

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual
collections.

Collection: Reagan, Ronald: Gubernatorial Papers,
1966-74: Press Unit

Folder Title: Press Conference Transcripts –
01/15/1974, 01/31/1974, 02/21/1974

Box: P04

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library
inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at:

reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

Held January 15, 1974

Reported by

Beverly D. ~~+~~oms, CSR

(This rough transcript of the 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.)

---oOo---

GOVERNOR REAGAN: We have some visitors this morning. Mrs. Alma ^{Oberst} ~~Oburst~~ and -- who is the journalism instructor at the Contra Costa College in San Pablo, a class of 20 journalism class there. And, incidentally, they have got to be regular visitors. Mrs. ^{Oberst} ~~Oburst~~ brings her class here and has for the last several years at least once each year. I have an opening statement.

(Whereupon Governor Reagan read Press Release No. 27.)

Q Governor, what prompted you to make the statement now?

Was it Lieutenant Governor Reinecke's comments that were reported last week about his urging the support --

A No, no, and let me just say with regard to that, that I've had two Lieutenant Governors during my term in office, and it just seems to be a habit of the political process that from the first day in office there seems to be a desire to indicate that the Lieutenant Governor and the Governor are at odds with each other and splitting. My relationship with Lieutenant Governor Reinecke remains unchanged and on the sound and good cordial basis it always has been, but you yourselves have frequently asked me in press conferences, and this is the first one in considerable time, and we are getting closer to that -- that date, but you've asked me whether I would remain neutral or whether I would take stands. And increasingly some of you just in individual contacts have brought up, well, am I going to take a stand in this ^(primary) race or the other, but also it's been coming in from -- from the people themselves, these inquiries. And so this was based -- this statement is based on the fact that I have sent a letter to Gordon Luce, the State Republican Chairman stating this very thing, that I believe the best service I can be is to continue what I've done in every election so far, is

to remain totally neutral. And I have done that in all primaries since I've been Governor.

Q Governor, does this apply to your staff as well?

A Yes. Yes, it does. And I have asked them to observe that.

Q Has the Lieutenant Governor asked you for support in the primary?

A No. As a matter of fact, he is in complete sympathy with this and always has been. He's known from the first day that he ever talked about running for Governor that I would be -- have to be neutral in the primary.

Q Then why would he say something like he did, if you were smart you'd support him?

A Well, there are other news stories that seem to indicate a -- different things. Things that -- that did not put that emphasis on the one particular story. So -- you can ask him as to what his attitude is.

Q Governor --

Q Governor, didn't you sometime earlier sort of leave the door open for possible primary endorsement if you thought it was needed?

A Yes, I did. This was one of the reasons I felt a responsibility to you to come in here and make this statement. I said at one time that I was going to leave -- that while I said I felt that I would be neutral, if you will recall I said at the same time I was going to leave the door open, that if in the interim something developed that I thought I could serve the party better by taking a stand, I would do so. And I wanted to leave that option there. And nothing has happened and I believe that the time has come now to clear the air and make it plain what I'm going to do.

Q Governor, you said the Lieutenant Governor had not asked for your endorsement. Have any of the prospective primary candidates asked you?

A No, no, and others -- young men in our administration that have talked about running for office, have come to see me and the first thing -- and I've encouraged them, I've told them this, that I think they are the kind of men that should be running for public office, and in each case -- and they will testify I have told them, they understand, of course, that no matter how highly I regard them with regard to their service in the jobs that they have been holding,

that I am neutral in the primary.

Q Has any other candidate, particularly the Controller, asked you not to endorse?

A No, none of them have discussed this. All of them, I think, have taken it for granted that this is the -- what I would do.

Q Governor, did members of your staff discourage Mr. Kehoe from his intention to run for Controller?

A If they did I didn't know anything about it. I doubt it.

Q Governor, what about Lieutenant Reinecke's statement that you would be -- that you'd -- you'd be weakening your prospective bid for President in 1976 unless you dropped your stand for neutrality in the race for Republican nomination for Governor?

A Well, however that was written, or whatever it was said, I know the Lieutenant Governor has assured me that he was in a conversation having to do with -- the solidarity of the party, particularly in the present climate in '74, and that it did not -- he did not intend that to mean that I should be in any way involved in the primary or violate neutrality.

Q Well, Governor, nevertheless, whether he intended it or not, it came out that way. Do you feel he was -- it was taken out of context?

A None of you read the other story. There is a UPI story out that seems quite contrary to the one you refer to.

Q Have you seen the Lieutenant Governor since those stories were published?

A Yes, just left him a little while ago.

Q Have you talked to him about it?

A Yes.

Q What did he say?

A Same thing he's already said, we have no difference of opinion on this.

Q Did he say he was misquoted or anything that was printed might have been misleading?

A He said that in the general discussion that this was not the point that he was intending to make. That the point he was intending to make was that obviously if -- if I were going to be involved in a campaign in 1976, and he didn't know whether I was or not, that -- that if I was that a good solid Republican party and a unified party,

Republican party, would be of benefit then. I obviously it would be.

Q Governor, do you say you would support him?

A No.

Q Governor, now that you raise the question, will you be in the contest in 1976?

A Squire, that's too early to say. I'm --

(Laughter)

A As I have said before, I've got about 11 more months to go now to -- to concentrate on what we have to do here, and that's what I'm going to do.

Q Governor, along the same line, why wasn't the fund raiser for Assemblyman Jerry Lewis not held in a local hotel last night and instead at your residence?

A Well, they asked me if they could hold it at the residence and I was very pleased to cooperate and to -- to do that. And I see nothing wrong with it.

Q You see no -- what is your reaction to the issue that it may be improper to hold an event like that, inviting lobbyists, specifically, in a state-supported residence?

A Well, I was not responsible for the guest list. I knew that it was a fund raiser in connection with the party. The man who was Governor is automatically the leader of his party. And I think it might be interesting for some of you to check back and find out if this was a new and unheard of thing. I don't think it was. I think you will find that it's been customary even when the state had a state-owned mansion instead of just renting a house for the Governor to live in. That is my home. I don't think there is any restriction in the constitution on who I invite or allow into my home.

Q Do you think it is proper, though? Would you support that sort of thing at any other state building?

A Well, I think when you get into these state offices and state buildings now -- I don't know what the policy might be on that. I doubt if it would be for -- for partisan affairs unless it was open to both and to all parties to do the same thing, but I wouldn't see a particular need for that. I doubt if there would be anything that -- where there would be an appropriate state building for that. But I think you have to recognize that while

the state is supposed to provide housing for the Governor, that is his home. That is his residence. I don't think the state says, "Well, we will provide the home but we will tell you who you can have in your home."

Q By the way, Governor, what's the status of building a new mansion? That's kind of slowed down, hasn't it?

A No, no, it was slowed down, but then when we didn't find any arrowheads, to speak of, why --

(Laughter)

A It's back on the -- on schedule although several months behind schedule, because of that unnecessary delay. But the architects are -- as a matter of fact, I have a meeting with them today, with regard to preliminary plans that they want to show.

Q Going back to that party, Governor, did your research find that actually there were other times -- can you be specific on whether there were other fund raisers?

A I haven't pinned it down to any -- there's been general conversation of people who have been around longer than I have that -- this was more or less a routine thing and -- in times past. And that would mean the mansion over there, but I don't know for a fact that -- nor have I bothered to find that out. Young lady.

Q I heard about a meeting that you had with young people yesterday where you told them they should carefully look at the kind of morality involved with the Watergate scandal and yet a year ago you told me that everybody had in their campaign staff somebody who was involved in wiretapping or conspiracy. Why have you changed your mind?

A No, I haven't changed my mind any. The young people asked me the question of what effect I thought this would have and they specified on a party. And I tried to elaborate on what I thought the general effect would be and the hope that there might be some good out of this. That -- the Watergate certainly is not the first of the idea of a laxity with regard to our reaction to campaign shenanigans in the past, and that maybe this would be a good thing to finally jolt us into realizing the seriousness of the privilege of voting and that maybe out of this would come a new attitude on the part of the people to politics in general, and to not being as tolerant as people have been. And not just now, but back through

the past. A citizen has had a tendency to say, oh, that 's politics and dust it off. And, as a matter of fact, I can hark back to some 1966 campaign speeches when I said then that we should cure that. That we shouldn't say it is excusable because it is politics. That we should have even a more stringent requirement for this just as we do for certain professions. I think we ask more in ethical conduct of a clergyman or a doctor than we do of some other occupations.

Q But one year ago you were dusting it off. Why the change of mind?

A No, I don't think I was ever dusting it off. No.

Q Also, in Shasta County there is a newly created Superior Court position. Have you decided who you are going to fill that with? It is in Shasta County.

A I couldn't hear the first.

Q There is a newly created third Superior Court position in Shasta County. Have you decided who you are going to fill that with?

A No, we have not made a decision as yet.

Q Are you thinking about anybody in particular?

A Well, in the Superior Court, no, I'll have to explain the process to you. I tried/^{the}first months I was up here to take the appointment of judges out of the political influence and be political appointees, and I couldn't get that through the legislature, but I have been doing it voluntarily. We submit all names that are proposed for judges to a series of committees, including laymen, ~~the~~ local bar, the judiciary and the state board of Governors. And back come these separate committee ratings of these individuals. And we then get a -- a sheet that gives their ratings across the board. And we have been appointing those who are chosen at the highest level by those various committees. We have indeed taken it out of the area of politics.

Q Which ones are you recommending? What ones that have reached the top are you recommending?

A Well, we haven't had the meeting on that yet. I don't know that all the returns are in, because see, one name will come in at one time, subsequently another name, and immediately you send them out to these committees for that screening, and you don't have the meeting then until you know that all the names that have

been submitted that you have the ratings back ...

Q Governor, the technical advisers to Judge Sirica reported to him this morning that there had been between 5 and 9 erasures within that 18 minute section in one of the subpoenaed Watergate tapes. Does that in any way make you somewhat suspicious of Rosemary --

A I don't understand. I thought that the whole 18 minutes was simply erased on the tape and replaced by a tone.

Q Apparently the experts, though, looked at it and found that there were erasures and even they say rerecordings within the 18 minutes.

A Well, all I know is that just recently an expert in that field, the head of an audio-visual company here in California, took the exact same kind of device -- this was reported in the press -- took the exact same kind of device and revealed where, how accidentally, with the foot pedal, you can in twelve seconds erase 18 minutes of tape exactly. I don't know, I'm not an expert.

Q Governor, in the Watergate discussion with the young people yesterday you said something to the effect that hopefully out of this people will be more careful in making selections of people for office. Or people they put into government jobs in the future. What did you mean by that?

A Well, no --

Q Is that a reflection on anyone who is --

A No, again we have to review the bidding with the original ^{inflection} inflexion. In the entire discussion of this with the young people, if you will recall, also, I cited and used the Will Rogers' quote that the people in government are no better and no worse than the people who send them there. And I also pointed out that -- that too often the electorate turns away and thinks that they are showing a disapproval of things political by staying away from the polls. And this is not the way to solve the problem. And I used the example of a school board election recently, not too far away, when only 5.7 per cent of the voters turned out. Now, I would like to know how 94.3 per cent of the voters have any right to complain about that school or the management of this school, what happens in that school, when they missed their chance to vote in the board -- school board election. And so I meant that there is no substitute in our system, I think it is the best system that's ever been devised

in man's social structure and it's proven that it has a verility that can withstand the nitpicking and the harassment and the things that go wrong better than any system ever devised. But the one thing that the founding father could not provide was a substitute for the people. It is a government of, by and for the people. And that "of" is particularly important. It means that the people cannot leave political decisions to someone else or the choosing of candidates. They have got to take the time and trouble to be aware of the issues, to understand the issues and then to make the decision on candidates. And most of what is wrong today, with our political system, is that these decisions are made by people who too often go to the polls without a knowledge of what is at issue and what the candidates stand for. And beyond that those others who don't go to the polls at all and seem proud of that fact.

Q Governor, back to the Shasta County Judge, has Senator Marler's name been entered into this process? And if he makes the cut would you appoint him?

ED MEESE: Governor, we have traditionally not mentioned any names until they are finally appointed.

A Never have.

Q Governor, somewhat by the same analogy, on that -- on that question, then do you think that it was improper then for the -- for the Control of the Presidential elect campaign last year to be in the hands of a committee under the President rather than within the party?

A Oh, I don't think there is anything new of that -- about that. Every candidate has his own campaign organization. Outside the party organization. You cooperate, you work with them when you can. I've -- both campaigns I've had my own organization outside of the party structure. You have to if you are going to be involved in the primary, you have to have such a structure because in California at least the state party structure cannot participate in the sense of endorsing or participating with regard to candidates -- individual candidates. And it would be pretty late to start after the primary. And turn it all over to them.

Q Governor, how could Watergate have been prevented by a more alert electorate?

A Well, I suppose if you are going to get down to try and take a specific of that kind, I'll have to sit down and write a paper

script for that. I was talking about an attitude--a lax attitude that has persisted long before Watergate, that goes back through Bobby Baker and Billy Sol Estes and the Tammany Hall in New York, and Hage Machine in New Jersey, and Daley, and before that the Kelly-Nash Machine in Chicago, and I think that all of those things took place because of the willingness of people to go their way and let George do it.

Q Was that true of voters in '72, five months after the Watergate break-in was revealed, still voting for the President? Do you think that's an example of the same thing?

A Well, I don't know. I have often said I'm not going to go back on a statement that I made before, that I can't recall a Presidential election in many years in which the philosophies, the issues were as clearly defined as they were in this one. You had two opposing camps as to issues, and I thought the people didn't really make so much of a decision or choice of a man as they did they voted against the almost revolution and reconcept of our American system that was presented by the McGovern campaign.

Q Governor, do you think Watergate was no worse than any of those other cases that you mentioned in terms of political corruption and scandal?

A I'm not going to get into that game.

Q But you keep equating -- every time you are asked about Watergate you say this has been going on all along, as if this is really nothing different. And that doesn't make it right. ^{A:} And I'm not going to get into an answer to your question because I think that it is just as dishonest to steal a dime as it is a dollar.

Q Governor, what is your reaction to Secretary of State Brown's suggestion that the state take back its tideland oil lands and go into the oil business?

A Well, I liked him better when he was picking up arrowheads.
(Laughter)

A I think it shows a great ignorance of our system. I think it is a very naive thing for him to propose, and I don't think that the state should be getting into competition with the private sector in any field, and is this to suggest that if there is trouble in the automobile industry that the state ought to jump in and start manufacturing automobiles? First of all, when I say ignorance of our system, I don't think that what he's proposing could be done under California law and constitution.

Q Governor, in your State of the State address you suggested that the Secretary of State's office be made a non-partisan office. Does that have anything to do with the fact that Mr. Brown is the only Democrat who holds the constitutional office?

A No, it has to do with the fact that he himself has brought this out in the last several months. He brought it out; he's milked it. And that is the idea of the new laws, the new regulations with regard to campaign reporting, campaign practices and so forth that the Secretary of State's office is in charge of, the supervising of -- of those campaign practices. Now, with that emphasis on that office, to supervise elections, partisan elections between a major and whatever the third and fourth parties there are, it would seem to me that the character of the office has changed and in order to do that and avoid any possibility of conflict of interest or of bias and partisanship in supervising those campaign tactics, it should be a non-partisan office, ^{where} ~~the~~ the man could stand above the fray and judge each party equally. Now, as you know, we have had criticisms recently and particularly with regard to Proposition 1, and some other campaign things, that there has not been an even-handed administering of the -- of the laws from that office.

Q Why did you also suggest that other officials with not partisan duties, such as you say the Attorney General, also be non-partisan office?

A No, I didn't suggest that because the same thing doesn't prevail. They are not involved in partisan activities, supervising elections, supervising campaign contributions and the reporting of campaign contributions and such. The Attorney General, for example, is traditionally the Governor's lawyer. And the other constitutional offices having to do with the Treasury and the Controller's office, they don't have anything to do with the elections, so there wasn't any reason to make those -- if you went that route, then you might as well say the Governor should be non-partisan, too, and then you end the two party system.

Q You -- in Proposition 1 you said your budget is following the guidelines of that. But in Proposition 1 you suggested a permanent reduction in income tax. This isn't in your budget. Are you going to propose it or what?

A No, it was voted down by the people. Right now, very frankly, the reason we haven't proposed that in legislation is because since

that time the energy crisis -- now the money is there, the surplus is there that would have been used in that tax cut, but I -- I am willing to wait now to make sure that we don't run into an emergency.

Q But the energy crisis was brought up when Proposition 1 was in there and some people, including Alan Post, said it wouldn't work because of the coming energy crisis. Does that mean Prop. 1 wouldn't have worked?

A Yes, Prop. 1 would have worked, and our present budget indicates it. And our money is there and everything would have taken place exactly as it has taken place if Prop. 1 passed. But, first of all, I don't believe with the majority we have in the legislature there is any chance in getting the -- that tax cut. That was one of the reasons the leadership was opposed to it. But the -- the money is there. It could have provided for that tax cut.

Q Governor, Senator Biddle plans to fight your appoint -- appointments to the State Air Resources Board, the four new appointments you made last month, on the grounds that they possibly aren't qualified under law and that he says they were appointed merely to obtain a particular decision on the '66-70 car license -- Could you comment on why you made that much of a change and --

A Yes, I look forward to talking to Senator Biddle about that. I can understand his concern. He represents a district that has a very great problem. Geographically, that area over there gets all the air pollution from Orange and Los Angeles Counties and piles up against the mountains and they live in it until the wind comes along and blows it away. So I know the concern and I think we all share that concern. But the board situation is -- has not been fairly portrayed. First of all, I was faced with three resignations, and some of those resigning, Dr. Haagen-Smit, for a long time had intended to retire. He'd stayed on longer than he intended to and some of those retiring suggested that they felt this was a time now for a reorganization of the board. A fourth member's term had come up, had expired. The individual was -- no one was fired. This person's term had expired and long before the whole matter of the energy crisis had come this individual had been warned or advised -- I shouldn't put it as a warning -- advised that very possibly might not be reappointed and this is true of many other boards. If you notice that we -- we do make changes in personnel. So we went forward with this. I

have never spoken to the board with -- to any of these members individually with regard to what their course of action might be. I think there was -- there's been question for a long time and we have had numerous meetings about the smog control devices, their effectiveness, whether we were moving too fast or not. We finally went ahead with them and they still will go forward. They will apply and be applied to cars when they change ownerships. Anyone trading in an old car, from '66 to '70 period, before it can be resold it must have one of these devices put on it. The only thing that we held up on because of the energy crisis was the plan to go forward making every one -- while they presently own the car, install one and that has only been a delay. This was done by the board on its own. But there was no tie-in of any kind. I was faced with making three appointments, whether I wanted to or not, by three resignations and the resignations were, as I say, for various personal reasons. None of them involved with any policy dispute.

Q On that fourth one, are you aware that the members of the Air Resources Board do not serve term appointments, they serve the pleasure of the Governor and can be removed at any time? So her appointment did not run out.

ED MEESE: All of the appointments were vacated at this point as far as the reorganization and then each one was reviewed. It is not a term appointment, but it was -- all positions were vacated.

Q Then why specifically did you replace Mrs. Mead, the one who did not hand in her resignation?

A For the reason that I told you, we were going ahead with three new members, we felt that it was time -- just as some of them in going out had recommended to us, a total reorganization of the board, so we did.

Q Are you --

A And we have done this before with other boards.

Q When you were asked about the board several months ago you were asked at a press conference what you thought about their record. You thought they had done a pretty good job.

A I do, I think that we have been the most fortunate state in the union to have Dr. Haagen-Smit as the Chairman of that board, and it wasn't through my choice or desire that Dr. Haagen-Smit decided he'd come to the end of the line.

Q Governor, in light of what some of the oil companies are saying as far as reserves on hand, fuel reserves on hand, are you

having any second doubts that the energy crisis is as serious as they say it is?

A No. No, I haven't. As you know, last May we held a state-wide seminar here with the best input that we could in the round-tableing of this. More than a year ago we had a seminar and a report to us by the best experts in the field at the National Governor's Conference. We have had such a -- demonstration here and by some of the same people before our own cabinet. And it's been known for a number of years that two things were happening. One was a vast increase in consumption. But the other was a decline. Now, just in the years that we have been here we have vastly increased in California the need to import energy and fuel into California. And there has been a decrease in our own production. And these two things coming together were giving us the picture of an increasing problem. Now, what really happened to that, maybe it was in a way a favor to us, because you couldn't get much public attention as long as you could still go in and get your tank filled with gas, it didn't do too much good to say to people each year we are getting more in trouble and up here, two or three years from now, we are going to be in real trouble. The real trouble came earlier than that, simply because the Arabs cut off the oil supply and that precipitated the emergency quicker. In just a few years, if the Arabs -- let me put it this way, if we don't find some of the same answers we are talking about now, even if the Arabs start shipping the oil tomorrow, we still are facing an energy crisis that by -- within the next ten years is going to find us in a situation like England is, right today. So the energy crisis is for real.

Q Governor, back to your Proposition 1, and the budget. You say that the money is there for the tax cut that Proposition 1 would have called for. With a seven and a half per cent income tax reduction you have got something like \$105 million surplus, not counting federal revenue sharing money -- you say that would -- and that -- and Alan Post says that doesn't count for any increase in welfare costs because of the energy crisis, you are saying that that would have covered that income tax cut that the Proposition 1 would have called for?

VERNE ORR: Governor, the combination of \$105 million in the free surplus, and \$167 million, is 272, and the income tax rebate of seven and a half per cent the first year would have been in the

neighborhood of \$155 million.

Q But we can't spend the revenue sharing money without special allocation. We can't use it for general.

VERNE ORR: You can with special allocation by the legislature, use it for almost anything you want.

A It is simply up to the legislature to appropriate it.

Q Governor, in your State of the State message you recommended some constitutional changes which would require that the legislature provide revenue sources for programs it advocates, expenditures. But yet in the same State of the State message you made a number of recommendations for programs which would cost a great deal of money, like expanding the Oroville Dam and other dams, new geothermal research, solar energy research, some changes in the Department of Education without suggesting how those could be financed. Well, now, aren't you at odds with yourself there?

A No, everything that was suggested there is within the budget. And is presently being financed. I intend to pursue and to follow up-- I can find that no one has given a logical answer or any answer at all as to why the things I suggested with regard to taxing and spending should not be implemented. No one can suggest any reason why a legislator should be able to pass a spending measure without indicating how the measure was going to be financed. And I think for legislators to go on proposing hundreds of millions of dollars billions of dollars in spending with no responsibility whatsoever for suggesting a method of paying for them is just -- is just a ridiculous kind of government. It's what's led to the present cost and size of government. Now, what we have proposed is two things. We have proposed a constitutional amendment and I still think it is a good one, the Governor has to submit a balanced budget to the legislature or submit a budget and a revenue measure with it that would make it balanced. The legislature, on the other hand, turns around and sends back down to the Governor, not just this Governor, but any Governor, and has in the past, sends down a budget with hundreds of millions of dollars of added spending that puts the budget out of balance and provides no tax revenue, and if anything, you almost suspect that they wait for the Governor then to pick up the responsibility of saying, well, all right, I'll sign that and now I'll have to ask you for a tax increase. I think they ought to do the same thing the Governor does. The other thing is a way to approach this, and to have some control and in the battle over

Proposition 1 the legislature repeatedly -- or those legislators who were opposed to it, repeatedly said this was a problem they could solve, that they could handle this. Now, I'm saying that a legislator with a spending measure should either indicate where the money is coming from, in other words, that it is going to supplant something else in the present budget, or suggest a revenue measure to pay for it, and if anyone can show me why that isn't common sense, I'd like to know.

Q Can I have my question back? I didn't mean to ask you about that. I asked you about -- and my question was, why didn't you do that in the State of the State message? I don't see any geothermal research money in the budget.

A Oh, yes. The state and the Water Resources Board in connection with their own state college and universities is engaged in research, but the most of the research is going forward as it properly should by the privately owned utilities in our state, that are going forward with this. The Water Resources Board is right now engaged in a study of how much more capacity we might be able to get in hydroelectric. I'm sure it isn't going to be much because we have pretty much exhausted that field.

SQUIRE: Thank you, Governor.

GOVERNOR REAGAN: But those things are going forward.

SQUIRE: Thank you, Governor.

---oOo---

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JANUARY 31, 1974

Reported by

Beverly D. Toms, CSR

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

---oOo---

GOVERNOR REAGAN: I have an opening statement, but before that, we have in the back of the room once again some visitors, a journalism class from the University of California, Berkeley, under instructor Richard Reinhardt. Glad to have you here.

(Whereupon Governor Reagan read press release No. 60.)

GOVERNOR REAGAN: Bill, I'm going to ask you if you'll step up here so they see you and meet you as the new head of this drive, and you ladies and gentlemen have any questions on this particular subject, Bill and I will be very happy to answer these. I'll leave it to him.

MR. LANE: Well, thank you very much, Governor, it is a great pleasure for me to serve as chairman and as we are referring to it, the new Proposition 1, which we feel that this is an excellent bond to take to the people. The \$90 million that the Governor referred to goes back into local government which not only meets the needs of the elderly and the invalid and young people, but certainly is very timely with the energy crisis and so for that and many other reasons, I feel this is an excellent act and I'm very proud to be a part of the organization, and I want to thank the Governor personally for his very strong support. Thank you.

Q Are you able to tell us how much of this -- how much land in Lake Tahoe would be purchased?

GOVERNOR REAGAN: You'd better get back in front of that mike.

MR. LANE: It varies somewhat. Bill Mott and the wonderful people in the State Park organization have made recommendations, and this is part of the ten million dollars I think you're referring to, and there are three pieces of property and it depends in part upon how much those pieces of land are going to cost.

Bill, do you have a specific answer to that, in terms of numbers of acres, if, say, all three were able to be purchased?

BILL MOTT: No. Not the total acreage.

BILL LANE: It will vary somewhat. There are three specific ^(park) sites, however. I have personally inspected them, one at North Lake Tahoe, one around Cascade Lake, just south of the Emerald Bay, and another one that is -- in the southern end of the plateau area, down by the South Lake Tahoe airport. There are three excellent sites, but the exact determination still has to be made.

Q Mr. Lane, are you concerned the voters might confuse this with the old Prop. 1?

MR. LANE: Yes, I am. I happen to be one who supported Proposition 1, or the old Proposition 1. I am going to do everything I can and so is our committee, to make sure that that confusion is minimized, and I certainly look forward to the support that I hope we would have from you ladies and gentlemen of the press, to be sure that there is not a confusion on that matter, But I anticipate that there may be some.

Q Where will you operate your headquarters out of?

MR. LANE: We will be headquartered, I suppose, in one sense where my office is, which is Sunset Magazine. But we will have a northern and southern California headquarters for this, and hopefully a San Diego and perhaps one other.

Q Where is the Sunset -- where are you?

MR. LANE: Menlo Park. Yes, sir.

GOVERNOR REAGAN: Bill, thanks very much--

MR. LANE: Thank you very much.

GOVERNOR REAGAN: -- for doing it. I'll make one suggestion now. Not the new proposition 1, that might sound like it is a new version of the old one, the different Proposition 1.

MR. LANE: Thank you very much, Governor.

(The following answers were given by Governor Reagan unless differentiated.)

Q Governor, several members of, as it is called, your kitchen cabinet, Mr. Tuttle, Mr. Firestone, Mr. Smith, Mr. Packard, have endorsed the candidacy of Mr. Flournoy for Governor. What does that say to you about the candidacy of Ed Reinecke?

A Well, first of all, let me make something plain. I have

never used the term 'kitchen cabinet'. That's one that has been coined. I don't recognize that there is such a kitchen cabinet. We have got a pretty fine cabinet here. A few of the names that you have mentioned there are men who were personal friends of mine for a long time, and yes, they were political supporters, also. But I've noticed in the stories of those men that have already taken a position and women, in regard to the candidates for Governor, that there are among them many who didn't support me in my first time out. So I don't think that there is any block of so-called Reagan supporters that go any direction. I think this is in keeping with what I announced a few weeks ago, that I was going to personally remain neutral, ask all of the staff and the administration here to remain neutral in the campaign, and I urged everyone then to go out and choose their candidates and just remember that after the primary to unite behind one. And I -- I find nothing surprising in this. I think there is going to be -- apparently now has come down to a primary between Controller Hugh Flournoy and the Lieutenant Governor, Ed Reinecke. They both are good friends. They are both good Republicans, and I think that they will -- they will have a fine and open primary, and the people will make their choice.

Q Governor, my question was, that these men are -- I think they have earned the reputation as being astute political activists. Now, when they go over to Mr. Flournoy, who hasn't always in the past shared their philosophical perspective, my question is, what does that say to you about the candidacy of Ed Reinecke who philosophically, it would seem, would be more compatible to these men than Mr. Flournoy?

A Well, I don't feel that I have any answer for that, than to maintain my position that I am going to be absolutely neutral. There is no way to answer about a comparison between primary candidates without having it being able to be interpreted one way or the other. So I just don't feel I can answer your question. I think that Republicans, various shadings, are making decisions. I imagine there are going to be some that, as they have in the past, are going to remain neutral until after the primary. I think some of these are men who might very easily have been the supporters of ^{Ev} Ed Younger, the Attorney General, if he had gone for Governor. They will support him now for Attorney General, but they have now made another choice. And I'm not going to read any significance into

~~it at all.~~

Q Governor, do you have any decision made on the basis of what Republican is best -- best capable of winning in November?

A Well, you are going to have to ask each individual what his reasons were. And I'm not going to -- to speak for them. I'm sure that many people take into account the chances they feel that a candidate has. But this would be true then of those who are supporting the Lieutenant Governor.

Q Governor, is there an understanding that Hugh Flournoy will support you for the presidency if, in the event that you do run for the presidency?

A I have had no conversation with Hugh Flournoy at all. And the only conversation I've had with any of these men is when Holmes Tuttle, a long-time personal friend, called me late in the afternoon to tell me that he made a decision to go that way. And I told him that's your -- "That's your decision and your choice."

Q What afternoon?

Q Governor, almost everyone else said Ed Reinecke's candidacy is in serious trouble. Do you disagree with that?

A I'm not going to make any comment at all because I think even comments of that kind, one way or the other, can be construed as having some meaning with regard to my feelings.

Q Well, Governor, why would Mr. Tuttle call you then and tell you what he did?

A Because he's been a very -- we have known each other for thirty years, been long-time friends. And I -- Holmes is aware that his name has been associated with mine in efforts -- in the support of Proposition 1. He supported me in everything I did, and he just felt that he wanted me to know that -- the course he was going to follow.

Q Do you think he may have called you because it would have been expected that he would have supported Lieutenant Governor Reinecke because he was a supporter of you?

A I didn't ask him anything of the kind. I made my statement to you publicly and to all of them, sent copies of my letter to Gordon Luce, to all the potential candidates in all the races of what I was going to do about staying neutral, and I've had no conversation.

Q Governor, when did Holmes Tuttle call you? What day?

A You know, I can't remember.

ED MEESE: I believe it was Tuesday afternoon, Governor.

A Was it Tuesday afternoon? I can't remember the day. All day yesterday I thought yesterday was Tuesday and then I remembered I wasn't here Monday.

Q Governor, what about the trend of some of these people supporting Flournoy and Senator Harmer as sort of a moderate conservative ticket? Does that appear significant to you?

A No, because I have a hunch you'll find a number of those names that I've read them in the -- in the press stories already, I think you'll find a number of those names that won't. This -- so I don't think that there is any -- you know, agreement that --

Q Well, would you say if you see any trend developing at this point overwhelmingly in favor of one candidate, or do you think it is pretty wide open at this point?

A As far as I'm concerned, it is wide open.

Q Governor, do you think a Republican will win the governorship next year?

A I certainly think they should, and I'm most hopeful, I think they will. I just would -- I would hate to believe that the things that have been accomplished so far might be reversed.

Q When Holmes Tuttle called you, did he discuss with you at all the possibility of your running for President and what his endorsement of Flournoy might mean at that contest?

A No.

Q How, to the best of your memory did he approach it?

A Just told me.

Q Did he --

A He told me he had finally come to a decision, this is what he was doing to do, and told me that he was also going to meet with Ed because they are good friends and tell him of his decision, and that was it.

Q Governor, are you running for President?

A What?

Q Are you running for President?

A No, I'm running for my life right now.

Q Governor, is it true you are going to be spending about a week very month on cam -- on making speeches out of state from now

on, the rest of this year?

A No, it's turned out that for three months here -- each month I had a trip that took me out of state. And this means that I will do what I've done for seven years. On the way to and from I will then pick up some of the invitations and let me explain what I mean by the invitations. And I think this is true of a great many of us in the party, this happens to us. I get invitations from governors or party leaders in other states, will I do a fund raiser. Sometimes it is a specific invitation, they say, "We are having a fund raiser on "x" date. Will you come to that fund raiser?" Many times I can't accept. Sometimes they say, "If you ever are in the area, will you let us know in sufficient time that we could arrange a fund raiser. Would you be willing to do one?" Now, this is what happened on the last trip. I had two engagements in Washington, almost a week apart. And it was a case of sitting around waiting for the next one or trying to come back here and turn around and go back. And I was able to get in the vicinity there in the east, I had some of those standby invitations. I did four fund raisers, in that interim. Now, the same thing is true in these other trips. I have accepted an invitation to appear in Dallas, Texas, for a citizen's group that is very effective on the whole subject of crime and law enforcement, and I'm going to talk about our own task force here and our own plans and what it is that we found in our task force. I am going to do some fund raisers of this same kind that I did last week. I'm going to do them on the way back to California. The third one, in March, happens to be the Governor's Conference in Washington. And there I'm going to pick up a couple on the way in and I'm going to do two on the way back, and that's the reason for the. But so far -- and we have scheduled no trips in which I am simply leaving the state to go out and do some political chores. I think as we get into the campaign, like a great many other people in my position in other states, I will be doing that when I can. I will be accepting invitations to go out and help other candidates.

Q Governor, during your eastern trip you were hosted -- you were hosted in the board room of what Spiro Agnew used to call the Eastern Establishment Press. You've been critical of the press in the past, did you have a message for them or did they have a message

for you?

A Well, a mutual friend. I've known the newspaper business and the publishing field clear back to my sports announcing days. And it was also a mutual friend of the Publisher of the New York Times said again, if I was ever in New York, would I let him know with enough time, he'd like for me to have lunch with him just to get acquainted, and this is exactly what we did. And after they screened me and found out I didn't eat my young and the forked tail didn't show, why, they let me in. We had a very delightful lunch and got better acquainted.

Q Did you have a message for them?

A What?

Q Did you have a message for them?

A No, I answered some of their questions about things that are going on in California. That was that.

Q Governor, are you going to cut back on your fund raising in this state this year?

A No.

Q For Republican candidates.

A No. As a matter of fact, I've committed to a number of fund raisers to the Central Committee, doing it all through the State Central Committee.

Q Governor, both Governors McCall and Andrus have expressed concern about the Air Force's plan to fly a Minuteman missile over their states, and this missile will also fly over parts of California. Do you share their concern?

A No, because -- and maybe because I wanted to say something until I -- I had a chance to have a briefing. I've had a briefing while I was in Washington from the Air Force. And I was greatly pleased with what I learned. First of all, I have to say I agree with the necessity for such a firing. This is the principal defense weapon of the United States. And it is a gun we have never fired. And to leave the fate of the United States dependent on a weapon system, and you don't know whether it will go off when you pull the trigger seems to me rather foolhearty. I would think that the people would be demanding and would have before this, that such a test be fired. But what impressed me in the briefing was the thoroughness of the study that's going forward. We are talking about

something that will take place a year from now. And the Air Force is conducting the most thorough study throughout this year that I have ever -- ever seen. It will involve element of risk as compared to crossing the street. It will involve all the environmental possibilities. And all of us who are concerned, such as the governors here in the West Coast, are going to be completely informed at every stage of this study, you might say, before final decision is made.

Q Why would two governors be opposed --

A Well, as I say, they spoke up evidently before they had such a briefing, and I think they just envisioned that somebody was just going to go in there and pull the trigger and that was that. I have now learned that this is going to be -- there is going to be a year-long study leading up to this. Every possible facet of environmental harm, of risk, people or property, everything is going to be thoroughly studied, and evaluated by the Air Force, and we are going to be kept informed. Now, if something develops in that study in which there is reason for controversy for concern on the part of the western governors as, say, against the Air Force's decision or determination to fire it, then is the time to go in on the basis of those facts and register a protest.

Q Are you the only governor that has been given a briefing?

A I don't know whether it -- it is available to the others, but I happened to be there. I was going to be in Washington and this was another thing, I asked for it.

Q Governor, you've said a moment ago about something about crossing the street. Are you saying this, ^(Minuteman missile) test firing is going to be no more dangerous than crossing the street?

A No, what I'm saying is we hope it won't -- but what I'm saying is that when they go into the incidents of risk, they are not only going to just come out with some statement, they don't think there is any risk. They are going to statistically rate whatever element of risk there is, to all the normal things in our daily life. Driving to work, flying to Los Angeles, Crossing the street, whatever it might be. They are going to -- so that people can see actually statistically what is the percentage of possible danger compared to all the normal pursuits of our daily life.

Q A candidate, -- how would you assess the enthusiasm and

support of people back in the east on your last trip for the possibility of you running for the presidency? I'm sure they came up to you even if you didn't bring up the subject yourself.

A Oh, of course, like any place, there are people that talk to you and that say this and express a hope and so forth, but I wasn't keeping any tally. And I wasn't doing anything except appearing at those four fund raisers. And that was the purpose of the trip.

Q They expressed a hope for what, Governor?

A What?

Q Expressed a hope for what?

A Well, what's the standard question here that was being asked? About a possible future candidacy of mine.

Q Governor, more --

Q Governor, what did Admiral Zumwalt have to say about navy bases in California and their future?

A Well, we know that there is a re-evaluation going on and has to be of bases of all kinds, military bases. We, on the other hand, had an opportunity to express our concern about some of them and I have already received word from the Deputy Secretary of the Navy regarding one that was of principal concern to us, over in the Bay area. And I have received --just received a message that there are no plans for phasing that out. It gives employment to several thousand Californians.

Q What was that Bay area base?

A Over in Alameda.

Q Alameda Naval Air.

Q Governor, the Senate says you haven't sent the names of your Resources Board appointees, those controversial ones for confirmation of -- and they can't act until you send the names to them.

A Have we --

ED MEESE: They should have been. Should be.

A Should have been if they haven't --

Q Oh.

A I don't understand that. We will try to find out why.

Q Governor, was anything said about the naval base of San Francisco? Was anything said about closing of the naval base in San Francisco?

A I can't recall that there were any specifics at that time. Everything was under review.

Q Governor, what was your personal reaction to being the first man overridden in twenty-eight years in the State?

A Exactly what I said to you. You know, it's about time the other shoe fell. I don't think it was very important or earth-shaking, at all. And I think it was a very minor thing. It happened to be on a bill that doesn't change anything, in reality. It doesn't accomplish anything. The hospitals weren't going to be closed. My one concern I've already expressed to you, I think that -- I think it is poor administration to have it this way. I think the legislature -- this opens up the possibilities now of log rolling with regard to institutions that are in various legislative districts.

Q Well, it's been suggested that as a lame duck Governor you are going to be losing your grip on the legislature and that we might be able to see more of these. How would you rate your influence with the legislature on this last year?

A What grip has a Governor had on a legislature that outnumbers him in both houses and has been fighting tooth and nail to stop him from doing everything he's ever tried to do since he's been here? I'm talking through the third person, but I mean me. I don't know if that's a grip on a legislature, it is a pretty strange one. You know, the welfare reforms came about only because the people of California finally made the legislature realize they couldn't hold out any longer after they had held out for five months. That isn't a governor's grip on the legislature. They came to see me and frankly said, "We can't take the heat any longer, let's sit down and talk."

Q What was said to Senator Marks, and why was he called?

A What?

Q What was said to Senator Marks and why was he called on the ^(veto) override?

A Well, any time that's going on or any time you are trying to get a bill passed, you do what's -- they term, "working the legislature." You call legislators and try to persuade them on a course that you'd wish they'd take. But there were no threats made to him. There were no threats made to anyone. Never done business

that way.

Q Who else was called besides Senator Marks on that bill at that time?

A Well, I imagine--I didn't make them, but I imagine calls went to -- to everybody who seemed to be a possible aye vote.

Q Are you ~~sorry~~, now, Governor, that you called Senator Marks?

A I didn't call him.

Q I mean are you sorry that he was called?

A No, not really.

(Laughter)

Q Is it true that you said you'd campaign in his district for him?

A What?

Q Did you say --

A I've made no changes. I campaign for everyone that is a Republican nominee.

Q Governor, in the conversation was relayed to us -- related to us by Senator Marks, as confirmed in essence by Mr. Meese, what was said was, "You should support the governor in this, or it is going to be difficult for him to support you." The bill itself wasn't even discussed. What was at stake here, the bill -- the merits of the bill or your ^(vote) override?

A Everyone was aware that the bill didn't change anything. It didn't suddenly change a plan of ours. The legislature had been assured that the hospitals were not going to be closed. And, as I say, the -- I felt there were two things frankly involved there. I thought one, as I said before, it was bad administration. Secondly, I think that it further adds to the confusion of a lot of people in California who are not aware of the fact that outside the boundaries of California this state is recognized world-wide as having made the most progress and being farther ahead in the treatment of the mentally ill than any place in the world. Our national government recognizes that. We have world-wide visitors who come here, to study what we are going in this system. And I think this was just another case of further confusing the people who -- a great many in California who have some misconception that somehow we are practicing economies at the expense of mental health. And

it isn't true. Our budget has gone up tremendously. We are spending eight times as much on the subsidizing of county mental health care clinics. We have 1400 such institutions in Los Angeles County alone. And a thousand of them are doing a better job than we have ever been able to do in the state hospitals. Dick, you had your hand up or did I get yours?

Q You got me.

A Oh.

Q Governor, what is your position on the --

A I tell you, I've just noticed that you fellows have a new custom here, you have given up hands and the fellow that just raises his hands doesn't get called on because somebody else has started talking already.

Q What is your position on the state lottery?

A My position on the state lottery? I've always been opposed. I think in a state -- first of all, I've studied the other states, and the other state lotteries. I have letters from New York, for example, where every legislator and every committee chairman and so forth that had anything to do with that has written me, all individually, and in each one of them in some place in his letter said, "If I had it to do over again, I would vote on it the other way. But they are not as successful financially as people have been led to believe. But, more than that, I think that a state like California ought to be getting its revenues by appealing to people's strengths and not their weaknesses. The other thing that bothers me about it is I haven't seen any of the proponents of it suggest what tax would be reduced, dollar for dollar. If it was replaced by a lottery. In other words, it is another tax increase, it is getting more money for government and I think government should be getting less.

Q That means you would not sign that bill under any circumstances if it came to you?

A I think they are suggesting a thing on the ballot. I don't think U have anything to do with signing it or not.

Q What do you think of -- I raised my hand.

A Yeah. Almost as fast as you started asking. Go ahead.

Q What do you think of the Assembly Speaker's proposal to

lower from two-thirds to a majority the vote as to change bank and corporation tax and its pledge to lead an initiative on there if they can't get it through the legislature?

A Well, I'm opposed, for one reason. I agree with the idea that they shouldn't have any consideration more than any other taxpayer. But I believe that we should make it two-thirds vote for any tax increase, because I think it should be harder to increase taxes, not easier.

Q Governor, for the past -- for the past year the state has been Sacramento and Stockton that its unemployment rates were around five per cent. Now, the federal government has come in and told us they are really up around seven per cent. Who are we to believe?

A Well, I'm glad you asked that question because that reveals the kind of confusion that is going to follow what I think was a ridiculous move by the Labor Department in Washington. They have devised a new statistical system for calling unemployment. We think we have had a pretty accurate system. Now I can give you the example. By our system we know that unemployment in January went up over December. By the new statistical system they make it look like we have seven and a half, not five and a half per cent, unemployment, but under their figures your unemployment goes down. Now, we know it went up from December to January, but under their new system they're figuring it we went down in unemployment in this month. And we know it isn't true. But we think a great many people are not going to understand and they are going to suddenly, particularly in the energy crisis, see unemployment rates suddenly of seven and eight per cent. And they are going to think it is an increase of that much because they won't recognize that where last month our figures showed 5.3 per -- unemployment, under the newly adopted system, which we announced today, those figures would have been 7.5. Now, what they have done, among other things, is go all the way down and include 14 year olds as unemployed. The truth of the matter is the federal system for declaring unemployed is nothing more than a botchery itself. They make 50,000 periodically -- 50,000 phone calls to households in the United States and ask them if they got anybody there that wants work. Now, if you got a 14 year old kid going to school, and mama wants to say, "Yeah, I wish he did have a job after school," bang, he's now unemployed. And I have used this figure before. Sweden, where, being socialist, they have an accurate count of the unemployed, know exactly how many people are out

of work -- Sweden, a few years ago, used the American system as an experiment and found that their actual unemployment of 46,000 went up to 137,000 under the American system. And we are in disagreement with this shift to this new method. But we are a little confused. We don't understand it and we particularly don't understand it because apparently Washington, for the national level, is going to continue to use the old figures. And this one's got us really spinning. So, it is bureaucracy at its worst.

Q Governor, what's your view of the propriety of Bob Moretti remaining as Speaker while he's out running for Governor?

A Well, that's a legislative matter. There is no question but that he gets advantage of a position and the risk is there of the use of state funds by way of staff and so forth, involved in the campaign. But this, I think, is something for his primary opponents and others to -- to bring up and call to people's attention.

Q Well, if you were Speaker of the Assembly and you were running for Governor, what would you do?

A That's a hypothetical question, because I can't conceive of ever being Speaker of the Assembly.

(Laughter)

A I know, I say it is a hypothetical question and I don't go for hypothetical answers.

Q Governor, do you welcome the possibility of Jesse Unruh coming back to the Assembly?

A Well, I got to tell you, in the last year or so I've missed him more than I thought I would.

Q Governor, just on the point, on clarification. On the response to the question on would you campaign for Senator Marks, you said that you -- you made no changes and you'd campaign for every Republican or every Republican nominee.

A Well, when you do that you can't actually personally get into that. Let me say, I've gone to the aid of every Republican nominee whenever I could and I have no intention of changing that -- that plan. I believe the State would be in better hands if we had a Republican majority.

Q Governor, last night your proposal to change the exclusionary rule died in the Senate without coming to a vote, Senator Lagomarsino's bill. Do you plan to take that up to the legislature again this year in some form or another?

A Well, I have encouraged them, yes, to keep trying on that

and I certainly inte. to keep trying myself, because I think there is wide public acceptance for it. And I think this is another example of legislative leadership that is out of tune with the people's thinking. I just think that if somebody^{is}/stopped for going through a red light and he's got a bucket of heroin on the front seat, there is something pretty ridiculous about some rule that says he can't introduce that bucket of heroin in court, all he can do is give a ticket for going through a red light.

Q Yesterday, in a follow-up question, Senator Moscone said that if that bill were passed it would -- would be all right for people to break into the Ellsberg psychiatrist's office.

A No, it wouldn't, and that is a complete distortion, and Senator Moscone must know better than that. He was -- there is nothing of the kind. Nothing endangers -- what we are really trying to do is put two letters back into the application -- or in the constitution, U N, unreasonable search and seizure. And this is what we are supposed to be protected against. And what we are actually doing under this exclusionary rule is protecting a -- some possible criminals against reasonable search and seizure. The great diaper case is the classic example. A nine-month old baby, they found the heroin in the baby's diapers, and the judge ruled that the ninemonth old baby had not given permission for a violation of its constitutional rights.

Q Governor, your example of a policeman finding a bucket of heroin on the front seat of a car when he stops a speeder, is that an actual example that you are citing, or is that -- was that --

A Yes, yes, we have had -- we have had actual examples of that. We have had several times examples of -- of weapons in cars that could lead to the belief that -- there might have been involvement in a crime of violence, and so forth. And the exclusionary rule has made all of that. The list of horror stories of cases that have been thrown out -- now all our change is based on is the opinion that was given by Chief Justice Berger of the United States Supreme Court and Chief Justice Berger said that this rule had been abused, and what still is required is the warrant for a search, but if in the searching you find something beyond what you were looking for, but that is evidence of a crime, that this can be introduced in evidence. At the same time what we do, and that we don't have today, is we give the citizen whose rights might have

been violated -- say, if a policeman barged in without the warrant, we give the citizen now redress that he can sue and government must provide the legal counsel for him to sue for damages. So that he gets his damages. And certainly law enforcement is going to be constrained to obey the constitution rather than constantly being taken into court in lawsuits, and at the same time you don't have to throw out evidence of a real crime.

Q Governor, how well did you like the President's State of the Union message, and what do you think it is going to do for him to weather the rough times ahead?

A Well, I -- you realize now you can't talk in specifics on the legislative proposals because those are contained in the longer report which we will have to wait and see what was involved. In the spoken address, I thought that it certainly should have cleared the air on a number of things. I thought the effect -- it was apparent that for a great many people there it did. And I would hope now that on top of that that the President would continue to make himself available now to the press in more frequent press conferences so that the people could have a chance to see the questions and their answers on the various issues. I frankly thought it was fine and I thought that his closing -- it was impossible for him to make that speech and not discuss Watergate, and I thought he did it very forthrightly, and I hope that the -- that the issue will be resolved, as he asked. I hope that we will make the decision, and, as he said, punish the guilty and acknowledge the innocent.

Q Governor --

Q On another subject --

Q On that same subject. Governor, how can the President expect to have the air cleared if he, as he did in his State of the Union address, he would volunteer no more information on any of the questions that are being raised in connection with the scandal? Now, how do you clear the air by keeping the door closed?

A No, I understand that he said he would cooperate with the committee of the Congress that is doing the investigation -- the Judiciary committee, that he would make available and had made available to them all the information that was pertinent to the case, and the only reservation he held back on was -- and I think had to, that he could not suddenly open up the entire presidential files for hunting expeditions, and I don't think anyone would expect him to.

This is a tradition. He didn't start it. It started with Thomas Jefferson and has been going on for a long time.

Q Governor, what's your opinion of the President's income maintenance or negative income tax plans he's coming up before --

A Well, I don't know the plan. I know that I was in favor of what he said about philosophy when he said that he did not believe we should have a welfare plan, that it made it more advantageous to not work than to work. And this is the very basis of our reforms. I have to feel that Cap Weinberger, in there as secretary, together with the other people, Jim Dwight and Bob Carlson, and these other people he has hired with this real push forward he has made, and some of our reforms and the changes he'd made back there -- I don't think it is a revival at all of the family assistance plan. I know there was a leak to the press that might be forthcoming, but all of the evidence I've had is that -- that's not true.

Q Governor, have you given the final O. K. now to the plans for the new mansion and what do you think of the bill passed by the Assembly to shift the location again ^{to} downtown?

A Well, I think they are foolish. I think this should be a residence. I think they have got to contemplate that the person that's going to occupy that residence, and it won't be me, as you well know, is very likely going to have a family. And many of the men who are running for Governor now have younger children. I had the experience of living for a while in the old residence here down in the downtown section and with an eight year old who came home from school and what did he do, and where did he go? And the same is true with the site they have downtown here. It is like living in an office building. And the residential site has been picked, it has been donated to the state for this purpose. The plans are going forward and I hope that we are in construction by August or September on this new residence. Very beautiful plans have been adopted and they are just now being submitted. The preliminary plans, and the estimates, and from there, if approved by the committee, they will go forward with the working plans.

Q Have you approved -- you have given your approval to it?

A Yes. I thought they were lovely. As a matter of fact, it is a good thing they didn't show them to me before I made my decision about not running.

Q Governor, if that bill reached your desk would you veto it?

A What?

Q The bill moving the site downtown.

A Well, I've always said that I wouldn't -- I wouldn't comment on a veto, but let me just answer it this way, you know I don't want to break my rule about saying I will or I will not veto.

Q You've done it before.

A Let me just say I am unalterably opposed to this idea of down here in the office complex establishing a residence that is actually part office building and part residence, because these have been -- all the previous plans for a residence for the governor have been like a white house where you live upstairs over the store.

Q Governor, this is one supplemental question. What do you think of the idea to construct a separate executive building for the executive and leave the legislature in this building, instead of building a new legislative building?

A Well, I'm in favor of expanding the space that the legislature needs, either in this new wing or in a ^{building} building for staff and some of their functions that will take care of their space needs, but maintaining the old wing, the old Capitol, restoring it and maintaining it as the Capitol. Now, I don't know, I have found it very convenient many times to be in the same building with the legislators. There come times when they are up and down stairs to you, constantly, when caucuses are held --- well come budget time I've been in that office until four o'clock in the morning, when the legislature was discussing the budget before the deadline, when they stopped the clock. And there might be quite a contest of -- as to who had to get out in the rain and cross the street for meetings of that kind if the governor was across the street somewhere.

SQUIRE: Thank you, Governor.

Q Do I understand you to say that you think 1600 Pennsylvania Avenue is a lousy place to bring up children?

A I told the Alfalfa Club that I thought a new residence should be built, just west of the present location, about 3,000 miles west, in California.

SQUIRE: Thank you, Governor.

---oOo---

2/21

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD FEBRUARY 21, 1974

Reported by:

Beverly D. Toms

(This rough transcript of the Governor's press conference is for 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, no corrections are made and there is no guaranty of absolute accuracy.)

---oOo---

GOVERNOR REAGAN: I have an opening statement today.

(Whereupon Governor Reagan read press release No. 116)

Q Mr. Rank, how many jobs will you think you are finding using these four techniques?

MR. RANK: There will be about --

GOVERNOR REAGAN: Better move over here, those fellows will be unhappy.

MR. RANK: There will be an additional 35 to 40 thousand new jobs available through the Employment Development Department offices, through the three methods described there. The fourth general area that of the retired executive's assistance to failing businesses, we have a potential of 20,000 people -- jobs saved for them.

GOVERNOR REAGAN: Anything else on this subject?

Q Yes, Governor, who are you going to appoint as the Director of the Employment Development Department?

VOICE: We will have something coming up.

A We will have an announcement on that and final decision made.

Q Today?

VOICE: Yes.

A Will it be today? Yeah. Anyone else with any questions on it? Well, all right. I think you might be interested to know, though, that California in this regard, jobs and what we have done, has been -- this department has been very effective. Last year they found jobs for approximately 275,000 people, and our community work experiment that we have been conducting in those 35 counties, California last year put 57,000 people directly from Welfare into

private employment. And so far in the first six months of this year we have put 39,000 from that program alone -- I might say I'm wrong, the 275,000 is not a year, 275,000 was in the first six months of this year. That's right. Correction.

Q Governor, do you have any comment on the Michigan election?

A Well, disappointed, of course. Nothing more than that. Sorry it turned out that way. Sorry that more people didn't turn out to vote.

Q Governor, in view of the continuing Watergate scenario and new disclosures, indictments, trials, the Michigan election as Dick mentioned, do you think it is expedient for Republicans to campaign defending the record of Richard Nixon?

A Well, I think that -- we certainly have a right to point out the accomplishments of this administration, and the changes that have taken place under this administration. It is my understanding that the Republican candidate did not in any way refer to that record in his campaign.

Q But the Democratic candidate did.

A Well, the Democratic candidate, I think, was rather demagogic and ran on nothing except the basis that anyone who is running on the Republican side is somehow guilty of Watergate. And I think that is pure demagoguery and it is an awful lot of hypocrisy.

Q Would you say then of the Republicans, if they are not at least defending the President's record that they -- in other words if they are not attacking the President's record that they should disassociate themselves and run on their own?

A Well, that's up to every candidate to make his decision on how he thinks he should run and what -- what he's going to do. I've never found it necessary to run away from the fact that there is a relaxing of tensions in the world; that there have been some of the boldest and most imaginative and innovative steps taken in the field of international affairs under this ^(Nixon) administration, that we have known in the last four decades. I think the fact that this country could bring ceasefire in the Middle East, and I think we have to be given credit for that -- I think the fact that for the first time that either side has ever retreated one inch from the territory, that it has taken place under the -- under this -- the auspices of this -- of this country. We have secured that.

The talks go forward now, leading hopefully to a permanent peace. And this is just one thing along. And I don't think that we should shut our eyes to these things. I think we have accomplished a great deal.

Q Governor, you were quoted earlier in the week as saying that the outcome of the Michigan election was due more to voter apathy than to anti-~~Republican~~ sentiment.

A No, I never used the word "apathy". It is far more -- I think, dangerous than that. I criticize the fact that there was such a low turnout. And I said that if this is going to be the effect of Watergate, that many people instead of taking one side or the other simply are going to stand back and say, "We won't participate at all," then we are going to be in a bad way. We are going to have government by a minority of the people, a small minority of the people, instead of government by the people.

Q Governor, this -- is this officially rescinding your statement that you weren't going to comment on out-of-state issues?

A What's that?

Q From now on we can talk about international and national issues? You had a statement a few months ago that you weren't going to talk about anything except state issues. Are you rescinding that?

A This is because you fellows came in talking like Johnny one-note, you wouldn't talk about anything about California.

Q You wouldn't talk about anything but California?

A That's right.

Q Now you are wibbling --

A I answered these questions and I don't think this is getting into the same tone of questioning that you fellows were using back there for a while, back where you wanted me to set myself up as an authority on the case.

Q Governor, the Lieutenant Governor's current problems in the ITT case, do you see that in any way as a reflection back on you because you appointed him?

A No, and I don't see it as a reflection on him. Here again, it -- there seems to be a difference of opinion about when some meetings took place, or when some phone calls were made. And I've seen no evidence of wrong-doing on his part. But, no, I appointed a man who has done a good job as Lieutenant Governor. Been a fine Lieutenant Governor, a great many people have agreed

Q Has he talked with you specifically about the case and what's going on in Washington? Has he told you that he's innocent of any wrongdoing personally?

A Well, I have understood from the beginning the whole thing that --came out from his testimony in Washington, and came back here and checked his own schedule and records and found out that he himself had made a mistake as to the trips when he was in Washington. And --

Q Has he personally assured you of that?

A Yes. Yeah.

Q Governor, how do you justify to the citizens of this state your taking a week off every month or so to -- to go and campaign and make political speeches out of state when you are on a full-time salary from the state?

A Well, I don't take a week off to go and campaign and do full-time campaigning chores when I'm out of the state. I haven't changed anything, really, that -- than what I have ever done. And as I have often explained, it is true that you are the head of your party and you are within the state as well holding this public office, and it is recognized, the fact that other people from other states come here and aid in party chores for both parties, just as I in turn go there. But these have not been junkets of that kind, and it's been a slight distortion on the part of some of you to paint them as that. They have been tied every time to what I felt was a legitimate errand. Now I had two legitimate reasons for being in Washington, a few days apart. In those few days, which were not enough to permit coming back to the coast, I did perform those party chores in between, concluded the business in Washington and came home. The last trip was with regard to an invitation to Dallas, Texas, and something that I think I made a contribution was to their crime commission. It was with regard to our own findings here and our crime report, and I took a couple of days on the way back and did some party chores on the way back. A number of these trips you will find take place also involve week-ends, which I think I am entitled to. The third trip which you are talking about is coming up, the bulk of that trip is in Washington, D. C. to a National Governor's Conference. Now, I would be going to that, and I would be going to that in connection with my job as Governor. And I am going to do a fund raiser on the way

in and I'm going to do a fund raiser on the way back.

Q Don't -- doing these fund raisers actually make it for a longer trip, you would be back sooner if you didn't have to stop?

A And sometimes they all add week-end days, also.

Q What -- just one other thing, do you expect this will continue for the rest of the year, with this rate? Would you expect to do what you are doing now?

A Oh, no. No, no, because as we get into our -- our own campaign, I'm going to be doing what I'll try to do to help the party in the state.

Q You were critical of the use by Speaker Moretti of state paid employees for political purposes on Proposition 1 campaign. Apparently there are some staff members in your office, security and other members who are doing advance work and accompanying you on these political junkets, fund raising efforts for the Republican party. How is that different from Speaker Moretti's use of his employees and secondly, how much has this amounted to?

A Well, first of all, security is an around-the-clock and around-the calendar. That's a part of the job. And I have no control of that and wherever I am and whether it is on vacation or on a week-end or anything else, that goes on. And I think that is customary and anyone else in this position would have the same situation. Now, as to taking aides along on these trips, again I can't -- I can't separate myself and say, "I'm not Governor," and I take a minimum along and the only -- and they are there to help me keep liaison, such as while I'm at the Governor's Conference, with the state, with the things that are going on here. And I think that's in keeping with the job because I'm still Governor, no matter where I am.

Q Yes, Governor, but some of these men, the security, why shouldn't their salaries be paid by the Republican party when their efforts are devoted to protecting you in a fund-raiser?

A Will you explain the details on this?

ED MEESE: all the expenses related to those trips are paid.

Q How about the salaries?

ED MEESE: Salaries are not because they'd be working wherever they were.

Q They wouldn't be working on the same thing, would they?

ED MEESE: Yes, protecting the Governor.

A Oh, yes, same people would be assigned, no change in that. What's what I mean, around the clock, and around the calendar. This particular position is -- has that kind of security.

Q Paid by whom?

ED MEESE: The expenses are paid by whatever the event is that the Governor -- political event the Governor is involved in.

A May I just add one thing. And there is no comparison between the -- what we think was an evasion of the campaign accounting laws of Proposition 1, and the use of full-time staff while they were here supposedly performing their legislative duties. There is on comparison. And we have been scrupulously overzealous, if anything, in insuring that there is nothing that is dumped on the taxpayers in this state.

Q Governor, new subject. Governor, what importance do you attach to the outcome of the special election coming up in the 13th State Senatorial District?

A Well --

Q Excuse me, Congressional District.

A Congressional District. Well, the importance I attach to it is that we hope we can win it. We recognize that it is like every -- practically every other district in the state, it is -- we are outnumbered. We are the minority party and we hope that we can retain that seat.

Q If the party loses -- excuse me, Governor, if the party loses that seat, how would you interpret that?

A Well, let's talk about that when we see what happens.

Q Governor, the Attorney General's office issued an opinion yesterday saying that the campaign contribution laws of San Diego, San Francisco, ^{Chula} ~~San~~ Vista, and the County of San Diego, are all unenforcable because the State has preempted the field and that therefore the cities cannot say that there is a maximum amount of money that you can contribute to a local campaign. Do you have any reaction to that in light of your frequent statements that there should be local control?

A Well, you just -- this is the first time that I've heard about it and I'm not going to comment on a legal opinion, not being a lawyer myself until I find out what it is based on, what the law

is. It is true there are many areas that the state has preempted for local government. Some of those I may agree with and some I may disagree with.

Q Governor, would you comment on the latest event in the Hearst kidnapping, this demand for \$4 million dollars?

A No, this is -- this is a subject again where I repeat what I've said before, this is too sensitive to -- for me to make any comment on this. There is only one concern that I think all of us have, we want that young lady returned safely. There is a young fellow way in the back row there.

Q Governor, you've been asked by the makers of a movie in the Oroville, called Klansman, to appear in that movie. Do you have any comment and do you plan on appearing in it?

A First of all, I have read in the papers and heard on the air that I have been asked to appear in that movie. No one's asked me and I think that all of you have cooperated in giving a very bright young public relations man the attention that he wanted for the picture. And, no, I haven't been asked and no, I'm not going to play in that or any other ^(motion) picture.

Q Governor, you met with Assemblyman Charles Warren yesterday on the energy crisis bill. What did you agree on?

A Well, we are continuing to talk, we have been talking for sometime. The only thing we are agreed on is we all want to -- a bill that we can all be happy with and that will do the job, and there are certain points of difference between us and the negotiations are con -- the conferences are going to go forward on trying to minimize those and arrive at something that I will support.

Q Do you take a personal part in the negotiation?

A No.

Q What are your main areas of disagreement right now?

A I'd rather not talk while we are still in the discussion on this. I don't want to do anything that will prejudice it or make it difficult for those who are going to be trying to iron out the differences, but I don't think they are too tremendous.

Q On a related subject, the gasoline situation, particularly in southern California, it is pretty grim, and you do have a contingency rationing plan before you. Do you have any immediate plans to try to implement some sort of a system to relieve the pressure of -- in southern California?

A Well, we have that contingency plan as you know, and we are monitoring daily as to whether it is going to be required or not. We know that the County Board of Supervisors in Los Angeles County has discussed doing something of their own on a local basis. And this might -- this might be called for more than a statewide plan because a statewide plan affects the whole state and there are many areas in the state where there's no problem. The thing again, and I -- I wish that you could all help in this. This panic buying, there is absolutely no reason for it. And it has been caused and created by nothing but gossip and rumor and the thought that maybe there is going to be some kind of rationing. Now, rationing has never been considered by us. Rationing is not a part of the plan. The contingency plan even. But the talk of that literally started the panic buying. The situation is, as I explained it the other day, Californians have 80 per cent for their use, for their personal use, of all the gas they ever had before there was an energy shortage. It just seems that with a little care, a little attention to the speed limit and the elimination of some useless trips and doubling up here and there that it isn't too difficult to eliminate one out of the five miles of travel, and that's all they have to do. And the -- this thing of lining up and waiting for hours to top off a gas tank with a gallon and a half of gasoline is just sheer panic and it is ridiculous.

Q It is a big area, and there are many drivers there, probably more than the rest of the state. Why are you so hesitant to use that plan?

A Well, as I say, we are -- we are monitoring this plan and we will put it into effect if we believe that this plan can be of help, resolve the issue. There was a big panic over the long weekend. Now we are monitoring to see whether this is -- being alleviated as people are finding out that they can get gas. And, as I say, if the people understand the facts, if they understand that there is no threat to this and it is not going to be reduced, and it is there and it is 80 per cent, approximately, available, to them of everything they ever had, it is a little bit like the thermostats and turning down the lights. Just a little effort can actually reduce the amount of gas that people are using.

Q You say there is no need for that plan now?

A Well, as I say, we are monitoring to make sure and find out. After all, that plan has not been a raging success in a number

Q Governor, the panic is brought on to a large extent by the fact that there are not many service stations open. Over the week-end a very small percentage. There may be 80 per cent gas available, but maybe 85 per cent of the stations are shut down.

A No, but the panic buying is draining gas stations of their allocation and they rush in and finally the station has to close. We think that -- if people -- they didn't have to have it last month, there was no panic buying and everyone seemed to be getting all the gas they needed, and occasionally stations closed, there was no real hardship, and we had the same amount of gas we had then. Believe me when I tell you that this whole rush and panic buying started with the first newspaper releases that we were considering and would have available a contingency plan if it became necessary, and suddenly this was interpreted by the people as rationing and that they weren't going to be able to get the gas. The same thing as the erroneous stories that the states that got extra allocation were going to take it away from the states that already had it. And this is not true. This was not taken from any other state.

Q Governor, yesterday I understand you called Senator Jack Schrade into your office and told him you were going to veto the first bill that you ever vetoed of his during your administration because of a fight between subcontractors and contractors, as I understand it. Can you tell -- can you relate that conversation and why you are vetoing the Schrade bill? The press release is on its way.

A The veto message is on its way. The whole thing evolved not around the bill itself, which was a very good bill and one which would -- could have been signed very easily, but about a last-minute amendment that was put onto the bill without having any consideration by committees, and it just didn't belong in that bill.

Q What was that amendment?

A It was an amendment --

ED MEESE: Related to subcontractors listing --

A -- about listing the subcontractors on -- on public contracts.

Q Governor, to go back to the gas situation, just briefly, do

you think gas station owners are justified in threatening to close down if they don't get increased costs for --

A I think this is an offshoot of the same thing. If you are asking about the price situation, I made my position clear many times. I wish that they would leave this to the marketplace. I wish that we would end wage and price controls. I think that there would be an upsurge of prices on a number of things, very temporary, and then I think the marketplace would take care of that. And it would seek and find its own level on a lower level.

Q Do you think it is proper for them to threaten to close down if they don't get their prices?

A Well, I wish they wouldn't. I don't think we have accomplished anything with those kind of -- factions. I think this is a time for -- some patience and some common sense and for people to have a little good will and try and resolve their problems.

Q Governor, back to my question, a second. Are you taking sides here with the electrical subcontractors over the general contractors on the Schrader bill?

A No, I'm just doing what I think I have to do about an amendment that should have gone through the committee process and been adequately considered, and it was a last-minute thing that changed the tenure of a bill.

Q Governor, what is the policy of your administration regarding proposals such as that made last week by Alan Post to merge all the environment related boards, air, water, solid waste, into one super board? Do you go for something like that or do you think they should be -- should stay as individual entities?

A Well, I can't say that we have had any great study or research on that proposal as yet. It is something to be looked at and something to be studied.

Q Just parenthetically, it also moved to upgrade individuals of the Air Resources Board into a full-time, full-paid term appointment board. As the water board.

A Well, I haven't -- I don't think we have had any discussion on that as yet.

Q Governor, we have what appears on first reports another political kidnapping in Atlanta. Are you concerned at all we might be seeing a new type of technique that governments are going to have to deal with?

A Well, I think this is a concern you always have with any crime that gets a great deal of attention. We have known that -- that it just seems to be the nature of crime that -- imitators spring up and that -- those crimes are imitated. Particularly when one receives the attention that this one is naturally receiving. But this has been true as long as there has been crime. It gives somebody else an idea; of course, it is a matter of concern.

Q But this technique has been used quite extensively in other countries, for political purposes.

A Yeah.

Q Is the state doing anything? Are you at all concerned that this might become something that we will see much more of?

A Well, all I can say is we are continuing to stay in touch with our own problem here, in touch with the law enforcement offices who have the jurisdiction over this. But --

Q How close is the contact between your office and the FBI on the Hearst case?

A Well, we have a liaison with every level of law enforcement. Can't go beyond that.

Q Governor, have you talked with Mr. Hearst yourself just to offer him your assurances?

A Yes.

Q When was that?

A This was -- my goodness, it's probably been a week or so ago.

Q You talked to him just the one time?

A Yes.

Q What was discussed, Governor, can you relate that?

A Just have him my -- told him my regrets and my sympathy and that -- a great many of us were praying that she would be safely returned.

Q Governor, I'm still trying to get a full answer to this -- this question. This last-minute amendment that you didn't like, would you say that -- are you saying that Senator Schrade or the contractors -- someone did something that was wrong or untoward and --

A No, I'm just saying that an amendment made the bill unacceptable and it was adopted without the legislative process, and --

SQUIRE: Any more questions?

Q Yes. Look on the Lieutenant Governor. If there is an indictment, do you think he should resign? Resulting from the ITT affair.

A Well, again, those are things--I'm not going to comment on hypothetical things of that kind.

Q Governor, there is a Revenue and Taxation Senate-passed bill extending the imposition of the one cent increase in the sales tax for another six months. Is there any chance there will be enough money in the budget, you know, you are going to look that over, whether that could take place?

A No. It does make me realize that I advised and suggested to the legislature when they did this the first time, they should have made it a half a cent for a year instead of a penny for six months and they absolutely would not listen to it. But I've seen no suggestion as to where the money is going to come from, another \$320 million dollars.

Q You don't think -- they talked about an increase in the oil revenues offsetting that. Do you see any hope there?

A No.

Q Tideland's oil.

A No, all -- I think that -- I think the wisest thing for the State to consider the oil revenues that the state gets, I think has -- they have to accept those as capital. That those are not like a tax that's an ongoing source of revenue, and that the state ought to be very careful to see that those are spent not for ongoing programs, but are spent for basically capital expenditures.

SQUIRE: Thank you, Governor.

---oOo---