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5/15

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD MAY 15, 1973

Reported by: Governor's Press Office (FEB)

(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 guarantee of absolute accuracy).

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(Whereupon the Governor read Press Release #262)

Governor: Now on this matter, Win Adams and representatives of EPA are here and will be able to answer any questions you may have on this matter after the press conference. I am sure they can give you better information than I can give you.

Question: Governor, in general terms can you tell us what it means to you that the state will, in fact, enforce the same law that federal authorities otherwise would?

Governor: Win. Win, I am going to start right in with you. I think I know the answer but I'll let Win do it.

Question: What is the major difference in that the state will enforce the law. I mean, in effect, it's the same law that you will enforce.

Win Adams: Yes, we have had a state law. Last year there was a new federal law just for water quality and in that there were provisions to delegate that authority to the state to operate the program. Otherwise we would have had a dual program.

Question: Then it's the same thing you have been doing?

Win Adams: Yes.

Question: It is the same thing now that you were doing before, right?

Win Adams: Yes, this makes it official.

Governor: Without this authority, however, there would have been a dual system, with the federal government and state government enforcing, virtually, the same kind of regulation.

Question: Are the requirements the same as federal or are the local?

Win Adams: We have amended our law to comply in all essential respects to the federal law.

Question: I realise they comply but in some respects aren't they tougher?

Win Adams: Yes, they can be more stringent than federal law.

State laws will supersede the federal. They will be administered as one program.

Question:inaudible....

Governor: Which is somewhat normal situation in a lot of areas.

Question: How is the signature campaign going on for your
(phon)
initiative?

Governor: I hope to have a report later on there. I don't know what the count is on that. I know that we have a great many in the field. We know we have asked for a very tough job to do this, but we will know later on just about where we stand at this point in the drive.

Question: Are you confident you will get enough signatures?

Governor: Well, you know me, I always run scared and I think in any kind of election or a matter of this kind you run scared. So I run scared. As I said we have asked for a very difficult thing in asking for a volunteer movement in the limited period of time to get these. We knew we were really handing them a tough assignment but let me just say that I am hopeful.

Question: There have been complaints that state employees have been pressured to circulate petitions and so forth.

Governor: If there is any such example we haven't heard any complaint directly. Contrary to that we have been impressed by the enthusiastic volunteering of civil service employees who want to participate in this and who have in great numbers expressed themselves by saying it is high time that something of this kind was done. If anyone has been persuaded in any way that they believe it was pressured then it is in total violation of any instruction that we have given.

Question: You said last month you were going to keep things completely separate from your office and the conduct of this private campaign.

Governor: This is for on their own time. It is for anyone who wants to participate such as last week on the Saturday blitz a number of our own people did this. As I say there is great enthusiasm in the departments and individuals are volunteering in great numbers and it is completely contrary to anything we have heard about somebody complaining .

Question: Are suggestions being made that they volunteer during meetings being held during daylight hours?

Governor: Not that I know of. I don't know how the department heads have informed them of this.

Question: You are suggesting that they volunteer on their own time. Isn't that sort of a pressure? I mean if somebody's boss comes along and suggests that he do something on his own time that's putting pressure on.

Governor: No. And I again we only suggest a thing of this kind. I will stand on our six-year record. In all the elctions and all the programs that have come up that call for participation by people I'll stand on our record against any record of any administration in the past of California because no letters have gone out from us reminding people of what their salary is and what they are expected to contribute. No one has been pressured in any way and if anyone is pressured I want to know about it, because action will be taken. By the same token these people are citizens and when these people employed by government want to use their weekends and their free time to circulate ^(tax) petitions and they volunteer and they tell us they believe that this is a worthwhile thing that should have been done a long time ago I don't think they should be denied that practice of citizenship.

Question: Governor, if this is really a grass roots movement for reducing taxes why is it necessary to call on state employees to volunteer their services?

Governor: State employees are a very large segment of the active people here in Sacramento. We're the biggest industry of Sacramento. There are a lot of these people and they have the same interests that other citizens have, the same desire to see their taxes lowered, they are taxpayers too.

Question: The organization has various committees formed in various counties. Weren't they successful in getting volunteers just on a grass roots level?

Governor: Our volunteers cover the entire spectrum. We have probably had the biggest answer in response to our mailings that any mailing has ever received and the contributions that average around \$12 a piece indicates the broad grass roots level of support for this. So are you suggesting that these people be denied some participation in community affairs because they are employed by government?

Question: I am just wondering whay it is necessary to conduct a blitz using state employees if there is a great.....

Governor: The blitz was not just for state employees. We had a blitz of people who would walk precincts, people who would go out to shopping centers and so forth and we had it as a device in this getting of signatures. I had it last Saturday. Many of these people have participated in that but no one is being suggested that they do this on government time or in any way because of their government employment.

Question: There has been some speculation that the initiative drive is not going as well at this point as you had anticipated is that correct?

Governor: I don't really know. I do know this that when I say it was difficult we do know that it was a difficult task in the limited time. ^{/on a volunteer basis} I don't know if anyone has even gotten petitions signed in the numbers we need in this limited period of time. It is also true that without a general election going on, without precinct organizations active and at work where they simply take this on as another assignment as they did in the last election with the many ballot issues, there is a tendency for the volunteers even though they are enthused to take their petitions and instead of actually going out and spending hours doing it there are a lot of people who think well, if I drop in on someone or someone comes to visit me I'll get their signatures on the petition and we are concerned about the time element.

Question: I haven't heard of any Republican legislators getting deeply involved in this drive; is that in any way contradictory to your statement that there is a broad grass roots movement?

Governor: Not at all. As a matter of fact, many of them have made their offices available in their districts, and many of their own assembly district chairmen are heading up the drives in those districts.

Question: Can you name any?

Governor: I don't know, I've....No I wouldn't want to pick them out because I don't know who all have and who all haven't. In the meetings with the assembly leadership and members of the assembly and the senate there have been evidences of this and they have asked about it, and a number of them volunteer.

Question: On your fact sheet here you say subject 4 that Californians are paying 44 percent of their income in taxes. Do you pay 44 percent of your income in taxes?

Governor: I have a hunch that back over the years I have paid more than that.

Question: How much more do you think?

Governor: Well, I don't know but when I was in television and in movies I don't know of anyone in that business who had attained stardom who got to keep two thirds or almost 60 percent of their salary. You worked for far less than half. I was in the 70 percent bracket and before that before they reduced it I was in a 90 percent bracket.

Question: Are you getting back now through tax loopholes by not paying as much or are you paying 44 percent

Governor: No. . . I don't know what those tax loopholes would be.

Question: Are you paying 44 percent?

Governor: Yes, I would have to say probably more. 44 percent is an average and the governor's salary happens to be above average. So obviously there are some people below the median line who are probably paying a little less than that and some above who are paying more.

Question: This question of whether the government is taking 44 or 32 percent is controversial and argumentative. Would you be willing to submit that question to someone neutral, like the Brookings Institute since this figure has been used in advertisements?

Governor: I'll take exception to one thing that you said there. I do not consider the Brookings Institute neutral. The Brookings Institute is one who has loved to make the figures come out based as taxpayer against gross national product. As I said yesterday speaking to the AFL-CIO meeting to use gross national product which is a favorite trick of some politicians is to ignore the fact that you are double counting, that the government can increase the gross national product by building a battleship but it doesn't make people any richer. The only way you can actually figure out what does government cost is to take the total cost of all the governmental institutions in the United States and take the total revenues of all of the people in the United States and find out what percentage of those revenues it requires to meet this cost of government over here. That comes out at 44 percent. Now the nitpicking that has gone on upstairs of trying to make this a confused issue, where the one figure or the other is the right way to figure, to compute this, would like to suggest that because we take the total cost of government, all of the things that contribute to running the departments and in some instances those are toll bridges and the revenues that the postal department gets but it is all paid for by these people over here.. The funny thing is when you take and reduce this to pure taxes and then reduce the people's income to pure cash income the figure still comes out almost 43 percent. Now the... I would suggest that 44 percent, 43 percent or the other figure that has been used by some on a different basis of 37 percent, or even down to the 32.6 percent which is totally falacious because it is related to gross national product, that any of those indicate that the overall issue must not be lost sight of and that is taxes are too high. They are the biggest single expense that any family has. This is what must be reduced and I think if you took a public opinion poll, as a matter of fact we had a survey at the Governor's Conference in New York the other day, that revealed that the overall

issue in the people's minds is the pocket book issue of the cost of government--of taxes.

Ed Gray: I would like to point out that in the material that has been provided to you there is a copy of the letter from the tax foundation itself, the same organization that Alan Post used in making his report and that letter confirms the fact that it is about 44 percent, in terms of revenue.

Question: Governor, on these things you gave us at the start of the conference, why are you changing your policy after six years of not commenting on subjects not related to California about which you have no personal knowledge. You have been doing this for six years why change now?

Governor: Well, I don't know. I have said "I don't know" in here a lot of times, when you have asked questions about something outside.

Question: There has been no flat rule, no prohibition.

Governor: No, I made it for a very obvious reason.

Question: Does this just hold for Watergate or?

Governor: No I made it all inclusive here so that we could talk about state issues for a while, because for quite some time now I have been a little frustrated in that a lot of things are going on the state of California and we have been spending time talking about things that are none of our business. It's none of my business in here anyway.

Question: Are you going to discuss Watergate outside of this news conference every week?

Governor: No.

Question: Not at all? Inside California or outside California?

Governor: No. You'll have to put up with it.

Question: Governor, whether you are actively promoting it or not you are being mentioned for a position of national leadership. Doesn't that mean that your views on national subjects are of interest to a lot of people?

Governor: Well, they will do that after we solve the problems of California.

Question: To what extent do you feel betrayed by what you see going on in Washington?

Laughter

Governor: May I refer you to my statement.

Question: Governor, Moretti funds to fund a project for a steam car I was wondering what you think of the use of that kind of money like going around the corner?

Governor: Well, the legislature has the authority to use their contingency fund for things of this kind. Certainly there is no question about the interest of California in non-polluting sources of power but that something I suggest you take up with the legislature to see how, whether they are all in agreement that that is a proper use of the money.

Question: Speaker Morretti has also said that the chances of the death penalty bill passing the legislature appear to be very slim this session. If that seems to be true would you support an initiative to put that question on the ballot?

Governor: Yes I would and I think here is an example of Assemblyman Moretti, Speaker Moretti, commenting on this and saying that the chances are very slim, here is someone who must be accepted as an authority for that statement because I would say that the fate of the death penalty legislation is entirely in his hands in the assembly and his alone.

Question: Do you think there should be an amendment to that bill that would put hard drug pushers, that would allow judges to give them the death penalty? Connecticut has done something of that sort.

Governor: I haven't given that any consideration. I would like to talk to our people on this whether there should be any additions to the death penalty legislation. Right now I have been concerned about what has been proposed in getting it on there. I know it is awfully easy to feel vengeful about the drug pusher, the hardcore pusher. How you separate them from the addict who does this to supply his own demand I don't know. But as I say I don't know of any crime that is more heinous than the pusher who is out soliciting that kind of trade. But I would want to sit down with our own people in the field of law enforcement and particularly in our own drug council to see whether that would be beneficial or not.

Question: On this Watergate statement, there is increasing talk of people saying that impeachment proceedings ought to be launched. If that increases don't you feel you ought to be responsible as a leader of your Party to defend the President if you feel personally that he should be defended? Might you break the rule in that case?

Governor: Let me say I will be willing as time goes on to review my position at frequent intervals to see whether I still stay with it or not.

Question: A Reapportionment bill 20-20 in the Senate and a gain of open Republican seats in the Assembly, would you likely have an mind to sign it?

Governor: You are on a subject now....I have been gone for a week and I know there have been negotiations going on in the assembly and the senate on these measures and I have only had a brief word with some of the legislative leadership about the progress they think they are making in that regard. I intend to keep abreast of it and intend to find out what's doing but I don't have enough information to comment now on whether they have made gains or not.

Question: On the death penalty, what if the legislature just sends you a bill to say to have the death penalty for life convicts who kill a prison guard or something, you know a very narrow death penalty, provision would you be inclined to sign that or wait for something more broad?

Governor: Well, you know I always hesitate to comment on what I will or will not sign. I couldn't see any reason for rejecting if ~~xxxxxx~~ I thought it was a proper crime that should have the death penalty. But not signing that is a gain in trying to get the other crimes covered if I felt it was in some way designed to head off any further action in this effort, then I would have to take that into consideration.

Question: Would you consider a home in San Clemente a California question?
Laughter.

Governor: Yes, I would consider the purchase of a home in California, yes a California question, but I would also say that I have no knowledge whatsoever of any details of any individuals who have made such purchases.
Laughter

Question: Are you taking any active steps in finding office space for constitutional officers in the old wing of the Capitol? Are you letting them make their own decisions, or what is happening in that?

Governor: I don't know just what the process has been on this as we have gone forward with the plans. We are working on it.

Question: Have you talked to Senator Collier about the new legislative building?

Governor: No. You mean have I had any contact with him since then?
No.

Question: Your position is still that you favor retention of the old Capitol.

Governor: For Capitol purposes Yes. This does not rule out the possibility since there are a number of, or there is a great deal of rental space being occupied by former Capitol residents. I haven't made any final decision and I told Senator Collier I wouldn't as to whether

there might be a need for an additional structure but I still cling to the idea that for a general Capitol purposes this building should be strengthened and used not just kept as a museum.

Question: You would support a new office building as long as they met in the existing legislative chambers?

Governor: I would want to know what the space requirements were and what the purpose was in having it but there must be some space requirements because we do know that there are people in offices outside this present building.

Question: In view of all the attention that the legislature is giving SB 90 cleanup bills can you be so certain that your initiative is without flaw, so without flaw that none of the SB 90 problems will appear when your initiative becomes law, if it does?

Governor: Well, other than it was engraved in two stones ...laughter No, we have provided that there will have to be legislation to implement the facets of this program. May I say that as an answer to those who charge us with bypassing the legislative process, I don't think it's as complicated as the SB 90 program which had to actually fit itself to more than 5,000 taxing agencies within the state of California. This was what happened to us there in finding the special districts because of the rules were based on a base-year of taxation we found there were special district that don't tax every year and we caught them and that was an inbetween year for them we literally had closed some special districts out of ever being able to have a tax again. I think that was a far more complicated thing than this. I believe we have anticipated and thought of just about everything that would be necessary to give flexibility and yet still, remember, make plain that the legislature still continues with full authority over what taxes, whether taxes will be increased or lowered, we are simply applying that ceiling and the legislature will make the decision about the tax structure as they always have.

Question: What's your position on the Wakefield initiative, the terms of judges six years instead of twelve in the higher courts?

Governor: Well, I have had my own theories about judges and the idea of appointing system similar to the Missouri plan of selecting judges. I have to say I do not believe that would improve the judiciary in California.

Question: Governor. ...inaudible....the state may have to allow the resumption of oil drilling?

Governor: That the state ought to allow?

Question: May h e to because of the energy crisis.

Governor: Based on the presentation that has been made to us that was not only made to the Governors' Conference but that we had here that Congressman Chet Hollifield came out from his committee with experts employed by their staff on the energy shortage. I have to say that I think we are going to have to explore and find and utilize every energy source that is available in the world and I still believe that this can be done without suddenly throwing all environmental and esthetic considerations out the window. I think modern technology makes it possible to do all these things now with very little disturbance of the terrain or the ecology and this is even true, and we are beginning to develop I understand the ability to do underwater⁽⁶⁰¹⁾ drilling with no surface structure whatever and underwater pumping.

Question: Are you concerned about the safety of the press if we remain in the old Capitol building? Laughter.

Governor: I told Ed Gray that at the first tremblor I want him to rush right into your offices and say "Everybody down to the Governor's Office." We're in the safe wing. If it is true, as pointed out by experts, that this building...I do know....I better knock on wood... there has been a long history of no severe earthquakes in this area but if there is a risk, a human risk, then everybody in that wing should be provided for. I love you all, I wouldn't want to see anything like that happen to you.

Question: Just one final clarification if you will on the Watergate statement. The prepared release said that this press conference should be to discuss California state issues. You seem to have amended that now. You are including all press conferences anywhere. Did you really mean to do that? When you are wearing another hat, for example, as a Republican Party spokesman, are you going to refuse to comment on Watergate?

Governor: I said I will give this statement constant review as to whether it needs to be updated or not. But, as for the moment, I stand by the written statement.

Question: Governor, as you know, two weeks ago 18 munitions cars blew up in Roseville. As a result of that there seems to be growing concern by local officials along major rail⁽⁶⁰¹⁾ lines that it could happen again. Do you think that concern is justified and do you think we ought to take a closer look at the movement of munitions cars in the state?

Governor: I've always assumed, I hope I'm right. I have always assumed that trains with dangerous material did have some considerations with regard to where they were parked on sidings and so forth with relation to heavily populated areas. We know that these materials have to move. We know that every safety precaution and rule that can be applied is applied to them. The accidents are not just confined to munitions. We know that now and then we get cars of industrial chemicals, trains of industrial chemicals that have this kind of accident. I would think, and I haven't gone into this as yet, I think that there are further ^{/if} safety precautions with regard to where they would be involved on sidings and so forth this should be looked at. It is an infrequent thing. I guess there is no way to be accident-proof when you are dealing with dangerous materials of any kind. I know that the normal shipping of bombs, for example, and shells of that kind, they have such a safety factor that you can just literally pile them in a truck and go down the highway with them. As a matter of fact that is what happened with those that had been scattered and there was no risk to it but I am not an authority on whether we need additional safety rules. I have been under the impression that, for quite some time, in all kinds of transportation, including human transportation, the United States is probably the safest place in the world that we have the most stringent requirements for safety of any country in the world and this goes for air travel, for shipping for water, for shipping by land, but if there's still something more that can be done then it should be done.

Squire: Thank you, Governor.

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6/27

TRANSCRIPT OF GOVERNOR REAGAN'S PRESS CONFERENCE
ON REAPPORTIONMENT.

June 27, 1973

Question: What is different about this from prior redistricting plans, from the Senate plan? Justice White seemed to think that it really wasn't horrendous to him.

Governor: I don't know what Justice White had to say. All I am saying is that the fact that we have had a history of gerrymandering which has militated against fair reapportionment or fair districting for the people does not mean that we should settle for it forever more because it has been a custom of the past. I grant you both parties throughout the country have been guilty of this when each party was in power but it has just grown worse and worse and now it has come down to the position that I just don't think the people should have to put up with it. All I can tell you is that in every word I have heard from the citizenry no citizen has asked me to sign this. Everyone who has contacted me has asked me to veto it.

Question: Governor, a few minutes ago the Speaker said you were really not concerned with reserving the integrity of communities of interest. He said the reason you are really opposing the Assembly bill you want the Assembly to get back the Republican majority they lost at the ballot box.

Governor: Well, I tell you, I'd make a deal with the Speaker. Right now I would make a deal in which they sit down and reapportion the State of California without taking into consideration party registration.

Question: Have you found any similar examples of gerrymandering in the Senate reapportionment bill?

Governor: As I have said here, it isn't perfect. But I must say the Senate did make an effort and had considerable success in meeting the points that I had listed as my reasons for my veto of their previous effort. I don't think you can ever get a perfect one. They've got some areas and they did make an effort to go a lot farther in correcting it and I think with a clear conscience in recognizing that it is the function of the legislature. They have been entrusted with this by law and I could sign that.

Question: Why didn't you bring in ^{/one of the Senate districts} to show us how much better you think it is?

Governor: I brought these in because this was the reason for the veto. Since I have vetoed and since I have told you that the other one was acceptable, I thought this was the thing that needed establishing and documenting.

Question: Are there no Senate districts you would consider gerrymandering?

Governor: I think the element of encumbency, as I mentioned again in my statement, here, is taken into consideration. There is no way around that and I don't challenge that the Senate was able to be successful in a more effective compromise of their differences because their present 20-20 ratio added to their objectivity.

Question: You said that you recognized the legislature's responsibility in this. Do you think they should continue to have that responsibility?

Governor: Well, I wonder if it was ever envisioned when they were given it, as I have said many times in the past, it does constitute an almost automatic conflict of interest. It is pretty difficult to ask someone to legislate himself out, vote himself out of a district when he has won election in that district. But what I have often thought is that perhaps the legislature could still do this but I don't believe that in reapportionment it was ever in the beginning envisioned that it would be based on party registration.

Question: Governor, the Supreme Court's masters resume their hearings tomorrow, do you plan to testify before them?

Governor: Not personally, but we have reserved time to explain, I suppose, our position and veto on this.

Question: You don't think it is important enough for you personally to explain why you vetoed this?

Governor: Well, there are times when you think maybe your lawyers ought to represent you.

Question: Governor, this district looks like a plumbing fixture, do you think that's the worst of all?

Governor: I think this has to be recognized as the worst of all. It was also, we were informed, the only non-negotiable one, that there could be no compromise that involved this district, in its present state.

Question: In your lawyers' testimony tomorrow will you support the Senate reapportionment plan?

Governor: I think we will reiterate what I stated in my veto message. I stated in the veto message that had these come down in separate bills I could have signed the Senate bill and would have.

Question: How about the Congressional plan?

Governor: The Congressional Plan I hadn't paid too much attention to because there was this one. There wasn't a need to go into it. I have to say this about the Congressional plan---it is better than this. They did not make as much of an effort to meet the objections in the previous veto as did the Senate. There are some definite shortcomings in that one too. I couldn't tell you honestly that we have studied that well enough to know whether faced with that one alone whether it would have been vetoed or not.

Question: Governor, could we go back to the San Diego one?

Question: What is the problem of La Mesa having five votes instead of one?

Governor: I think that the people have reason to believe that when you look at the tiny number there that would be in each district that their particular problem and needs would not have very much influence on any one of the legislators. They are not important votewise.

Question: Does the city have problems? Isn't five votes better than one?

Governor: As I say this is one way to look at it, the other is the fact that are the people so divided that there isn't any one legislator that would feel that he should stick his neck out on any particular issue for the community.

Question: Governor, your representatives have been working the floor upstairs, I am sure, as of this moment what is the vote count? as you see it.

Governor: I wish I knew.

Question: Do you expect your veto to be sustained?

Governor: I hope so. But I have to say that this was an element that we realized the possibility, the potential that there was an override but you can't let that scare you into not doing what you feel has to be done in behalf of the people. I bet the people would sustain my veto.

Question: A former chief consultant to the Senate Reapportionment Committee testified before the Supreme Court hearing in San Diego last week that the Senate plan was written for the benefit of the incumbents and not the people and this was testimony before the court and she told

of how in Northern California two districts were shaped as to prevent two incumbents from running against each other and described the ripple effect that occurred all the way down the state and somebody said that down in San Diego---and this has subsequently been changed---one district was shaped so that a fellow who was running for Congress---Claire Burgener---that should he lose would not be forced to be in Senator Schrade's district. So there seems to be the same kind of gerrymandering in the Senate as in the Assembly.

Governor: As I said, of course the element of incumbency is always going to be a consideration, the element when it is done by the legislature is going to involve party registration. And I also said to you that I think just the coincidence of the Senate coming out with a 20-20 tie did add to their objectivity and therefore in compromising these views they came out with a far better situation than we had here in the Assembly. The districts I have shown you, I think is a difference of degree. The Assembly didn't feel the necessity to work as hard as the Senate did to reconcile some of the differences and to eliminate some of the points that had caused the original veto. Again, I hold my line. I said that isn't perfect but it sure came a lot closer and I think is less of a gerrymander and shows less of that kind of influence than the other plans.

Question: The same Assembly plan resulted in a 40-40 tie despite the odd shapes of the districts.

Governor: No, I don't think partisanship had to do with this and I think if you will look at the feeling on the Assembly floor I cannot charge that this is a partisan effort.

Squire: Any other questions? Thank you Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JUNE 28, 1973

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 quickly as possible after the conference, no corrections are made and there is no guaranty of absolute accuracy.)

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GOVERNOR REAGAN: Well, you are all waiting. I'm sorry that I'm late and kept you waiting. About seven minutes, according to mine. It's been a bad day. Somebody who was supposed to knock on the door this morning had a wrong schedule. So I was sleeping in. I appreciated the extra time, but it has set us back a little bit.

Q Were you watching television hearings regarding a certain apartment complex on the Potomac River?

A No, I was sound asleep. As a matter of fact, I was having a wonderful dream when they knocked on the door.

Q Would you like to tell us about the dream?

Q About 1976?

A No, I'm not going to tell you about the dream because I think it might be amended.

Q Governor, in your six and a half years in office have you elected or kept a list of political enemies that you might have in California?

A No, I just figure meeting with you people on a regular basis here takes care of any problem of that kind. No, I'm kidding. It is a bad joke. No, I've no such list.

Q Governor, it seems to be a dispute as to how much this special election will cost. Do you have any figures at all to dispute that -- those of the Secretary of State?

A The figures that we had, that we have given out, as to the actual cost of a special election has to do with -- well, we did this by checking with a great many counties, large and small, to get a cross-figure what the costs were. I think what has happened, the confusion now is that the Secretary of State is interpreting the

special election to mean that -- that being statewide it would automatically become a holiday for state employees. And he is adding the cost of such a holiday into the cost of the special election. We haven't checked that out. We are going to get a legal opinion as to whether this -- a special election -- it certainly doesn't -- it isn't statewide on our special legislative elections, it doesn't necessitate a holiday. We are going to get a legal opinion on that. But I think on the other hand you -- you might figure that with government taking a day off the people might be the net winners.

Q Governor --

Q Governor, in the past you've said repeatedly that the old capitol building ought to remain as the working seat of government. Your administration now has agreed to the inclusion in the conference report on the budget, \$82 million, half of which is earmarked for a new capitol building on the other end of the park. How do you account for your change of view?

A It isn't a change of view. There has always been the realization that if you were going to restore this old wing, there is -- is a need, a present need, before restoration, for additional space. There is a great deal of leased space right now, both the legislature and the executive branch. And out of this, as to the need for additional building -- if this -- and if this capitol should be restored there is, of course, as you know, the view on the part of some upstairs that there should be a legislative building. Now, from this came the consideration as to whether this capitol building could be a just partially -- a part of the expense, could be shored up and continued here as a landmark or a museum or whatever else. We don't have that alternative any more. To the surprise of all of us, we were given a legal opinion from the Attorney General's office that for government to go forward on a rebuilding program for a building that would not be up to the ultimate and the best in safety standards would vastly skyrocket our liability. That to do that, and then to open this for people to use or to go into and have to be in the position of saying we O. K'd the rebuilding of a building to less than maximum safety standards -- makes this a liability that the state couldn't afford. We we are down to an alternative of totally restoring of this building and/or whatever additional space is needed and how that would be brought about.

Now, it had been proposed by some of the legislators that the money go into the budget for both. For a new building, whatever

that dimension would be, and for the restoration of the old capitol. And in such a way that this would then be an accomplished fact that we would have decided on a building and decided on the refurbishing of the old capitol. My own view was that this was bypassing the legislative process. And part of the process of allowing for public hearings and for the input from the people of California, and it was more than just building a building. We are talking about what could conceivably become a new capitol. So my own proposal was that we take the total amount of money and simply set it aside in the budget for this purpose of capitol construction and then follow up with legislation as to how we are going to meet the problem of space as well as the safety of this building. And thus let public hearings and all the legislative view, all the committee hearings take place so that we find out not only the alternatives presently suggested but are there other alternatives. And I think there probably will come a number of other alternatives, but at least when we then go forward, not only will the money have been held aside, whatever the need might be -- it doesn't mean that you have to appropriate all of that, if it doesn't require all of it -- but everyone will be assured that they have had full public hearings and that all the input necessary to find the answer to the problem. For example, an alternative that has already been talked around about the capital that I'm sure you have heard, is -- would be that in restoring the old west wing, this does not mean that it has to be built back in exactly its present capacity, which is rather limited as to office space in addition to the two legislative chambers. But take the locale of that west wing and the possibility of building a wing that does have the capacity we need, but within the same architectural spirit of the present structure, and maintaining the dome and the historic rotunda out here. That this could be an alternative. But I think all of those things will -- will be the ideas that will come before -- out of the legislative process.

Q Governor, are you saying that in view of the Attorney General's report on the liability involved that you can no longer in good conscience hold onto your view that the present capitol ought to remain as the seat of government because there is just no way to restore it, adequately?

A No, no, no. I -- and I've never expressed anything but my personal opinion and feeling which I think is echoed by a great

many people about this historic building and the affection that people have for it. What I think is that one alternative has been eliminated, that if there is a need -- reservation or restoration of this building it must be all the way to full earthquake safety standards. We no longer have the alternative of simply shoring it up, strengthening it somewhat, yet not bringing it back to -- to full use standards because there still would be some use and you would have created something -- recreated it, which would be less than the safety standards that --

Q Governor, as far as your personal choice is concerned, do you still prefer keeping the old section as ~~to~~^a working capitol?

A When you say the old section, I almost hesitate to give any personal opinion here because personal opinion so far -- is what led to the acceptance that I'm an advocate of some kind for this. I'm interested in the other alternative that has been suggested, that if you could retain the general appearance, the architectural style of this building, the dome, this beautiful rotunda, in there with all the history associated with it, and at the same time provide the needed space in a wing that would meet those criteria and give us the building in the present location. I think that's an alternative that ought to be seriously considered.

Q Governor, what is the -- aside from full restoration of the old wing, what -- what alternatives are there, simply to raze the old wing or --

A Well, that's -- you see, that's what came out of the elimination of the -- of the alternative. Then of course you have to say if you were simply going to restore then you got to look at cost effectiveness. You have got to look at the price in relationship to the -- to the use -- the amount of usable space other than the chambers. Now one of the alternatives that is -- that's been proposed by some legislators has been a building that will provide chambers and thus you would have two sets of legislative chambers. There is no question about the need for additional space for staff and legislative counsel, add the legislative analysts' office, and all of these. And that's why I think that -- that this probably belonged as legislation where there be an opportunity for all these things to be considered, not just okaying it in the budget.

Q Governor, where do you think the capitol ought to be, here or in another building? Where should the legislature meet, hold its

headquarters?

A Well, I've expressed my personal view. I believe we should think long and hard before we ever abandon this as the capitol. I think this is the capitol and most people feel that way.

Q Governor, if you build another building up there, though, aren't you providing the office space that would make a rebuilding of this place economically worthwhile? That is, I mean are you going to revamp this place and put in new offices, what would be the need for them if you have already -- if you have built a brand new building up at the other end?

A Well, this, I say, is what's going to come out. All the alternatives in a legislative hearing -- in the hearings before committees on the legislation. I'm quite sure the legislation will come in for a building down there, as well as for the rebuilding of this capitol. But then in that process other alternatives will be provided. For example, if we need additional office space, not for legislators, but for staff and so forth, there is a great difference in the kind of regular office building that we erect, And it its cost, ~~than~~ there would be for duplicating a capitol building. There is a difference in the construction, the floating walls that you put in the normal offices that we have here would reduce the cost a great deal.

Q Which one are you going to call Collier Towers?

A I'll leave that for the public hearings also.

Q Governor, was this a result of any deal on -- concerning the federal --

A No.

Q - - surplus?

A No, no. When I was told that they wanted to put the money in for both projects, the two buildings, I expressed my view that -- that, as I have said before, this -- this should not become a budget matter in which the decision as to what is going to be built is made on the budget with no opportunity for public hearings, or committee hearings to take place. That I would -- I would @. K. the idea of sequestering the money, holding the money aside and then follow it up with legislation to make a determination as to what we will do.

Q Governor, the budget is coming out of the conference

committee and specifies that money for the framework on the west wing cannot be expended until money is appropriated for construction of new legislative offices. Doesn't that preclude your options?

A No, because I think once legislation has to be introduced, then there isn't any piece of legislation that cannot be altered and amended as it goes through and that itself would be subject to amendment. The language doesn't disturb me at all as long as we know that they are going to have to go through the legislative process, and get a bill passed.

Q Governor, was there any horse trading on your part with the legislature or with the conference committee insofar as you would go along for setting aside this money, requiring legislation in return for the kind of treatment you wanted on the federal revenue sharing funds?

A No, no. The Senator came to me simply with the proposal about the money for the ideas they had to solve the problem and I gave my opinion that it should not be decided in the budget. That I would agree to setting the money aside.

Q What --

A No, no, as a matter of fact, on that matter, the federal revenue sharing funds, I have held the position, and this first came up some months ago, and I was surprised and I spoke to the Speaker of the Assembly and to Wilson Riles, and all three of us were in agreement that we believe that Senate Bill 90 had been based on the pledge of using the federal revenue sharing funds for the school support. And therefore I would have thought -- I said my view would be that any retreat from that was going back on what had been agreed to by the legislature and myself as to Senate Bill 90.

Q Governor, aside from deals, didn't you wonder that if you had not agreed to go along with the \$82 million appropriation, didn't you have any doubts that maybe Senator Collier would not go along with \$215 million? Maybe you didn't even have to talk to each other about that.

A No, he never brought that up and I didn't bring it up with him. As I say, several -- well, it's -- I keep wanting to say several weeks, I think it is actually months ago, that when this first came -- there was legislative talk about the federal revenue sharing funds. I checked with Wilson Riles and said, "Isn't my

memory correct," and Wilson Riles said it must be, "I've been making speeches all over the country on the basis that California had done this with its revenue sharing funds." And I said, "Well, so have I," and I called Bob, and the Speaker came down and he said, "Certainly, that's my agreement or my understanding." He said, "All of us were agreed that that would be part of the funding for the school aid in the -- in Senate Bill 90.

Q Governor Reagan, Senator Stierns has said the reason he won't sign the conference report, that was yesterday, is because he was concerned you'd use that money and give it back to the people and not put it into education. If this was very clear to him, why wouldn't he sign the report?

A Well, since they were so secretive about the conference report, I don't know what went on in there. But I -- evidently if this is his statement, then he has a lack of understanding, about what was agreed to. We proposed at the time of Senate Bill 90, we -- and it was about that time that revenue sharing came into being -- we proposed at that time, we will pledge our revenue sharing to educational support fully.

Q And this will not go into the funds to be returned to the people, if you can --

A Well, there's the one check that is in that. See, we received one -- when revenue sharing came in there was one retroactive check we have received already. Senate Bill 90 had not even gone into effect yet, so that was just simply added to all the money that we already had on hand to surplus.

Q How much money are you talking about going into education, is it \$200 million?

A It is more than \$200 million. I think it comes out to around \$215 million and it varies as the years go on, the next four years. 230, 240 million, something of that kind.

Q Governor, how much was that initial check?

A The initial check, I think it was 230, I think.

Q That's going to the tax rebate, right?

A Ken says that's right.

Q Does that go into the tax rebate?

A That we just added \$230 million to the surplus.

Q That's current fiscal year? 24 more hours or whatever?

I mean that money is in this current \$800 or \$750 million?

A Yes, yeal

Q Governor, on another subject. Do you still stand by your prior statement on those involved in the Watergate case, that they are not criminals at heart?

A I made you a statement a few weeks ago, gentlemen, about that and nothing has happened to change that. I think this press conference should -- since you were unable to meet with me for the last several weeks, I think we should limit ourselves to the very many state issues before us.

Q Governor, what about the delay of six months in the sales tax? That seems to be hung up.

A There is a bill upstairs that -- the Dills bill and my position is that the original legislation actually was a package and it was our intention, part and parcel of our whole proposal on tax -- on this tax program was involved after six months delay in the imposition of the sales tax increase. The legislation gave the legislature an opportunity to do both -- or do that to make some of the surplus funds available for the Bagley fund for conservation and to make -- and to do the income tax rebate. Well, now the Bagley fund money, it is my understanding, has been put in the budget. That's accomplished. We have qualified for the ballot our proposal of the 20 per cent income tax rebate. The only thing left undone, except for the vote of the people on that is the -- is the sales tax delay. And I'll sign it the instant it gets to my desk. And I have so informed the legislature, that -- all they have to do is send that down. And I know that the Dills bill, as I say, is up there. It calls for just that, a six months delay in the imposition of the sales tax. That would amount to around \$300 million that we would be using of the surplus to subsidize the homeowner's tax relief and the renter's relief instead of that addition of the sales tax.

Q Governor, how about if it is amended to a year delay?

A No, I can't do that now. Because to amend it to a year's delay would take the money that is now awaiting a decision of the people on the -- on the special election.

Q Governor, if you don't get the federal revenue sharing money, if per chance Senator Stierns' position should be upheld in the legislature, would you cut enough out of the budget to make -- to provide enough of a surplus to provide the 20 per cent cut?

A I have to tell you, I can't answer that question. The

manner in which this has been done, and the -- the lack of information that we have, and the same as we were last year, the lack of any information as to the some 200 amendments that have been made and the proposals that now the rumors are raising the budget way above our submitted budget -- I don't know what our problems are going to be. I really don't.

Q Governor, you mentioned a secretive nature of the conference committee deliberations on the budget. Do you think those hearings should be open?

A I have -- would have no quarrel with that. I don't know of anything that we do up here that's more important to the people than how we spend 9.3 billion dollars of their money. And I don't see any reason why the conference committee should not -- not be open and public information about it.

Q Is there any reason why your cabinet meeting shouldn't be open?

A Oh, I think that there would be quite a scramble if you had cabinet meetings that were open because a great -- a great deal of the cabinet meeting deals with -- with personnel matters. It deals with all sorts of matters with regard to land acquisitions and purchases and so forth. Any number of things that are presently exempt from open meetings, because advantage could be taken of that information.

Q Those things don't apply to the budget conference committee?

A Well, no, I don't really believe so.

Q What about other committees, Governor? Would you be in favor of having all committees open to the press all the time?

A Oh, well, I think there are some that are going to have to invoke the provisions of the Brown Act about -- that might be discussing personnel or might be concerned with land acquisition or things in which suddenly opportunists could go rushing out and line up along the highway with their purchases.

Q Governor, in the several weeks since we met under circumstances like we are today, there has been a lot of ^(public as a formal) speculation, some of it from Washington, some of it from here -- that pressure is being applied to you and that you are considering changing your position on seeking a third term. What is your position and do you foresee any circumstances that would cause you to change your mind?

A My position is unchanged. I've read all of this, I haven't felt any of the pressure that everyone is speculating about. There are people that -- yes, have expressed a wish that I would, but no, no, nothing has happened to change my mind. I think I made the right decision.

Q Governor, is that a Sherman-like statement? There is no way that you would -- that you absolutely will not run?

A If it is ^{about} ~~not~~ as Sherman as I can make it now; I couldn't foresee anything that would change my mind.

Q If it appeared that none of the Republican -- presently potential Republican Governor candidates could win as Senator Biddle has suggested. Would that be a circumstance that would make you change your mind rather than turn your administration over to a Democrat?

A I think they can win and -- to speculate about that now -- you know, if we'd gone by that then I'd never have run the first time because I certainly was pretty far down the line in people's --

Q Governor, --

Q Now, wait a minute.

Q Did you have any discussions --

SQUIRE: Wait a minute, finish up this Governor's thing.

Q What's your view now of Lieutenant Governor Reinecke as a possible candidate in view of his latest statement on the ITT and San Diego convention matter? Changing his story again.

A I don't see anything that's happened to change any assessment of that. I think he's been very frank about all that he has done. He never was asked before whether he'd made any phone calls or not.

Q I was going to ask, you say because he wasn't asked he shouldn't have volunteered that information on the phone call?

A I don't know whether he ever even thought about it, and I think that you wouldn't -- you'd understand yourselves. You could ask me questions in here and I would have to go back and check myself, my record of all of the phone calls and appointments and so forth that I have. If you asked me did I talk to the Mayor of Los Angeles or something, I'd have to go back many times and check. I don't think he's attempted to evade anything.

Q Do you feel just --

Q Do you think he didn't remember? He just said that nobody ever asked him.

A Well, then take that up with him.

Q Do you feel just as enthusiastic about the Lieutenant Governor as you always have? Has there been any change in your view of him?

A No, no. N9.

Q Governor, you were quoted in a wire service interview in flight that one of the Lieutenant Governor's problems was that he really hasn't started to campaign.

A Well, I didn't say this is a problem.

Q Do you think he should be campaigning? He's been Lieutenant Governor now for I don't know how many years. Shouldn't he have this thing wrapped up by now?

A I don't think so. And I didn't suggest this was a problem. Or I was asking -- asked a question with regard to -- did he have a campaign that was faltering? And I just said that my own understanding of it was that his own timetable hadn't called for him to launch a campaign to get under way and until he starts you can't say he's faltering.

Q Governor, would the possibility of a divisive primary affect your decision on whether or not to run again?

A No. Obviously we are concerned about that with the long history that we have had in California of -- in a party strife. My own believe is that we go forward with several candidates and we have an open primary. And I'm going to use every bit of -- or whatever influence I have in the party to see that we will do what we have done in the last several years, and that is that everyone agrees that when the primary is over we will abide by the party choice and that we will go forward united in support of whoever is the -- is the nominee.

Q But you are still opposed to the king-maker approach before the primary?

A I'm opposed and we haven't had any.

Q Governor, do you have any favorites now?

A I can't answer that one. I told you, I'm neutral.

Q Rockefeller seems to feel the longer he serves the better the state is served.

A What is that?

Q Governor Rockefeller seems to feel the longer he serves the better the state is served. Don't you agree with him on that? Why shouldn't you --

A Well, we had a difference of opinion. --He and I evidently, about this idea of terms. I felt so strongly about mine that in '66 I campaigned on the promise that I was going to try to get California to limit governors to two terms. I failed in that. I couldn't persuade the legislature that was a good idea. But I still feel as strongly as I did before. Now he's certainly entitled to his feeling about that. And he's been a good governor of the State of New York.

Q Have you considered an initiative to do that?

A It is there for the people if they want to do it.

Q Governor, Mayor Alioto was saying the other day, if he gets the Democratic nomination the man he most likely would like to face would be you. Does that hold any term for you?

A Well, I tell you -- you tell me that the wild tiger that was out in the hall here has disappeared now, I'd feel free to stand inside the door and say, "I'm going out there."

Q Governor, what's your objection to more than two terms for a governor? What's the problem with more than two terms for a governor? Why are you so opposed to that? Why should a governor only serve two terms?

A Why should a President only serve two terms? Why did -- we had a tradition that was followed and that the people apparently approved of for many years. Franklin Delano Roosevelt broke that tradition in a time of extreme emergency in this country and when the war was over the people having experienced that as well as the hundred years of -- of tradition, decided that they would now implement the tradition and see that in the future, emergency or no emergency, we'd limit presidents to two years, and ^Ifigure that California is big enough to act like the country.

Q Governor, on a subject of elections, do you think the constitution should be amended so that if a -- if it can be proven that the elected official is elected by fraud that the election should be held again?

A Well, isn't that -- I just assumed that that was the law. In other words, if you would demand a -- well, you can demand a recount of course, that would change the outcome of the election. I suppose that would be the first decision if any kind of fraud could be established, that the other candidate really won -- then that doesn't require a new election. I don't know if there -- it is a new thought. If there could be some kind of fraud in which

it was indefinite and you could not decide which man won --

Q No, the kind of fraud used to get other people out of the campaign, to discredit them with lies or whatever they are. Do you think -- that is not in the United States Constitution. Do you think perhaps we need this kind of law?

A Well, I don't know, but in the only two campaigns that I've been in, I figured that there was a lot of -- attempt to persuade the electorate by lies. In fact, I used to get a little angry about some of them.

Q We are talking about malicious lies and information printed on you under someone else's name. Things that are really fraud. We are not talking about the usual political rhetoric. Should there be a way to have another election?

A Well, not if, in spite of the lies, you win.

(Laughter)

Q No, not facetiously, Governor Reagan, seriously, should there be another way to have another election if a man is elected by fraud.

A Well, as I said, this is a whole new thought. I had always just taken for granted that we had that protection by way of the recount, by way of the charge, that then would reveal that the other man was the winner. It is hard for me to see that if you could actually establish such fraud and then establish that the vote count would have belonged the other way -- or that you would establish that fraud -- that there would be no way then to determine what the outcome might have been, how would you protect against just the automatic charge by any loser that he had been victimized and he wanted another crack at it.

Q On evidence.

A Huh?

Q On evidence.

A Well, it is something to think about, but I must say I haven't thought about it before.

Q Governor, now that your tax plan is qualified and you set the date for election, do you think you might be inclined to reconsider Speaker Moretti's challenge to debate or series of debates?

A Well, as I said before, at this point I don't think it would serve any useful purpose.

Q Well, you said before that you did not think it would serve any useful purpose because the only issue at that time was

whether or not it should be approved for the ballot. It's been approved for the ballot. Don't you think that the merits of the plan itself warrant some kind of exchange between you?

A Well, if at any time I decide that it can better inform the people ^{than} ~~they're~~ being informed then I might change my mind. But I don't see that at the moment. I see a great effort at the moment on the part of some opponents to obfuscate things and to cloud the issue and hope to confuse the people, but right at the moment it seems to me that to have such a debate I might have to give equal time to a half a dozen of those other candidates up there.

Q You said you couldn't tell us today, anyway, who your -- even if you have a favorite in the Republican primary, to say nothing of who it is. Is that going to be your position right through the primary?

A Well, I said earlier, let me just repeat, I think that -- I've made that statement clear in the previous press conferences, I said I believe that the best way that I can serve the party and our cause is through the neutrality that I've practiced in all the other elections that have taken place. I did, however, say that if anything changed my mind and I believed I could better serve by not doing that, I would. But I don't see anything at the moment.

Q Governor, would that be a form of king-making, if you decided to endorse a candidate in the primary?

A Why, I'd be -- no, that's -- king-making in my mind is the smoke-filled room in which by whatever pressure you can exert you persuade someone not to run and you hand-pick a candidate and he's going to be the one. I think any individual has a right to make an endorsement if he wants to. I have chosen to be neutral because I found myself in a position where I was better able to serve by helping preserve the -- the party unanimity that we had not had prior to 1966.

Q Well, are you pledging to remain neutral through the filing period?

A That's a decision for me to make.

Q Are you pledging to remain neutral through the filing period?

A I don't see anything that would change my mind on that. As I said before, -- but nothing has changed in the position that I gave you earlier.

Q Are there any of those prospective candidates, at least those who have surfaced to date in the Republican party, for your job that you would feel uneasy about endorsing in a general election campaign?

A No, they are all fine public officials, and all have been elected by the people of California to their present offices.

Q Governor, I think you've been among those who said that the vote of the people on Proposition 17 last year should be considered a mandate on the legislature to enact some kind of death penalty bill this year. Why then don't you think the vote on Proposition 18 last year and the Clean amendment in 1966 should be a mandate on the legislature to quit monkeying around with the things people read and the movies they see, etcetera?

A Well, the court has -- you've never seen me -- I disagreed in that -- in that particular vote on obscenity. I think it is out of hand in our state, but you've never seen me suggest that we should throw this out, but the courts made a decision, and the court made a decision that puts this back in the communities having a right to set their own standards, community standards, and it is my understanding to more or less set this at a state level as a community. So we have been handed through a court decision a problem.

Q Governor, Senator Moscone says in the press release that ~~he~~ he's confident that you will sign his conflict of interest bill which recently got out of the first senate committee requiring appointed elected and public officials to make an annual disclosure not only of those interests which might have an effect on the area of their public decisions, but other -- other areas. It is pretty extensive. Can you give us your view on that type of legislation?

A Well, you've asked me another one here and which I don't know the details of that, and it's never been brought to my attention before, and I'll -- so I can't --

Q Do you have any general thought on that type of legislation?

A I think anything that is required to reveal a conflict of interest, if it needs strengthening, it should be strengthened. I think the people should have that right to that knowledge. I think there are limits of personal privacy beyond which you don't have to go. All that is needed is the establishment of is there or is there not a conflict of interest.

Q A guy in the back row wants to end it.

Q On that similar subject, Governor, a couple of bills have been put in which would outlaw political contributions by lobbyists. What do you think of the general principle?

A Well, I don't know whether outlawing of contributions is the answer or whether public knowledge is the answer. It would seem to me that anything that is out in the open and the people know about can then be evaluated by the people in their judgment. I don't know that any place along the line we have a right to deny individuals participation in the political process. I don't think it is needed. I think that gets very drastic.

Q Governor, how many signatures on your initiative were collected professionally and what did it cost?

A I'm not sure if -- Rudy or if anyone does know, it was my understanding that only about 100 or 80 thousand of the petitions were taken by -- by paid -- paid workers. And we contracted for those in some areas where we didn't have much volunteer activity. And we contacted at a point when we had been advised that maybe this was a good insurance for the cushion that you need and the bulk of them, however, as you can see from that number, were turned in by volunteers. And according to the Registrars of Voters, the volunteers did a better job, got a higher percentage of valid signatures.

Q Would they be -- would the initiative have qualified without the professional signatures?

A I haven't seen the final figures. I don't know. I know we did have a comfortable cushion.

SQUIRE: Thank you, Governor.

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6/29

June 29, 1973

SUBJECT: Sales Tax Increase Deferral

Q Governor, are you referring the plan--the Stiern bill--that the Assembly has just passed?

A I'm referring to all of them up there

Q The Stiern bill is not acceptable to you?

A I say that this doesn't have to be resolved now. The urgency is, what can be harmed if everyone up there wants a delay in the implementation of the sales tax increase, and the only difference is that no one wants less than six months and some people want more than six months---what harm can come in assuring now before day after tomorrow that we at least get that period of time in the deferral, and all of the rest of this can then be debated and should have been discussed and debated over the last six months.

Q What items are you talking about, Governor? What's being attached that you don't....

A They're now attaching...wanting to attach other proposals for the rebate of the rest of the surplus. And of course the other deal is there is a measure upstairs also calling for a total year's delay in the implementation of the sales tax which would, of course, eliminate the possibility for any other method of returning the rebate.

Q Do you specifically object to that proposal of theirs?

A Well, it is contrary to my views, yes, in a number of ways. But I'm certainly willing to sit down with them and discuss and negotiate this.

Q Governor, given that bill on your desk, and only that particular bill with the gimmicking that's been done to it, would you then allow the sales tax to go up on Sunday?

A Tom, you're now asking me to do something that you know I never do with regarding to pending legislation and what happens when it comes down. I have legislators waiting in there now to see me on this. What I am saying is, that it is so obvious of the cheap politics of sitting there with this matter with all these months, with no intention of resolving this issue, until now they're faced, panicky with the imposition of the sales tax increase they know has been coming. They waited until the last minute on the one-month deferral, when it was slated to go into effect last June 1st, and then in a twelfth-hour effort, they suddenly delayed it one month. Now, here we are with/a^{just}

matter of hours to do again, and they want an instant decision on their idea of a compromise with little or no time for us. And unless we can sit down and talk and discuss this and get it settled almost instantly, the sales tax will be increased. I say that the increase of the sales tax is on their heads, not mine, because I made the offer several months ago, and the proposal, that we delay the increase of the sales tax for seven months. They've given us one month so far. And now they've waited throughout this month. Having delayed it for one month, they didn't come around the next day and say now let's sit down and discuss this. They waited until the end of the one month and now, they're doing it again.

Q ... (inaudible)

A No, no, I don't think it is. I think the total responsibility for us having reached this point is the legislative leadership of the majority party.

Q Did you make any effort to move the issue along, Governor?

A Well, we have been, yes, throughout the entire year. And it was made very clear what was on their mind that from the very first they refused to consider anything that involved the income tax as a means of rebate.

Q You want a six-months' delay in the sales tax?

A An additional six months on top of the one that we've had.

Q And that's the only thing that's acceptable to you?

A Well, again, you've had me answering it another way, like Tom's question here. As I say, there are legislators in here. But what I am suggesting to them is that to come down here now, on the basis of their timing, at the last minute, with them holding--and I put it as a price, you could call it blackmail--holding the deferral of the sales tax which all of us were agreed we wanted, holding that as a price unless I accept their idea for the rest of the rebate, when the rest of the rebate wouldn't actually have to be implemented until next April 15th. I think there is a matter that's going to have to be discussed---where do I stand honorably now in the face of the hundreds of thousands of people who have signed the petitions.

Q Would you go for a delay until October 1st, Governor?

A What?

Q Would you go for a delay to October 1st?

A Yes, although I realize we'd simply be putting off, again, this same hassle in going through this. In other words, you mean a quarter? Do it for one quarter.

Q A compromise.

A Yes, just as they did the one month. Yes, I would accept that if it had to be done, but I would also insist at the time, then, that any further negotiation that they want to do now be done, between now and October 1st, and not wait until September 29 and come in with another take/^{it}or leave it offer.

Q Governor, on your initiative, isn't there a specific provision in that, particularly on the income tax rebate, that provides for the chance that the legislature can solve that problem?

A That's right. And also there is that regulates that if the money should not be up to the level that we've proposed, that it could be reduced. But, as I say, now, this is not compromise; this is not sitting down and working a difference of opinion; this is attaching their view to the necessity now for deciding the necessity for the sales tax deferral and saying, take it or leave it, or there will be no sales tax deferral. And this is why I have to tell you this is on their heads, not mine. If I find that it is necessary to veto this, it would be on the basis that they have made me an offer I can refuse.

Q Aren't you say, ^{now} take it or leave it, too?

A What?

A Aren't you saying take it or leave it; that I'll sign at six months or three months and that's it??

A No. No. I've said, now look, if it's signed for six months, this hasn't even precluded the possibility of it being an agreement coming out to make it even longer. This simply gives us six months, and ^{that} assures/the people will at least get about a \$350 million rebate by way of the sales tax.

Q Won't they lose their bargaining power, though, if they give you the six months with anything else?

A Well, you see this started out...when you start talking compromise and the effort always being made to portray us as not being in the compromise mood. Fundamentally and philosophically, I think every one of you in fairness has to agree, that the difference with regard to the rebate of the surplus is their belief that there should be more emphasis on the income tax as a source of revenue and our belief that it is more fair in the face of a federal tax to have the emphasis on sales tax. Now, had I proposed a total rebate by way of the income tax, as they proposed a total rebate by way of the sales tax, isn't it logical to assume that we would have settled up meeting someplace in the middle, with giving half of it back one way and half the other.

Now, we didn't even wait for that. We didn't even make this kind of a thing and say well we'll sit back now, here, and dicker with them. No. We said, alright, let's meet them in advance. Let's say, we'll give it back both ways, your way and our way and about half way down the middle, which I think is a compromise in advance. Now, my main objection, and what actually has me very upset is that all of these months, when they should have come back and said we've got some other ideas, maybe we can find a meeting ground here. No, they wait until hours before the sales tax is to be increased, and then suddenly come down with what they would like to call a compromise. And it's simply an offer with no chance for us to study it, with no chance to debate whether there are other possible alternatives or not. And I say that the simple matter that is before the people and before the legislature that does have a time element involved, is the matter of are we or are we not going to defer the increase in the sales tax. And this can do and continue to negotiate the other.

Q You said yesterday that the delay beyond six months infringes upon your tax initiative, and the tax initiative also includes a 20 percent income tax credit; where would there be room for negotiation, then, short of your way?

A Well, the terms are whatever they may want to decide they have already suggested---different terms with regard to the income tax rebate. What I was objecting to the other day is their flat declaration that they wanted the full year's sales tax deferral which would have used up the total surplus and then left us with an empty promise that couldn't be fulfilled on the ballot initiative.

Q What you object to in their proposal now is up to a \$200 income tax rebate for a couple. Do you object to any sort of limit on the amount of rebate you can get back? Do you favor a percentage across the board? That's what I'm asking.

A I think that this is something that I shouldn't answer in here on that flat a question. As I say, if they want to open negotiations and discussions of how we go about this, or any differing in the terms, that is something, then, that I should take up with them, and not make some declaration here as to what might be my position

Q Is it possible that you will negotiate that type of thing today, then? Or would you prefer not to.

A I resent very much, now, being pressured on a Friday, 48 hours before the thing is going into effect or less, or being pressured to do this. I think if there is actually any honesty on their side, and any sincerity in this proposal, they'll go ahead and send down a bill to delay or defer the sales tax increase by six months.

Q Governor, aside from the fact that it has worked in the last couple of years, and that seems to be the way we can resolve major issues now between the administration and the legislature is advance negotiations on what a bill contains, isn't the traditional way for the system to operate that the legislature sends down a bill and the governor then decides either to accept or veto---I mean, isn't that really what you're faced with today---the traditional concept that if the legislature passes this, and you decide to veto rather than the way it has worked....

A Well, except that it's the same trick that the Congress has been pulling in Washington in the last few days. It's attaching the portion that I might^{be}/tempted to veto--it's attaching that something that I myself have said I favor and want to give the people, which is the deferral of the sales tax. And, therefore, it becomes a political trick. It is not good legislative process in the interest of the people.

Q Governor, if the legislature did send you a bill that extended a moratorium until January 1st, is there any conceivable circumstances under which you would agree past that point to keep that moratorium? I mean would you go for a delay beyond six months under any circumstances

A I think this is something to be negotiated and talked over with them in the months following their doing this, just as I say, if they hadn't...you know they didn't do it in the last six months, if they had even come around after they had extended it even the one month and said let's sit down and talk about this before we get to July 1st; they didn't. They waited until it's virtually July 1st...

Q You're not frozen on an absolute six months?

A No.

Q Governor, are you ruling out the possibility that you would accept anything but a flat, simple six months' delay?

A Well, I think I just answered that question. I said no, I'm willing to sit here and discuss with them a need to get some figures as we come closer to the time, as to the total amount of surplus, is there some flexibility in there for additional time? But, again, this just further illustrates the fact that this isn't a decision that can be made instantly, now, on their demand. One simple issue is before the people---to defer the increase in the sales tax.

Thank you, governor.

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(ras)

PRES. CONFERENCE OF GOVERNOR RONALD REAGAN

HELD August 2, 1973

Reported by
Beverly D. Toms

(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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(Whereupon Governor Reagan read press release No. 428)

GOVERNOR REAGAN: End of statement, and you will have your copies soon.

Q Governor, what, if anything, is the advantage of a half cent, ^(sales tax) for a year over one cent for six months?

A Well, I think there are a number of things. I wish we had thought of it before, frankly, when this whole thing was up. I wish we had thought of this. One of the things is there is evidence that a one cent deferral for a limited period of time for a short period of time, does have a tendency to throw the normal trade channels out of kilter. People, particularly with large purchases in mind, are tempted to go into that period. When they -- with the extra half cent in the Bay Area for Bart this did not occur. Evidently the difference, the one half cent, is -- is not that much. The other thing is that the -- now that it has been implemented, now that they let July first go by and put the sales tax -- the increase into effect, this thing of yo-yoing the tradesman, the storekeeper, becomes a costly thing administratively, in his overhead to him, in this chain. So if we are going to have a change, this would at least give them stability over a whole year's period.

Q When would you have this become effective, Governor?

A As soon as possible. Well, I think it should -- we have always -- we have learned that it is administratively a hassle and an expense for the State, too, to have it occur in the middle or the -- of a quarter. So the next quarter beginning would be October 1.

Q While the State now, I assume, or the merchant or somebody collects what might be referred to as the breakage on a retail sale, on a one cent basis; isn't there more of a breakage involved if you start going to a half cent or a fraction?

A I -- some else -- I don't think I know that we have found sometimes, you know, there have been proposals about quarter cent taxes and so forth. We found that there is great resistance to that, but it seems that a half a cent is a breaking point that -- that works out all right.

MR. ORR: The State collects on the total that the retail merchant sells. He collects enough on individual sales to make that up and you adjust your charts to try and keep the breakage to nothing.

Q Well, isn't there -- just by the nature of things, isn't there more of a breakage involved in a fraction of a cent than there is in --

MR. ORR: I don't think so, but I'll be honest, I haven't checked it. I think it can be adjusted, instead of changing from three to four cents at 55 cents, for instance, you may change at 56 or 57. And it keeps the breakage about the same.

Q Governor, what did the Republican leadership of both houses tell you as far as the possible overrides? Since two-thirds of each house passed the bill originally.

A They didn't seem to think that there was much of a possibility. They recognized also that we could complete -- we could have complete chaos in an override. How do you retroactively override the sales tax that's gone into effect and has been collected now for --- more than a month? And I -- I don't know how you would -- how you rebate on that.

Q Another subject,

A All right.

Q Governor, I'm wondering are you in agreement that the price freeze should be lifted on beef and if you are, have you had any communication with the President to change his mind on the subject?

A Well, no, I haven't had any communication on any subject directly with the President on this. But I believe that the whole problem of the beef market today is -- is one in which we literally are forcing them to seek other markets than the domestic market. This has been evidenced by some beef growers in just the last few days, because if you cannot pass on the -- the actual cost that you have in the -- in the animal and therefore you can multiply your loss by the number of animals you sell, it is going to reduce the number of animals he sells and right now in the export market, the

The beef problem, I think, is very little understood. And the -- the thing that the people have to realize is that the farmer is not a villain in this. In fact I don't think there is a villain along the line any place. We are faced with an outright shortage and part of that shortage is due to the fact that in the last several years the American Consumer has gone from an annual consumption per capita of 86 pounds of beef to 116 pounds. And you also now have an export market in which other countries in the world growing more affluent have begun to increase their diet and the quality of their diet. And have provided a market for beef. But added to this, and probably far more important than just the law of supply and demand has been the fact that we have had the current crop of cattle, the beef that you would be eating, they have had in their brief lifetime, those animals, a drought that forced them to start being fed commercially at an earlier time when normally they are eating free on pasture. And this was coupled with last year's severe storms that -- well, as I have pointed out before in one storm in Texas alone wiped out a hundred million dollars worth of cattle. And you can't -- I know that everyone is conscious of inflation and they try to tie everything into the same inflationary pattern. With farm stuff, with food stuffs, this doesn't work. We had a year last year that wiped out a great deal of our vegetable crop. We lost in the south, because of the heavy rains, most of the soybean crop. And all of these things are reflected now in the market. You add a few labor disputes at the same time, and I think all of us saw the horrifying pictures of California fruit being picked up in the skiploaders and dumped because of the recent cannery strike.

Q Would you like to see the freeze lifted?

A Yes, because this ties in with philosophically what I have to say. They have to be able to pass on their added costs. Philosophically I would like to see the government and for twenty years I've been pleading this, I would like to see the government get out of the farm economy and turn the balance of the farm economy that is still regulated by government and subsidized by government -- turn it back to the free market.

Q Would you place any controls on the amounts of beef that could be shipped out of the country overseas?

A What's that?

Q Would you place any governmental regulations or controls --

A No, I'd like -- I'd like to see the government stop controlling in this area. Only 25 per cent of agriculture has ever been in the government program, and that 25 per cent has been the one that's been in trouble for all these years. The other 75 per cent of agriculture that's out in the free market has year after year been increasing the per capita consumption of its product, has been getting along just fine. Except when we have periods as we have just had in which you have acts of God, weather conditions that destroy crops.

Q Governor --

A Raise the price of it.

Q Would you like to see farm subsidies lifted, too?

A What?

Q Would you like to see --

A Eventually I would like to see agriculture, like industry, out on a free market.

Q Governor, on another subject.

Q One more on the beef question before we change.

Governor, how much of the current shortage -- you know, notwithstanding droughts, and storms and all those other natural causes, how much of the current beef shortage, the immediate beef shortage, do you feel is due to this technique of saying we are going to control prices today but next month they will be lifted? Somehow -- I mean wouldn't a farmer be astute to hold his cattle for a month?

A Well, if this -- if this were the case. I don't know that it is, but I would think so. And this is another reason why you just -- I just don't think that government has ever been successful in this kind of regulation.

Q Would you say the freeze was a mistake in the first place then?

A Oh, I can't say that I have all the information that was in the possession of those who put it into effect, to know why they called it or whether it was psychological in part or whether it was to -- embridge some particular moment. I'd hesitate to answer that.

Q Governor, the report filed by the Campaign Committee for your tax limitation initiative indicates that a record or a near record amount was spent to qualify it for the ballot and also that you required about 62,000 paid signatures. Now, how does that

jibe with your ear. description of it as a grassroots movement?

A Well, I think it was grassroots. I can answer that. I think that the report that was released, the Secretary of State was so anxious to get out to all of you with the report that I don't think he read things very carefully. He included in that proposed record amount of money borrowing to get the campaign launched. An amount of money that was borrowed that is going to be paid back. So that the cost of the campaign was not the figure that he gave out and therefore it was not a record. When you stop to think that this was a campaign in a non-election year that had to start from scratch and that brought in the signatures in a record time, shorter time than has ever been done in any initiative before, obviously this had something to do with cost features. But as for it being grassroots, I think we set another record in that we had over 16,000 contributors, who averaged somewhere down at a small -- relatively small amount of contribution which sounds pretty much like grassroots to me.

Q What about the -- your office withdrawn claims to the Controller's office for payment of some of the costs on the task force report for your initiative?

A Well, I think we are talking about something that has to do with accounting. As long as Verne is here, I can let him give you -- he's in that accounting business, I'd let him give you what the situations were that --

MR. ORR: Well, we have told the Controller that to be certain that claims are restudied from an accounting standpoint to see where they should be properly allocated and it is possible some of them may be allocated to private sector money.

Q You said earlier that the cost justified the amount --

A We felt that it was and we still feel it was.

Q You disagree with the Controller?

A This is an accounting problem and technically if there is some of this that should be allocated to the committee, it will be.

Q Well, then, were you wrong to ~~spend state money~~ on it originally?

A No, not when I thought I was right.

MR. ORR: And we still do. This is just to remove any possible question.

A He said it. I wish I thought of that.

Q Governor, you didn't comment on my other question about the paid signatures needed to qualify the initiative.

A Well, we wanted to do this in such haste that, yes, there was an insurance matter that we decided to sort of insure getting enough by employing, which is done in most campaigns, the idea of hired hands getting some of the signatures. It was a relatively small amount. I haven't checked to see whether we would have made it without them or not.

MR. MEESE: We probably would have.

A Well, he says we probably could. I haven't seen the final account.

Q Not according to the campaign headquarters. I checked with them and they listed the figure that was given -- they had 122,000 valid signatures gathered by paid, and they -- they got a total of 586,000, so after you make the deductions you need at least 62,000 of those valid signatures.

A Now, let me ask, I don't know, did we go ahead and turn all of the petitions in or when we reached the --

MR. MEESE: Yes, we did.

A -- when we reached the limit did we just stop?

MR. MEESE: There were probably some that were not turned in because we made our final figure that came in after that. But this was an insurance factor and it was very close.

Q Governor, did I understand you a moment ago to suggest that Mr. Brown was wrong in listing borrowed money expended as expenditures?

A Well, he lumped it all in. I guess he was counting some money twice.

Q Then the loans have been paid back?

MR. ORR: Basically, Governor, if I could give the figures, the actual expenses were \$361,000 which is somewhat less than what he quoted, I think, as the record previously by C.S.E.A. at 394, whatever that figure was. The difference between the 261 and the 436 had to do with the loans that were paid back, about \$75,000 in loans. The way the reporting system works is you have to count in loan paybacks as part of your expenditures in the way they are reported. If anybody is interested we can go into details later.

Q You are saying those were counted twice?

MR. MEESE: So it was counted twice.

Q Governor, have you been going to any parties lately?

(Laughter)

A I had a small dinner party last nig') I think I --

Q Did you read the Washington Post yesterday?

A The Washington Post is not on mine. I know what you are referring to. But I don't know what they are referring to. I was a perfect picture of decorum.

(Laughter)

Q Even at the party you don't know -- to which they are referring?

A I don't know, but you know the -- you have really caught me here with mixed emotions, because I don't know whether to get a sort of glint in my eye and let you think that there was a side of me no one knows or what not. But I'm afraid there isn't.

Q Governor, do you resent that kind of investigation?

A Oh, first of all I don't even know that there is anything -- any foundation to it that there is any investigation going on. I don't think really that there was. And I guess what I do resent is the tendency, whether it is done over a back fence gossiping, or whether it is done in ink or whether it is done in the media or whether it is done just between people walking up and down the corridors, to just let fly with rumors. I don't know, maybe I ought to tell you once that back in the picture business once we decided that a motion picture studio was the greatest place in the world for gossip and rumors, and for sometime, until some people began to get onto it, we had a lot of fun. We used to start a rumor out at nine o'clock in the morning on our set, piece of totally false gossip and then we'd sort of make book, like a ship's pool, to find out how quickly that rumor would come back to our set from some place else stated to us as absolute fact, and then of course usually distorted and added to. And as I say, for sometime it was -- we were having a lot of fun with it, doing a little gambling with it.

Q Governor, you said you didn't think there was an investigation. Do you have any reason on which to base that belief that --

A I haven't seen anybody spying on me. Haven't been to any parties where I didn't know who was there.

Q What was that party like, Governor?

(Laughter)

A As I say --

Q You seem to remember what went on. What was it like.

A Huh?

Q If there was nothing to investigate, then what -- what was the setting of the party? What went on?

A I don't think -- I don't know of any party that anyone is talking about. Might have been the -- the annual clam feed that we have with the legislature over here at the Sutter Club, or maybe it was last year's Senate President Pro Tem party.

Q I think they were referring to a party with one of Mayor Lindsay's brothers on the East Coast, do you remember that?

MR. MEESE: No, that's not right.

Q No, that's not right, Governor.

(Laughter)

MR. MEESE: What party was it, Dick?

A Yes, I'm all ears. I don't know that Mayor Lindsay has a brother. I didn't know that.

Q Governor, while we are on this subject, ^(Watergate) do you think the President should release those tapes or not?

A I think this is a decision that he has to make with regard to his trusteeship of executive privilege. He's standing in a position that some 16 other presidents, including Lincoln, Washington and Jefferson and F.D.R., Teddy Roosevelt have all stood, and I assume he's on safe ground.

Q Do you think that a forcing of this issue is good for the country, though?

A What?

Q Do you think forcing this issue is good for the country?

A Well, now, you are getting into an area here that I'll stand on my statement of some weeks ago. I'm like the rest of you, I only know what I see and what -- what I'm reading and I'm not going to comment on that. Surely there are enough exciting things going on in California, and I haven't been here for several weeks, that you --

Q How about the investigation of the State Bar that was announced yesterday?

(Laughter)

A I still stand on the previous statement.

Q Governor, are you watching the Watergate hearings on T.V.?

A Oh, I've seen some. I don't run to the set and know the schedule of when they are on exactly. If I happen to be at

home and as I have been on vacation for a couple of weeks in front of the set, I'll see whatever and whoever is there, that's all.

Q Governor, do you in your own office do any of the kind of taping that's come out about the President's -- do you tape any phone calls or any of that?

A No.

Q Conversations in your office?

A No.

Q Has that ever been considered?

A No, no taping.

Q Do you tape meetings? Do you tape meetings for record?

A No. Only thing that goes on is Rudy back there tapes all my speeches, because it is the only way they can get a copy of them. Because, you know, I don't usually have an advanced copy, I wing it.

Q Have you ever thought that it might be desirable to do that for any -- for any purpose such as your own memoir or anything like that?

A No, I'm too lazy to write memoirs.

Q Governor, I assume that you've been in the President's office and you may be on some of those tapes. Did you --

A Could be.

Q Do you see anything ethically wrong with taping -- without the consent of both parties?

A Well, evidently in the District of Columbia it isn't considered. The law does not proscribe that. And it evidently is a presidential custom that has gone back as long as there has been this kind of surveillance. The records indicate that every President has done it and most of them to a far greater extent than the present occupant of the White House.

Q Did you know you were being taped when you talked to the President?

A No. Wouldn't have changed anything I said.

Q What was your reaction when you found out you had been?

A Well, there were a couple of phone calls that if I thought he was going to release them I'd kind of like to have heard them. As a matter of fact, one or two of them made me sound good.

Q You are not offended, you would not be offended by that action?

Q Change the subject. Governor, with regard to the news conference and briefing that was held this morning on the exclusionary rule, with regard to repeal of the exclusionary rule --

A Yes.

Q -- yes, how high on your scale of priorities would you place that?

A Oh, I think -- I may be wrong on this, this is just my personal opinion, but out of the entire report I think that this one thing alone could be as significant as anything in the report or any of the changes suggested in helping this case in the curbing of the ever-increasing crime rate.

Q Governor, when you campaigned against Governor Brown, one of your issues was that you complained that the rate of crime had gone up under Governor Brown.

A Yes.

Q And the report released yesterday shows that for the first -- for the seven years before you took office crime went up 9 per cent and in the next four years under you it went up 94 per cent. In view of that do you think you were fair in criticizing Governor Brown?

A Now, I don't know in the seven major crimes, it was my understanding that up until 1969 when we passed the -- some 40 anti-crime bills that the annual rate of increase in serious crime was about 15 per cent, and it's been down around 7 or 8 per cent since then. The problem is the fact that we have cut the rate of increase in two, but it is still increasing and you can't really say that you have gotten a hold of this until you start pointing to a decrease in crime, just as today we can point to a decrease in the fatality rate on the highways. We haven't just reduced the increase in death rate, we were actually decreasing, and I think we are the only state where that's happening. Well, this is what should happen with crime.

MR. GRAY: Whose report was that, Marty?

Q It showed -- it is in that booklet. It shows that since 1960 the crime has gone up 184 per cent and of that 184 per cent nine per cent occurred during 1960 to 1967, and the other 90 or 94 per cent was from 1967 to '71.

MR. MEESE: The Governor is correct, though, about the annual increase being cut in half since '69. And also the fact that since he took office the California Crime rate has considerably separated and been lower than the increase in crime generally

throughout the country.

Q If that is the case, why is there a need to ban the exclusionary rule?

A Do what?

Q Why is there a need to ban the exclusionary rule if crime is leveled out?

A Because that rule more than any other has permitted criminals and even confessed criminals, to talk free with no punishment for their crime. Now, we recognize the problem of a police blunder in search and seizure or lack of complete reason in a search and seizure causing inconvenience or distress or even harm to the inhabitants of a house. But if at the same time when they do that they find incontrovertible evidence that leads -- can lead to the conviction of a criminal, there is something wrong as it stands at the moment that there is no redress for the person whose home has been invaded. He is still a victim of this police blunder. But at the same time the criminal goes free because you can't introduce the evidence in trial. What we have proposed is that you set up now a system whereby the victim, the person whose home was invaded, can be reimbursed by the local government entity or whatever government entity is in command of the police force, he can receive damages, but at the same time you can introduce in evidence the -- what you have found that would lead to the conviction of the guilty.

Q Couldn't that person sue for damages now and don't you -- don't you feel that this might be in effect giving a blank check to some over-zealous law officers who might be --

A No, we don't, because the government entity -- suppose it is the City police and the City police -- the city then is liable for this damage and the City must also provide the legal expense for the person whose home has been invaded. There is no burden on them for seeking redress or damages.

Q They have to pay --

A Now if the City has this happen enough I have a hunch that the city will do something about the blunders being committed by their police.

Q Would they have to pay the expenses regardless of the outcome of the suit?

A Yes. Yes.

Q Can persons sue now for damages?

A I assume anyone can,

MR. MEESE: They can sue but it is an entirely different picture. You have a jury trial and you have whole different circumstances that makes it pretty well unavailing.

Q Are you proposing a Judge --

MR. MEESE: Yes.

Q Governor, what if the evidence was obtained legally, do you think it still should be admissible in the court?

A Well, I'm going to have to turn to lawyers when we get into the differences between illegal or a police blunder. I suppose a blunder is illegal if it violates --

MR. MEESE: If the blunder is unreasonable and this would be -- and we are not interested in illegal police conduct justifying that. And for this reason such things as illegal wiretapping, burglary, violation of people's rights by physical harm, such as choking or things like this, to get evidence -- these would not be permitted under the proposed statute that's included in the report.

Q Well, doesn't -- those acts would not be permitted, but would the evidence be admissible under your proposal?

MR. MEESE: Probably not, because these would be violations of the Fifth Amendment rather than the Fourth Amendment.

Q Doesn't this give police carte blanche to go anywhere they want to at any time?

A No.

Q Walk into your house at any hour of the day or night?

MR. MEESE: No, it doesn't change at all the restrictions. It merely returns the state of the law to where it was in California prior to 1955, and I don't think there is anybody who is knowledgeable in the field who contends that police conduct in this area was worse prior to 1955 than it has been since.

A See, there is no language in either the state or the federal Constitution, nor is there any legislation that has been passed either by Congress or a state legislature with regard to setting up the exclusionary rule as it now stands. This is a judicial decision that was made.

Q Well, then you feel that you could do this merely by a statute?

A Is this --

MR. MEESL: Yes, it would be done by statute, but the statute would be subject to review by the State Supreme Court and by the United States Supreme Court. The Chief Justice Burger has made it pretty clear that the court is not ready to overturn the exclusionary rule if a state proposes a suitable substitute for it, such as the -- award of damages for unreasonable search and seizures that the Governor referred to.

Q There were some emphases in the report on riot control and sniper suppression. Does that not suggest we are fighting the last war? Isn't that pretty much behind us?

A No, this is to improve the training of this, and I would think that this in itself is to reduce the possibility of innocent victims. What we are talking about, this comes under the heading of some more uniform training so that in a smaller community, smaller police departments where they haven't had the means to have the training, that some of our more sophisticated law enforcement agencies have in the larger cities, that this can be uniform.

Q Does it suggest that you anticipate riots? We have been -- it's been quite lately.

A No. I don't, but I think in government you have to be prepared for anything that might happen. Our government's responsibility is the protection of the people.

Q Governor, another subject. Do you think Casper Weinberger would be a worthy successor to yourself?

A Now, restating my position of neutrality, with regard to the coming race and knowing that you are basing this on some of the newspaper accounts that have been held, I don't think anyone in the world can deny the capabilities of Cap Weinberger for any job that I've ever seen him assigned. He not only was great when he was here in our own state administration, but in Washington, the Office of Management and Budget, and now as the Secretary in the Cabinet for HEW. I think his performance has been brilliant. This is a man of great capacity.

Q Do you know if any of the men who financially backed you are financially backing a run by Weinberger?

A I don't, and as a matter of fact, I don't even know that -- that Cap Weinberger is interested in that at all. I do know that there are people in the state who in the talk about candidates -- everyone -- there is no secrets in politics. I know that there are people of all persuasions in the Republican party, who have expressed

that -- the wish that they could persuade him to be a candidate.

Q Do you count many of them among your supporters, though?

A I'm sure there are some that would be among mine. But, as I say, I'm not imposing on anyone. I'm maintaining my neutrality.

Q Governor, is there a Reagan-Reinecke rift?

A Oh, no. Yesterday afternoon we were three and a half hours together in a cabinet meeting sitting side by side and trying to work out some of the problems of the things that will now be facing us with the legislature returning, and no, I don't think there is any strain at all. I'm afraid old Herb has done it again.

Q Governor, in view of the fact you called for public hearings on a new legislative building, why don't you go for public hearings on the Governor's Mansion plans?

A Well, for one reason the state accepted sometime ago the gift of some land as a site for a Governor's residence. The legislature then approved that site. The legislature then put into the budget money to go ahead with the building after some 40 years of trying to have a governor's residence and never having succeeded. The process by which all of this was done, there is a law that proscribes how the architect must be selected. The architect was selected under the provisions of that law by a committee that does not include me. A committee in state government. The architect has proceeded to the point, I understand, of having plans working drawings of the residence and I have seen some of the floor plans, I have not seen actual working drawings nor have I seen the artist's concept, but I saw those because the legislature in putting this into the budget also put in language that said that it should be shown to the Governor and have the Governor's approval. And it is my understanding that the committee where that was done, and it was a Democratic Senator voicing this, believed that one of the ways to expedite this and finally end the 40-year stalemate was to have somebody say yes instead of having it continue to be thrown around in various groups. So I did what the budget language prescribed.

Q Governor, the issue of the mansion has become one of the hottest ones in town again right now. How do you assess the debate that's going on between your prospective successors on the issue?

A Well, I think you have to recognize that candidates talk different than other people, and they are sure talking different,

on the controversy about it. I don't know w there should be a controversy. The legislature also -- if this concerns the possibility of a -- of an Indian village site, the legislature also passed an act which I signed and is now law which appropriated money for an archeological dig which is the only way to determine whether that is the site of an Indian village or burial ground or both, and the law also prescribed that if it is and the artifacts removed, that any remains that are found must then be reinterred on the same property in a location that will not be covered by any structure. And I myself have said in my interpretation of that, if it should come to that while I'm still Governor, I believe that a spot should be picked that was appropriate on that property -- there is 11 acres of it -- that is appropriate, that it should be properly landscaped, that it should be properly designated and marked as to what it is and that all respect should be paid to it as it would to any other burial ground of anyone else. I must tell you that I have to think that some of the claims of some individuals that we are threatening the sanctity of their relatives' burial grounds is a little far-fetched when if there is such a village there archeologists seem agreed that it is probably 3,000 years old and I doubt if anyone alive today can trace back the location of his ancestry and his particular family or even his -- ethnic group back 3,000 years.

Q If there are indeed remains found to be relocated, would you envision that they would be open to the public, the public could inspect that?

A Oh, I think that's something that could be decided then as to whether -- whether they would or not.

Q Governor, back on the sales tax problem, you say in one proposal you accept the half cent rollback for a year. What's another one?

A What's that?

Q What's another proposal you will accept? You say one is a half cent rollback for a year. What other one will you take?

A Well, as I say, this is the one that seems to have been proposed right now. And was discussed with the legislative leaders. But our original proposal, and I still hold with that concept, was that the fairest way to give the money back to the people was a roughly ^{half} by way of income tax and half by way of sales tax. And if there is some other format for doing that sales tax wise, fine,

that's all right with me. I think in connection with that, and as long as you brought the question up, let me-- let me say something that I think most people don't understand and should understand about the imposition of the sales tax increase. This is not adding to the surplus, as so many have written and so many have claimed. That here we are with a great surplus and we are raising a tax to add to it. This is not adding to it at all. The penny of sales tax increase was not a net increase, nor -- remember this was Senate Bill 90, and the sales tax increase was a shift from property tax to sales tax. And the only place that the surplus came into it was when we tried to figure how do you give back half of the one-time surplus in a rebate to sales tax payers. There is no way. Some people on major purchases may keep their records. Most people don't. So we -- here was the coincidence of having this tax shift and what we proposed was for a period of time using a portion of the one-time surplus to subsidize the property tax reduction. Instead of having to implement the sales tax on the prescribed date. And this -- I asked for. And I'd like to point out that the idea of deferring the sales tax increase came from -- from me. This was my proposal to the legislature. A good several months ago and for several months I have been asking for it. And I would like to suggest that the majority legislative leadership made it plain from the very first that it wasn't an argument over sales tax or some other means of giving it back. Their reply was they didn't want to give it back. And very frankly, I don't think still they want to give it back. We believe it is an overcharge, it should be given back to the people, and we have suggested what we think are two methods that will give the bulk of this money back to the people who gave it to us in the first place.

Q Governor, on specifics, would you still consider that final proposal that you made to the legislature in that last --

A Yes, from the very first I said to the legislature that the idea of the income tax portion of the rebate, if the legislature would pass that, that was fine with me. When it appeared that they didn't want to do that, that was a balking point also, I made it very plain and right down to the last minute on that final day, to the Speaker of the Assembly, I said, "Then, for heaven's sake, if we are all at least agreed on the sales tax, send that down. Let us simply defer the sales tax increase and we can -- we have got

plenty of time to deal with the other, and in the meantime it is on the ballot for the people to make the decision." But that same majority leadership has a kind of arrogance about not wanting to let the people vote on such things, just as they don't want them to vote on the death penalty, and I just -- as I say, I think that the real contest here is who definitely wants to give the money back to the people and who would rather keep it and find ways to spend it.

Thank you, Governor.

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