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5/11

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MAY 11, 1971

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: Ladies and gentlemen, I've had a few words for opening here, although I don't have a prepared statement for you. I know that you've just had a press conference with a legislative leadership of both parties who met with me in the office this morning. Let me just give my few words on it here before you start with questions and perhaps anticipate some in advance. I think it was a fruitful meeting. I think it started a communication that hasn't existed for sometime now, and out of the meeting which was wide-ranging and certainly covered a number of subjects, came the assurance that the budget is going to move and that very possibly according to the Chairman of the Ways and Means Committee, a budget will come out to the floor in the Assembly within a week. At the same time I think one of the most fruitful and forward steps was the Assembly Speaker's declaration that we would go forward meeting on the subject of welfare and see if we could not come down to those areas of agreement and find out where our, if any, areas of disagreement are and that welfare would be resolved in this way prior to the adoption of a budget. We were also assured by them that they have the intention of having a budget for us by the end of the fiscal year so that we can start the new fiscal year with a budget instead of what we have had in the last few years. The Speaker of the Assembly, who has not as yet actually had a briefing firsthand from our people in welfare, and the welfare reform program, agreed that he would have such a briefing. I think it would be helpful. I think there is still some areas where even though he of course has had counseling of his own staff and others, I think there's some questions of his that could be resolved if he had a chance to ask it firsthand and to see the briefing of the others.

The final subject that came up was brought up by Republican Senator present, there was the matter of withholding and why, because of the cash flow problem, withholding could not be treated as a separate item and adopted. It seemed^a/perfectly logical thing when I broke the concrete around my feet and surrendered to the theory of withholding it seems a long time ago now, put it into our tax reform proposal of last year, I made it plain that it was not in my mind an essential part of tax reform. We had only put it in because it filled a slot and the money that could be raised from withholding was roughly what we needed to balance out our home owner's relief last year. But that I warned then that the reason why I had given in and changed my mind in withholding was for the state's needs. The cash flow needs and I warned -- well, it's been a year and a half ago, I guess that as of this coming fall we would have to go to tax warrants or tax anticipation notes unless we had withholding to even out the cash flow. We will have to do that, it is too late now for us to implement withholding even if it were passed right now, so I suppose the next target date is January 1. But since they put it in their own tax reform program, since we have made it evident that it is acceptable to us, we felt that there was no reason why it couldn't be taken out and voted on separately and we could then go forward with the implementing of it at the same time that we negotiated out the use that would be made of the increased revenues because of withholding as well as negotiate out what could be a practical one-time use of the overlap or windfall that would come about because of the implementing of withholding. That pretty much is the meeting.

Q Do you expect to get a formal or informal commitment from Democrats next week on what parts of the welfare reform plan they will agree to pass?

A Well, I think it would be informal. The original purpose of this morning's meeting actually we went farther and talked longer, actually got into these subjects, but I called the meeting for the purpose of seeing if we couldn't set up a schedule of meetings and machinery whereby we could get together and discuss these points. As I say, we went a little beyond that and so this was the -- they are coming back to us with their views on the welfare reform proposals. Again it is one of those subjects where everybody is for it, everybody wants welfare reform and if there is any difference I suppose it is going to be a difference of how we go about it.

Q How do you view the movement of the welfare-Medical proposals in the Assembly subcommittee yesterday?

A Well, I am encouraged now by the fact that we are going to -- that they are now going to come back. So far all we have -- all we have dealt with is the -- they went into limbo -- oh, on the Senate side, I must say there are some discussions going forward between Senator Burgener and Senator Beilenson and others on that committee about welfare points. And as the Speaker made it plain, there was no reason at all -- they are aware of the program, why even though this is on the Senate side the Assembly could not come in with some areas and tell us where -- what was acceptable and what they would find they could go along with.

Q Governor, the Ways and Means Chairman seemed concerned that the new estimates of anticipated revenue shortfall next year is getting bigger and this will necessitate new taxes. Do you agree with that?

A We don't have those final figures yet. I don't know where he was -- he was quoting the legislative analyst. I don't know where the legislative analyst got his figures. I have to say this, that we are waiting, as you know -- this is about the period when we will get the official new estimates. I think it would be highly optimistic for anyone to think that in the present economic climate we are going to find that we can make our adjustments upward and I don't think anyone would be too surprised if there are further downward adjustments. But as of now we don't know what those figures are. When we have them, why we will of course go forward with whatever adjustments have to be made, budgetwise.

Q Do you still think the budget can be balanced without new and higher taxes?

A Well, now you are asking me before I have all the information or know what all the taxes are. I still think that before we talk new revenues that we are certainly duty-bound to do everything we can to meet the crisis by reducing the cost of government and the biggest and the best way to do this is in the area of welfare reform. I think that if -- if those figures should be accurate that they are talking about, or should even be close, I think this is another indication of why the taxpayer should be our prime consideration, because if revenues are down it means that more people are unemployed, more people have lost income or have lowered incomes, and I don't see why the state should think that the automatic and easy answer to our problems is to simply take more money away from those people who are

already suffering because of this economic slump. John, you had your hand --

Q Bill --

A I'm sorry, Bill.

Q Governor, how far would you like to see welfare move before you are willing to make an agreement on the budget? Before you were saying you wanted the bills passed by July 1.

A Well, if we had an assurance -- the thing is the budget is predicated upon what has to go in for welfare, it is about our biggest spending item and until we know what that item can be I don't see how a budget -- a budget could be put together until you are able to put in a figure that you say this is the budgeted amount for welfare and that's why I have insisted all this time that until we know what number or percentage of our welfare reform proposals they are agreeable to, there is no way that they could close the budget. You now and then here.

Q Doesn't your budget balance itself, though, without the necessity for welfare legislation? Isn't it balanced on welfare regulations?

A Well, no, the -- the thing is we submitted a budget and frankly told them -- in other words, we submitted to -- to meet the constitutional requirement of submitting a balanced budget, we put in a reduced figure for welfare. We then presented at the same time a program with it of the welfare reforms that would make this figure be an accurate figure, a practical figure. Now, if somebody passed that budget without this accompanying legislation, we would have a budget which the only way it could be balanced would simply be to reduce the welfare grants and since our welfare reform proposal is just the opposite for the truly needy, the raising of their grants, I hardly think anyone in California would believe that the solution to our problem would simply be an across-the-board reduction of grants to people who are not getting enough now.

Q Governor, with regard to withholding, one of the Republican Senators that came out of the meeting indicated today that one think that did seem apparent is that there would not be a separate withholding bill. Did you get that same impression?

A Well, yes, we did, and this is what seemed kind of surprising to me, since -- since I'm the one that surrendered on it and gave in

sometime ago, and they are the ones who for many years have been demanding it, and since they have proven that they also seem to favor it by making it a part of their present tax reform program, I can't for the life of me see why we can't at least show signs of progress and go forward with this one step. And this was part of the discussion and we -- we so stated. And at least then we would ensure that the -- this fall would be the only time that we would have to resort to warrants or tax anticipation notes, because by the following year we would have that on-going revenue.

Q Who rejected the withholding as a separate measure?

A Well, there was -- there was disagreement in the room and there was no single individual that was a hold-out in that sense. It was just a -- we were on one side and they were on the other.

Q Well, nevertheless, Governor, are you now resigned -- we gathered from everything all the members said here today, that you met with, are you resigned to the fact that there will not be a separate bill on withholding?

A No, I'm hoping that they will give that some further consideration and see that there is no valid reason with all of us agreed on the need for it, all of us agreed in the desirability, that they will take a second look at whatever their own strategy is, and decide to go forward with it.

Q Governor, would you like to use the one-time windfall to balance the budget?

A No, no, but I have said that I am willing to meet, as I indicated to you gentlemen here previously last week, as a matter of fact I'm willing to sit down and in this time of stringency where we have had to forego certain capital one-time expenditures, where we have the problem of the schools with regard to meeting earthquake proof standards that I am certainly willing to sit down and negotiate out some arrangement with regard to the use of that, but it would have to be on a one-time basis. I don't think that you use a single windfall for on-going costs of government and then come up a year from now saying, "Well, we don't have the windfall anymore, where do we find the money?"

Q Another subject?

A Another subject?

Q I've got another question on that. What is your position on forgiveness now, are you for a hundred per cent forgiveness?

A No, this is the windfall we are talking about?

Q Right.

A And --

Q I mean how much windfall would there --

A I suppose we are talking about some place between 400 and 500 million dollars, if it should go into effect in January, and my own -- my own feeling about that is that very possibly -- I have always been for forgiveness, I've always been for giving it back to the people, but as I say, there are some needs that because of the economic slump we haven't been able to meet, in one-time construction needs -- I would be willing to sit down and listen to what I think would be the ideal, is a kind of a split, give some of it back to the people and use some of it to meet these immediate needs. Particularly in the area of schools.

Q Like half and half?

A I'd settle for that.

Q Governor, four months ago or so when you were first introducing all your various packages, they were predicated on the fact that the economy was indeed turning around.

A Yeah.

Q The Nixon administration was going something and you were doing something. You don't sound as optimistic now as you did in January. What is the economic picture today?

A No, when you say it is turning around, I think this is what makes you -- and I always use that in connection with the fact that this is a temporary situation, that to try and solve this temporary slump by rushing out and imposing new taxes which you always find it difficult to get rid of once they are -- they are passed, is to act as if this is the permanent situation, as if this is an on-going fiscal crisis. And I think that the comeback in employment and so forth are always the last things that come back, but I think the business corner has been turned. I think many indexes -- every week in the financial pages you see further indexes that -- that we are coming out. There is an upsurge. For example, Christmas, retail trade was one of the indicators that we were going to be way down in our sales tax, there was no Christmas rush, but just a short time ago there was a decided difference with regard to the annual Easter rush, it was beginning to come back more toward normal. And

many other indicators of this kind. But everyone knows that when you come out of a slump of this kind the last recovery is in the area of unemployment.

Q Governor, Senator Mills said that he came away from this morning's meeting with the impression that you are willing to compromise on this question of new taxes. Did he read you correctly?

A Well, let me just say first of all, not until I have seen that everything has been done to reduce the cost of government to solve this welfare problem. Now, again you have me with the unknown factor here of what might happen with further decline in revenues. Let me just say that the last resort that I would ever find acceptable is the increase of taxes and I recognize that you can theoretically come down to a point where you have done everything you can to save and then certain constitutional requirements cannot be met and you have to turn to it; but let me point out that the leadership of the other party has indicated that they want new taxes and they have indicated this quite definitely from the first, new taxes for such things as a pay increase for faculty in higher education, pay increases for employees, further increased grants to public school education, and we know that 85 per cent of that is for salary increase. Now, these are talking tax increases in this time of hardship for the people that have nothing to do with balancing a budget. These are dreaming up new expenses and then passing taxes to pay them. And what you have asked about would be if we were faced having done everything we could to save, if we were faced then with still an inability to balance the budget.

Q That other subject. Governor, a mock war tribunal was planned for Sacramento State College tomorrow, and it's now been cancelled. There were reports that were -- the cancellation came from higher than the college, the Chancellor's office, even from your office. Are you aware of -- of that planned tribunal?

A I have found out after it was all over that there came a report to our office that such a thing was planned, and an inquiry about it was forwarded automatically to the Chancellor's office, and I don't know anything about it until somebody came in and told me that the Chancellor and the President had gotten together and that had determined that there would be different arrangements for such a meeting.

Q Can you tell us more about that, those reports, where did you hear the reports of it?

A What?

Q It was a fairly routine thing. Where did you get your reports about the tribunal?

A From Dr. Sheriff's and the Education office. Certainly that was -- it was an accomplished fact before I even heard anything about it, I didn't even know there was any such thing going on.

Q Governor, how is your mail running on the facts around the disclosure about your income tax last year?

A I haven't had any accounts of any unusual mail or anything. I received the usual two or three anonymous postcards that you -- that you get.

Q Another subject.

Q No, same subject.

Q Same subject, Governor. Governor, yesterday Mrs. Reagan said she hopes you don't run for political office as a result of this. Is that your sympathy, too?

A No, I just think you have to accept that I don't think any wife enjoys having her husband in politics. I think it is especially hard on them with some of the things that go on with politics.

Q Had you known she was going to make that statement, sir?

A No.

Q Governor, there is a report today that almost all of the \$91,000 that you said you paid in state taxes came as the result of a single transaction, the sale of the land to 20th Century Fox, is that true?

A Look, I gave you a statement about my taxes, and it would seem that someone evidently has access to or is privileged to have information that is not available about any citizen's tax returns. And I have nothing further to say. No, this was over a period of more than one year. And the amount speaks for itself.

Q Nevertheless, is it true it is all due to the same transaction?

A Well, it obviously had to be on transactions outside of the Governor's salary, didn't it?

Q Governor, would you give us your definition of how public a public official should be? In the light of what has happened this last week. What is your -- where are the limits?

A I would think that the limits are the same legal limits that apply to all citizens and then those other limits that apply to good taste and none of us are very happy about prying neighbors.

Q Governor, last Wednesday you said that the press had invaded your privacy by asking the question about your tax status. How do you explain that in light of the fact that you at least attempted to give an answer to the question rather than saying that it was improper?

A Well, I think that I said that all that needed to be said and as I said in my opening line of my explanation, I still found it difficult to understand or accept that I was put in the position where I had to make such a statement.

Q Same subject. There is an investigation under way. Can you tell us more about that investigation, from the Attorney General's office.

A Don't know a thing about it.

Q Governor, Senator Ribicoff in Connecticut is protesting action by the HEW in Washington, in granting you certain waivers on your welfare reforms. Do you have any reaction to the Senator's protest?

A Yes. Senator Ribicoff was once the Director of Health Education -- or Secretary of Health, Education and Welfare, and perhaps if he laid a better foundation when he was in that job we wouldn't have some of the problems we have today, but Senator Ribicoff was present in the Senate Finance Committee in Washington when we met with them and when Governor Rockefeller and I made a presentation to them about the problems of welfare. Senator Ribicoff made it immediately plain that he did not put any stock in the stories of welfare abuses, that he did not seem to think that there was anything needed to correct in welfare and then he departed the meeting without waiting for an answer from us to attend the ~~Mardi~~-Gras in New Orleans.

Q Governor, on this welfare and tax business, your personal income tax business, linked together, do you have any proposal to the legislature right now that would allow examination of the income tax returns of welfare recipients? Would you tell me the difference between that invasion of privacy and the invasion of privacy you say you --

A Yes, because that is the same privileged information for a government agency as it is in the paying of your tax to a government agency. Obviously that agency has to have access. The situation

is that when you go beyond that when that agency carelessly reveals information -- now welfare presently has a clause of confidentiality regarding case records that has gone so far that, as I have told many of you, one county welfare director in California actually had to get a court order even though he is the entire county director to get his own employees to give him information on this -- on these records. And it would seem to me that some of the people who are so insistent on even more confidentiality of welfare records are also among the most vocal critics regarding the -- or at least in their demands that tax information not be so privileged.

Q Governor, during your last press conference you said that it might be embarrassing to some legislators to discuss handling of their per diems. Would you like to expand on this comment?

A No, I just -- they were having so much fun up there I thought I ought to give them something more to worry about.

Q You haven't had any access to any of their income tax returns, have you?

A No.

Q Governor, relative to the question asked before, it did not come from anyone who has access to your income tax returns, but public documents do indicate that you realized a capital gain on the sale of that property that would produce or require the state tax in an amount of about 85 to 80 -- 88 thousand dollars, that's why I asked the question. In view that it does come from public documents, could you give us an answer? Is that true?

A I gave you gentlemen a statement on this entire situation, only because all of you seemed to have successfully created a kind of impression that there might have been some wrongdoing and there was none. And I don't see why I should go any farther with any further statements on this.

Q Do you feel that the disclosure about your --

Q What caused you to think that there had been some mention of wrongdoing? Was there any single story or any connotation in any story which alleged that you had committed some wrongful act?

A Well, gentlemen, if you have to ask that question --

Q You raised the point, Governor.

A -- about the whole atmosphere that was raised, then you evidently don't even read each other or yourselves.

Q Do you feel that the flap about your tax status will have

any effect on your political future?

A Well, now you opened all of this by asking whether I had a political future or not. Now I've told you that I have not thought beyond 1974 when, as I have made it plain, I would not try for a third term because I don't believe in three terms for a Governor of California, and so no, I think that overwhelming majority of the people understand that there was nothing wrong. I think they -- if they got the full treatment of the statement I made, they understand that I very obviously could not have been seeking this profession or this particular career for any monetary gain. And I don't see why there should be.

SQUIRE: Any more questions? Thank you, Governor.

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3/18

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MAY 18, 1971

Reported by

Beverly Toms, CSR

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(Calif. Ecology Corps)

(Whereupon Governor Reagan read Press Release No. 303)

Q Governor, how much money could be available for this?

A I'd have to leave that to Jim Stearn. The reason why we had first simply announced it at the \$15 level is we were simply staying within the framework of those camps that will be closed or were going to be closed because of the lack of juvenile offenders to man them anymore.

Q Governor, if you are having no trouble recruiting, why are you upping the salary?

A Well, as I say, the -- this again you can go to Jim Stearn. We recognize that it was not particularly an inducement or an advantage at such a rate. The rate was possible before because the people who were getting it didn't have much choice. They didn't volunteer to be in those camps and it was way out of line with the other kinds of community effort and so forth that we made. And there was question about it even from some of the draft boards, so evidently Jim Stearn has found a way whereby it could be made more compatible with the job.

Q Governor, does adjustments within allocations mean that money that would have been spent for something else will now be used to --

A Again you'll have to refer you to Jim Stearn. I haven't had a chance to find out exactly how he worked this.

Q There is a girl from Davis who wants to join. She's written the state. Will girls be eligible for this?

A Well, now, you've brought up a whole new subject. I'll have to ask -- our hope is, as we have said before, that beyond the conscientious objector thing that we might be able to carry this out and take other kinds of volunteers. Now, if there is a place and possibility of a girls camp, I doubt if we will go co-educational.

Q Governor, have you talked to anyone in the White House about this? Have you spoken with the President about this idea?

A As a matter of fact, I have just gotten off a letter to the President explaining it to him, telling him about it, calling his attention to it in case it is of interest to anyone else.

Q Governor, do you think this Ecology Corps encourages people to become C.O.'s?

A Oh, I don't think so, and I think the test for conscientious objectors is pretty firmly fixed. It's been a long -- very frankly an honorable tradition in our country that we have in our separation of church and state never forced anyone against their religious convictions and beliefs to bear arms for the country.

Q Another subject, Governor. Last reports, the Governors of two states indicated they would delay imposition of the death penalty until the U. S. Supreme Court deals with the last legal question, whether it is cruel or unusual punishment. Can you tell us whether you have given any particular thought to this?

A No, I think that things are following their normal course here. I don't think we have any intention of declaring a moratorium over and beyond the decision that's been handed down.

Q In other words if the -- any dates are set, then you will not interfere with the -- with the dates that are set by the courts?

A No, unless there would be circumstances warranting clemency and the commuting of the sentence on that basis.

Q Governor, would that create a problem if people were executed and then subsequently the court declared that the death penalty was unconstitutional?

A Well, wouldn't that apply to all the people who have been sentenced to death and have been executed?

Q Another subject?

A Yes.

Q All right. Governor, Assemblyman Gonsalves modified his tax^{reform} bill before it was voted out of committee yesterday. Do you now find it more palatable?

A Well, I -- we haven't paid very much attention to that bill as it went through because as I say my principal objection was that it was actually a half a billion dollar tax increase and I can't say that I know in detail all that he has or that has been suggested in amending it out of there. One of the other great weaknesses of the

(from page 2) we assesses of the bill was that it contained really no restriction on going right back and starting to increase property taxes again, and we don't believe that any tax reform that's aimed at giving the home owner relief is sound unless it contains some limitations so that property taxes can't go right back up to where they presently are.

Q Do you plan to counter this with your own program as rumored around here?

A Well, we -- we have this under consideration in the Senate. They are still -- representatives of both parties meeting trying to find out as we set out to do at the very beginning of this session, if there isn't some area that we can get together on a tax reform proposal and we are giving them more time to see if they can arrive at some agreement.

Q And you may have a proposal, is that right?

A This could be, yes.

Q Governor, you are going to have to explain this to me because I've asked a lot of people and I still don't understand it. It's been said that you do have and have had the administrative power for the last five years to implement some of the welfare reforms to the tune of \$176 point million dollars. I asked Paul Beck. He said you are just getting a handle on it, and I don't know what that means. Perhaps you can explain.

A I know what he means by just getting a handle on it. Yes, I understand the Speaker was quite concerned and said we could do that. That's a very curious thing, coming from someone in the legislature because I guess virtually every yearssince I've been here we have had bills in the legislature asking for legislative help in reforming welfare. Also I would call to your attention that attempts administratively to change welfare over the last four years, adverse court decisions on those, have resulted in an increase of more than \$440 million dollars in welfare costs. Now, many instances help from the legislature with regard to those administrative or -- or those adverse decisions, could have been forthcoming. All that would have been required in some instances was for the legislature to simply pass by statute what we were trying to do administratively. The plain truth is yes, if we had known four years ago and had the information that we have now, I'm sure that administratively we could have gone forward with these things. We didn't have that information.

Q Why?

A Well, for one reason we had difficulty learning it until we appointed about a year ago a task force to go in and on a task force basis find this for us, but the other reason, even much more pertinent than that, was that it is our advance in electronic data processing that has now made us able to correlate the information -- the great mass of information we get back from the county level and to find some of the things that we have found. We are probably the only state in the Union that can do that. As a matter of fact, we are so far ahead of them that many of the other states that are using our reform proposals are also using the -- the information we found because we just were the first to do it. Now we still have further to go even in data processing. But this was the main factor. We finally had access to information and could make projections that we weren't able to make in previous years because we -- we weren't computerized to the extent we are now.

Q Will you use that power now that you have it?

A Will we what?

Q Will you use that power now that you know you have it?

A Oh, yes, it is a very definite part of our welfare reform.

As you know, there is a great deal of it that is administrative. Much of that administrative hinges on certain comparable statutes that we need and we recognize that some of the things that we might try to do administratively we would immediately be challenged in court and here again we have stronger ground because take the adverse decision to us with regard to conformity. They have all been on the basis that we can't do administratively what we are trying to do. Not necessarily that what we are trying to do is wrong. The decisions have been that it requires a statute change.

Q What can you do administratively then?

A Well, as I say, if you look at the 70 points of the welfare program and in the briefings given to the legislatures, they found that -- there was a great deal of the program that is administrative. These are changes that we are going forward with as we ask them for statutes. Now, perhaps the Speaker in bringing up this point was just legitimately honestly mis -- or uninformed because it was just only a few days ago that we finally persuaded him to have the briefing that our welfare people have been giving to the press and other members of the legislature. He hadn't had time to have that briefing.

Q Sir -- sir, have you initiated any of these administrative reforms since the program was announced?

A Where thei progress is --

PAUL BECK: Started in December on some of them.

A Started in December.

Q Governor, have you heard from Speaker Moretti on what part of the program he's willing to accept and what he wouldn't?

A No, I suppose that that might be a subject for discussion in our next meeting, which was scheduled for Thursday, but now possibly will have to be delayed because the President of the Senate, Senator Mills, is in Washington and there is a possibility that some of the other legislators might be absent on Thursday.

Q Governor, what other states are using California's information on welfare reform?

A Well, we had inquiries at the Governor's Conference from virtually every Governor and we made an announcement to all the Governors then that even those who hadn't specifically asked for it, that we would send our full reform report to every Governor. In addition to this we have had legislative groups call on us from other states and very frankly they asked that there be no particular publicity about that. They came out here, they had the full briefing, spent a day with our people on the reform and we have respected their desire to do that. In some of the instances maybe the reason they didn't want the publicity is because they were almost totally Democrats.

Q What governors -- have you heard from any governors specifically?

A Well, yes. One governor in New York has gotten his welfare reform program passed already by the legislature, and much of it, very frankly, he was frank to say, was based on ours.

Q He told you that? Governor Rockefeller told you that it was based on --

A Yes.

Q When did he tell you that?

A What?

Q When did he tell you that?

A Well, I have seen -- seen Governor Rockefeller on several occasions during the last time at Williamsburg and this was after they had succeeded in passing it. He's made little secret of the fact that he was indebted to California for much of the information that has led him to his own reforms.

Q Governor, other subject?

A All right.

Q Next week they start hearings in the legislature on committee on the Coastline Conservation. There are a program of them before the Senate. Do you favor or would you favor some form of legislation where the state would have control that could control development of the California coastline?

A Well, this is a -- this is truly a complex problem and it is one that the state believes it has -- we believe the state has a part in it to play, but at the same time I think we should be very careful about the state simply moving in and imposing itself on county and local planning agencies. We believe there is an area whereby we can get coastline counties to go in groups for treatment of problems that overlap and affect all of them at the same time. We have \$1,050 miles of coastline. About 400 miles of that is now under public ownership. So it isn't that the coastline has been totally neglected, that's a pretty good percentage that is -- has the protection now of public ownership. But we do think that there is much that could be done in a zoning up and down the coast to insure that there will be always preservation of those unique beauty spots along the coast, that there will be preservation of park space and certainly beaches to the extent possible for our population. And I think that the state has a place, but I think it's got to be a place that is in cooperation with county and local government. I don't think that the state should simply take over because if we once set that precedent, what's to keep us from taking over the mountains, or the desert or the valley?

Q Do you believe the coastline zoning should start on the local and regional level?

A Yes. Yes, we think that there is an area for cooperation and where the state can be of very great help to them in a kind of planning of the coast and coastal development, but respecting the rights of local planning commissions.

Q Governor, I'd like to go back and ask another welfare question.

Q Stay on this for a moment. Conservationists contend that local government has had the authority all along to control the development, but they haven't exercised that authority and that's the cause of the problem.

A Well, this is why, as I have said before, I think there is an area for the state to come in and be of help to them in this. Sometimes some local governments frankly confess that they lack the muscle, sometimes, to do what they believe should be done.

Q Do you have any concrete ideas as to what the state's position should be? I mean to what extent they have this part to play?

A Well, it is a very definite involvement and I would -- I think back on the reams of minutes of cabinet meetings that we have had on this in the last year or so, I don't think there is any way I could brief them down to a sentence answer for you. All I can say, again, is to repeat, we definitely believe there is an area for state involvement here and that can fall short of simply overruling local government.

Q Could this state help ever involve vetoing local decisions?

A Well, I think again this is an area that we have always sought to work with the governmental agencies in the 7 coastal counties on this, and I think that -- I think it is possible that there could be something of that kind, but I think it is something we would rather work out with them. Kind of compact for the protection of the coast.

Q Governor, is it safe to say you do not think the state should have the same power as example -- for example, the BCDC does over the San Francisco Bay, should not have the power of total veto?

A No, I would -- I don't think that the state should have the power of total veto.

Q What about the regional approach that is contained in proposals that are now before the Assembly, the Sieroty bill and the Wilson bill?

A I can't tell you that I have honestly looked at those or even where they are. So I can't give you an answer on that question.

Q Governor, ~~you~~ C. Berkeley editorial of the Daily Cal has said that there is going to be a meeting, at least informally, of some regents to discuss the Daily Cal's editorial concerning People's Park. I wondered if you knew anything about that, about any meeting, and what are your concerns of the Daily Cal's editorial?

A Well, in that regard, if there is such a meeting, remember that the Regents themselves did involve themselves in the matter of

the whole matter of campus publications and I believe there is a committee ~~that~~ still is in charge of that and possibly they're having a meeting. There is a Regents meeting on Friday, committee meetings are on Thursday. And I have no doubt that this latest matter will be taken up by the Regents because of this involvement. There are other matters I understand, I have heard, that are going to be brought up by some Regents not involving the People's Park episode but involving other violations of guidelines that were set down with the administration of the university regarding campus publications.

Q What are they?

A What?

Q What are those matters?

A I don't know. I only know that there are some Regents that want to bring some to the attention of the Board of Regents.

Q Do they involve the Berkeley Daily?

A I wouldn't even know which campuses.

Q Do you ~~think~~ the Regents should take some action as a result of that editorial in the Daily Cal?

A I felt that the Regents should take some action when they first involved themselves with the campus publications. I think they were out of hand, I think the administration of the university admitted that, and evidently as long as we are involved in that, since this probably will come before us, whether for some kind of action or not, because it has been taken up on the campus at Berkeley, and evidently there were those on the campus itself and including the publications board there who felt that there had been wrongdoing.

Q What action?

Q There may be no need for action by the Regents, is that what you are saying?

A That's very possible.

Q There is another proposal coming up from three city Councilmen in Berkeley that the People's Park fence be taken down as a public nuisance. As a Regent what are your feelings on that?

A Well, are you are getting pretty far down the line here into administrative procedures and groundkeeping procedures of the campus or the university itself. That is a piece of university

property. The property, it's been made in to soccer field and parking lot. And -- which it was always intended to be until such time as the ground would be used for dormitories. And if the university feels it should have a fence around it, the university property, I don't know whose decision that was, that's up to them. If they decide it doesn't require a fence, that's also up to them, but I'd like to call to your attention that most of the people that wanted to storm the park this last week-end were similar to those who caused the problem in the first place, they were not students; in the most part, they were so-called street people. And their large -- their contention is one that I don't think any of us can subscribe to. They raised the issue two years ago in the first place on the grounds that no one has a right to own property and not even the university. Now, this is university property bought with \$1 million 300 thousand of taxpayers funds. And I don't think that we are ready to throw out the right of private ownership. But I will call to your attention that the original attempt to take over that property two years ago was put on the basis of proving once and for all that even the university was not allowed to own property.

Q Can I go back to mine? Governor, on this -- the welfare administrative controls that you have had at your disposal. Your administration has been in almost four years and you had task forces at the start looking at all levels of government. Can you explain a little further why it was so difficult to find out what to do?

A Well, because I think it is the most complex problem that confronts us today, With the hundreds of regulations that are imposed by the federal government, with congressional acts, with state statutes and the state regulations, among some of the things that we accomplished in those first four years for the benefit of the counties, we reduced 2500 pages of state regulations down to 250 pages. We made many administrative improvements. We eased in many places the burden on the counties. Again we had to depend for much of our information on people, professionals, in the field who were not sympathetic to the changes we wanted to make, and this was why finally we came to the idea of a total outside task force. But also we just didn't have access to a great deal of the information that was needed for the kind of reforms we propose now. Now that isn't information about rules or regulations. That's information about case load, case load increase, the ability to make

projections, and all of this came about with our improved electronic data processing. Now, there are some states -- smaller states that I doubt they will ever have that kind of access to the information that we have. Some states are working toward that, don't have it as yet. We are out in front. I think we were even able to bring some information to the federal government that they hadn't -- that they didn't have.

Q Governor, today there is a federal commission investigating the CRLA that ruled that three of the charges in your report were not valid. What's your reaction and what do you think it will do to your case?

A Well, I don't very much think about it as my case. And very frankly on the basis of some of the complaints that have come from witnesses who have wanted to testify as to some of the actions of CRLA, very frankly I don't have too much confidence in what is going to be the outcome of this commission's findings.

Q Why not?

A What?

Q Why not?

A I said on the basis of complaints of witnesses who have found themselves restricted. The information they could give, restrictions placed on attorneys to cross-examine CRLA witnesses, and possibly this dates back again to the mixup on the instructions that were given to the commission in the first place.

Q What kind of verdict do you expect the commission to come up -- you feel they are not going to do it your way, what do you expect them to do?

A I doubt that we will close off Folsom Boulevard and have a street dance when it comes out.

(Laughter)

Q What do you think then the President is going to do if he's going to be faced with a commission report but you are not happy with? You obviously are going to communicate this to the President. What position does this put him in?

A I think the President has made himself perfectly clear. He's made a proposal for a whole new approach to rural legal assistance. And I think that explains better than anything else his own idea about the program that we vetoed.

Q Have you heard from Mr. Carlucci yet on your letter sent two weeks ago?

A No.

Q No response, no communication of any kind?

A No. We still are hoping that we can have a meeting and sort of straighten out some things.

Q Governor, what restraints have been complained about by witnesses?

A Well, there is one in the news wire today, as I understand it, a wire that was sent to the commission by a former employee of CRLA refusing to testify any further on the basis of the manner in which such witnesses have been treated up till now.

Q Have there been other complaints that you are aware of?

A Yes, yes.

Q Can you detail them for us?

A No, there have just been complaints on the same thing.

Q Can you detail any complaints?

A What?

Q This is the commission mistreating witnesses or who mistreating?

A Well, now, you get me frightened here with my legal light standing over the side as to what use of words I can make without appearing to interfere with the judicial process. I think the complaints have been an unwillingness to allow or hear full testimony that seems to be detrimental to CRLA's activities. Did that -- am I safe on that?

ED MEESE: Plus limitation on cross-examination and the limitation on the production of documents by CRLA.

Q Governor, I'm not sure that I understand. Is it that these judges are not permitting proper testimony to be emitted and if so what motive would the judges have in keeping this kind of information out?

A I suggest you talk to the commission.

Q It is a judicial branch and they are not talking to the press.

ED MEESE: Let's make clear, they are not a judicial branch. This is a commission of the executive branch of the federal government. Their stature, the use of judges, has nothing to do with their role as commissioners in this case.

Q I still am wondering what their motive could be to have a one-sided hearing.

A You know, I just lie awake nights wondering what they are myself.

Q Governor, in line with the CRLA, when are you going to reveal your Ajudicare program?

A I think we have been moving ahead on that in some areas already, haven't we? Trying to institute it.

Q Are you going to put it in the budget to fund it this year?

A Well, no, it was never to be funded by public funds.

Q Governor, Mr. Uhler -- Uhler put out a special bulletin and in it he said, "We are sending it to you because of the confusion fomented by a non-objective press, and media," and he goes on to outline his position and apparently the state OEO's position for not fully cooperating with the commission. Do you feel you haven't gotten your case out before the press so far?

A Oh, I think a great many people are still confused as to why we did not join in the fun and games that were proposed as the method for the -- for conducting the hearing. A great many people, whether it is just that they didn't read it or perhaps the location it appeared in the publications or whatever, that they -- they didn't understand that there had been some confusion about what kind of a hearing this was to be and what its purpose was, and we are still sticking with the original purpose.

SQUIRE: Any more questions?

A The original purpose was not a trial.

SQUIRE: Any more questions? Thankyou, Governor.

Q Governor, thank you for the lounge, it is beautiful. Thank you for the news lounge.

A You are welcome. I just hope that you would understand that true friendship would be revealed eventually.

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5/25

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MAY 25, 1971

Reported by

Beverly Toms, CSR

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

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GOVERNOR REAGAN: Well, good morning. We have some visitors here with us this morning. Jim Bowe, formerly of Associated Press is here in the Capitol. He's an instructor now in journalism at Consumnes River College, and has his students here from the journalism class. Welcome, glad to have you here. I have an opening statement here.

(Whereupon Governor Reagan read press release No. 321)

Q Governor, the major points sound similar to the program last year. Where is the compromise in your plan?

A Well, you'll be hearing the details of that later this week. But they have to do with the formula for applying the property tax relief to the homeowner. And they also have to do with regard to the tax structure that will be used to supple -- or supplant that property tax amount. Some changes in that.

Q Governor, Mr. Monagan just finished accusing Democrats of not negotiating and not meeting with him at all. Have they been meeting with the Executive Branch?

A No, we have tried -- well, we have meetings and have had a number of meetings on this and other subjects. And I -- I think that he spoke correctly. I don't think there has been any evidence of -- except on the part of a group in the Senate who have legitimately tried to get together on some form of -- of a tax reform that they could agree upon and evidently that has been fruitless.

Q Governor, who is the compromise with? What you call a compromise plan.

A Well, the compromise would be reflecting some of the complaints that we have heard and that we heard last year regarding -- with regard to the tax formula. So we have tried to modify as we said we would.

Q Did you say the differences will be in the revenue -- in other words these are nice highlights about how we are going to get relief, but who is going to get hit, where is the money coming from?

A I say some of the changes over -- the point has been made that it is similar to last year's. Well, that's not strange, last year's plan was a well-thought out plan and it was the result of a -- almost two years of task force studies. We have, however, because of the failure of that plan to pass, made some modification in the formula as it will apply to the homeowner and in the tax structure that will be used to raise the revenues to make that reduction possible.

Q That will still be, though, sales tax and income tax primarily?

A And taxes -- and business taxes and a variety that we had last year.

Q Governor, yesterday Assemblyman Bagley said that the wind has gone out of the tax reform sails. How do you expect to realize the tax reform with their position already having been expounded?

A Well, all I can say is the wind may have gone out of the sales because of the inability to get anything going upstairs. It hasn't gone out of the sails as far as the public is concerned and I think they have made that very plain. How they feel about taxes, how they feel about cost of government and I don't think there is any question but that if this is not solved by the legislature within the Capitol at Sacramento that there will be a measure on a ballot and the people will be voting once again on property tax reform.

Q Governor, will your program include withholding?

A Yes, yes.

Q Governor, I gather that you say it is clear that continued negotiation will be fruitless, that you have decided now to just stop meeting with the Democrats on this matter all together, is that right?

A Well, we haven't decided to stop meeting with them on any matter. But to continue to believe that somehow behind the -- or outside of the legislative process we can get together, as I had suggested in January and work out a mutually acceptable plan, evidently -- and then take that plan to the legislature, that evidently isn't going to work.

Q Governor, if that isn't going to work then realistically what are the chances of any program that you would propose would of course be the nature of a partial proposal?

A Well, I've always believed that the legislative process is influenced by public opinion and so far the public hasn't seen anything out in the open to express themselves on other than the one plan introduced, the Gonzalves-Moretti Bill, which is in reality a half a billion dollar tax increase.

Q Do you have some plans for mobilizing public opinion on behalf of your program?

A No, just do my best to -- to make public and call the people's attention to this.

Q Governor, in view of the difficulty of getting movement in the past, in private negotiations, do you see any merit then in a bi-partisan task force to look at tax reform made up of Assemblymen -- members of both parties as proposed?

A I'll listen to anything in that regard. I believe that there are a great many Democrats upstairs who would like to get -- deal with these very real problems and get them solved and who themselves are disturbed about the lack of leadership in approaching these problems.

Q Governor, in light of the fact that you say withholding will be part of this new tax reform proposal, what is your opinion of the Bagley Bill now being stalled in Assembly Committee?

A Well, I'm in full support of that bill. Remember this, that the withholding was only a part of tax reform last year simply because it was a convenient way to find additional revenues for the property tax relief that we tried to offer. But remember that my reason for giving in to withholding and including it in that program was the need the state has for it now to meet its cash flow problems. And therefore, for sometime I warned on that subject that by the coming fall the state would not be able to borrow what it needed in those low spots to meet cash flow. Therefore, the passage of withholding separately since both parties in any proposals for tax reform have advocated withholding, there is no reason why that cannot be passed. separately without any decision being made as to the use of the funds. But the fund would be available then to solve the cash flow problem. Now, they failed to do this in January, which they could have done in three days, and by failing to do this we now have even had to advance because of the economic slump from the fall -- we will have to go to tax warrants or tax anticipation notes in August at the latest, and possibly as early as July. Now they are coming down to

the deadline in which if they don't implement it very soon we won't even be able to implement withholding by January 1, which would head off another year of having to -- use this device to meet our cash flow problem. And I'm -- I'm in favor of the Bagley Bill because this bill will give us tax -- will give us withholding, meet our cash flow problem not for this year, that's too late, due to the irresponsibility of the leadership that failed to get at this problem, but it will make it only necessary for the one year, if they pass it, and that still leaves totally unresolved the use of the increased revenues.

Q Well, Governor, you have agreed that half of the windfall from withholding will be used for construction. Now that -- to that extent your program would include a net increase in taxes, would it not?

A Well, the windfall is a one-time fund which I had always advocated should totally be given back to the taxpayers, it was an opportunity to give them back some money even though it is legitimately tax owed. I have said, however, that in this time of stringency where we are faced with some problems of capital construction and we can't meet them in this time of economic slump, that I was willing to sit down and negotiate out a use of this money and hopefully a split between a return to the taxpayer and the providing of the funds for some capital construction, particularly in the area of education. And I am, I decided myself, perfectly willing to have this particular factor put in the bill to show good faith and show the willingness to compromise on that measure by proposing a split.

Q So there would not be an offset to that amount then and to that extent, as I asked before, then there would be a net increase in taxes for the one year?

A Well, no, you are talking about the windfall as the tax that is owed for the previous year.

Q Yes, you always called that double taxation and you were opposed to --

A No, no, I never called it double taxation, I said it is an opportunity -- I said, number one, that those people down over the years on the other side who wanted to use that to pay -- as a gimmick to pay for on-going governmental expenses, knowing that once it was used up in the first year they then had to increase taxes the next year

to carry on with those on-going programs, that this was a gimmick. Now this -- we are proposing a one-time use for this capital construction, but there is no question it is a tax, that is legitimately owed in the previous year. But the switch to withholding does make it possible for you to return all or part of that money to the taxpayers because government is -- it is an-going business. There comes no end of the line. So it is just a chance to give the people some relief and bonus themselves in that switchover.

Q Governor, what evidence do you have of great public opinion clamoring for tax relief this year as compared with last year and compared with welfare reform?

A Well, I can only point to the survey recently that said 64 per cent of the people demanded tax relief, said government costs too much and even answered a subsequent question in the poll to the effect that they would support a taxpayer's revolt. They felt so strongly on this subject.

Q What poll is that, Governor?

A It was in the -- I can't recall which poll it was, but all your papers printed it and whether the electronic media carried it or not, I don't know, I don't get to watch all of it.

Q Governor, isn't this pretty late to start a new bill through? 30 days to go.

A Well, Squire, we did our best and with the Senate group that was working on an attempt to come up with something we held off just as long as we could to give them a chance. I understand they had a meeting last night and there are just some unresolved differences and they have concluded they cannot resolve their differences.

Q Governor, what you mention as the support is a poll saying we want taxes cut. But do you have any evidence there is a similar type of wide support to increase the income and sales taxes?

A Well, I can point to polls that we ourselves took in connection with last year's program, and almost 80 per cent of the people were demanding a cut in the property tax and I would have a hunch that's gone up since then because the property taxes have gone up since then in almost all of the state. The same people, almost 80 per cent, said that as a substitute tax they preferred the sales tax. The next highest percentage, considerably lower, but the next higher percentage said an increase in the income tax to bring this about. I don't think there is any question, anyone who's talked to the

public -- I don't think there is any question that the people of California know that the property tax -- well, frankly it is approaching the bankruptcy point. Local governments are talking now of a further increase and economists -- and if you want to check with some of the campus economists, will tell you that there gets a certain percentage of market value of property in which you have approached the point of no return and it is no longer possible or practical to own property.

Q Governor, under your compromise bill that's going to be introduced, will people owning very expensive homes receive less of a tax break than they would have under your original plan?

A If I recall the formula, I should wait until they give you the particulars -- if I recall the formula that we are talking about, is one that ranges from a hundred per cent relief at the bottom up to about a minimum of 20 per cent. I -- this is -- the 20 per cent or -- is apt to be a little increased by however the county relief should turn out, but I remember last year, as I think everyone came out with at least a minimum of -- between 20 and 25 per cent and traveled to about -- at the bottom as much as 40 per cent, so this is one of the major changes in the formula, that it now goes -- ranges from a hundred per cent to about the same figure at the top.

Q Governor, will your program have a minimum income tax?

A I think it does, yes, we have always included that. We did last year.

Q How about the statewide property tax for schools? Is that in as it was last year?

A No.

Q It is not?

A No.

Q You said it would have a hundred per cent at the bottom. How do you define the bottom? Where is the cutoff point?

A Well, I don't know exactly know at what price home it begins to decline from a hundred per cent. But down roughly at what -- oh, according to what the tax rolls are, the lowest bracket of homes. There^{there} would be total forgiveness of any property tax.

Q Incidentally, these figures, \$15,000, that's cash value, not assessed value, right?

A That's right, yes.

Q Governor, another topic?

A Yes.

Q Figures in the Los Angeles County show that registration for 18 to 20 year olds is running over 60 per cent for Democrats and just over 18 per cent for Republicans. Statewide figures are very similar. What are the Republicans doing to try to counter this trend?

A Well, I haven't had too many meetings with the State Republican Committee on this. I know they have some plans for contacting young people. I would suggest that that would indicate that there has been some politicalization of education and not as has been charged, my responsibility or that I have been responsible for that.

Q You say the Democrats are intentionally directing their efforts toward the college campuses?

A Oh, no, I just think that there's been a sort of a liberal approach in -- at the educational level. I don't know what percentage. I'm not going to blanket indict all teachers or professors by any manner or means, but I think this has been evident for a number of years. Frankly, I don't understand young people other than misinformation doing this, because most young people, if I understand their complaints against a great big government that is unresponsive to their needs, that is impossible for them to contact, regimentation, interference with personal freedom, all of these things can be laid to the some 37 years out of the last 39 that the Democrats as a party have actually been in control of government in America and the Republican team is the loyal opposition of power even though we have managed to elect two presidents in that period, one of them only had one two-year period in which he had a friendly legislature. It would seem to me that if the students would really engage in a search for truth, they'd find that the Republicans have been campaigning for and asking for the same things that the students are now asking for and here they seem to be throwing their lot in with the very people that caused what they don't like.

Q Governor, knowing your own political philosophy and background, however, when you were a young man and had you the opportunity to register between 18 and 21, wouldn't you probably have registered Democrat?

A Oh, and I did when I became 21, but then I had a very rough, tough Irishman father who had been a Democrat all of his life, and I'm quite sure that he had an influence on me, but also I think there was a difference then, and a difference now. I have -- my first vote

was cast the first ticket for Franklin Delano Roosevelt who ran on a platform that, I believe, has been the platform of the Republican party for quite sometime. If you'll check back you will find that in 1932 the Democratic platform called for a 25 per cent reduction in federal spending. It called for a reduction in the power of government. It called for a decentralization and a return to local and state governments and to the individual of the powers they claim had been unjustly seized by the federal government. Now I've suggested to our party that we ought to use that platform sometime because it is brand new, it's never been used.

(Laughter)

Q Governor, another topic. Do you believe that the bombing of the office of a Salinas attorney as a direct result of his having attempted to testify against the CRLA?

A Well, if it wasn't there certainly has been a big stretch of coincidence there. This lawyer, incidentally, is one who has -- who founded the first Legal Aid Society in that area. This is a lawyer who has devoted a great deal of his time and his practice to helping the poor. As a matter of fact, in just -- just recently he took ~~ca~~ reference from CRLA six individual cases of poor people and represented them in their cases because CRLA was too busy to handle their cases. Now he testified against CRLA and this -- this act followed. I'm not one, you know -- this is a matter for law to determine. But I think that the coincidence in addition to which there are other witnesses who took the same tone, who have been receiving telephone threats and harassment of that kind since.

Q Governor, yesterday the police in Salinas arrested a young man in connection with that bombing and they also said that there apparently was no connection between the bombing and the CRLA situation. They said that the young man had a -- had a beef with a lawyer, Mr. ^{Moreno} ~~Marino~~, on a default proceedings.

A Well, could be then, then the coincidence would be quite remarkable, but I think it is something to be decided in court.

Q In view of that do you still think there is a need for an FBI investigation?

A Yes. I might add, you might want to look at -- into the Whler report on CRLA originally because I believe there was some individual, as I understand, who was at one time represented by CRLA.

Q Are you in favor of the federal government guaranteeing a loan to Lockheed for \$250 million dollars?

A Yes.

Q Why?

A Well, there are a great many ramifications in that and I think that the effect at this time in the economy would be rather disastrous if a corporation of that size, and the many contracts it has, should suffer economic collapse or as has even been suggested, bankruptcy. And right now I just have to tell you that I am in favor of the SST and I'm in favor of the government doing something to rescue the aerospace industry, particularly in California, because we are in great danger of that great pool of technical skill and talent dissipating and scattering because of the strain and the hundreds of thousands who are unemployed.

Q Governor, is there kind of a Republican socialism that you support -- you know, because really private enterprise is the most efficient survives. I know you don't believe in underwriting an income for an individual.

A No.

Q But then is this a special kind of socialism for large corporations?

A No, I think this is an emergency measure much as the Penn Central was an emergency measure, I think in this particular instance you have a firm that is engaged in a great many defense contracts right now and as I say, I think the ramifications go far beyond anything that perhaps we even have all the details, and perhaps a better way could have been found --

Q Even --

A -- had someone acted earlier.

Q Even if they get inefficient? And they have been proven to be so?

A Well, I think that if you are going to underwrite the loan I think you also take some action with regard to the inefficiency and I think this is inherent in the -- in the Government Act or what they are requesting.

Q Another subject.

Q No. Would you favor then Senator Cranston's proposal that the management of Lockheed be removed if the government is going to subsidize them, and put -- and government supervise who the management should be?

A Well, I think that this is slightly different than exerting

some controls to make sure that the company itself tightens up where there are obvious indications of mismanagement or looseness. But Senator Cranston has a way of swinging with a broad brush aimed at the biggest headline possible. And Senator Cranston's bleeding for the aerospace industry leaves me a little cold because he hasn't done very much for the aerospace industry since he's been in Washington.

Q Now? O. K. Going back to the subject of youth, Governor, on this subject of the Youth Opportunity Centers which HRD is in the process of closing or consolidating into the major centers, you mentioned that the problem of youth and big government and your feelings towards it -- I wonder what your reaction would be to the fact that in light of the staff cuts in the consolidation practices -- process, for example San Francisco which has been cut by a third, and is being cut by another third, how you feel the youth is going to feel when they find that the programs that were there to find them jobs are being curtailed and consolidated. How do you think they are going to react to --

A Well, if they learn the truth they will find the difference. Now a few years ago a bi-partisan piece of legislation co-authored, if I recall correctly, by former Assembly Speaker Unruh, created HRD. And it was created to fill a gap and to be an agency in the state government that was directed really at job finding and job training and coordinating all of these activities. And this is exactly what is going on. And youth employment is being taken in -- everyone emphasizes -- not everyone, but those who have chosen to editorialize at the moment about this, have only focused on the closing of the job corps centers and have made no effort to find out that at HRD the emphasis and the number one priority is going to be on this youth feature. And this was what the agency was set up to do. And what we are trying to do here, I think is an indication of the difference between our administration and what's gone on traditionally in government. Government traditionally starts something new and a new program designed to fill a need. But never closes down anything that has failed or has not been particularly successful in the past in this regard. And we have created a new over-all program here in state government to handle all the features of job seeking with employees that are known as job agents and all this is is a transfer of the activities from this other program into HRD on a statewide basis.

Q But with t. staff cuts, the fact they don't be able to do as good a job as they are doing now finding the jobs with fewer amount of staff, I don't see how that could --

A I don't think that that's true, when you talk about staff cuts. We are not talking about staff cuts in HRD.

Q No, in the youth opportunity centers themselves.

A Well, because they are being replaced by this being taken over by HRD. That was what HRD was created to do.

Q Governor --

A It has 11,000 employees, I think, at last count.

Q In the past few weeks you sent off a great many letters and telegrams to the Nixon Administration complaining about the OEO Commission investigation, CRLA and asking for investigations of the federal government of one thing and another. There hasn't seemed to be very much response. How do you measure your influence in Washington on this basis?

A Well, I tell you, I'm satisfied with my relationship with Washington and I'm a little amused at some editorial comment to the effect it would still try to pretend that there is some fuel or some difference going on. There isn't. But just to make sure that the letters got there all right and the telegrams, I've now sent Ed Meese instead of a letter. And he's in Washington now.

Q ~~But~~ the question is what -- no letters seem to be coming back, at least you are not releasing them. Are they not getting responded to or even read maybe?

A No, and some of the letters have been responded to with phone calls and some will not be responded to with this personal visit because the outcome of some of those letters was this personal visit, by Ed. Meese.

Q Has there been any action, though?

A Ed isn't back yet, let me find out. But actually in the latest problem that seems to be of concern with regard to use in the conformity issue and all, there is no estrangement between us, and HEW or anyone else.

Q Have you heard from Mr. Mitchell yet about your request for an FBI investigation?

A No, that just went off so we -- we haven't had that.

Q How about from Mr. Carlucci, Governor, on your initial request for a joint investigation into this?

A Well, Mr. Meese is meeting with him on that subject. So

I'll know more when he gets back.

Q Governor, last night at the Town Hall you didn't seem to have what could be called a good house by almost any description. Could you -- do you have any idea what happened to you on the way to the forum there? *with a reform*

A No, I thought -- I thought it was pretty good. That was -- that's a great big barn over there. I thought the audience was pretty good for that type of activity, but I also call to your attention we are guests. You'd have to ask the Chamber of Commerce. This is a new feature they have started, and this was only the second meeting they have had. There were a few minutes there when the box office was a little bit too good.

Q Governor, are you aware that a contingent¹ of businessmen went to Washington to oppose the funds to Lockheed and this morning Gordon Rule on the front of the Chronicle opposed it and said they should go bankrupt?

A Oh, I know that there are a number of businessmen and, as I say, perhaps there might have been a better way to handle this earlier and if -- some action had been taken earlier, but I know that certainly there are companies that believe they could build those airplanes, there are other companies who would like to see the motors built in America instead of England. Whatever the mistake was, that led to this, there is, of course, a body of evidence on the other side not only regarding the defense contracts, but as you saw the other day one of our astronauts now representing an airline who was speaking so highly of the plane itself and of the great need for that plane, and particularly by his own airline, so I think you can -- you can take your choice.

Q Governor, there is a rumor going around, I wonder if you could maybe clarify it for us, there is a report that you are planning an replacing Gil Sheffield with Louis Uhler, is there any truth to that? *appointments*

A We haven't any meetings whatsoever on -- on the replacement for Gil Sheffield, what we are going to do.

Q Would you consider Mr. Uhler?

A I'll consider everybody when the names come in. You'd be surprised how many names we throw in a bucket and not only from within government, but from new blood outside, and earnestly try to find the guy that we think could do the best job.

SQUEEE: Any more questions? Thank you, Governor.

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6/10

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JUNE 10, 1971

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: There's more action out in the hall where the school kids are. You should have been out there. People were being trampled.

Q Mr. Beilenson joining you today?

A No, no.

Q You got an opening statement?

A No.

Q Let's fire then. Senator Beilenson said flatly yesterday you don't know what you are talking about in saying that his measure would cost a billion dollars more.

A Well, any time Senator Beilenson or any of the rest of you would like to sit down with Mr. Carlson, he'll be able to show you what has already been worked out. They burned a lot of midnight oil doing this and show you the figures based on this. Mr. Beilenson's (well, for) program, which as I pointed out totalled up to a 993 million dollar difference was not all increases, as I pointed out, that is the difference between his increase and what our program would have decreased. His would have gone to per capita average of 85 dollars and the per capita average upon which we based those figures is -- is about a 31 dollar difference in that. So this is how -- how the figures were worked out, but I suggest and I would advise any of you to see Mr. Carlson who will give you a complete figure basis upon which we conclude this.

Q Isn't the state in kind of serious trouble when two reasonably intelligent men who at this -- the figures which should be the same and add differently, is there something wrong with their basic education or what?

A Well, yes, there is one thing very wrong. I'm sure that the

Senator is very sin and believes what he's ag, but philosophically he is opposed to our concept of welfare reform. This again comes down to that philosophy of those who believe that government should constantly be on the shelling out end. They have refused from the very first to even consider our proposals or to look into them. And the plain truth is ours are the result of a year or more of study and work with the counties and with county welfare people on this program to arrive at all of this, and somebody comes along and thinks he can sit in a couple of committee meetings with some hearings and have his staff working around without the knowledge or the background of a year's research and study and then come up with some figures upon which they could base such a serious move.

Q I was speaking of Mr. ^{Carson's} ~~Carson's~~ arithmetic people and Mr. Post's arithmetic people, they are only, you know --

A I'll go by the same thing. Mr. Post's people have not -- had the same experience of working for a year in a task force on this entire program. And the wide difference there, I am totally confident and I would suggest, as I say, that you find out the basis for those figures. Tomorrow there is going to be such a hearing.

Q Governor, you mentioned the counties and yet they stood up and opposed your legislation yesterday?

A They opposed mainly on one basis. Now some of you did a pretty good job of trying to imply that the counties were terribly down on everything that we wanted to do. They are opposed to the closed end appropriation, they fear it. Even in spite of the amendments that we have. But also that is not general. We have found that a great many counties, and there are a great many counties, supervisors and welfare directors that are totally in sympathy with ours. The San Mateo County Supervisors have just endorsed our program. They claim they have studied our figures as against their first fear that they would lose over a million dollars and have found that they will actually gain money. Some of those counties supervisors, I'm sure, were sincere in here the other day, there were some, like the representative from Sacramento County, that I don't think he'd like it if we were putting everybody on salary.

Q Governor, is this welfare bill better than no welfare reform bill?

A No. The difference mainly between the Beilenson welfare program and ours is that his is not welfare reform. And for that

reason what we are discussing here is academic because his bill isn't going any place. It requires a letter from me to move and since it is not welfare reform it is not going to get such a letter, so we are right back where we started.

Q Governor, you will not accept this bill?

A I can't.

Q At all?

A No., after what I --

Q Even if it means no welfare reform this year.

A Well, it doesn't mean that. We are -- they still want to come down and discuss with us what we can do, they have -- they have said that they are for welfare reform, but I would be quite hypocritical if I gave this ~~a~~ letter, to move this out and seemingly put my stamp on it as accepting this was welfare reform which instead it is a gigantic increase in the cost of welfare with really no work provisions and with no cost control provisions of the kind that we have in ours.

Q Senator Marks and Senator Behr both said that the Beilenson bill has -- that 11 out of its 15 provisions are reform proposals taken from the Republican bills including Senator Burgener's bill. They say it is a good start at welfare reform. Now, do you disagree with them or their --

A You bet I disagree with them. First place, sure, he took something out of everything. He took a few of the things out of ours. But he ignored all the things that would make the cost control provisions of the program work. Now, his program, for example, in state costs, his program would come out at adding 258 million dollars to the cost to the state. Then there are 25 million dollars of savings in there mostly which come from those provisions of our bill that he chose. But 25 from 58 still leaves it a bigger increase in cost than the state should undergo. I was sorry to see that the two Senators felt they had to vote for his, and they did it with a complete lack of knowledge of this particular subject. They know only what they have heard sitting up there in a few committee hearings. They absolutely have no knowledge whatsoever of our program.

Q Governor, with all due frankness, should Mr. Mark Carlson didn't make a very good showing. Got everybody all muddled up there.

A Well, I've spoken, Squire, to him about this, and I think -- and I cautioned him that I think what we really are suffering from is someone who has been dealing with this for all of this time. It is

too easy for him to pick from his knowledge and realize that those who are hearing it for the first time need a better explanation. In other words, he -- he assumes more understanding on the part of the listener and doesn't realize it comes from his own knowledge of this subject and I have cautioned him and told him to try and find an approach whereby he can realize that he's starting -- or you are starting and hearing him from the point that he started from a year ago, before we knew anything about this.

Q Governor, Senator Beilenson says that many of the Republican proposals are in there and that the only real difference is the open ended versus the closed end budget. Do you disagree with this?

A Oh, I disagree completely and I think it just shows his lack of understanding of welfare reform or even the welfare problem.

Q Governor, it would appear from talking to the leaders of the Democratic majority in the legislature that there is no reasonable expectation that they will approve a closed end budget or the equitable apportionment proposals in your welfare program. Is there anything short of that that would put in controls that would satisfy you?

A Yes, the thing that they haven't done yet. They have revealed that from the very first, including when they didn't want me to go up there and talk to them about it -- they have a resistance no matter what they say, they have a resistance to welfare reform. And the -- I thought the proof of that was, and that maybe more of you should have observed it, was the fact that they didn't even wait for our welfare reform proposals to come out on television and before you the members of the press, and reject it. And there has been no legitimate effort to come to us and say, here, this is unacceptable and that is unacceptable, we can work out -- let's work out what we can in a welfare reform program, minus this or that. As I have said so often, come down and let's see. Are they prepared to give us 60 per cent, 70 per cent, 80 per cent, half, none, and Senator Beilenson tried to pretend that this is what he had done. Maybe he thinks honestly that he did this. But to pick out a few things out of a welfare program and incorporate them with his and leave out the very features of the program that could provide the controls we need and leave -- it being an increase in the cost of welfare instead of what we are seeking, a decrease, we were agreed on one thing although not to the same degree that he proposed. We both agree that there

should be an increase in the grants to the truly needy. He wants to make a bigger single increase frankly than the State of California can afford or the counties can afford because he's going to dump around 83 million dollars additional cost on the counties, and we are looking for, in the next few days, if the counties want to listen and if they are curious about this, to explaining to them -- they have been so cost conscious where we are concerned, to ask them to be as suspicious of this as they have been of us. But really that would be academic, too, because as I say his bill isn't going anyplace.

Q Mr. Moretti says he is opposed to an AFDC grant increase. If that feature were taken out of the Beilenson bill would it be more palatable to you?

A He's opposed to any increase?

Q Any increase.

A Well, then we are out of conformity again.

Q No, he says 21.4 per cent.

A Oh, this is what we are talking about. We are talking about a similar thing that continues --

Q But nothing on top of that.

A That's right. Now, we hope that -- as we have said many times in our briefings before, we hope that a savings developed and we believe that they can develop more than the figures we have given that we will then be able to do more and bring these people, the truly needy, up as we develop the administrative savings and so forth.

Q If the grant were deleted from the Beilenson bill, would it then be more palatable with the open end feature?

A No, I just don't think that the controls are there to hold this program down.

Q Governor, the Speaker also said that you will have to sign any welfare reform bill that the legislature sends you because you made so many speeches you really want welfare reform, and will lose credibility if you didn't sign it.

A I'm not going to lose any credibility, the difference is if a legitimate welfare reform comes and does -- all or even a good part, if that's all we can get of what it is we propose, no, I'd sign it. I'm not going to sign something that is phoney, that pretends to be welfare reform and let the people of California wake up and find they're faced with a gigantic tax increase, that they didn't have welfare reform and the Speaker is talking again -- sometimes he says things so quickly he hasn't had time to think.

Q Does the Beilenson bill such a bill?

A What?

Q Is the Beilenson bill such a bill?

A That's why I won't give it a letter, it is not welfare reform.

Q Won't the costs go up, Governor, without any legislation anyway, with none of the controls?

A Without any legislation well, we have a certain -- remember that there is a certain difference -- we have some administrative things. We'd be better off if we had legislative support for them because undoubtedly some of our administrative moves will be tested in court. And the OEO funded lawyers have proven that they can shop around until they find their kind of judge, on some of these issues.

Q Governor, how do you define the word "reform"? And why doesn't Mr. Beilenson's Bill come up to that definition?

A Well, reform has got to have the provisions in it that enable us to stop fraud, enable us to control and reduce the support that we are giving to people with earnings, set a limit on the height of earnings. It has got to be able to give us some controls over eligibility. This is reform. The things that the people object to today and it is very strange, the people are better informed on this than most people realize. The people by and large, according to all the polls we have taken, show that they know that those with true need are not getting enough. They are aware of that. But they are also aware that there are the great percentage of people getting welfare who are not entitled to it who shouldn't be getting it and that there is a percentage of fraud and cheating. That it is too easy to get on and in the San Francisco Examiner, who has a reporter now who is proving every day how easy it is to get on. I don't know whether you read each other's papers, but he's down getting on welfare as a matter of an eight-hour day and writing his experiences up and they are quite entertaining reading. He told of one acquaintance he made there that has five birth certificates and is drawing welfare in three counties in the Bay area on three of those birth certificates. He'll probably get the other two into production as soon as he can move around a little more.

Q Will you be selling those papers outside the door, Governor?
(Laughter)

A Well, I thought that now and then you ought to hear either Mr. Agnew or myself when there is an opportunity say something nice about the press.

Q Your dialogue seems to have been condemnation of the Senate so far. It happens to be reform welfare. How are your relations with the Assembly on that same --

A I've just been condemning the action on Senator Beilenson's bill, has not being welfare reform. So far I haven't seen anything -- it's been on the Senate side. The Assembly hasn't been dealing with that problem. But --

Q Are you having any dialogue --

A I think that the Democratic leadership has let this session of the legislature come down to this point a few weeks before what should be the termination of the session with less progress than in any session that I found anyone can remember.

Q Governor, don't you think it is important, though, that in Senator Beilenson's proposal he does have an earned income limit? A cause for relative responsibility?

A Yes, this is one of the things that he has taken, yes.

Q 150 per cent limitation?

A These are some of the things. But again, I suggest to you that Mr. Carlson and his people have literally worked around the clock from the few days notice that we had to analyze this, and see what it would do and we don't do this from any standpoint of wanting to oppose it. Very frankly, my first reaction was anything that gets a bill out that we can start working on would have been acceptable, would have been fine. And if they could have found benefits in this that -- that were leading toward the goal that we had hoped was a common goal, they'd have been the first to say so. They can't dispute their own figures, they didn't set out to disprove this, they set out to find what does it do.

Q Governor, are you really prepared to compromise? I mean really sit down and accept some features that you don't like just to get a welfare reform bill?

A Yes, I think the proof of that is the amendments that we put in already with regard to meeting county protests. We felt and I still believe our figures. I believe the counties were safe. I believe the counties were not going to have any cost imposed on them. We could not win their acceptance of that. The counties have had a long history of mistrust of Sacramento, and I'm afraid based on too many facts in the past. Maybe they are not prepared to accept that there

is someone here now who doesn't want to dump something on their backs. And I think the amendments that we put in indicate that we were not wedded to this. As I said from the first, we were willing to let this go into legislative process and we would accept this kind of compromise. What I cannot accept as a compromise is a pretense. That is not -- just as last year when they held the budget for ransom and everyone -- not everyone, let me say there were certain editorial comments to the effect that I was stubborn and wouldn't compromise. Well, what they proposed was not a compromise, the budget was being held for ransom on the basis of our tax reform program. And their idea of a compromise was that instead of it being a wash, increase taxes to pay for a decrease tax in property. They wanted me to increase the taxes not totally decrease the property tax, and have 300 million dollars of increased taxes for increased spending.

Now, I don't think that's a compromise. Compromise would have been if they'd have said, we'd rather raise this tax and that one, or raise another one more and this one less, make adjustments of that kind. I'm wide open to that kind of compromise. And the same is true with welfare reform.

Q Are you willing to compromise, Governor, why wouldn't you be willing to compromise on the Beilenson bill?

A Well because as I say it is not welfare reform. It does not even approach it. How do you start compromising from a program that now is going to save 335 million dollars modest estimate, if it is implemented, and one that is going to increase the -- increase the present cost of welfare by some 600 million dollars? Which means that you are automatically saying to the people of California that they have got to undergo another property tax increase at the county level, they have got to undergo a state tax increase and in reality they have got to shell out more money for the federal government's share. Now, that's -- that's pretty far apart to start compromising.

Q Governor, had the county supervisors who were here yesterday been hoodwinked by the Beilenson bill, they seem to have some support for it.

A I can't give -- the only thing I heard them, myself, and then I had to go by what you fellows ran, but the only thing I heard was that it did not contain the closed end appropriation. And the other thing is I have to say they cannot possibly have done what our staff did. We only got this a few days ago. And they have been working as I say, around the clock since to put it together. They started -- first we were given a four-paragraph memorandum, and on that four

paragraph memorandum the first clue was already there that just looking at that our people came up with an increase in costs both to the counties and to the state. Then this was followed by the more detailed plan. And then -- and they have only had a couple of days now. These people from the county could not possibly have had this and been able to do more than give it a surface look.

Q Governor, you said that San Mateo County supervisors supported your program and yesterday Mr. Carlson said that at least the Chairman of the Board of Supervisors in Riverside County also supported your program.

A There are a number of others.

Q Could you name some of the counties that support the program?

A Oh, Bob -- Alameda County I think is one that's supporting us. We have had some -- we have had some partial support -- we have had a great many counties like San Diego County, Los Angeles County, many of the bigger counties that favor our program but withhold an actual endorsement because they still don't like the -- the closed end appropriation.

Q Governor, from the beginning you proposed to balance the budget for the coming fiscal year partially through the savings you had hoped to realize through your welfare reform program. It now appears that there will not be any welfare reform, at least by the time the budget must be adopted, and your stand today not give a letter seems to seal that fate. How then does that place the condition of your budget, doesn't it aggravate the deficit problem and what will you do about it?

A Well, gentlemen, we are coming down to this place, I don't think that the fate is sealed on welfare reform. It is still there, it is where it was yesterday before that meeting. We are still willing to meet on welfare reform. We have said since we had to report the decline in revenues upon which the budget was based that there has been a continued decline in revenues, that it can still be balanced by welfare reform. No increase to the budget, and then finding the replacement income for the lost tax revenues through withholding. Now the choice is theirs. If they elect to send down a budget without welfare reform then they have made the decision that there must be additional revenues found.

Q Governor, have you exhausted all your administrative remedies for welfare reform or are you now going to explore what you can do by regulations you have now been prevented to do temporarily?

A Oh, no, we have been continuing all this time. We are proceeding in the process of implementing the administrative reforms. We will go forward with those, but -- in other words, if they don't -- if they don't pass the legislation this doesn't mean that we have lost the total amount of savings from welfare reform.

Q Are you going to try to find --

A Well, it will -- the estimate of the cost of the Burgener bills or the savings is 89 million dollars. If we do not get the legislation we are out 89 million dollars out of balance.

Q Governor, if, as you say, that the only objection such counties as San Diego and Los Angeles have to your program is the closed end appropriation, would you be willing to accept a welfare reform program if it did not include closed end?

A Well, there is one thing I learned when I was negotiating for the union against those tycoons in the motion picture business. If you are going to sit down to negotiate out a welfare program, you are sure not going to tell somebody in advance what you might or might not be willing to compromise on. And gentlemen, you just have to realize you have me in the -- in the position right now of willing to sit down and meet on the basis of welfare reform legislation. But I ain't tipping my mitt.

Q Governor, how much ^{will} ~~it~~ that closed end appropriation save the state each year?

A I couldn't put a figure on it. Actually, that's one of the control devices.

Q You don't have the figure for it?

A No, that is -- that is aimed at helping insure the responsibility of the county welfare workers to help control the case load. Right now as -- as the reporter -- and he's one of many, a number of your papers have done the same thing, some of your T. V. outlets have had people go down and at least make a one-time attempt to prove they can get on welfare. This is part of the attempting to tighten that great leak where it is just easy to walk in and -- and get welfare.

Q You must have a figure, how much it is going to save?

PAUL BECK: Equitable apportionment. That's the device by which you then apportion the people out, that's the equitable apportionment and a closed end appropriation got together. They are both tied together, it is not only eligibility in this.

A It is not only eligibility, but it is the -- it is the

matter of the size the grants that are will. ly given to someone who has outside earnings. If the county welfare worker who is doing this knows that every time he does it he is running the risk of taking dollars away from people already on welfare.

Q Governor, Mr. Carlson yesterday tried to explain this equitable apportionment to the Senate Committee and how much the state would save by it. And he failed to do that, can you explain it?

ED MEESE: I think the important thing is equitable apportionment and closed end budget does not per say save money. It merely guarantees that in a given fiscal year the state and the counties will not pay more than the amount budgeted. It is an expenditure control device. It is not per se a money saving device.

Q What is the guarantee that the counties wouldn't have to pay more?

PAUL BECK: That's written into the legislation as one of the amendments that we submitted. Where I suggest, if there are enough people interested in it, why, I'll be very happy to set up a briefing with Mr. Carlson and his technicians so you can really get you know, if you don't have your -- if you don't understand what we are trying to do, we would be more than happy to do that and if you are interested, we will do it.

Q Governor, Senator Beilenson's bill is the only major bill that is still alive. Your bills are dead, in his committee, which would have to pass on any welfare plan. You seem to give him no -- no credit for sincerity, wanting welfare reform. How do you expect to be able to compromise on any sort of welfare reform program this year?

A Well, I didn't say that I didn't give him any sincerity, I said I didn't think he shared our view of welfare reform and philosophically, perhaps, there is a difference there. If he truly wants welfare reform or any of the others, and I'm quite sure there are some upstairs, I'm not blanket indicting the entire legislature, we can have it. And that the terrible thing is the people want it so desperately and we know that. We have taken our own surveys. We know that without regard to party differences, the number of people in California according to the polls that want this welfare reform are approximately 85 per cent.

Q Could you not use that bill as the vehicle for that compromise?

A Well --

Q With amendments?

A Yesterday I sort of indicated that if that action took place -- you remember I made my statement before his was even passed out, that as long as there was a vehicle you could, but remember, he has control also as the author of the amendments. And he seems pretty adamant. So it is -- there is just no sense in letting that proceed because it just doesn't have merit.

Q Governor, just one more try on this regulations question. Can you now turn to the regulations, did you leave yourself some -- some loopholes whereby you could say, well, we don't get the legislation we want, let's do it administratively. Is there any part of the program that's now been shelved -- any part that cannot be done administratively?

A No.

Q Have you exhausted --

A We have already divided our welfare reform, what is administrative and that we are proceeding with. The other part was put into Burgener's bills that required legislation. Now, that's the part that is stymied. We are proceeding with this.

Q But is there any part of the Burgener bill that could have been done by regulation?

A I don't think so or it wouldn't have been in those bills.

Q Well, some of them were either legislation or regulations, some of those proposed. I was just wondering whether some of them --

A Remember, some of the court decisions that have already been handed down have not been objections to what it was we were trying to do, but have been -- the court has ruled that it would require legislation to do it, that it cannot be done administratively.

Q New subject?

Q One more question.

A There is one more from --

Q If you are not going to give that bill a letter, are you going -- is the administration going to attempt to amend it at all in the Senate Finance Committee? Why bother --

PAUL BECK: You can't go to the Finance Committee.

A It can't go, can it, without the letter.

ED MEESE: The letter applies to its present form, I

believe, Governor.

A Whatever legislative process can go to work to continue, hopefully, bringing a welfare reform about, I'm in favor of it. I don't understand many times all the machinations that go on up there, but no, I'm in favor of anything that will bring about some welfare reform.

Q That answered my question.

A O. K.

Q Governor, I have just one more question on this. If Beilenson won't let your bills go and you won't let his bill go, then ~~where~~ is the compromise? You know, you talk compromise but where -- can you give us a hint on where you are willing to compromise?

A I think you have to start with a bill that actually is welfare reform, and is isn't.

Q Well, Senator Burgener said yesterday he felt there was a substantial welfare reform in that bill if cost controls could be amended into it.

A Well --

Q This was after the hearing.

A But Senator Beilenson is the author of the bill. If you let that bill move we are at his mercy.

Q Senator Burgener said he would talk to Senator Beilenson and see if he would work out amendments.

A In the meantime I'll just sit there pen poised and not signing a letter till somebody talks.

Q Governor, doesn't that letter control only last until the budget is adopted? I mean once the budget is adopted then the legislature is free to move on any legislation they want, are they not? You still have the option of vetoing, I agree, but I mean as far as this initial letter.

MR. MEESE: Yes.

A As I say, I'm -- I'm so busy with my own rules and regulations I don't know all of theirs. I'll have to soon find out what that does. If so I've got a new crisis.

Q Governor, you just signed a bill to limit smoking on public transportation. As a non-smoker yourself do you have a personal interest in that legislation?

A No. And as a matter of fact, I've -- I've hay-fevered my way through a few smokers in my vicinity. But it seemed to be a bill that was quite widely approved upstairs. I've -- I was a little

worried about how far does government go in its infringement on personal rights, but at least the bill did say that it was simply to provide a smoking-free place, some section of the craft that would be for those people that found a smoke offensive. I couldn't see any reason to veto it. At the same time I didn't exactly think that it was the sort of thing that you'd run up on the flag pole as the greatest triumph of a legislative session.

(Laughter)

Q You don't ride the bus often yourself?

A What? Oh, listen, I ride that bus that flies from here to Los Angeles more than anybody. I'm -- I'm thinking of taking lessons in flying it one of these days and it applied to all manner of -- not only buses, airplanes, everything.

Q Governor, I have one more. You appointed Assemblyman ^{Butschgi} Brischi -- former Assemblyman ~~Brischi~~ to the Unemployment Appeals Board today. Can you tell us what qualifications he has for that appointment?

A Certainly his wide experience in government here, but I would tell you that he also had a -- had very strong support and backing from organized labor. And this is of great interest to them and he was way out and ahead their choice and there were others, of course, too. He wasn't just a one faction choice, who had been seeking that particular post for many --

Q Governor, you are aware that Senator Taft said he's going to run as a Favorite Son. Are you giving any consideration to running as a Favorite Son and if not, would you completely rule out the fact that you would never?

A No, I've -- that's already been decided. I've already informed the President that the delegation that I want to lead to the convention is one pledged to him. His election. Now, I don't know what the Ohio situation is, and why Senator Taft feels that being a Favorite Son is the way to do that, maybe their election rules are different than ours. To run as a Favorite Son means that you go to the convention technically as a candidate and then of course have the option of an open convention of throwing your block or trying to persuade people to be -- to go one way or another, keeping control of it yourself. No, I've made my pledge to the President, I will take a delegation pledged to Richard Nixon.

Q Will you rule out that you wouldn't if conditions change

somewhat?

A Conditions aren't going to change, I'm taking a delegation pledged to Richard Nixon.

Q You'd expect to arrive at the convention then with nobody to make a nominating speech in your behalf?

A That's right. Can't. Because, remember, under our laws such a delegation once picked is ~~is~~ on the ballot. And it is on the ballot on that basis. And it must be voted by the people. We don't do things in a smoke-filled room here.

Q Governor, a year or so ago you supported measures to change the method of selection of judges. Have you given up?

A No, no, we still intend to continue with that. I know that the legal profession is thinking in terms of a ballot measure because it requires a constitutional change. No, and I have voluntarily been practicing the very plan that is not legal and that -- in other words, that we did not get passed. I have been voluntarily following such a plan.

SQUIRE: Any more questions?

Q Governor, as I asked you last month, how's your Judicare program coming?

A We will have an announcement on that within the next several days, I think we will have some information for you.

Q Governor, yesterday you met with Mr. Monagan up in his office and I assumed the discussion must -- might have been tax reform. Do you want to talk about it?

A No, as a matter of fact it wasn't. It was a meeting with Bob Monagan as the leader of our Assembly group, simply to talk about this whole thing of where we stand with regard to the budget coming down to the end of the session. What we can possibly do together to break the log jam and have a budget on -- on time. Meet these various problems. It was a kind of general discussion and one leading to my trying to find out is there anything I can do with regard to further informing our legislative group.

Q You were great as Dutch Reagan.

A What?

Q You were great as Dutch Reagan on Laugh-In.

A You will notice I didn't have the nerve to go to the preview.

SQUIRE: Thank you, Governor.

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