying to take, an end to deficit spending. It is deficit spending that makes it possible for the government to increase the money supply. I think the budget has to be balanced. He's tried desperately and he's been under -- by lack of cooperation on the congressional level and some of the spending agencies back there.

Q Congressman Tunney alleges that this inflation is caused by the spending that's been required by the war and that this is an argument for us to -- to end our involvement in Southeast Asia. What do you say to that?

A Well, there is no question but war is always an inflationary factor because you find -- you find war using up the material and supplies or products that reduces the amount of products available for the people to buy at the same time the amount of money supply is increased because of the producers are producing things that are not for sale to them. So war is inflationary. But I don't think that you can make desire to cure inflation your -- the reason for

either continuing or getting out of the war. I don't think wars are on that kind of a dollar and cents basis. There are other factors that certainly have to be considered, namely why you were there in the first place, what was the mission, and whether the mission has been accomplished.

Q Governor, do you think the President was perhaps premature in ending the highway construction cutback when he did?

A Well, I only have to -- I have to abide by the most who advised him in the -- in the inflation fight to begin with, and assume that those who advocated certain measures to be taken and then advocated the loosening of strings, such as the easing of credit and the allowing of some of this production to take place -- you either -- you either go by their advice and their program or you turn it down and I think the President believed that and indicated to me that he believed that his economic advisors on this and accepted their counsel.

Q Change the subject?

A Yes.

Q One more. Governor, on the State level has your staff compiled any kind of a study on whether or not you are going to have a -- have to have additional funds and welfare and unemployment insurance to meet the rising unemployment rise?

A So far -- so far nothing of that kind has been -- has been presented to me. The unemployment insurance, of course that fund is in a sounder state than it has ever been. There was great danger about four years ago that the -- there was little in the reserve fund and that outgo was threatening to exceed income. That fund has been built up and the fund is on a very sound basis so we have no concern about the unemployment insurance fund at all.

Q Are you --

Q Change the subject?

Q It is a change of subject.

A Well, he was first for change of subject.

Q Governor, Assemblyman Chappie seems concerned about illegal marijuana smoking in the capitol. I was wondering that this was a problem that you were aware of?

A No, I wasn't aware of it. Wasn't even aware that they found a few sprigs of the weed growing out in the -- in that 40 acres



of the capitol grounds out here, but I'm happy they found it and dug it up.

Q It's not a problem in and around your office, in any event?

A Heavens forbid. Morality was an issue in our campaign.

Now-- (Laughter)

Q Change of subject again. Last week you were quoted at the Republican Women's Banquet as having suggested that you were going to -- that you were promising to end campus unrest. The quote was, "The plans have been laid for how we will deal with this. It will be halted." Are we to assume that this is part of your re-election campaign and platform?

A No, not at all, I think -- remember, I was answering questions there. And I was trying to point out also that the most recent action taken by the Regents which was to strengthen the Chancellor's hands, and such things as making suspension mandatory, those who are -- evidenced that they were participating, and I think there are other things that the administrators can do. I think there are actions that still can be taken to speed up due process. The long several weeks wait many times before a faculty student committee is mustered to hold a hearing on someone who's been charged, that violation of rules and good conduct, that a number of these things I think could be stepped up on an emergency basis because I think this is an emergency.

Q Governor, change of subject. I realize you may not be certain of confidential information the President has, but in general what is your opinion of the United States furnishing additional arms and/or troops into Cambodia?

A Oh, I -- I don't think -- I know that meetings are going on about this and I know that this has presented a whole new problem for a decision to be made at the presidential level, and I just don't think I would be commenting on it.

Q Governor --

A I think it's evidenced that the domino theory didn't even wait for the first domino to fall.

Q To go from Me~~o~~ng to Bay Delta, have you made a decision yet, Governor --

(Laughter)

A No, our own war of the Delta, let me say there will be an



announcement on that in the very near future.

Q This week?

A I think, yes, I think you can count on that.

Q Governor, can you be a little more specific about the plans for ending campus unrest? For example, are you entirely satisfied with the setup for the State giving assistance and for other jurisdictions giving assistance and so on or do you have any plans to make proposals to change that kind of --

A Well, no, our people were in the Guard, Highway Patrol and all are constantly upgrading and updating their own findings and improving this communication system that we have for mutual aid. But beyond that, as I say, beyond that kind of upgrading, whatever we -- from experience learn something that shows us a better way to do things, we have a pretty prompt method and a great system of communications between local law enforcement and the major cities. One of the problems that confronts you is when you have a campus disturbance such as at Santa Barbara, you have to recognize you are in a completely different ballgame than you are in the heart of a great city, that you are dependent then on local law enforcement that is more scattered that doesn't have the available numbers and that outside assistance from other communities and from the State must be ready to move in more swiftly. If you muster all of the men available of the Santa Barbara County Sheriff down there, you just don't begin to touch the manpower available, say, over in the Bay area or in the City of Los Angeles, but all of these problems are under consideration and --

SQUIRE: Any more questions?

A I have one.

SQUIRE: Thank you governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MAY 5, 1970

Reported by

Beverly Toms, CSR

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GOVERNOR REAGAN: Good morning, we have got some guests with us this morning, it happens just about every year, that Dr Richard B. Harvey, Professor of Political Science at Whittier College comes here and he has with him a group of college and high school students. Students from Nogales High School and the college students from Whittier College, of course, and they are all political science students. I have an opening statement here which has been distributed to you.

(Whereupon Governor Reagan read Press Release No. 248.)

Q Governor, do you think there is in California, a need for this new -- for new welfare funds of some kind? Is there poverty in California now that's not being met? Are there malnutrition among AFDC families?

A Well, the -- you have to add all of the things that you've suggested into the fact that I've always claimed that welfare is a failure. Whether this requires additional funds, if you are failing with the funds you are spending, the normal federal policy back over the last few decades has been to simply pump more money into the same failure. I don't agree with that. I think the money is there, if the program is administered on a more realistic basis and more of an effort is made to remove people from welfare -- I repeat, the goal of welfare has always been to work itself out of existence. Not to become something to permanently institutionalize this poverty.

Q Governor, what impact do you think the opposition of California will have toward the bill as it moves in the Senate?

A Oh, I think it will be something of an impact. I think that they will want to hear -- after all, we have been called a microcosm, we have been called an almost identical cross-section of the nation

as a whole. And I don't know of any better example of the problems of the program than we have run into. We have done our best to curb it and keep it from getting out of line. We have some pretty good ideas here as to the regulations at the federal level that have made it impossible for us to improve it more and we think the time has come for a whole new concept, a new approach.

Q Are you disappointed in the approach that Secretary Finch has taken toward this problem, Governor, or have you discussed this with him at all?

A No, our -- our people have been in touch with people in the department, and as I have -- let me reiterate once again, we have no quarrel with the concept that the President had and his approach as we would last year; what we think has happened, as it made its way through the Congress it found the measures that we were counting on to give us help and a change just gradually became softened until the program represents just more of the same thing.

Q Governor, you say that the bill would give us -- the Secretary of HEW and Secretary of Labor much wider latitude and unprecedented discretion, but aren't you asking for that same latitude and discretion from the state legislature?

A We are asking for it here at the state and local level, no, we are asking for some pretty specific bills of the legislature right now that would reduce our welfare burden another hundred or a hundred fifty million dollars.

Q But haven't you said that you needed administrative flexibility?

A And we want to pass on an administrative flexibility to the county where they actually administer. For example, Los Angeles County now has to add about 3,000 new case workers or social workers because of their increased cases. We think that a study is needed in the whole -- in that whole field. This is mandated on Los Angeles County. They didn't sit down and make a decision themselves that they needed this additional help. The law imposed on us from Washington or the regulations and in turn passed on by us to them stipulates for "x" number of welfare recipients you must have "x" number of case workers, social workers. And so here in effect is the County of Los Angeles that is forced to employ another 3,000 employees.

employees.

Q Do you think Secretary Finch in supporting this bill is taking a stance not consistent with President Nixon's philosophy on welfare?

A In defending this bill I have to say that -- that this is being willing to accept changes from the original concept that we were briefed on last August.

Q Is he being inconsistent with the President's philosophy on welfare and still supporting the bill with these changes?

A Well, you have to ask him that.

Q Governor, what changes are you specifically referring to?

A In the bill?

Q Right.

A Well --

Q Changes that were made in the House.

A Well, you'll find most of it's contained here in this statement. The original concept was a work or else concept. These have been softened. You will find that we have no more ability to remove a person from welfare for not working under the bill as it now was -- has been passed than we have under the present welfare laws.

Q Governor, you said the money is there, Governor. Does that mean -- does it mean that a new welfare -- federal welfare package does not have to cost any more money, that it just redistribute present expenditures on welfare?

A I'm asking from the state level here. No, my comment was directed to the fact that this gigantic spending burden of welfare in California, that the solution to the problem is not just to find more money for the solution, is to make a better use of what we have. As, for example, the bills we have before the legislature which would free the amount of money I mentioned.

Q Governor, I have a question on another subject.

A Well --

Q Governor, Congressman Wilbur Mills, the Chairman of the House Ways and Means Committee said if the Senate tinkers with the bill and it comes back to his house they will get nothing. Would you rather see no bill than the bill in its present form?

A That's right.

Q Have you discussed this with the President at all?

A I've communicated with the President and I've had conversation

with the Vice-President and I've put all of this in writing and the White House knows our views and there is no quarrel about this.

Q Governor, although there are indications the President would veto the bill if the Senate adds any additional money, he said after it passed the House that he was pleased with the bill. Would you say then that you and the President are at variance on this bill as it is now written?

A Well, if he's still pleased with it all I can tell you is that we didn't just -- we weren't so brilliant that we could just sit here as the bill went its way through the House and take the position that we have just taken. This has been the result of a continuing study by our own welfare people and we had an advantage that perhaps in Washington they didn't have. We could take the actual operation at the state level of welfare and simply project this ahead under the terms of the bill as well as we can understand it and discover what happened. Now, we have also had people from Washington come out with us on this, and in many instances they couldn't quarrel with our findings. They had to agree that the things that we said would happen would happen. Now, perhaps they are having a second thought back there, I don't know.

Q Have you talked to Senator Murphy, does he agree with you?

A I informed him of our position here. He hadn't taken a look at this. He didn't know -- he's aware that some things have happened in the passage of it through the house. And we, too, are generally in agreement.

Q Do you know if the President still supports the bill?

A That I don't know. No, I don't know.

Q Governor, on what do you base your information that it would cost as much as 15 billion a year? Where did you get that estimate?

A Well, these figures you will find have even been testified to before the committee in some of the hearings, that an estimate of in excess of 4 billion dollars is based on 1968 welfare figures. And this doesn't take into consideration what has happened between 1968 and 1970, in states like our own, and if you will check back on the entire history of welfare and Medi-Cal or Medicaid and Medicare, you will find that the federal government has traditionally underestimated the cost sometimes by as much as -- well, the multiple is five times as much.



Q Governor, could you prefer to see welfare entirely a state and county or local matter rather than have a federal program?

A Well, if I -- if I had my dreams and my dreams could come true, I believe that the idea of a federal block grant, the idea of leaving money here at the first place and with certain minimum standards set by the federal government to insure that no state could just pocket the money and not fulfill its obligations to its citizens, this kind of overseeing and I believe that the state could do a better job than trying to pass laws and regulations at the national level that fit 50 states with a great diversity that we have in this country, I believe that we could save the taxpayers money.

Q Governor, in San Diego you told the audience a story about a woman in Denver who --

A Colorado Springs.

Q -- made \$8,000 or something tax free. Don't you think stories like that intensify public hostility toward welfare and make more difficult the kind of reforms you feel are needed?

A No, I don't think it makes it more difficult to get the reforms and the context in which I gave that was a reply to criticism that -- about our attempts to focus attention on the need to get something done. If the people don't understand -- if the people don't understand how far wrong the program has gone, then how do you get the legislative action? How do you get the public sentiment that results in legislation to make changes possible? No, and there is no attempt to inflame, you know this. How many times you've heard me say, and normally I've never made a statement on welfare that I haven't recognized the fact of our obligation to those who need our help. And also you've heard me almost as many times claim that I believe that the vast majority of people on welfare want off of welfare. You know, with this multitude of programs that we have and this overlapping and confusion, it comes down to something that the greatest labor statesman, I think, that we have ever known, Samuel Gompers, the founder of the American Federation of Labor, Samuel Gompers, said the greatest welfare that you can provide for the people, for the worker, is to give the worker the wages in which he can then make provisions for his own support and his family's. And he was castigating directly social reforms that he said in place of wages to try and give the worker such things as care and do things

for him. He said, "Give him the money for his work and let him buy those things for himself and he'll be a free man." Now there, as I say, was the man who I guess was probably beaten more by goons and thrown out of more places, persecuted and harassed more than any in the labor movement has ever been before or since, Samuel Gompers.

Q Governor --

A Yes.

Q -- what specifically are you referring to when you say the bill would encourage the dissolution of families? Do you know what section of the bill you are talking about there?

A Yes. Although we are talking about a quite lengthy document now, don't try to pin me down as knowing by heart all of this. But this has to do with provisions of the bill with regarding -- and the same problems we have today in the aid for dependent children program, the fact that we found actual cases where the father by leaving the household could improve the total income for the family. And again this is the state financ-- or the government financially encouraging father to leave home. It was not in the original concept, it is now.

Q Change the subject, Governor?

Q No, one more question.

A One more. You have one more, too. All right.

Q Well, Governor, you talk about putting these people to work and so forth, but with unemployment rising and so forth apparently as it is throughout the country, isn't it just mathematically impossible to under any circumstances, to put everybody in the country to work, aren't you always going to have a substantial welfare population?

A Well, and there is also -- there is also going to be a permanent establishment of welfare of people who are -- who can't be put to work. We know that. Their age, disability, whatever it might be; a temporary dislocation of unemployment by reason of an attempt to fight inflation should not stop us from trying to give every person who today is for some reason unemployable or less employable in the competitive field, to give him an opportunity to go out and compete for a job. No, we can't stop that kind of effort.

The other thing about unemployment is unemployment is not just a general thing. It is rather selective. If you pick up the Sunday papers, your own papers, and turn back to the classified ads you will still see that the metropolitan papers are running anywhere from 25 to 30 pages of ads of jobs that are seeking people, and strange enough the jobs that are the hardest to fill today, the jobs that are going begging, are jobs for the least skilled type of employment. Now, did you want to change the subject or --

Q Did I?

A Well, he was first and then you for change of subject.

Q Warren was first.

A He was first, you are so fair back there.

Q Yesterday your people were evidenced during the Assembly -- part of your tax program did not pass. Are you willing now to consider compromising, particularly with respect to education and finance in order to get Democratic votes?

A Absolutely not. And I'm hard put to understand the Democratic leadership. Their own members revealed that they do want tax reform and they voted for it. The vote at one point was 46 to 15, enough to pass, and then they called a caucus and the Democratic leadership was able to persuade the several Democrats who voted for the bill to ~~not~~ vote for it. No reason that I know has been given as yet or none was given on the floor as to why they took this position. So we are in the position of 40 Republicans. We can't muster 41, one is in the hospital. If we had the man who was in the hospital on the floor, tax reform would be a reality today. We'd have the 41 votes. But for whatever reason, I am not going to sit by myself and see tax reform and the desire and the need to reduce the property tax burden in this state, the home owner's burden, see that used as something in the nature of blackmail in order to get something else. If the legislature honestly wants to vote more money for education, they have the package before them that makes it possible and does -- has nothing to do with tax reform. On the floor of the legislature is a package of welfare bills which will free anywhere from a hundred to a hundred-fifty million dollars for other uses and they know that I am willing for them to make other and better uses of that money. Not simply take it as an economy move. All they have to do is pass those bills and then take up the matter of the

need for school -- extra school financing with the money that would be made available.

Q Governor, you said tax reform would be a reality if that bill had passed, but in fact there is another bill which requires two-thirds vote.

A That's right.

Q And there are Republicans who refused to vote initially yesterday for this one bill. Now, doesn't that indicate --

A But they did wind up today voting all 40 Republicans.

Q What about the bill requiring two-thirds --

A The two-thirds majority bill, yes, this would throw us somewhat out of balance, but you will find that the bulk of the financial shift from the property tax burden is in the simply 41 vote bill. There are some other -- some others of a lesser amount that due to constitutional problems have to be over in the two-thirds measure. But I believe that even their having passed the major portion of the bill that there are Democratic legislators who want to vote for this who have made the promise the same as we have, to try and give property tax relief. The Democratic leadership which has talked about it and harrangued about it, whenever they could get an audience, when the chips are down on the floor, they were found wanting.

Q Do you mean to say a moment ago that you would settle for just the 41 vote bill?

A Oh, no, no, I think, though, that if you get that major part, I think the other will follow.

Q Governor, the Democrats voted unanimously yesterday to reinstate your original oil depletion formula and the Republicans voted unanimously against it. Can you comment on this?

A No, I have said on that particular thing that the original concept was to come out with something that -- the nature of conformity. We thought we had done it. I said whatever the legislature decided about that upstairs in their hearings, they did decide, -- I would remind you that Democrats and Republicans on two committees voted together to bring this measure to the floor, Democrats voted with Republicans to pass this measure, and then were called off by their own leadership. For whatever reasons, they will have to explain.

Q Governor, are you talking about AB 1360, the welfare bill

that's still in Assembly Health and Welfare?

A I think more than one bill, we have got a package of bills up there, and the -- I couldn't give you the numbers right now.

Q Well, that seems to be the major bill anyhow, and that was heard and is still being heard in Health and Welfare. The people from the Department of Social Services could give the committee no information at all about its impact on the counties, and the County Supervisors Association vehemently opposed the bill because they said they believe the impact would be more than the counties could handle.

A Well, the counties will also find that in our -- these things all tie together. In our tax reform bill we are taking 160 million dollars off the backs of the counties for welfare.

Q Governor, the Democrats indicated yesterday that they think this is -- the tax reform bill is the only place that they can get any increased aid for public schools. Now, can you give them, in order to get their votes on that package, any kind of assurance that you will pass a bill on education?

A No, and I will not bargain on that because this is not true. The only way, by way of tax reform in addition to school aid would be to vote an increased tax. We have pledged the people that we would not use tax reform as a means of getting an increase in taxes. If additional school financing is needed and it requires an increase in taxes this should be treated as separate legislation, but again I say to you, we have a package of bills that would permit additional money for school financing without any change in the tax rate.

Q Governor, as a result of last night's action, are you convinced that there will be no legislative tax reform program this year and if so, what effect would that have on Proposition 8?

A Not at all, I'm -- I refuse to believe that because I know that there are Republicans upstairs who want to make good themselves on their pledge to reduce property taxes and I believe that -- that in the long haul they will prevail.

PAUL BECK: You mean Democrats, I think?

A Democrats, democrats.

Q Change of subject, Governor.

A O. K.

Q Governor, you received a wire from the greater L. A. Urban



Coalition. It was signed by 50 members -- 50 directors and it has a pretty imposing signatures, names on that telegram, including Louis ~~Lumberg~~ <sup>Lumberg</sup>, the Chairman of the Board of Bank of America, Norman Topping, President of USC --- Chacellor Viola and so forth, urging your assistance and intervention in the Los Angeles school problem. Do you plan to ignore that wire and that request as you have handled the situation previously?

A No, I'm not going to ignore their wire. But again I would point out to them and they should know by now as I have said to you so often, I know of no way that the legislature and the Governor can inject themselves into a labor dispute between the Los Angeles school board and a group of teachers who were striking illegally, against the law. Nor do I think it would be right for the legislature and the Governor to recognize a group who are present<sup>ly</sup> breaking the law. My own position would be, I urge those teachers who are still out on strike and who are penalizing the children in their charge, to go back into the schools and go to work, and the problem of school financing as I said before is one to be treated not only there but also in the legislature. It is not true as one editorial has had it today that I am sublimely indifferent or negligent with regard to school financing. The plain truth of the matter is that after eight straight years of the State's share of education declining it started to go up again in the three and a half years that we have been here. Now, you can't bring it up to that 50 per cent ratio all at once, but I would like to point out that it has gone back up under us. We have sizably increased the amount of money that we have been giving over what had been given in the four previous years and we recognize, and I have not abandoned my belief in the eventual 50-50 formula, trying to get to it. But one of the things that you might as well know is it is almost impossible for the state to give enough money to keep up with the skyrocketing local costs. Also there are school districts that could keep you from ever making 50-50. Suppose the state gave \$500 per student in a district and the district put up \$500 per student, we'd be 50-50, but suppose that particular district wanted to tax itself to give a luxury kind of education in which they were going to spend \$1500 per student. Does that mean that the state automatically has to come up with this if the basic 50-50 ratio was providing what was believed to be a standard in solid education.



Q Governor, on another educational subject. Your appointment of Clay Mitchell to the State Board of Education is under attack in the Senate, principally from Democratic Senator Alquist. What is your comment on his criticisms, particularly relates to books that he --

A Well, I'm confident that we appointed a man with the experience and the training and the background to be a good member. He's President of a school board at the present, and I have every confidence that he is going to be approved and that he'll be an addition to our State Board of Education.

Q Do you think you have the two-thirds vote you need in the Senate?

A I hope so. I'm going to assume so.

Q Governor, you didn't go farther on Bob's question. Would you care to speculate as to the effect that the Assembly's action so far, or their inaction, excuse me, on your tax reform package will have or ~~is~~ having on proposition 8?

A Well, there are some -- there are some who disagree with me that there is any connection at all. I think there is. I think that the -- the lack of accuracy in the arguments of those who support Proposition 8, their pretense that it is in some way a benefit to the property taxpayer has to have made some inroads and convince some people that this is a way of easing their property tax burden. It isn't, it is a fraud, as I originally called it, but I -- I believe that one of the best ways we could defeat the possibility of Proposition 8 passing with its subsequent financial chaos for the state would be the passage of my tax reform.

Q Have you communicated with the Republican leadership in the Assembly since last night your strong belief that compromise should not be undertaken by them with Democrats in the Assembly?

A Well, I think they have been informed by the statement that I issued last night about that. I haven't had any direct contact, I came in this morning first thing just to greet you and --

Q Governor, do you also rule out the possibility of compromise on the oil depletion thing? Assemblyman Bagley indicated yesterday that he would be willing to put it back as it was originally provided the Democrats could guarantee enough votes, to make up for any possible loss on the other side.

A Well, as this one --

this is a fairly minor portion of the bill, a few million dollars are involved in this, and as I said before, when the word first came down that there were legislators on our own side who took exception to the -- the manner in which this tax was to be imposed, I said then that it was in the legislative process. I will abide by what they decide upstairs.

Q You are not adverse to any compromise on that?

A No.

Q Didn't you think the imposition of a four-year limit on withholding, if that comes about, is a workable change in the bill?

A I -- not only accept it, I wish I thought of it myself. It would have made the whole thing taste a little bit better.

SQUIRE: Thank you, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MAY 13, 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, we have some young people, some visitors here from the Modesto Christian School to watch the press conference, glad to have you present. I have a statement. It isn't prepared. It is just something I'd like to say before we get to the questioning. And then from the transcript Paul will see that all of you get a transcript of this. I think with the understandable excitement that's gone on regarding the war situation and what's taken place in our campuses in the last few days we have lost sight of something that I think is of vital importance to the people of California, and this is the subject of tax reform. Now, in proposing tax reform to the legislature we did this and consistently have made the promise that it would be without any attempt to use that as a device to get a tax increase or a tax reduction, that it was simply a shift of the tax burden in order to provide a property tax reduction for the overburdened home owners in California. When this reached the floor of the Assembly it received a majority and a bi-partisan vote. Then a few leaders called those who had voted for this, called the others into a caucus and they returned to the vote -- to the floor and the no votes changed their vote to not voting. The yes votes did likewise and with one member of the Assembly in the hospital seriously ill the measure failed for a lack of the necessary 14 votes. Now, the not voting is in effect a no vote, but with some kind of an attempt, I suppose, to avoid responsibility for the vote. The excuse has been given that educational financing or public school increased financing was not made a part of this program. There was a part of the tax reform program in its original state that we introduced that had to do with the financing of public schools. That part was taken out by a bi-partisan vote in

the committees. It has been suggested that -- I, some legislators that we could find additional money for the schools from other sources and some legislators have suggested that there should be a tax increase to provide this financing. There are two measures in the legislature right now that cover both of those points. One, a tax on public utility -- publicly owned utilities would gather more money and it would be ear-marked in the legislation for schools. The other is, of course, our package of welfare legislation which would make from a hundred to a hundred-fifth million dollars available for other spending and I would be perfectly willing to listen to proposals to use that for the financing of public schools. I will not, however, be blackmailed into financing any program by trying to tie it to a purely tax reform measure. This is legislation by blackmail. Tax reform is one issue. Educational financing is another. They should be treated separately. So I just want to here announce that I intend to seek every means to do everything I can to see that the taxpayers in those districts where their representatives represented them by not voting, learn of this and have an opportunity to make a decision as to how they want to be represented in the future. The taxpayers of California have an opportunity in this program to have a reduction ranging from 25 to 40 per cent on their total home tax and this is being denied them by a group of legislators who refuse to vote either way and I'm going to see, to the best of my ability that the people of California know who these individuals are.

Q How are you going to do that?

A What?

Q Are you going to go in each one of these districts personally?

A If necessary. One way or the other I'm going to communicate.

Q Governor, are you declaring war on the Democrats, essentially, on this?

A No, no, I am just saying -- I am just saying that the legislative process should take place and I've been concerned that in the last few days with all of the either flag waving or flag burning that's going on some people seem to have lost sight of this, and I think some legislators have happily thought that they could bury their lack of voting on this other issue in the excitement of this -- this

concern about the war and the campuses.

Q Well, isn't that sort of answering one form of blackmail with another form of blackmail?

A Not at all, I think the people are entitled to know how their representatives voted. Now it may well be that in some of these districts those people might prefer to have their -- their representatives vote no on this measure. I'm speaking of the -- the number of legislators who just simply avoided voting and by taking no action at all, in effect not representing their districts, we do not have a decision that, to me, should be an aye vote or a no vote.

Q Governor, you act like this is a -- something brand new, but six Republicans declined to vote for the bill including Mr. Schabarum whose objections had nothing to do with withholding. There was a sudden caucus and ~~there~~ was a sudden 6 yes votes. Last year your re-- one of your reorganization plans, it was going to be sent out to study when there was a sudden note from a corner office, a sudden caucus, and all the Republicans voted in a block for it or declined to vote against it. What's new?

A I don't say that there is anything ~~new~~ about this.

Q Why the --

A I say for two years everyone has been talking tax reform and they have a tax reform program and a tax reform program that was in effect approved by the majority of the Assembly, and then suddenly this change occurred. We'd have no quarrel if we had a 41st legislator here, but we did deliver the number of votes. ~~The second~~ time around there were only 39 because one was absent. It didn't make any difference, the others had decided not to vote. I just believe that the people of California who in June are going to be faced with what I have referred to as a fraud on the ballot, a program that is now a headline on the billboards as a tax reduction, property tax reduction and it is nothing of the kind. It is a gigantic tax increase for all of California. The people are going to have to make some decisions themselves and I think they have a right to know what is taking place here in the legislature with regard to a sound and sensible tax reform program.

Q Well, Governor, does that might mean that you will ask that there be as fast an action possible on the other two measures for school education and then get it back again and put reform back up?



A You've heard me talk about these other two measures. One more than the other, the welfare reform legislation at great length and you heard me from the very beginning say that the legislature could -- could then review and decide how it wanted to use that money once it was made available.

Q Are you going to push for those other two now to move faster?

A Well, I've been pushing as hard as I can for them up till now.

Q Governor, there's been a lot of public concern about education and financing particularly with respect to the teacher's strike in Los Angeles. It's been an issue there. Are you still convinced and is what you are saying that property tax relief is more important to more voters than education?

A I have to say that property tax relief or tax reform is absolutely essential if you are to proceed. I think we have reached or passed the breaking point as far as the property taxpayer is concerned. Under the present tax structure this is one of the -- or the principal source of money for education, and there is no more leeway there at all. And I believe that we can proceed in far better order to meet the needs if these needs are truly established, for more money in education, if we have a tax structure that is more equitable than the one we now have.

Q So you do think that property tax reform is more important to voters than education, right?

A I believe it is right now. In fact, many of the people and the striking teachers have suggested that the no votes on the tax overrides in their local districts were prompted by the people's resistance to any further property tax increase.

Q Do you think Mr. Unruh is responsible for the withholding of Democratic votes?

A Well, why don't you ask Mr. Unruh.

Q Governor --

Q Governor, do you plan to talk to any of the Democratic legislative leaders before you go out in their districts and attack them?

A I'm -- my door is always open. They can come and see me.

Q Have you invited -- some of them complain that you haven't invited any of them in the way other Governors have had by-partisan conferences. Do you intend to do anything about that?

A Well, this is kind of a two-way street.

Q Governor, during your mention of the two possible educational finance measures were you expressing support for the one authored by Assemblyman Bagley which would increase public utility taxes -- impose a tax on public utilities about 30 million a year?

A Yes, if -- if the findings we had before that legislation was introduced were correct, it was my understanding that this increase could be made without any increase in rates to the -- to the utility users.

Q This is disputed by the League of California Cities. They say that the -- that that would have to be passed on either on the bills or on the property tax to keep the cities the same income. Do you know anything -- did you look into that?

A I suspect something of a conflict of interest there. As far as the California League of Cities.

Q Governor, I'd like to pursue Sid's question a little more if we can, please. I'm not clear, are you willing to sit down with the Democratic Leadership and try to work out a tax reform package which is acceptable to both of you or has it gone beyond that point where there is no reason to talk to them about it?

A I'm willing to sit down with them, of course. Never been a time when I've said I wouldn't talk to anyone. But I will not sit down on the basis of a -- meeting their demand that the only way they will vote on tax reform, vote either way on it, is to make it a combination tax reform and finance education bill.

Q Well, would it be good for Californians if you invited some of these people down and tried to work something out, at least make one last effort to try to work a compromise out between you and the Democrats.

A Well, now, the manner of whether they ask to see me or I ask to see them, this is something you just have to leave to my own judgment as to which is the proper thing to do.

Q Governor, you seem to imply that the Democratic opposition is based on political considerations alone. Do you accept the possibility that some of the Democrats who vote against your program might have some legitimate grievances with the party, etcetera?

A I accept that, of course. There are differences of opinion and they voted no, until the caucus. But I'm also pointing out that

a majority of the elected representatives in the Assembly until pressure was put by way of a caucus voted for this program. I also would point out that in two committees this program, this tax reform program after extensive hearings went through two committees, some changes were made in those committees and it was voted out with a bi-partisan Democrat and Republican vote out of both committees, and I'm quite sure there are Democratic Assemblyman right now who are anxious to vote for this program and who believe it would be for the benefit of the people they represent.

Q Can I now change the subject?

Q Onw -- if you were to hold a meeting with Democrats on this, what assurance could you give them that the educational package might be passed, if it were not tied in?

A Now I can't give them assurance it will be passed. I think that then in the normal legislative process there are many things to be learned. Number one, is state aid inadequate, must it be added to or is state aid a question of improper distribution. Just recently, as you know, the Cal-Tax organization has revealed how many districts in this state are already receiving far more than 50 per cent from state aid. That many of them would suffer greatly if Proposition 8 should pass, and they were reduced to 50 per cent support because their share of support is far less than ours. Now, this doesn't mean that this should be changed. They probably require this much state aid. What I've said before is I -- I believe that we have approached as one legislator said, support of public school financing with band aids for years and years until the band aids have piled up so far you don't really know what the wound is underneath. And I think that there should be a study -- there is a study, there are 7 commissions and agencies, the legislature themselves have created two that are reviewing and studying the entire structure of the public school system right now. I think we need the information, we need the input that would come about in the normal legislative process of establishing what is the need and how best to meet it and to me this can be done very well within the framework of an equitable tax structure rather than trying to tie all of that as a requirement before you will change the tax structure.

Q You say you are opposed to legislative blackmail, Governor. Yet there is a widespread view in the Assembly, even among some

Republicans that y would not support any me re to raise AFDC grants, the first boost in maybe a dozen years, unless there is also passage of legislation to -- of what some people regard as punitive welfare legislation, what others regard as crackdown on abuses. Are those two tied together in your mind and wouldn't that be legislative blackmail, too?

A No, not at all. Some of the things with regard to welfare, you've seen the figures in the gigantic increase of welfare recently, some of the figures are simply necessity that is forced on us. As a matter of fact, I could tell you that the spending on welfare is eight and a half per cent above, so far, what our -- what our projections were for it. And we already knew it was a runaway in cost and already even going beyond our already lavish predictions.

Q But you are tied together as far as you are concerned, the AFDC grants and the crackdown?

A I must admit, you have me a little confused about this question. I haven't tied anything from one to the other. I have simply said that if they were both to free the money that would be freed by these improvements in welfare, I'm willing to listen then to any use that they want to make, any legitimate use of the money and I'm quite sure that there are many priorities that we had to simply pass over in the budgeting process because of lack of money. Now, you and then John.

Q Marty.

A All right.

Q If, as you suggest, there are a number of Democrats who really want to vote for this pending tax reform program, don't you think that some kind of compromise short of new education money could be reached and you could get Democratic votes?

A We had Democratic votes without any compromise. Changes had been made in the bill that met some of their requests. They voted yes for the bill, and I think they should be allowed to vote their conscience again.

Q Governor, there seems to be considerable movement at both the Universities and Colleges, both private and public, around the state, to allow students course credit even if they leave campuses to involve themselves in war protests and political activities.

Do you -- as a continuation of your effort to keep things cool on the campuses, do you support that kind of action?

A Well, if I understand some of the things that are being proposed, no, I don't, and I don't believe that the majority of students and the majority of faculty want this cheapening of the value of their education or this interference with the academic process. As nearly as we can determine, the classes are being held and students are going to class and teachers are teaching and anywhere from 75 to 90 per cent attendance. I think the -- those who feel strongly as they do about the war and the political issues, political activity, have plenty of time as every other citizen does on their own and after their normal day's school activities are concerned to go out and work, circulate petitions or drum up mail campaigns or do whatever they want to do. But I do not believe that the people of California should be asked to support an educational institution or a function which makes holding rallies and getting petitions and discussing the war a substitute for the courses that a great many students want to take and need for their education. We have instances right now in the law schools of students that are approaching graduation. Well, unlike other -- many other professions or jobs, they must be not only -- get their diploma from law school, but they then must pass a bar examination and we have seen instances of students who say that the work they are expected to do and the study that they're expected to do in the next several weeks is vital to them if they are to pass those bar exams and I think they should have that opportunity. I believe the educational process should go forward. I think the vast majority of students, the vast majority of faculty want this. I think there is an element in the faculty, there is a revolutionary element there as well as among the students that has consistently on one basis or another wanted to downgrade or interfere with the academic process. They should not be allowed to do it.

Q You don't see that arrangement as a continuation of your closing down the universities in order to keep the peace?

A Do you mean the two-day --

Q Yes.

Q -- closing. No, I think that that -- I'm inclined to believe that that served its purpose very well. They came back Monday. There was relative quiet on the campuses, there was, as I say, 75 to 90 per cent attendance in classes on most campuses that we have learned about, and I think it did give an opportunity, a pause



to think for most of them. Ray, you had your hand up, or --

Q Governor, back to the tax reform thing, I was wondering what you are planning now with your tax reform package virtually dead in the legislature, what are you planning to get tax reform moving again?

A I'm going to remind the people who also, I think, have been diverted by the present war situation, remind the people that there before them is an opportunity for a 25 to 40 per cent cut in their tax on their homes, and all it requires is a vote in the legislature.

Q How do you plan to do that, Governor?

A As I said, I'm going to use every means at my disposal to inform the people.

Q Will you have a special report on television?

A What? I've thought of that. I'm going to consider and I'll use everything that could be effective.

Q Governor, this morning Lieutenant Governor Reinecke was scheduled to speak at Hayward and Berkeley and both speeches, again to Republican groups, were cancelled, at the request of the administration in Hayward and campus police in Berkeley. Do you think that this was done because of some hostility to your entire administration or do you have any evidence as to why this was done?

A I have no evidence. I didn't even know about it until you just told me about it, but I think this is one of the things that could very well come out of this. I think that the majority of students and faculty do want both sides. I think they do want to hear all views. They have been prevented in this to a great extent by the revolutionary minority. And I think that out of this it would be well worth it if recognizing that this -- they have been deprived of this, that they would take the lead in insuring that all views could be heard. As a matter of fact, I have an item in my pocket that I found in a newspaper and it had to do with over at Stanford. A young man there that -- I don't know how many of you know about this item or read it, but this was a case in point where they had finished a number of speeches at a rally at White Plaza and then they announced that it was an open mike for anyone to have his say. And a young man, a salesman, 29 years old, took the mike, and sought to have his say. He announced he was a Vietnam veteran, served in Cambodia and he said he would like to present a somewhat

different picture of the war than they just heard, and he started with, "You kids may be ruining your school and your lives by what you are doing," at which point two obscenities, screaming Third World War liberation students returned to the mike, took it away from him, threw it to the concrete and said, "We won't listen to the enemy," and then they said, when they opened up a free mike they meant it was for constructive, creative ideas on ending the war, it was not freedom for the enemy to speak and so of course the students who were present at the rally did not hear whatever this veteran who had served in Cambodia had to say.

Q Governor, are you aware that the students for Gay Power at U.C. Berkeley will hold their first full scale public dance on the campus?

(Laughter)

Q And invitations ----- asking homosexuals to attend and saying, "It is of prime importance that a first ball be well attended." The invitation also says that "Dress styles will be virtually unlimited." As a Regent do you approve of this kind of a gay ball?

(Laughter)

A No. And I didn't receive my invitation.

Q Does this disturb you, though?

A What?

Q Does it disturb you? This function will be going on the campus.

A Well, let me say right at the moment I'll try to concern myself with some other activities to avoid being upset.

Q A week ago at a conservative Republican group you said the Now Generation is not lacking in education, it's just been taught much, that just isn't true. You said students are being exposed to fantastic indoctrination. Would you explain what you meant by that and how --

A Yes, this isn't any change from what I've said on a number of occasions. I have said to those who charge that some of us might be suggesting injecting politics into the -- into education, that it's already been injected. That in fact we are asking the other way. I believe that -- that there has been a chance to where a number of teachers are indoctrinating with a viewpoint rather than simply exposing students to all viewpoints and letting them make up their own mind, make their own decision. We have had teachers

that have publicly stated that they believe this is their function. I think this is particularly true in -- in the social sciences and in my contact with students and the meetings that I've held I've been amazed at some of the beliefs they hold with regard to not only our economic system, social structure, but their lack of knowledge on the war, on some of the things back of it and some of the conflicting views to those that they have commonly been taught. And I -- I just don't think this is good education.

Q Governor, we have seen increasing evidence of a growing protest movement against the war, particularly American involvement in Cambodia. A rally here Friday, a rally in Washington Saturday. Do you feel that there is increasing evidence as some commentators have said that the Nixon administration is losing touch with the moods of the people of America?

A Well, evidently he hadn't lost touch with some construction workers on Broadway. No, I don't at all. I recognize there is a concerted move on the part of some against any conduct of the war. But again, and following the briefing that we had in Washington, I have to say that if only those who are fair minded, regardless of their repugnance for the war, and all of us have a repugnance for the war, this has dragged on for more than eight years now, this war -- but here is a new administration that in a little over a year has created a plan for turning the fighting over to the people involved, the Vietnamese and withdrawing our troops, and has concrete evidence to prove that, the withdrawal of 115,000 men so far and a schedule for the withdrawal of 150,000 more. Now, an operation was announced, not an enlargement of the war, an offensive operation that was announced as necessary to continue this Vietnamization and this withdrawal of American Troops, and it is an operation that is only scheduled to last a few weeks. Now, before we tear the country apart and destroy the academic community it would seem to me that the majority should be willing to sit -- at least those few weeks, to see if indeed this is what the President said it was. Now, back through the preceding several years we heard Presidents of the United States and Secretary of Defense McNamara, tell us over and over again, even the term was used, the hackneyed old term, that they will be coming home by Christmas, we are going to get out. The truth of the matter is that a year ago January when this administration took over there was no plan whatsoever for Vietnamization and

no plan for the withdrawal of American troops. The plan was created by this administration and has been put into operation, and I believe this administration has a right to ask that they wait the few weeks to see if this operation wasn't indeed what they said it was.

Q Are you seriously concerned that America will be torn apart over dissent and the war?

A I am seriously concerned that there are those, as there have been for some time, who have intended that this should happen. I think the enemy himself has made it perfectly plain that he hoped his victory would be one by dissent in America. And it is interesting to note in this latest operation that our own military intelligence had information that the enemy's orders to the forces based in Cambodia were to exact at least a hundred American deaths a week because they believe that would be politically unbearable in America. Which I think is evidence that their strategy and their offense was aimed at public opinion in this country.

Q Governor, Hobart Burns, the acting President of San Jose State College said yesterday that he was torn between supporting students' anti-war protests and fulfilling the obligations of the law, that is to require that classes be held and completed, an entire semester's work before a grade is given. Having been torn between these two alternatives he resigned. Do you have any comment on his resignation?

A Well, it was resistance to this faculty move and I have to say that as nearly and from what I've read, whether resigning was the proper thing to do I have to concur with his decision that the obligation and the duty of the college was to stay open and provide an education for those who wanted it. And this again goes back to the point that I thought I'd made earlier, that I believe it is time that the administrators on our campuses and the majority of the faculty who believe that same way should stand up and make it very plain that the universities and the colleges are going to stay open and are going to provide an education for those who honestly want to get one. Now, those others who feel that they can't do a part-time job of registering their dissent with national policy, then I suggest that they drop out of school. If they just can't -- but I don't see any reason in the world why someone who wants to spend his full time in political activity should be given a college grade for it. in some course that has nothing to do with political dissent of any

kind, and in my believe this cheapens the quality education that we have prided ourselves in providing in California, and it demeans the value of the diploma.

Q Governor, you mentioned the construction workers in New York. Is this the silent majority we have been hearing about and what do you think of their conduct?

A Let me say this, with regard to this kind of violence, I think it is as understandable as the violence the other way, but it is the very thing that I have cautioned against and I've said that if we do not take firm action to -- and particularly in the campuses which have been the staging area for this kind of dissent, we will one day see the rising tide on the other side and we will see law enforcement standing in the middle back to back trying to keep two American factions apart. No one wants to see that, and --

SQUIRE: Any more questions?

A It is a shame it's gotten that far.

Q Yes, Governor, were those construction workers -- would you call them a bunch of bums and rascals, would they -- would they rate with the same kind of terms you've used for violence on that other side?

A They haven't burned down any schools yet.

Q Governor, you have in your reorganization of the State departments and this sort of thing, there appears to be a rising situation of a body without a head because the chain of command of your departments, especially in the departments of education and employment, where the orders coming over from not direct chain of command, but from another part of the State, and the people are worrying and confused, are you going to check on your reorganization plan and see if it is working?

A Well, yes, we are going to check it, I'm not sure that I'm aware of what you are talking about.

MR. MEESE: I'm not, either.

SQUIRE: Thank you, Governor.

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5/19

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MAY 19, 1970'

Reported by

Beverly D. 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: We have some visitors today to the Press Conference, from Stanford University. And if they seem to look a little different than the normal journalism class, it is because I understand their extracurricular activity has to do with the athletic department over there. Glad to have you here. I have a statement which has been handed out.

(Whereupon Release No. 277 was read by the Governor.)

Q Governor, does your administration have a plan to present to the legislature in case Prop. 8 passes at the June 2 primary election?

A We don't have anything in legislative form but we have been working and exploring all the alternatives, and there would be of course alternatives that would range from where you try to raise the money totally from taxes, whether you try to find some of it in just simply abandoning programs that are now conducted and financed by the state, whether you do a combination of both or a combination of taxes or a single tax in order to get the money.

Q Governor, the President says today that the next two federal budgets are going to have extremely large deficits, billion dollar deficits rather than the surpluses that was originally anticipated. Do you think that the state is going to be in considerably worse shape financially than you originally thought when you presented your budget proposals?

A No, I don't know that our latest estimates that we have any indication of that. There have been re-adjustments in those estimates but as I have been very frank to tell you for quite some time our financial problems while we are solvent and not in a condition that we were in four years ago, we still have not been able to get

state spending back within state revenues and so far we have been balancing our budgets on the economies that we have been able to make and carrying those savings forward to balance the next budget. It is getting closer and closer, of course, as you have trimmed away the fat, the economies are harder to come by. We are approaching the day when -- this is the reason for the stringency in our budgets, when we have to make each year's revenues pay for the -- for the budget.

Q Do you think that the continuing economic decline is going to make it harder for you and other Republicans to be re-elected?

A Well, this depends on whether you -- whether you accept that it is going to continue indefinitely. Sure there have to be changes when so much of your revenue is based on income and sales tax, the exchange of goods. But again in this I -- I have to say that optimistically there is every reason to think this is nothing but a temporary dislocation due to the national fight against inflation and that there are many business advisory letters and many economists who are saying that as the year progresses we are going to begin to come out of this, that business is sound and solid in this country and I believe that.

Q There is a two year forecast the President was talking about today, that doesn't dampen your optimism at all?

A Well, no, no.

Q Governor, Mr. Bagley has indicated he's going to take another run at your tax reform program in another bill, and a week ago you told us that you'd be willing to talk to Democrats about the-- getting their votes. I wonder if you'd talked to any Democrats in the meantime, are there any indications that any compromise is afoot?

A All I -- all I know is what I've been reading in the paper that you yourselves have said that there are -- there have been meetings upstairs, --I haven't had any, that have been discussing this and whether they want to indicate the change in their position of not voting. I'm optimistic that they will. There seems to be every reason to think that there are responsible members of the legislature who know the importance of tax reform and I've never given up on it. I still think we are going to get it.

Q Is your position still the same on -- on school money in the tax program?

A Yes, these are two separate things. This is a legislative matter that is now before the Assembly, has been brought out of committee, has been altered in a bi-partisan fashion by suggestions from both Democrats and Republicans. And the other matter of school financing is one that I've told you we have a number of commissions working on this. I now have a task force within my own staff that is gathering information from these commissions, perfectly willing to sit down once we can establish the actual need and then discuss ways and means of solving this school finance problem.

Q Governor, why is it a separate issue now and it was not a separate matter when you first put the program together, you had a school equalization plan in there.

A Yes, but that did involve a switch of a statewide collection of property tax and that tax reform bill that was put in, as you know, representing the -- a lot of work by legislative leaders as well as myself. There were many of them that thought that that equalization formula as a part of the tax reform program should be in, that there was also great discussion at the time as to whether that was an essential to a tax reform program or whether it could be treated separately. I've always said I would go either way on that. In the committee the legislature evidently felt that they wanted to treat it separately and they removed it from the tax reform bill. But what we are talking now is a different -- is a different thing. We are talking the possibility of tax increase, specifically aimed at schools or whether the money can be financed -- as has been suggested by some legislators that schools need more money, whether it can be financed out of change in priority in the elimination or reduction of other state spending to find that money. That's why I think this is something that there are too many questions still unanswered. There is no real cost effectiveness knowledge about school spending. There is the matter of the present one billion 650 million dollars, and the belief on the part of some that it is being inequitably distributed and that any school financing should take into account a complete overhaul of the present system of subventing to the schools.

Q Governor, since you could take statewide equalization taxes either way, do you have any thoughts or comments on Senator Teale and Senator Moscone moving their tax reform and school finance bills now?

A Well, I think that in one, the school financing, many of the questions that I think should be answered are not answered as yet, and the other one, a tax reform, I like my own, I think that it is a -- it represents a pretty solid tax reform program. I recognize there are some differences between that occasioned by perhaps my philosophy and the philosophy of other Republicans and that of Senator Moscone with regard to what forms of taxation should be used.

Q Another subject, Governor?

Q At least -- at least there is one apparently moving, though, does that give you any sort of thought to compromise?

A Not compromise, if you mean in the sense that -- as I said last week, that somehow some kind of a -- of a tax spending measure or a tax increasing -- well, let me say a financing measure for education must be a price for getting tax reform, no. I'm not compromising on that. I've said before.

Q Is a tax reform measure moving --

A A tax reform measure moving, that's the legislative process. Then as I said before, I'll wait and comment on that when the result of whatever happens comes down on my desk. But I happen to believe in my own program.

Q When the final vote is taken on the Moscone tax reform package, will you plan to go in the districts of those individuals who vote against that package?

A No, I didn't say I'd go into the district of anyone who voted against.

Q Or didn't vote, didn't vote.

A That's right, we are talking about not voting and in other words not representing their districts.

Q Oh.

Q Governor, on tax --

Q Excuse me, I'd like to hear her question answered, will you go into the districts of people who do not vote on Senator Moscone's bill to tell them that the representatives did not vote on the bill?

A Let's wait and find out whether anybody not votes on it. I'm concerned with my own right now.

Q Governor, Mayor Yorty yesterday criticized your support for the tax on publicly owned utilities. He said from his point of view



that's another one of these purely political propositions and he said you probably are keeping some kind of a political commitment to somebody. Are you?

A No, and Mayor Yorty says some other things in his discussion of that subject that reveal that probably due to his trips abroad he's not totally informed on domestic affairs.

(Laughter)

A The tax on publicly owned utilities was conceived simply because they are in competition with privately owned taxpaying utilities and as long as they are in this competitive atmosphere they enjoy a competitive advantage because of their tax-free status and it was determined before I ever expressed approval of that, that a tax on them to bring them up into a competitive position with the private utilities would be -- could be paid by them without increasing ~~ther~~ rates, so it could not be dropped back on the consumer, would not be an increased consumer's tax. I was assured of this and also you will note that the money was to be earmarked for local use. In other words, the state is not taking the money away from the area and the state gaining at the expense of a municipally owned utility. The money is to be used in those areas and in those districts for education, if the bill should pass.

Q Governor, SMUD says it is going to pass along to 14 per cent of the consumers in this area, doesn't that amount to a tax increase?

A Whatever SMUD is saying when they are doing this, all I can say is we were assured and according to our findings there was no real need for this, that their operational costs would not, if they paid this tax over to the schools, that they would not require passing this on, that it is possible to pay this tax from their present earnings.

Q Governor, about going into the districts, do you intend to go personally into the districts or are you talking about going on the television?

A Squire, that's all in the -- that's all in the hands of scheduling right now as to what means we use and I'm a little like the commander in the war, I'm not going to announce every detail of what we -- how we do that.

Q Back to that tax question. Speaker Monagan last week also came out against the bill that is in --

A Yes.

Q -- in disagreement with your position and he contends that it would merely be a shift where the city -- city money would be turned over to the school districts and then your city property tax would have to be raised accordingly.

A Well, we have a difference of opinion on that. I was confident of the figures I had and that I had received.

Q Governor, these figures you mentioned, where did they come from, from Bagley's office or from your findings?

A No, my staff provided them to me, this is one of the first questions that I asked. It was the same way I had felt at one time about increasing a sales tax on utilities services in addition -- in an effort to get property tax relief because as I said, when you are passing the tax in a different form right back to the same property owner and I didn't want to be guilty of doing that.

Q Governor, members of both parties seem to agree that the present school financing situation is inequitable. You used that term in your statement. Are you amenable to any other means of financing schools other than the welfare reform package and the utility tax as long as it is separate from tax reform?

A I've used those only as indications of legislation that I actually knew was before them with regard to changing priorities and making money available for other uses. If there are other things that legislators want to suggest, other things that they believe are of a lesser priority as a means of finding money, I've got an open mind. I'll listen.

Q Have you anything in mind right now, Governor?

A No.

Q Another subject?

A All right.

Q The University of California seems to be in the middle of a proxy battle over that GM stock. What is your position on that issue and do you think that corporation executives and the top management of GM and other big corporations should go into the field of public interest, pollution, and environment?

A Well, I think that they -- I think the big corporations are in that field. In addition to their taxes that they pay in supporting

such things as we all do, there's been a multi-billion dollar contribution to that field by private industry. Now, I can't tell you which companies have or haven't, but business' contribution this year, I think, is above or in the neighborhood of 2 and a half billion dollars in voluntary contributions to the field of clearing up pollution. Now, this is a matter -- I know the Finance Committee and the Board of Regents considered this for the University of California. I had never thought about it before, but the issue of whether such large holders of stock as institutions, as education institutions, charitable trusts and so forth, if they want to take some action to personally represent themselves in the stockholders meetings, I can see the validity of this, this is their right, they own the shares of stock, they can vote them anyway they please, and up till now I think most institutional buyers or owners of stock have just simply given their proxy to management. If they want to change that, who could quarrel with it.

Q Governor, the California Field Poll indicates that since November Mr. Unruh -- the poll all voted Mr. Unruh's support has stayed about the same, your margin over him has decreased because your support has dropped. How do you explain that, what do you think is the reason?

A Well, I think that probably several explanations. I think probably the campaign on Proposition 8. I think the fact that I've stayed here and tended store and which means that every time you do something you make somebody mad, and I think the fact that in a campaign you are comparing really statistics or facts before campaigning got under way. People begin to crystallize their opinions, make their decisions. I'm not --

Q The shift seems to be in the undecided column.

A Yes.

Q So the people aren't crystallizing.

A They have been hearing things told them in campaigning.

Now they will go one way or the other, depending on what they continue to hear, what makes up their mind.

Q Well, when you start the campaign, do you think your support will increase?

A I hope so.

Q Do you think --

A That's the reason for campaigning.

Q Basing any parts on figure of speech, they may have heard during the campaigning?

A Oh, I don't think so. I didn't think -- I don't think this figure of speech became a campaign issue besides the concerted effort to make it that. I think there are enough people that began to get the truth on the total answer of the question and the out of context quote.

Q Can you comment on the progress of discussions about relocating the state college system headquarters?

A No. This is on the agenda, I understand, for the next Trustees meeting. This is a community that has offered some inducements with regard to land and building and so forth and all I know is that it will be up for discussion.

Q Is the San Diego cite being given serious consideration, you think?

A I couldn't tell you for now how serious. Obviously it is being given consideration and the matter will have to be dealt with by the trustees.

Q Governor, a syndicated news column has been published in some newspapers today. The authors of the column charge that your only purpose in seeking another term as Governor is to be available to run for -- as a candidate for president two years. They further charge that your only reason for taking the lead in the fight against the welfare reform package pending before the Congress is to embarrass the President in hopes of getting yourself into the nomination. They further state that Mrs. Reagan has been heard to say that you and she plan to stay in Sacramento only two years in any event. Would you please comment on those?

A Yes, although my first inclination is to comment in such a way that it would be unprintable. Actually this is the most ridiculous column I've ever read. First of all, to try and link this present welfare situation, my own action was to go directly to the White House to the President and to the members of the administration there about the fact that due to our findings we would have to oppose -- not the President's original concept, but that original concept as it was changed going through the Congress, and they were well aware of that, they know about this, they appreciated the manner in which we did

this and they know that we are not attacking their concepts or their statements that reform is needed, and as to the others, no, I've never been so excited about anything or enjoyed anything as much as the challenge and the opportunity to do something in this job. I have no intention of running for another office. I intend, if the voters decided, to be here for the next four years and Nancy is not only of the same mind and has never even indicated such a thing as was held out in that column -- I don't even know those two characters. I wonder how they know -- pretend to know so much of what we think. Nancy's biggest desire right now is that before we leave four years from now, if it is to be four more years, that she at least can see a new Governor's Mansion rising on the banks of the American River.

Q Are you going to sign that money then this year?

A Going to sign what?

Q Going to sign the budget to include that money this year?

A I didn't --

Q There is a bill in the Senate to appropriate \$755,000 for a new mansion. Do you include that in the budget?

A I don't know, John, you know that I never comment on bills until they get to my desk as to whether I'm going to sign them. But I was pleased to see that bill going through that accepted the -- or designated the land contributed by the citizens committee as a site for such a mansion. It is a beautiful piece of property, if you haven't seen it, 14 acres of beautiful oak-studded bluff and hill overlooking the American River and it would be a magnificent site for California for official residence.

Q Do you plan to have perhaps a dinner table discussion with Mrs. Reagan about the money for the building on that site?

A Well, whatever it may take, you know that there are also now a couple of new committees that have sprung up in California raising money to further do this on a volunteer basis from the citizens, so we will just have to wait and see what's needed the other way.

Q Governor, that poll this morning and other polls have shown a very large number of undecided, not only in the Governorship, but in other races. Do you think there is a greater than usual apathy among the voters this year, and if so, why?

A Well, Lou, I -- I don't know whether -- maybe apathy isn't the word that I would choose, I would have to say that it doesn't have the steam and the fire that some have had and possibly it is because



there are so many in our own party, so many races that are uncontested. This I suppose would be the greatest explanation for that, but I do agree with you that there doesn't seem to be the steam and even in the other party about this, and some of the races seem to be according to the polls almost predetermined now as to how they are going to come out. Maybe this has something to do with it, but I have a hunch that along about November things will be looking up.

Q Governor, you mentioned Proposition 8, I thought before, one of the reasons your support declined, you took your stand on that as an unpopular stand, is that --

A Well, I think when people are out working for it then I take an unequivocal position against it, I'm quite sure that this tends to put some of them on another side where I'm concerned. But I just -- I just feel it is a responsibility to the state that I have to point out that this is not tax reform, this is simply a billion dollar tax increase, and I don't think that it has been fairly presented in that way to the people.

Q Are you losing your argument on it?

A What?

Q Are you losing your argument on it? Is it making you unpopular, your stand on Proposition 8?

A I don't know. As I say, I can understand where those -- some people who are working for it would -- would -- their feelings would reflect their annoyance at my working in the opposite direction on it, but I also believe that a great many people must sincerely be out working for this who don't understand the full implications of it.

Q You had your hand up.

Q Yes, the last Regents meeting, Governor, Lieutenant Governor Reinecke favored a kind of student -- this is a different subject. And that is at the last Regents meeting Lieutenant Governor Ed. Reinecke suggested a kind of student police force, and you are reported to have favored the idea. Could you explain the idea as you understand it?

A No, not a student police force, but he was suggesting on the basis of the success of the monitors, for example, out here in the big rally on the campus lawn during the four-day moratorium, the success of student monitors, the orderliness of the crowd, that is the -- is the campus explored this same use of student monitors to augment and help in maintaining order on the campus, and I don't think

it is a far out idea. As a matter of fact, some schools almost do this. I had a memorandum in my possession that one of the state college presidents used when he received telephone threats that outsiders were going to bring a disturbance to his campus, and in his memorandum he -- he pointed out to students how they were to go to certain building locations because in some disturbances when the riot takes place here you find that the vandalism and the setting fire to buildings takes place at far and removed points on the campus, taking advantage of everyone's attention centered on this one place, and he was calling upon students to help in policing these other buildings. It is not a bad idea.

Q Governor, wasn't Ed Reinecke also talking about the state participating in the training process and providing walkie-talkies, things like that?

A The monitors out here, he called attention to the monitors were provided with walkie-talkies so they could communicate with each other.

Q Governor, there is one other question over there, it's about a half hour.

A Which?

Q Over here some place.

A There were two right there with their hands up, Squire.

Q With the way the economy is going now, it's been a couple months further on tax reform and this sort of thing, are you still in a position that you can pretty well promise no tax increase next year in the legislative session?

A Well, the only thing that could interfere with that blanket promise and I don't think anyone would want a person to -- to have his mind so closed to any emergency, would be if it develops that the only way to -- for me to meet a school crisis and additional financing if we establish how much is needed would be tax increase, then I think you'd have to face up to the need to ask the people for an additional tax for that purpose. But I do intend -- my intention in tax reform, I said that we would not use that to conceal the tax increase and this is one of the reasons why I think we shouldn't do it.

Q Governor --

A Well, now, Squire?

Q One more, you want to stay all afternoon, I'll to. I'll let it go. Thank you, Governor.