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JANUARY 9, 1974

PLEASE GUARD AGAINST PREMATURE
RELEASE

"CALIFORNIA---A LODESTAR OF PROGRESS"

"We are a showcase of the future. And it is within our power to mold that future---this year and for decades to come...No crisis is beyond the capacity of our people to solve; no challenge too great."

STATE OF THE STATE ADDRESS
BEFORE A JOINT SESSION OF THE CALIFORNIA LEGISLATURE
BY GOVERNOR RONALD REAGAN

January 9, 1974

For many of us, this occasion has more than the usual significance.

Next year, some of you will pursue other avenues of public service. And some of us will be going on to the highest calling of all---that of private citizen.

Yet, whatever path we follow as individuals, the effective functioning of government will go forward uninterrupted. More than any words of praise, that is the most eloquent tribute to the enduring strength of our system.

Usually, at this time, it is my task to set forth a series of goals for the year ahead.

But the energy crisis has created some unique challenges for our state and our country this year. So I shall also ask you to join me in making decisions to assure progress and prosperity for California not just for the year ahead, but for decades.

When I first appeared before you seven years ago, I expressed my belief that nothing is impossible for a people who place their ultimate faith in divine guidance and a government which has faith in the people it serves.

As someone new to government, bringing the perspective of a concerned citizen, I said: "California, with its climate, its resources, and its wealth of young, aggressive, talented people, must never take second place. We can provide jobs for all our people who will work and we can have honest government at a price we can afford. Indeed, unless we accomplish this, our problems will go unsolved, our dreams unfulfilled and we will know the taste of ashes."

State-of-the-State
Those beliefs have only been strengthened by my experience these past seven years.

You and I and other officials who preceded you have traveled a long road together. We have achieved much and we have experienced crisis, including the fiscal insolvency that confronted our state in 1967.

We have worked together and we have, on a few occasions, strongly disagreed. And on some issues we have all tasted a few ashes.

Today, I would like to review some of the problems we faced and measure our progress. And, I would also like to share a few impressions which I hope you will receive in the sincere spirit they are offered.

Anyone who occupies the corner office downstairs has a unique view of the vast and sometimes slow moving process of government, the pressures and the pitfalls. Nor can you avoid forming strong opinions of how we might do things better, be more effective in meeting our responsibilities.

Years after he drafted the Declaration of Independence, Thomas Jefferson recalled his role in casting those noble phrases that still guide our country. He said while the words were his, the theme of liberty and justice reflected the sentiments of "all America."

The sentiments I express to you, some reforms I shall suggest, are not mine alone. I believe they reflect the views of most of the people of California.

There is a feeling among our people of distrust and cynicism toward public affairs and public officials. It matters little that some of the events which contribute to this cynicism are not of our making.

Our people know we face many crucial decisions. And they expect their elected officials to make those decisions, based only on what is best for the future of this state and nation, on what is best for all the people.

This is an election year. But it is not a time for politics as usual. Our people are weary of partisanship and discord.

Harry Truman once said a statesman is what they call a politician after he is safely dead. At this moment in our history, what we need is more live statesmen---at every level of public life. Government's only reason for existing is to serve the people. If we are to serve their needs, we must cast politics aside. We must demonstrate that government deserves the public's trust.

We can be proud of what we have already achieved.

We have reordered priorities to control costs and assure funds for essential services. We have cut, squeezed and trimmed and at every opportunity, returned the benefit of those savings to the people.

The tax relief these past seven years totals more than \$4 billion. There have been three income tax rebates. This year it is a 20-35 percent rebate for most taxpayers and we are totally eliminating the 1973 state income tax for families earning \$8,000 or less.

Homeowners are getting lower property tax bills this year because of the property tax exemptions. We have expanded senior citizens' property tax relief, adopted tax credits for renters, cut the inventory tax in half and provided tax incentives to preserve agricultural and greenbelt areas.

State support for public schools has almost doubled while enrollment was going up less than 6 percent. Funds for scholarships are up seven times what they were and support for community colleges and our university and state college system has increased almost twice as fast as enrollment.

Only a few years ago, the teachers' retirement system was an ^{/under} funded actuarial nightmare, a potential \$4 billion tax burden. It is now soundly financed and the pensions our teachers earn are protected by this stronger fiscal base.

Faced by higher costs and possible delays, we found ways to complete the great California Water Project on time, without massive new tax burdens.

None of this would have been possible without the reforms and reorganizations which have streamlined state government and controlled its growth in size and cost.

Our community mental health program and the welfare reform we adopted have become models for the nation. Welfare is no longer growing by 40,000 a month; at last count there were 384,000 fewer people on the rolls than when we started our reforms. We have increased benefits for the truly needy and mainly because of welfare reform, basic property tax rates are down this year in 45 of our 58 counties.

We created a Consumer Affairs Department which has won national acclaim. We have expanded the mutual aid program to help police cope with riots and other emergencies, toughened the penalties for violent crimes. And those steps have been effective. The total increase in seven major crimes showed almost zero growth in 1972.

The death rate on our highways has gone down a full 20 percent since 1967.

One thing is clear: we served the people best when we paid more attention to the problems and less to the politics.

The issue demanding our attention this year is the energy crisis. To minimize its potential impact would be a disservice to the people. We know it will affect almost every part of the economy and every citizen and we must all join in meeting this challenge.

Balanced Budget - No Tax Increase

It will reduce our anticipated revenues. Although economic activity is expected to be reasonably strong in 1974, there will be a downturn from previous forecasts. But to answer one question you may have: the budget I present to you this week will be balanced. The scheduled income tax rebates and property tax reductions will go forward. I see no need for any general tax increases this next fiscal year.

Energy Crisis

Many factors beyond the control of any individual or state have led to our present energy problems. The cutoff of Arabian produced oil is an important cause. But it is only one factor.

We have just been consuming energy faster than we have been developing new sources of fuel and electric power. The drain on existing resources has been increased by higher fuel demands of smog controlled automobile engines. At the same time, industry and utilities have been inhibited or prevented from using available fuel because of requirements necessary to meet stricter environmental standards.

California was first to recognize the smog problem and first to do something about it. We have adopted strong measures to clean up the air and water.

I do not believe we need abandon this environmental progress. But where energy needs conflict with environmental goals, we must strike a reasonable balance. It will do little good for someone to have all the gasoline he can use, if he has no job to drive to because the industry for which he worked is shut down by an energy or fuel shortage.

The Energy Planning Council, headed by Lieutenant Governor Ed Reinecke, has been closely coordinating our programs to minimize the energy crisis in California.

Short Term Steps

A poet once said:

"The best of ways to lengthen our days
Is to steal a few hours from the night."

Well, we have already done that nationally with Daylight Savings Time.

--You acted in special session to reduce speed limits on California highways to 55 miles per hour, to save on gasoline use.

--By executive order, we seek a 10 percent reduction in automobile mileage by state vehicles; we have encouraged car pools and taken steps to reduce unnecessary state travel.

If we can achieve comparable reductions by the general public, there is a potential savings in oil of 120,000 barrels a day in the next year.

By turning off the central plant that heats downtown Sacramento state buildings four hours each night and on weekends, by resetting thermostats, we achieved a substantial cutback in the use of heat and fuel and power.

Because conservation, eliminating unnecessary use of fuel and power, is one of the most effective short term solutions, I am today asking California motorists to reduce their own personal gasoline consumption by a minimum of 10 percent. I also ask every family and every business to reduce energy use 10 percent by taking similar steps in their homes, offices, and other places of business.

Open Elk Hills Reserve

We have made a formal request to the federal government to open the Elk Hills Naval Oil Reserve to pump enough oil to meet current military requirements. This would free the oil and gasoline the military now consumes to meet civilian needs while we work toward more permanent solutions.

The State Lands Commission has lifted restrictions against off-shore oil drilling; the Air Resources Board has deferred the oxides of nitrogen (NOX) control program for 1966-70 automobiles, a step that will save an estimated 100 million gallons of gasoline a year.

California stands ready to cooperate fully in any national program to conserve and fairly apportion available fuel and electric power.

Because agriculture is the backbone of our economy, it must have a high priority, along with industry. Any severe cutbacks of energy for industry and agriculture mean fewer jobs. We must frankly recognize that our economic vitality depends on sufficient energy and fuel for these essential uses.

We are acting to meet the energy crisis. If necessary, we will tighten our belts and button our sweaters and do all that must be done to minimize the hardships and dislocations. But you and I also must act this year to meet our energy needs on a permanent basis.

Long Term Steps

For three years, we have asked for legislation to streamline the ways by which environmentally protected nuclear power plant sites are authorized and approved. We are prepared to work with you to reconcile our obvious differences. But we must act soon.

By 1990, America's energy requirements are expected to double and by the end of the century, 45 percent of our electric power must be generated by nuclear power.

We cannot afford needless delays caused by those who cannot see that people, too, are ecology. We saw an example of this only a few weeks ago when the state coastal commission rejected a plan to add new nuclear generating units at San Onofre.

Adding these units would reduce our oil needs by 24 million barrels a year and help protect against future blackouts and brownouts. This project was approved by the Atomic Energy Commission, the state and regional water quality boards; air pollution and fish and game requirements were met. It was cleared by every unit of government except one commission and even a majority of that commission favored it.

Construction of these and other nuclear units must go forward.

Time is running out.

Super Port in California

In a few years, oil from Alaska's North Slope will be ready for delivery. But the United States does not have any ports capable of handling super-tankers. So we must plan now for the California facilities that may be required to meet our oil needs.

New Hydroelectric Units

Existing hydroelectric plants in California now generate power that would otherwise require 65 million barrels of oil a year to produce. The Department of Water Resources is exploring ways to expand this source of smog free electricity, possibly by adding new generating units at Oroville and other existing dam sites.

Along with this, we must develop geothermal energy, move forward on solar energy research, and every other promising means of meeting our energy needs.

The energy problem is a crisis now. But it can be an historic opportunity to free America forever of dependence on unstable foreign oil that can be turned on and off at will, by those who would use world commerce for economic blackmail and coercion.

If we can put a man on the moon, we can find ways to heat and light our homes and industries.

State-of-the-State

But this crisis must not become a means of expanding bureaucracy or giving vast powers to non-elected officials not directly accountable to the people.

The responsibility for solving the energy problem, for educational and economic policy, for crime control, for meeting all our needs, must always rest with elected officials who answer to the people.

Accountability is the key to assuring that government is responsive to the desires of the people.

Academy for Educational Management

In education today, one great need is more effective management of our schools. To help achieve this, we are planning an Academy for Educational Management which will help administrators gain the knowledge and experience necessary to assure maximum value for every dollar spent on education. If successful on a test basis, it will become a non-profit corporation serving the entire state.

This is an excellent example of state and local government cooperation on a major problem. And I would like to thank Dr. Richard Clowes, Superintendent of the Los Angeles County Schools and his task force which conceived and helped develop this concept.

I do not believe California's parents accept, or will tolerate, the closing of schools because of strikes. Essential public services must never be interrupted or compromised by labor disputes that can be resolved by reasonable people, acting with reason. Any laws we adopt in this area must not compromise the public's right to decide educational policy, through their elected local boards and elected officials.

But our schools and colleges should acknowledge the importance of superior teaching.

We will ask the Trustees of the California State Universities and Colleges to establish a Doctor of Arts degree program, to give teaching the professional recognition it deserves. We will seek the help of the state Board of Education in devising ways to encourage excellence in teaching in the public schools.

Reducing Tax Burden

I am sure you will not be stunned with surprise if I reveal that economy in government is a special concern of mine. It is essential to reduce and limit the tax burden on our people if our free economic system is to survive. Even while differing over specifics, many of you have said (only recently) that legislative action can control the size and cost of government. I ask you to take that action this year.

Constitutional Amendment

The state Constitution now requires the governor to submit a balanced budget and to propose higher taxes, if necessary, to make sure it is balanced. Since two safeguards are better than one, I shall ask you to pass a Constitutional Amendment imposing the same restraint on the legislative branch.

It will specify that the legislature must return to the governor a balanced budget or propose additional taxes necessary to bring it into balance.

To further encourage realistic budgeting, we will ask you to adopt laws requiring that:

--Any bill costing \$1 million or more must include provisions for increased revenues to finance it or specify a way to reduce the budget by an amount necessary to absorb the cost of the new program.

--Every bill having a fiscal impact must include a synopsis declaring the bill's initial year cost and the cost for the following 3 years.

--Every bill imposing major new costs must have a separate fiscal analysis noting whether it can be financed with existing revenues or whether a tax increase is necessary. If higher taxes are required, this fact and the amount of new taxes required should be spelled out clearly and simply, in capital letters. By doing this, taxpayers will be able to more accurately identify the cost of new programs and decide for themselves whether those proposing new costs are serving the people's best interest.

Phase Out Bridge Tolls

To merit the confidence of the people, government must keep faith with the people. The tolls on state bridges originally were imposed to pay off the revenue bonds that financed those structures. We are nearing a time when these debts can be retired. And we should adopt a policy now of phasing out bridge tolls as these bonds are paid.

A Year of Action

Many other things command our attention. The unified Departments of Transportation and Health are now operational, working on programs to meet the long range transportation and health needs of our people.

In 1974 and beyond, the state will become increasingly involved in helping prevent and treat developmental disabilities that stem from epilepsy, mental retardation and cerebral palsy.

State-of-the-State

The Department of Benefit Payments which you approved, will become operational in July and will consolidate the state's \$5 billion a year fiscal operations in welfare, health, unemployment and disability programs

Another reorganization, the Department of Employment Development, comes into being at a time when the energy crisis may put new strains on our economy.

The major emphasis is to develop new jobs and then direct qualified workers to those jobs. We also plan to explore with leaders in labor and business all possibilities of minimizing the unemployment impact of the energy crisis.

The Community Work Experience program and that part of welfare reform which identified able bodied recipients as employable is being put into operation in all 35 designated counties. Last year, in those counties with the community work program, 46 percent of employable welfare recipients who registered found regular jobs.

Permanent Ecology Corps

Thanks to bi-partisan support last year, California now has the nation's strongest forest practices regulations, augmenting our nationally recognized efforts to fight air and water pollution. I will ask for support this year of a \$250 million bond issue to help provide additional parks, to carry on wildlife conservation programs. The California Ecology Corps, created by Executive Order, is a proven success in protecting forest areas and providing wholesome work opportunities for young people. So I shall ask for a law to make it permanent.

Prison for Gun Crimes

The California Council on Criminal Justice is being reorganized and renamed the Office of Criminal Justice Planning. The Select Committee on Law Enforcement Problems outlined other steps which we must take to streamline our criminal justice system and otherwise strengthen our ability to protect the law abiding. I will ask you to consider its recommendations, particularly those which require stricter controls on probation policies and the proposal to impose mandatory prison sentences for those who commit a crime while armed.

This policy must be forcefully emphasized to the criminals. Those who commit a crime with a gun must go to prison. Where there is any doubt in granting probation or parole, the doubt must be resolved in favor of protecting society.

Local Government Reform

Our task force on local government reform will soon offer a sweeping review of our entire governmental structure and suggest ways to make it more accountable and better equipped to serve the people.

Our goal is less government, but more effective government. To achieve this, all of us may find that the facts challenge many of our own long-held beliefs and assumptions.

Already, we have found that the authority of local government to make its own decisions has been seriously eroded by state and federal mandates. So we will propose ways to restore local control in local government, to make it easier to create smaller units of government and to consolidate where that best serves the people.

Election Reforms

Finally, a subject that touches the very heart of our system of elective responsibility: campaign and election reforms.

The integrity of the process by which we elect our public officials must never be in doubt. The public is entitled to that assurance.

In recent years, an increasing use of the initiative (some involving complex subjects) has made the ballots long and far too complicated.

Along with campaign and disclosure requirements already in force, we should eliminate conflicts of interest in all phases of the election process.

Last year, you passed and I signed a law giving the legislative counsel the responsibility of analyzing proposed ballot measures. It had been divided between the legislative analyst and counsel.

Since the legislature itself proposes constitutional amendments, isn't there a built-in conflict of interest to have any employee of the legislature analyzing ballot measures for cost and content?

There also has been a greatly expanded role for the Secretary of State's office in the conduct of elections, in reporting campaign contributions and with the growing use of computers, even in the operational details of elections.

Those are responsibilities that cannot, in my opinion, be free of the possibility of conflict of interest and bias unless the office itself is freed of partisanship.

--Therefore, I shall ask you to propose to the people a Constitutional Amendment making the office of Secretary of State non-partisan, selected on the same basis as the non-partisan state Superintendent of Public Instruction.

We should also delegate to an independent Citizens Commission on Elections the responsibility of analyzing initiatives and otherwise monitoring election reforms, to protect the integrity of the entire election process.

Such a commission could establish campaign and election policies in the same way the state Board of Education guides educational policy.

What I have listed so far can make this a busy year, a year of decision. There may be difficult choices. It is our duty to make them. It is our duty to reconcile our differences, without regard for partisanship or personal ambitions.

We dare not condemn our society to economic, environmental and social stagnation because some fear change.

In the long sweep of history, all human progress has been based on a willingness to face the next great challenge, to seek and achieve what has before seemed unattainable.

Our people have done that in California and America, on a scale unmatched anywhere on this globe. Their vision and skills have lifted man's horizons to the far reaches of space and beyond.

We have looked back on a proud past, but only to preserve the best of our heritage. In all other ways, we have looked forward, with courage and confidence.

Those nations and states which have secured man's highest aspirations for freedom, opportunity and justice, have always been those willing to trust their people, confident that their skills and their talents are equal to any challenge.

Those societies which falter or merely survive are those which lack this faith, which have been unwilling to do whatever it takes to excel.

I believe our people want a state and a nation that points the way, that is willing to work and struggle and overcome every barrier to the fulfillment of their own personal dreams and aspirations. If the people are prosperous, the state and the nation will be prosperous, and strong enough to protect freedom.

In the decades since World War II, California has been a place where men still dare to think big and act boldly to reach their goals.

It has been our destiny to be a lodestar of progress, in agriculture, in industry, in sophisticated technology and in meeting the needs of our people within a framework of freedom.

We are a showcase of the future. And it is within our power to mold that future---this year and for decades to come. It can be as grand and as great as we make it.

No crisis is beyond the capacity of our people to solve; no challenge too great.

It will require a willingness to work, determination and faith---faith in ourselves, in our fellow citizens and in our system of freedom.

But if we hold fast to the great principles that gave birth to this nation and this state, if we are willing to work and reason together, we can shape our own destiny. The problems of today can become the opportunities of tomorrow.

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(NOTE: Since Governor Reagan speaks from notes, there may be changes in, or additions to, the above quotes. However, the governor will stand by the above quotes).

PLEASE GUARD AGAINST PREMATURE
RELEASE

Excerpts of Remarks by Governor Ronald Reagan
California Trucking Association
Hotel del Coronado
Coronado, California
February 6, 1974

Right now, I know the energy crisis is your major concern, as it is with most Americans.

Your industry is vital to California's overall prosperity. State government's top priority must be to meet the needs of those essential industries necessary to maintain a normal flow of commerce. Trucking is certainly one of these.

Our goal is to do all we can possibly do to cut through the red tape and minimize the hardships of the energy crisis.

As you know, the Office of Fuel Allocation released some of the State's emergency (diesel) fuel reserves last month to keep the trucks rolling the last few days of January. We are hopeful the situation will be better this month, although it is possible we could be feeling even more of a pinch in some petroleum products.

We have done our best to see that Washington will give us, at the state level, the flexibility to respond to emergency situations.

When trucks are lined up waiting to be loaded with products for market, when jobs are jeopardized by any delay caused by fuel shortages or anything else, it is not a time for bureaucracy as usual.

Even without a fuel allocation program, I know your industry routinely faces a formidable array of government regulation.

I think there's too much regulation now, too many forms to fill out, too many reports to file, too much government, period.

If a bureaucrat had been writing the 10 commandments, a simple rock slab would not have been near enough room.

Those simple rules would have read: "Thou Shalt Not, unless you feel strongly to the contrary, or for the following stated exceptions, see paragraphs 1-10 subsection a.

It is small comfort now to realize that the energy crisis has been predicted for years--even before the Middle East situation. The United States, with six percent of the world's people, have been using about 35 percent of total energy consumption. Now everyone points a finger at someone else and asks how come? Well, we just weren't listening.

As other nations grew in affluence, their use of energy also grew. In fact, the economists can chart a precise link between a nation's energy consumption and the degree of economic prosperity it achieves for its people.

In the years after World War II, our economy has grown tremendously. We have been providing more and more goods and services to more and more people, paying higher wages to produce those goods and services. And our use of fuel and power has been a key element in making this prosperity possible.

Just as the truck replaced the horse-drawn wagon, electricity and fuel powered machines and equipment have helped us greatly increase our output at lower cost. The use of energy made mass production possible and mass production generated mass prosperity.

Transportation uses about 25 percent of the total fuel energy we consume each year. As the demand for fuel increased over the years, it began outstripping our discovery of new reserves and our production.

The same is true of the power shortage. We have been trying for three years to get a realistic power plant siting program approved in the Legislature. It has been a priority goal.

But some people have priorities that they rank higher.

Add the complicating factor of environmental requirements and you have concocted a sure-fire recipe for delay. No one disputes the need to preserve or protect the environment.

The concern expressed in recent years over environmental waste and blight has given us a healthy jolt of reality. It has reminded us that we cannot go on chewing up the earth, using resources wastefully and ignoring the environmental impact and the hazards of pollution of all kinds.

Now we are being reminded that our supply of resources is not unlimited, either, that we must constantly be improving our technology, to take advantage of new sources of energy.

Somehow a reasonable balance must be found between two desirable goals: protecting the environment and assuring the country will have sufficient energy to maintain a healthy economy, that industry and business will have enough fuel and power to operate, to provide the jobs our people need.

America has traditionally been self-sufficient in almost everything we need. In fact, surpluses have been our problem--or so we thought. But as the world began coming up to our level of living, and our own affluence increased we grew a little lazy and let demand outstrip production. And about that time we also began listening to voices that said the magic of the market place--supply and demand---could be improved by a little government tinkering.

Yet a national magazine reports that there is more recoverable oil located offshore within a day's driving distance of New York City than there are proven reserves in the entire United States. And we have the technology to recover it; we are already drilling offshore in the Gulf of Mexico and our own coast.

Yet so far there is not a single well from Nova Scotia to Florida.

As in the Alaskan pipeline, the concerns of environmental interests plus the snail's pace of bureaucracy have combined to block development of these oil resources, resources that are located just off our own shore not thousands of miles away in the Middle East.

Recovering oil in Alaska or off our own shores would not mean paying out vast sums to foreign countries, aggravating our balance of trade problem. Developing our own resources would help our own economy, it would mean jobs in construction, manufacturing, design and engineering. And the end result would be more fuel available to run our industries, your trucks, to meet the fuel needs of our people.

In these two cases, it was not government action that has delayed a solution. It has been government inaction. It has been a lack of determination on the part of our entire society to come up with an answer.

The real crisis we face is not an energy or fuel shortage. Those are problems within our power to solve.

The real energy crisis is a lack of decisive action, not next year or two or three years down the line, but now.

We have some difficult choices to make.

Do we want to go on being dependent on unstable supplies of foreign oil, at a price set not by a competitive market economy, but by the whims of those who use economic leverage to gain political ends?

Do we want our industries to slow down, our economy to become locked at a level of production that limits job opportunities and assures higher prices?

Is that really the way to fight inflation, to assure prosperity, to meet our short term oil needs?

Or should we try to find a way to provide maximum protection for the environment, without simply stopping development of the energy sources we must have?

The alternative is clear enough. We accept a slowdown in the economy, periodic and possibly severe fuel and energy shortages, increased unemployment, declining tax revenues to finance essential needs, a shift from growing economic vitality to an economy marked by shortages, controls and regulation.

Or we start solving the energy crisis, not just temporarily, but permanently.

During World War II, when the freedom of the entire world depended on our productive capacity, America built 1300 miles of pipeline in four months, the famous Big Inch project.

When Sputnik posed a new and potentially dangerous threat to our ability to defend our freedom, we did not sit around and wring our hands, we went to work and within a decade, put a man on the moon.

It took determination. It took money. And it required government, performing its proper function which was to enlist the cooperation of thousands and thousands of different companies working within our free enterprise economy.

We can solve our energy needs in the same way. And we can do it in ways compatible with our environmental goals.

If we have to, we can put up with temporary shortages and allocation programs. But let's make sure they are temporary. Never for a single moment should we accept the idea of prolonged shortages, allocation programs, rationing or ruinous prices because America is too dependent on foreign sources for the fuel and power we need.

But we should not accept the pessimistic prophecies of those who see the energy crisis as a permanent situation.

(Note: Since Governor Reagan speaks from notes, there may be changes in, or additions to, the above quotes. However, the governor will stand by the above quotes.)

Governor Ronald Reagan today sent the following message to the members of the California legislature:

STATE EMPLOYEE BENEFITS

I made a commitment to you and to state employees and their organizations last year when I declined to sign employee benefit legislation. It was that a balanced program of employee benefits would be presented for your consideration early this year.

I am now prepared to fulfill that pledge. But before I do, an explanation of the process by which we arrived at this new benefits approach is in order. It is an approach that assures state employees and their families that for the first time the benefit portion of their compensation will receive equal consideration with salaries.

In late 1972, at my urging, the state Personnel Board contracted with the consulting firm of Cresap, McCormick and Paget to conduct an independent study of the state's compensation policies and practices. Their report was made public in May 1973. The board held hearings on it and in its annual report to you and me recommended adoption of many of the CMP findings and recommendations.

The Personnel Board and I agreed that the state should adopt a policy of considering prevailing practices in both salaries and benefits in setting employee compensation. We call the method total compensation. In this process, salaries and benefits are surveyed separately for comparability with prevailing practice and are adjusted separately.

Our total compensation policy is based on sound objectives for a comprehensive employee benefit program. These objectives include providing for employee needs, supporting constructive personnel policies, providing benefits equitably within homogeneous employee groups, providing benefits economically from the viewpoint of the state and its citizens, as employers, and administering the benefits efficiently.

The total compensation approach makes benefits as visible as salaries both as a dollar income to employees and as a cost to the state. When we see that employer-paid benefits amount to 25 percent or more over and above salaries, benefits can no longer be regarded as "fringes." They are indeed part of the whole cloth of compensation. This helps make us more aware of our joint responsibility to provide a fair and equitable benefits program. It also enables state employees to measure the real value of benefits to them as part of their total compensation.

State Employee Benefits

Starting with the Fall 1974 survey, we will survey benefits as well as salaries on a regular basis.

As for the package of enabling legislation which will be proposed to you this month, we will first meet and confer on these benefit proposals with interested employee organizations in keeping with my Executive Order 71-3. We also will share with employee groups our concepts for a longer range benefits program to be achieved as the annual total compensation surveys warrant and as funds allow. We are completing our studies of how best to administer a total compensation program. Organizationally it now involves several state agencies. There is a need for a clarification of responsibilities and coordination of roles which may require legislation.

The Personnel Board recommended and I have included in the 1974-75 state budget \$45 million to improve state employees' benefits. The first-year program which I will propose for allotting this money is focused on what state employees perceive as their highest priority need---increased take-home pay. At the same time, it moves toward meeting our objective of a balanced benefits program overall.

The following seven subject areas came out of the study conducted by the total compensation project group and will be the basis for discussion under the meet-and-confer process:

1. A basic policy statement adopting total compensation as the state's method of determining employee compensation. We are convinced of the importance of giving equal and coordinated consideration to benefits and salaries.

2. Increasing the state contribution to basic and major medical insurance to 80 percent of the average cost for an employee and 50 percent of the cost for dependents. This proposal has the highest priority with most employees and their organizations. The new formula will result in a substantial increase in take-home pay. Employees still will have a stake in holding down premiums. This should encourage medical services suppliers to remain competitive in their bidding for the state's insurance contracts.

3. Reducing the retirement contributions of miscellaneous members, who are also taxed for Social Security, from approximately 12 percent of gross salary to 10 percent. This 2 percent decrease in contributions will net a 3 percent increase in take-home pay for most employees, depending on their income tax bracket. Eighty-five percent of all miscellaneous employees will be so benefitted.

State employee benefits

4. Providing one-half continuance of retirement allowance to survivors of miscellaneous members who are not covered by Social Security. To assure this amount of continuing income to their survivors now miscellaneous members must reduce their retirement allowances by up to 30 percent. This improvement in the retirement allowance meets the second highest priority expressed by most employees.

5. Establishing a fully-paid life insurance program to improve on the present lump sum death benefit provided by the Public Employees' Retirement System. For lower salaried employees who are more likely to substitute this plan for existing insurance policies, this will be another form of increased take-home pay.

6. Providing a one-time, catch-up adjustment in the allowance of employees who retired prior to July 1, 1971 under the old 1/60th formula. This amounts to a 15 percent increase, critically needed by these former workers in this period of inflation. It will bring this group of annuitants up to the approximate allowance level of those who have more recently retired under the new 1/50th formula.

7. Eliminating election day as a state holiday and placing one holiday on a "floating" basis so it can be taken at the convenience of the employee and employer. This will bring the state more into line with prevailing practice and will eliminate the inconvenience to our citizens of public offices being closed on statewide election days.

Before closing, I should mention plans for benefit improvements for employees of both segments of higher education. Non-academic employees of the state University and Colleges system receive comparable salaries and will receive comparable benefits to those outlined above. A task force has been formed to compare salaries of non-academic personnel at the University with comparable personnel in civil service. If the salaries are equal, the benefits should also be equal and I will so recommend.

We are suggesting to the new Commission on Post Secondary Education that a study be made of fringe benefits for faculty of both UC and CSUC compared to those institutions which are considered similar. The results of this study should enable us to more fairly evaluate needs in these areas.

I believe this proposed set of benefit improvements is the best choice of plans which are feasible and fundable in the first year under a total compensation approach. Certainly, individual employees and special groups will want to make their case for additional benefits. I am confident, though, that through the deliberative process we can arrive at a program of benefits which will provide the greatest good for the greatest number of state employees in the long run.

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McKelvey

2/11

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN
GREATER DALLAS CRIME COMMISSION
February 11, 1974

Although we have been making some progress in slowing down the crime rate in recent years, crime and violence remains the single greatest concern of millions of our citizens.

It has cast a shadow of lawlessness across our land. Yet at the very time when the challenge of crime in our society has been growing, the task for those who must enforce the law has been made more difficult.

The attitude toward the drug problem is an example. In the past decade, drug addiction has been the single greatest factor in the increase of crime. Hundreds of thousands of our young people have become hooked by narcotics, lured into tragedy and a life of shame by the Pied Pipers of the so-called drug culture.

Drugs are not a fad or a phase to be compared to flagpole sitting or goldfish swallowing. The use of hard narcotics is largely responsible for the great increase in burglaries, muggings and many of the irrational violent crimes we have known in recent years.

Despite this undeniable truth, there are serious suggestions to ease the drug laws, to "decriminalize" some offenses. The virus of permissiveness spreads its deadly poison. There are constant efforts to excuse, to explain and ultimately, I suppose, to accept widespread drug addiction as inevitable.

I reject this theory of inevitability. Our people are asked to accept pornography, to legalize prostitution. Some of the so-called experts vehemently declare that violence on television is bad, but turn around and claim pornography has no impact whatsoever on our young people.

We are asked to believe that the way to reduce crime is to make some crimes legal. They also feel we should stop building prisons and shorten the sentences of those convicted of crimes against law-abiding citizens.

Not too long ago, a national commission on the causes of violence, cast society as the chief villain, not those who committed the acts of violence.

Logic is stretched to the breaking point.

Court rulings involving technical points of law have gone far beyond any degree of reasonable interpretation.

All these things have occurred and the combined impact has one result that cannot be ignored: in too many cases, the permissive philosophy has allowed guilty offenders to go free, to continue to prey on the innocent citizens who look to our legal system for protection.

The problem of crime is not an abstraction to be debated in some academic tearoom. It is a daily threat to the lives and safety of our people.

The dollar cost alone exceeds \$16 billion a year. And no one can put a price tag on the tragedy that lawlessness costs the victims.

But the rights of the victims and the society they live in are too often forgotten.

Nothing could be farther from the truth. Of course, we are concerned with protecting the rights of the accused. This is the cornerstone of our legal system and I hope it always will be. Yet assuring the rights of the accused must never become an excuse for ignoring the rights of society.

I hope you will not mind my referring to California, but one of our major priorities is to eliminate the barriers to effective law enforcement and by doing so, fulfill government's obligation to the citizens.

We had a task force at work on this problem for a year or more. This Select Committee on Law Enforcement Problems has recommended ways to streamline our criminal justice system. Some of their recommendations will require legislation, some we will do administratively. We want stronger laws against drug pushing. We want our judicial system to adopt a policy that every criminal who uses a deadly weapon in the commission of a crime shall automatically go to prison.

There have been too many variations in sentences imposed for the same serious crimes.

To help relieve court congestion, we are asking for the adoption of the six-man jury for lesser offenses, an innovation that has proven successful in states where it has been tried. We want to classify some minor traffic offenses as infractions to further ease the workload of our courts.

To be effective, the law must be clear. It is the job of the courts to make it clear.

More than a century ago, De Tocqueville said: "To suppose that a state can subsist, when its fundamental laws may be subjected to four-and-twenty interpretations at the same time, is to advance a proposition contrary to reason and to experience."

The people are strongly in favor of efforts to restore reason and common sense in the criminal justice system. In fact, they have been far ahead of the courts in demanding that the scales of justice be brought into a better balance.

The search for truth in the courtroom is not a game of legal chess, with the rights of society cast as an unwilling pawn.

Perhaps more than anything else, we need a change in attitude, from permissiveness to realism.

Every day, hundreds and thousands of cars are subjected to a search at our borders in a massive effort to stem the tide of narcotics and other contraband. Most of those cars are driven by law-abiding tourists, out for a holiday. We have had customs checks for contraband for 200 years and I cannot recall any great outcry that this is an unreasonable invasion of individual rights, especially when the officers are looking for hard narcotics.

But how do those law-abiding citizens feel when they learn that a policeman, who stops a car for speeding and then finds a package of heroin, cannot introduce that as evidence because that was not why he stopped the car?

Is a legal technicality that forces the court to ignore the existence of a crime a logical or valid extension of constitutional rights?

Ask any parent of a youngster who freaked out or perhaps died from an overdose of drugs. I doubt that they would agree that it is.

The truth is: if we are really determined to curb the drug traffic and eliminate crime of all types, we must remove all unreasonable obstacles to effective law enforcement.

That is the intent of the reforms we have proposed in California. And I know that is the thrust of your own efforts.

Yet the courts and law enforcement can only do so much. Assuring a lawful society is an individual responsibility, one that must be accepted by every individual in our society.

This, too, is a matter of attitude, the way we live our lives, the example we set for youngsters.

If each of us lives up to our own responsibilities, individually and in our professional capacity, we can foster a greater respect for the law, for the principles of truth and justice.

It may be old-fashioned to some, but nothing sums up this personal commitment more than the simple word: "Honor." When Thomas Jefferson was advising his nephew what path he should follow to achieve success, he told him that men must always pursue their own and their country's interests with the "purest integrity, the most chaste honor.

"Make these your first object," Jefferson said. "Give up money, give up fame, give up the earth itself and all it contains rather than do an immoral act. And never suppose, that in any possible situation or under any circumstances, it is best to do a dishonorable thing, however slightly so it may appear to you."

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(NOTE: Since Governor Reagan speaks from notes, there may be changes in, or additions to, the above quotes. However, the governor will stand by the above quotes).

4/19

OFFICE OF GOVERNOR RONALD REAGAN
Sacramento, California 95814
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RELEASE: NOON FRIDAY
APRIL 19, 1974

PLEASE GUARD AGAINST PREMATURE
RELEASE

Excerpts of Remarks by Governor Ronald Reagan
Better Business Bureau of Santa Clara Valley Luncheon
San Jose, California
April 19, 1974

The purpose of your organization is to police business and assure honest practices and integrity in the market place. Your goal, to guarantee fairness to the consumer and fairness to the producers who provide the goods and services consumers need and want, is an important function. As businessmen, you deserve full credit for all you do in this regard.

I went to Sacramento seven years ago with similar goals: to assure that government is fair to the people, to the taxpayers as well as to those who rely on government for essential services.

At the time, I was a citizen making his first foray into that mysterious arena called politics. I can state unequivocally that longevity in office does not automatically turn an amateur into a professional. I have tried, and the people we brought into government have tried, to maintain a non-political approach to the problems of government.

We have an unofficial watchword frequently voiced that sums up this attitude. "When we start thinking of government as 'we' instead of 'they', we have been here too long."

Now as you well know I won't be in Sacramento too much longer, and I am not a candidate for statewide office. And that has its advantages with regard to the subject I would like to discuss with you.

Usually, when I visit with an audience of businessmen, I have discussed the ways in which government imposes unreasonable burdens on our free market economy. I have been known to expound on this subject at length and no doubt many of you have heard me---perhaps many times. But please don't bolt for the door yet. I have a different subject in mind!

Campaign and election law reforms. It is a most urgent problem not only in California but throughout the country.

Watergate and other events have caused America to take a searching look at this entire subject. And I believe the outcome can be beneficial --if we apply the lessons we have learned to the laws that govern campaigns and elections.

In my State of the State message to the legislature this year, I proposed a series of campaign and election law reforms. Today I would like to recall what they were and the reasons we suggested them. And, I would also like to outline here, for the first time, some additional reforms we feel are necessary to re-establish and maintain the public's confidence in government and in the state laws that safeguard the process by which the people choose their elected officials.

I believe the reforms we outlined in January, and the additional steps we are now proposing are essential:

- To guarantee fairness to all candidates, of all parties;
- To guarantee public disclosure of campaign contributions and candidate financial reports;
- To reduce campaign costs; and
- To protect the integrity of the entire election process.

Non-Partisan Secretary of State

1. First, we proposed that the legislature submit to the people a Constitutional Amendment making the office of Secretary of State non-partisan; that this public official be selected on the same basis we now elect the non-partisan State Superintendent of Public Instruction.

That is why the University of California's Board of Regents is Constitutionally independent from the Executive or Legislative branches of government.

The Secretary of State has traditionally been, in effect, the chief elections official in California. It has been the responsibility of the person holding this office to:

- Accept and certify for the ballot all the initiatives, bond issues and other propositions submitted for a vote of the people, either by the legislature or by the people themselves through the initiative process.

The Secretary of State is required, by law, to issue the voter pamphlets which contain an impartial analysis of these ballot measures and the arguments for and against each measure.

He handles the details of officially reporting campaign contributions and enforcing conflict-of-interest disclosure laws, to see that all provisions of the regulations are carried out.

Finally, it is the Secretary of State who tabulates the actual vote count and certifies the election of successful candidates for public office.

In recent years, there has been a growing recognition of the potential for campaign abuses in the laws we used to have to police our elections. Those laws have now been strengthened.

A series of measures provide more detailed reporting of campaign contributions, to make public just who gave how much to which candidates.

To safeguard potential conflicts-of-interest, all candidates for public office and incumbents are now required to list their financial interests and all their sources of income above a nominal amount in any given year.

When I suggested the Secretary of State would be a non-partisan office, there were some who thought I was being facetious and playing politics--I was dead serious.

The Secretary of State has the responsibility of enforcing the election laws.

His duties in this area have increased enormously in recent years and, as I told the legislature, with a wider use of computers, the Secretary of State has been delegated a growing responsibility in the actual operational details of conducting elections.

In effect, as far as campaign reporting and election laws are concerned, the Secretary of State is the referee, the field judge and the score-keeper all rolled up in one.

In football, it would not be fair to have the referee competing with himself and calling penalties against his opponents. And I don't see how anyone can regard this as a fair campaign practice in politics, either.

I do not believe it is possible for a partisan Secretary of State, elected on a partisan basis, to carry out this broad range of election law responsibilities without someone raising the possibility of personal or partisan conflict-of-interest.

Events since then have clearly demonstrated the need for a non-partisan Secretary of State. As you know, the present incumbent in this office is a candidate for another position. And some of his rival candidates in his own party have raised the very points about which I expressed a strong concern last January.

It is not enough that the person holding this office be free of partisan or personal bias. Even the possibility of bias must be eliminated.

Our proposal was not aimed at any individual or potential candidate

It is part of an eight-point program of campaign reforms being submitted to the legislature for adoption this year.

In addition to a non-partisan Secretary of State, we propose:

Fair Campaign Practices Advisory Committee

2. A law creating an Advisory Committee on Fair Campaign Practices, an independent commission consisting of 12 members, 11 to be appointed by the non-partisan Secretary of State, who will serve as chairman. The members would include three citizens at large, three retired members of the judiciary, three members who shall be either non-partisan county clerks or county voting registrars and one representative each of the two major political parties recognized by law in California.

This commission would have the responsibility of drafting recommendations for any legislation the commission believes necessary to upgrade campaign practices in California or to correct any situation requiring reform.

If our form of government is to serve the best interest of the people, the people must be assured that California's campaign and election laws are constantly monitored and strengthened where necessary, and enforced without favor or partisan bias.

Prohibit Labor or Corporate Campaign Contributions

3. Many people in and out of public office and in the media have found a great deal lacking in our current system of financing political campaigns. One area of real and potential abuse, documented many times, involves the large political contributions of business and business groups; labor unions and labor organizations; public employees associations and other groups which may have a direct interest in government and the laws and regulations enacted and enforced by government.

There is no doubt that abuses can and have occurred. There also is no doubt that the greatest potential for abuse is in the massive collective financial contributions of special interest groups. It is from these sources that come the large and often criticized "political campaign war chests" about which we have heard so much.

We can eliminate this type of abuse without denying the individual citizen the opportunity and the right to financially support the political philosophy that he or she feels will best serve their own interest and the best interest of the State and nation.

But I also believe the decision to make or not make a political campaign contribution should be made voluntarily, by the individual.

So, we propose that:

Only individual political campaign donations, voluntarily contributed by individuals, be legally recognized or permitted in any state or local election in California.

Further, we propose that California prohibit, by state law, any corporate, labor organization or public employee organization from directly or indirectly soliciting, receiving or making political campaign contributions to support or oppose any candidate for public office (or to support or oppose any ballot measure).

To guarantee there will be no loopholes, this law would also prohibit corporations, labor unions or public employee associations from establishing or maintaining any committee, or other organization or association for the purpose of making political contributions or otherwise supporting or opposing candidates for public office or seeking the passage or defeat of any ballot measure.

Ban On-The-Job-Political Activity by Public Employees

4. Government itself is not without fault in the area of campaign abuse. There is a massive potential for campaign abuse when public employees or tax-supported facilities are used on behalf or against

political candidates or causes. That is why the State and Federal governments adopted the civil service system, to assure that government employment would be free of the political "spoils system." That was the purpose of the Federal Hatch Act and similar state laws--to make it clear that it is illegal for public employees to engage in improper political activities or to misuse public funds or resources to support or oppose any political cause or candidate.

Yet still we hear allegations, at almost every election, that government employees are engaged in improper political activity.

To eliminate the potential for such abuses, we propose that California's state laws be strengthened to specifically prohibit any employee or appointive officer of the State, the Legislature, any city or county, special district or school district, from participating in political activities of any kind during working hours.

Let me make it clear: This does not mean any abridgement of the public employee's right to participate in political affairs, to vote, to support or oppose the candidate or cause of his or her choice. This is a basic Constitutional right and public employees, like other citizens, are and should be able to freely participate in those political activities sanctioned by law--but on their own time, not during working hours.

Under this law, it will also be specifically against the law for any public employee or appointive officer to use or make available any publicly-owned equipment or other resources to support or oppose any candidate for public office or to seek the passage or defeat of any ballot measure.

Prohibit Campaign Contributions by Judges

5. Obviously, it is essential that the public know that public funds or resources are not being used for political purposes. It is even more essential that the public be assured that the judiciary, the judges who enforce our laws, are themselves models of ethical self-restraint in the political arena.

The judiciary is the arm of government which has the power to arbitrate and determine the legality and Constitutionality of actions by the Executive and Legislative branches.

Judges who are given this awesome power cannot be expected to exercise it impartially if they themselves are engaged in partisan political activity.

This is such a basic and fundamental observation that it really should not be necessary to make the point. Yet a recent example of this type of improper activity has demonstrated the need for spelling this out in law. The legal profession and the judiciary itself, through existing and proposed canons of ethics, have recognized this. These canons of ethics rule out any direct or indirect political campaign donations by judges.

These ethical guidelines should be part of our state law. So as another part of our campaign reform program, we propose:

--A law to prohibit judges from making political campaign contributions, directly or indirectly; or accepting or receiving contributions; or acting as an agent or the intermediary in the making of political campaign contributions. The only exception would be those contributions received or contributed by judges in support of their own campaigns for elections.

Simplified Ballot Analysis

6. If you have had trouble fathoming the real meaning of some complicated ballot proposals, you will appreciate the intent of the next reform we propose. As you know, in the past, we have had ballot measures where a "yes" really means "no" and vice versa. And we have had other proposed Constitutional and legal changes that were so complex that they would baffle Solomon himself. Existing law requires the Legislative Counsel to prepare an impartial analysis of each statewide ballot measure in clear, easy-to-understand language.

To help assure this, we propose that the Legislative Counsel be required to confer with reading experts appointed by the State Superintendent of Public Instruction. The purpose of this is to assure that all ballot propositions are written and explained to the voters in language an average voter can understand.

Prohibit Campaign Donations by Lobbyists

7. We have heard this year, and in years past, a great deal about the influence of lobbyists in Sacramento. Because of a scandal some years ago, the State adopted laws to regulate the activities of legislative advocates, to require and make public their campaign donations and other expenses, for entertaining and otherwise presenting the case of their clients to legislators and other public officials. I strongly support these regulations and laws.

Yet some regard even the legitimate activities of lobbyists as a massive evil which threatens the very fabric of government. And in their zeal, there are those who would simply eliminate legislative advocates or so drastically restrict their ability to function that they would lose any effectiveness they have in representing the various interests of the groups which employ them.

Some of these vocal critics imply that lobbying is a giant consortium of big business or other special interests, with evil purposes in mind. It is true that business does employ advocates to present their argument for or against legislation which they feel would be beneficial or harmful to their interests.

So do labor unions, and public employee groups, cities and counties, church groups, legal aid societies, and such organizations as the League of Women Voters, the American Civil Liberties Union, and even a sorority or two. All these groups have registered legislative advocates and these advocates perform a legitimate function in our system of government.

Our State and Federal Constitutions assure every citizen or group of citizens the right to petition government for a redress of their grievances, to support or oppose new laws they regard as helpful or harmful to their interest or the interest of the groups they represent.

In our efforts to reform campaign practices, we cannot deny these Constitutional rights.

But there are steps we can take to eliminate abuses and to correct weaknesses in the existing laws that control and regulate the activities of legislative advocates.

One such weakness is the fact that the legislature itself administers the existing law requiring lobbyists to register and periodically make public a list of their expenses.

It is not unreasonable to question the effectiveness of having legislators who are entertained by lobbyists policing the law designed to regulate the activities of their hosts.

So we propose a new and greatly strengthened law in this area.

It would:

--Require that lobbyists register with the non-partisan Secretary of State; and that the Secretary of State be given the responsibility for administering all regulations and laws covering the activities of lobbyists.

This law would also require:

--Full and detailed financial disclosure of all entertainment and other expenses incurred by legislative advocates. These monthly reports would include the full amounts of each expenditure for entertainment or whatever, list the purpose and the name of the beneficiary.

The public is entitled to know just who was entertained, by which lobbyist, how much was spent and why.

Finally, the stronger law we propose would prohibit any lobbyist from directly or indirectly making any political contribution to any candidate for any state or local office or to support or oppose any ballot measure.

This, we feel, will eliminate possibly the greatest criticism involving the activities of legislative advocates--by eliminating direct cash campaign contributions to legislators or other office holders who must decide issues that directly affect the interests of the legislative advocates or their clients.

Shorter Campaign Period

3. The last point in our campaign reform program involves something that many people have rightfully blamed for many campaign abuses---that is simply the tremendous cost of campaigning for elective office.

With growth of our population, the advent of television, and simply the inflation that has increased the cost of everything else, the cost of reaching every voter has become a tremendous factor in elections at every level of government.

As usual, when a new problem arises, there are those who would immediately turn to government for an answer, by having government use

I reject the idea of public financing of political campaigns. I do not regard this as a proper expenditure of government. There is too much potential in public financing for massive campaign abuses ranging from an unreasonable advantage for incumbents to the coercion involved in government taking an individual's tax money and giving it to a candidate the individual actually opposes. For 200 years, part of the very process of seeking and gaining elective office has been attracting a broad base of support to finance a successful campaign.

Just as our people voluntarily support their churches and charities of all kinds, they have traditionally supported the political candidates or causes they favor with their dollars as well as their votes.

As we know from recent events, the system is not perfect and it does involve a potential for abuse. So let's correct the abuses.

We should tighten the laws. But we should not increase taxes to solve the problem of political campaign abuse. And that is what public financing really means.

There is another step we can take that would greatly reduce the cost of political campaigns for every candidate---without increasing the tax burden of the people!

Shorten the length of political campaigns.

I suggested this three years ago---and still regard it as the single most effective way to reduce campaign expenses. Our election period runs far too long now, and every week or month the political season drags on, the cost of campaigns goes up and up.

No other major country in the world has a longer political season than we do. In Britain, when a general election is called, the election date is set, the campaigns are run and the votes are counted, all within a period of three weeks.

No, I am not proposing that we adopt the British system.

But, we can eliminate a great deal of the costs of campaigning and thus eliminate a great deal of the potential for campaign abuses.

While we have a larger country and a different political system, I have yet to see any reasonable argument that convinces me we should have a campaign that officially lasts almost 6 months and unofficially drags on for years.

So as the final point in our effort to reform campaign practices, we propose a law to:

--Set the date of California primary election on the first Tuesday in September rather than the first Tuesday in June of election years.

This would provide an official general election campaign period of roughly seven weeks. That is more than enough time for the candidates to present their cases to the people. But it is brief enough to have a practical impact of sharply reducing the cost of conducting political campaigns.

I realize we have the problem of the presidential primary and nominating conventions every four years. My answer to that is that the national elections can be adjusted to fit within California's official political season.

We have led the way in welfare and many other reforms which have been adopted nationally. And the truth is: The national campaigns also are too long.

If the national elections must be adjusted to conform to California's official campaign period, so be it.

Our state can become a model for effective political reform, too; just as we have led the way to reform in so many other areas of public concern.

This is a strong and sweeping package of political reforms. Some of the steps represent drastic changes and far stronger means of guarding against improper campaign practices. Some may be controversial. There will be many who---having prospered politically under existing laws---will vigorously oppose substantial changes in our campaign laws.

Well, I believe we must have changes. We must adopt realistic reforms that will encourage more private citizens to seek public office, and I believe we can best achieve this by tightening the rules to assure everyone a fair chance to participate, without facing the unreasonable barriers of high campaign costs and the possibility of massive illicitly obtained campaign funds being spent by an entrenched opposition.

We need campaign reforms because (aside from inflation), the present widespread lack of confidence in government and in the election process is America's most compelling problem. This cynicism is a cancer, an ugly growth eroding the public's belief in the honesty and integrity of our very form of government. Surgery is required.

Government must have the confidence of the people if it is to be effective. To gain that confidence, government must earn it. I believe the best, perhaps the only way to restore the public's confidence in government, is to act on the campaign reforms I have outlined here today.

If I have learned one thing in these several years, it is that government by the people works if the people work at it.

(NOTE: Since Governor Reagan speaks from notes, there may be changes in

4/19

APRIL 20, 1974

PLEASE GUARD AGAINST PREMATURE
RELEASE

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN
REPUBLICAN STATE CENTRAL COMMITTEE

SAN JOSE
April 19, 1974

This is more than just another meeting for those of us who believe that ours is a government of, by and for the people instead of the other way around. Somehow, I cannot escape a feeling of nostalgia.

So many of you were involved in that great beginning eight years ago. But there is one special person who is not with us today. And I would like to take just a moment to pay tribute to a great lady who is retiring from public life this year---Ivy Baker Priest, our state treasurer.

She has worked long and hard for the things we all believe in, for the cause that brings us together here tonight.

For eight years under Dwight Eisenhower, Ivy was Treasurer for the United States and she has served eight years as California's state treasurer.

With Ivy running our investment program, the state has earned more than \$700 million in interest. That is enough to fund her office for 700 years. She has fought for fiscal stability and economy in government because like all of us, she knows that government can best serve the people by letting them keep a little more of their own money.

There are so many things I could say about her fine work, her dedication and her great service to the people of California and this country. But I would like to point out one thing that some of you may not know: while Ivy was in Washington, she had the distinction of signing more than 62 billion dollars of U.S. currency. And one of the things I know she is proudest of is the fact that those dollars were worth a lot more in purchasing power because for at least a brief period, America had a Republican Congress that did not spend money faster than the treasury could issue it.

We are not saying good-bye to Ivy. We will still look to her for inspiration and guidance. But I know all of you join me in wishing her many long and happy years of retirement. And the greatest thing we can do to show her our appreciation is to elect a Republican to take her place in Sacramento next January.

Ivy was with us when we embarked on a crusade for better government in California. And there was one striking similarity between that time and now. Only two years before, we had suffered a setback nationally that depleted our ranks in Congress and the legislative halls across the country.

The pundits and the pollsters were having a field day. Our opponents were gleefully predicting the demise of our party, the end of the fight for common sense government.

well, a funny thing happened on the way to the funeral. In 1966, California led one of the greatest political comebacks our party has experienced in the 20th century. We took all six of the partisan constitutional offices. Across the country, we won back 47 seats in Congress, eight governorships, four seats in the U.S. Senate and 503 new seats in the various state legislatures.

And two years later, a Republican administration went to Washington.

Now, our opponents are again forecasting a gloomy time ahead. They are hoping that something called Watergate will drown out any real discussions of the issues. They do not want a dialogue or a debate about their long and sorry record of failure to deal with America's problems.

The only way they will get away with it is if we let them.

We have a great group of candidates to choose from in our own primary election. We are going to have a spirited campaign, a thorough discussion of issues. And I hope that when it is over, we will stand together as we were united in 1966 when we won a victory that brought common sense government back to Sacramento.

Many of the candidates in our primary were part of that team. They helped build a great record. And we must help our team carry on that record in November.

Eight years ago, California was on the brink of insolvency. The state was spending more than a million dollars a day more than it was taking in; property taxes had grown to an intolerable level and homeowners were demanding relief.

The crime rate kept going up and every attempt to tighten our laws, to crack down on the criminals, wound up in a legislative graveyard because our opponents controlled the key committees.

They had an almost total domination of the executive, judicial and legislative branches for eight years.

And on almost every major problem, things were worse off than when they took office. They did not solve problems; they subsidized them and by doing so, they compounded the high tax burden of our people, and left unsolved an array of unfinished tasks and unmet challenges.

Our job this year is to go to the people and show them the record. The facts demonstrate what can be achieved when we work together, when we seek reasonable, responsible solutions. I know you have heard me speak of our achievements many times before. But if we are to really serve the people of California, we must make sure that every voter knows just how different things could have been if another philosophy had been in power in Sacramento.

Instead of having a million-dollar-a-day deficit, this year we returned an \$850 million surplus to the people---the third such tax rebate we have been able to make.

By the end of the budget year commencing this July, tax relief will total more than \$5.7 million these past eight years. For the first time in modern history an incoming Governor of California will inherit a balanced budget.

The homeowner exemption has been more than doubled; there has been a special program of property tax relief for senior citizens, income tax credits to provide renter tax relief; we have cut the inventory tax in half.

School tax rates have been rolled back in many districts, and state assistance for public schools has gone up 105 percent compared to an enrollment growth of less than 6 percent.

The welfare caseload is no longer growing by 40,000 a month. Instead, there are almost 400,000 fewer people on welfare than when we instituted our comprehensive reforms in 1971. Those reforms have become a model for the nation.

They have provided higher benefits to those who really need and deserve help. At the same time, they have saved the taxpayer more than a billion dollars.

And they restored a long missing ingredient of integrity to the public assistance program, through the adoption of a work requirement for able-bodied recipients, and realistic regulations designed to eliminate fraud and abuse.

All the other reforms you have heard me speak about so often also were designed for the benefit of the people of California, to provide better service, to eliminate waste and duplication, to reduce the tax burden whenever and wherever possible, to cut and squeeze and trim so that we might provide additional money for schools, for mental health, for fighting crime, for all of government's legitimate services to the people.

I wish I could say that logic captivated our opponents, that when the sublime light of truth was focused on the great unsolved problems we faced, they recognized the error of their ways and were won over to realistic solutions. You could say that, but that is not exactly the way it happened.

The truth is: they stalled and scrambled and fought against almost every major reform we made. And the only reason we were able to make major reforms is because when the chips were down, we took our case to the people and found that government by the people works when the people work at it. At the same time, Republicans in the legislative and executive branch stood together.

Our opponents had to be dragged kicking and screaming into the realization that the people wanted welfare reform, homeowners needed and were demanding property tax relief, people were sick and tired of paying higher and higher taxes to support a growing government bureaucracy. And they were fed up with politicians who say one thing before an election and then do something entirely different after the votes are safely counted.

That is an issue in this campaign, too---the public records of those who are running for elective office. What did they do when they had a chance to solve a problem, to meet a challenge, to fulfill the responsibility that elected officials have to the people?

On that score, the weight of evidence is entirely on our side.

For a number of years, there was a court imposed moratorium on capital punishment. This moratorium was imposed despite the fact that the legislature itself had 35 times in the past 40 years refused to repeal capital punishment.

But those who rob and kill and maim did not declare a moratorium against violent crimes. And when the courts issued a mandate totally outlawing capital punishment, the people acted when the legislature refused to act.

They gathered a million signatures and the people voted 2 to 1 to make California one of more than 20 states which have restored capital punishment.

Despite this clear mandate, a number of our opponents, including those who now seek the highest office in the state, would still have thwarted the will of the people, and the will of the majority in the legislature.

You have heard me often in the past plead with you and with the people of California to elect responsible legislators, who are willing to listen to the people and respond to their needs and desires.

California needs more Republicans in the legislature, because that is the only way the people will ever get any action.

Whatever they say on the campaign trail, when they get to Sacramento a majority of our opponents become captive of a philosophy and a leadership that has displayed utter contempt for the needs and desires of a majority of our people.

Time after time, constructive action to fight crime has been blocked in the legislature.

Every day and night, our police must spend hundreds of thousands of man hours every year trying to control the crime caused by drug addiction.

Governments at every level are financing massive drug rehabilitation programs. These programs represent society's desperate efforts to salvage young addicts from a life of despair and addiction.

We suppose these efforts to free young people from a dependence on drugs. In fact, we have sponsored many of them. But shouldn't our society be treating the cause and not the symptoms? Shouldn't we concentrate every power at our command to wipe out the drug traffic entirely?

If we succeed in that, then perhaps we can spend some of what we would save for cancer research, for finding cures for birth defects, for programs that benefit all our people.

This year, we asked for a law to require mandatory minimum prison sentences for drug pushers and for anyone convicted of using a gun while committing a crime. It was a Republican program. And a Republican Senator sponsored that law.

But four Democrats in the Assembly Criminal Procedure Committee killed this law on a straight party vote.

In the name of compassion, our opponents would continue to permit courts to grant probation and parole to convicted drug peddlers. Yet those who profit off the drug traffic show no compassion for the thousands of tragic victims of drug abuse, young people who become hooked on heroin.

There is no parole or probation for the teenager suffering the agonies of drug withdrawal. Our opponents would ignore the enormity of these crimes against society.

Here was an opportunity to do something about drug abuse, but a law designed to keep drug pushers off the street and in prison where they belong was blocked by four Democrats. And everyone was appointed to that committee by a candidate who is running for an office that would give him veto power over any effective crime laws we might pass!

These are the issues which we must bring to the attention of the people. They should know which party favors effective law enforcement and they should also know which candidates and which party has blocked realistic attempts to crack down on crime.

We are a minority party. But we were a minority party in 1966 and if we had not attracted the support of millions of fine Democrats and Independents, none of us would be here today. We must not be discouraged or divided by party registration totals, because when it comes to the great challenges of our time, the people are with us. They share our philosophy.

When you take the issues, one by one, you will find the people support the realistic solutions that our philosophy and our party offers them.

It was not our philosophy that introduced the concept of planned inflation in America. Our opponents did that. And the plan calls for more deficits, bigger debts and a higher tax burden.

It was not Republican philosophy to deliberately limit food supplies by controlling production, thus assuring higher food prices. That was the philosophy of the New Deal, the Fair Deal and the Great Society.

For more than a generation, there has been a sort of see-saw system at work in America. Our opponents get elected to office and foul things up so badly that the voters finally turn to Republican leadership to bring common sense back into government. Well, let us change that this year. Let us have a Republican victory and our opponents will not have a chance to undo the reforms we have accomplished.

Look, if you will, at the greatest problems of recent times. The Vietnam war dragged on for almost 10 years, but it took a Republican administration to restore peace without surrender. We have heard calls for a volunteer army. But we did not get a volunteer army until a Republican administration made it possible.

We believe the best way to assure prosperity is to generate more jobs. They believe in more welfare.

We believe government should be more efficient. They believe in more government, period.

We believe our people are paying too much of their income in taxes now and that government should do everything it can to reduce that intolerable burden. Our opponents advocate solutions that will mean higher taxes and more and more big brother control over the lives of our people.

We must expose their false charges, including the myth that ours is the party of the rich, supported and financed only by special interest groups.

The truth is exactly opposite. Even Common Cause, when it counted up the campaign donations for 1972, found that so-called special interest groups donated twice as much to Democratic congressional candidates as Republican candidates received.

Labor and other special interest groups gave \$5.7 million to Democratic candidates, but the Republican candidates received only \$2.6 million.

We have heard a lot about the campaign spending in 1972. We are all well aware of the fact that Republican candidates, from president down to the last local office, spent \$20 million on TV and Radio. It is a little harder to find out that Democrats spent \$34 million. These figures are in the official Federal Communications Commission report. But our opponents are not interested in facts.

A great deal of their campaign funds came not from small donations, but from large contributions totaling thousands and thousands of dollars. Why is it that a rich Republican is always a "fat cat." But a rich Democrat is a philanthropist.

Our opponents speak piously of campaign reform, but the solution they favor most is in keeping with their philosophy of more government. They would set up a new bureaucracy to take the money now being given voluntarily by using the coercion of taxation and the taxpayer would pay with no say as to who received his contribution.

I reject the idea of using the taxpayer's dollar to finance political campaigns. I do not believe the people want to have their taxes increased to pay for political campaigns and that is what public financing would mean.

But there are some constructive steps we must take to restore public confidence in the elective process.

Earlier today, I outlined a sweeping program of campaign reforms which I believe we should adopt in California.

Non-partisan Secretary of State

1. The first of this eight-point program is a Constitutional Amendment making the Secretary of State a non-partisan office, so that it will be freed of any potential for personal or partisan bias.

(When I first proposed this in the State-of-the-State Message, there were those who dismissed it as a political gesture aimed against a certain incumbent. Since then, his rival candidates in his own party have raised the same concerns I expressed last January).

This proposal is simply a frank acknowledgment that the Secretary of State has been given vast new responsibilities in administering and enforcing our election laws.

(In effect, the person holding this office is the referee, the field judge and the score-keeper, all rolled up in one, with the power to call fouls and assess penalties, even against rival candidates. It would not be right in football to have the referee participating himself and calling penalties. And it is not right in politics, either).

Existing state law already recognizes that there are certain functions of government where there is no room for partisan politics. That includes the running of our schools, our county and municipal governments. Our judges---who enforce the laws and arbitrate---are elected on a non-partisan basis. And I believe that the constitutional officer whose duty it is to enforce the election laws also should be elected on a non-partisan basis.

2. Along with this, we seek a law providing for an Advisory Commission on Fair Campaign Practices, with the non-partisan Secretary of State serving as chairman. The commission would have 12 members, including three citizens at large, three retired members of the judiciary, three members who are county clerks or voting registrars and one representative of each of the two major parties.

Prohibit Corporate or Union Campaign Contributions

3. The third reform we propose is directed at campaign contributions, a subject that has been much in the news of late.

I believe the decision to contribute or not to contribute to a political campaign should be one that is made by the individual. So we are proposing that only individual campaign contributions be legally sanctioned or recognized in state and local elections in California.

We propose to prohibit campaign contributions by labor unions, corporations, or public employee groups or any committee, association or organization these groups establish for the purpose of soliciting, receiving or making campaign expenditures to any candidate or for the support or defeat of any ballot measure.

(This would not, of course, preclude individual donations by union members, businessmen or public employees. And it would not affect party campaign groups which receive individual political campaign donations).

When people talk of "campaign slush funds" or "war chests," they are not talking about the \$10 to \$100 or more contributed by individuals. They usually mean the vast amounts raised and contributed by groups representing some special segment of our society.

Every election, labor organizations contribute vast sums of money, literally millions, to elect or defeat political candidates. Business and business groups make similar contributions. In our own state, a major public employee group has announced plans to raise half a million dollars in campaign funds this year.

The most effective way to eliminate the potential for campaign abuses in this area is to limit campaign contributions to individuals, to donations that are freely given without any expectation of special favor or privilege.

This will help assure that our elections are decided by the people, not by special interest groups.

Prohibit Political Activity by Public Employees on Job

4. The fourth point in our campaign reform program is directed at the potential abuse inherent when public funds or resources are used for or against any candidate or cause. This is why we have long had the Hatch Act and similar laws on the state level. Yet every year, we also seem to have complaints that public employees are engaging in improper political activity. So we propose a law to:

--Prohibit any appointive officer or employee of the state, the legislature, any city, county, special or school district from participating in political activities of any kind during working hours.

Under this law, it would also be illegal for any appointive officer or employee to make available for any political purposes any publicly owned resources or equipment. Public employees are and should be free to participate in political affairs that are legally sanctioned---but not on the taxpayer's time or with government equipment or resources.

Ban Campaign Donations by Judges

5. Of all the branches of government, the one which should be above any suggestion of political bias, is the judicial branch. The judges themselves and the legal profession have recognized this in their canons of ethics. They do not believe it is proper for judges to make, receive or distribute campaign donations to partisan candidates.

We do not think it is ethical, either. And, therefore, as a fifth point, we are proposing that it be illegal for any judge to contribute to political campaigns or causes, or to act as an intermediary in making political contributions, directly or indirectly. The sole exception would be to permit judges to contribute or receive contributions on behalf of their own campaigns for election.

Simplified Ballot Propositions

6. The next reform we propose is one that is close to my heart, I have suggested it several times before. Those of you who wonder why a person winds up voting "yes" when he means "no" will understand my concern. We must, in fairness to the voters, simplify the impartial analysis that explains the various ballot measures and propositions. To help achieve this, we propose that the legislative counsel be required to confer with reading experts in drafting these explanations. Our goal is to assure, as much as we possibly can, that the language explaining the propositions is clear, concise and understandable to the average voter. You should not have to be a doctor of jurisprudence to understand the issues at stake.

Lobbyist Control/Registration

7. I am sure most of you have heard a great deal about the subject of lobbyists and their activities in Sacramento. To some, the entire idea of legislative advocates is abhorrent. Yet our Constitution assures every citizen or group of citizens the right to petition government when they feel they have a grievance and to express their views on pending or existing legislation.

Contrary to what some imply, lobbying is not something exclusively practiced by business. In fact, some of the largest legislative advocate programs are maintained by government agencies themselves---by cities, counties and other levels of government. Labor unions and public employee groups employ legislative advocates, along with religious organizations, the League of Women Voters, legal aid societies and almost every other type of organization.

In reforming our election and campaign laws, we must never infringe on the constitutional right of any citizen or group to present its views to government.

But we can tighten the laws to assure that all lobbying activities are open and above board and that the regulations are enforced impartially.

So we are proposing a much stronger law that would:

--Require legislative advocates to register and file detailed monthly expense statements with the Secretary of State (after this position is made non-partisan). At the present time, these financial disclosure reports are filed with the legislature itself---a situation that poses an obvious potential for abuse.

--Finally, we propose that California prohibit lobbyists from directly or indirectly making any political contributions to any candidate for any state or local office, or to support or oppose any ballot measure.

Shorten Campaign Period

8. The last point in our program concerns the problem that is often cited as the greatest cause of campaign abuses---the high cost of political campaigns.

The most effective way to reduce the cost of campaigning for political office is to reduce the length of the campaign itself. And that is what we propose:

--A law that would change the date of California's statewide primary election from the first Tuesday in June to the first Tuesday in September.

--(Contrast with British system, all done in three weeks)

By moving our primary forward, we will provide a general election campaign of about seven weeks. That is long enough to reach every voter, but a short enough time span to effectively reduce the cost of campaigning. Every month or week that the political season drags on increases cost of campaigns.

I realize there will be controversy over some of these proposals. They represent major changes in our state's election and campaign laws. But I believe we must have major changes because that is the only way to restore public confidence in the elective process. Our people must be assured that our election laws are equitable, that they are strict enough to eliminate the campaign abuses about which we have heard so much and that the system gives every citizen a fair opportunity to participate in the political process. We can achieve this by tightening the campaign and election laws, by adopting these campaign reforms.

And I think we should do it---this year.

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(NOTE: Since Governor Reagan speaks from notes, there may be changes in, or additions to, the above quotes. However, the governor will stand by the above quotes).

5/1

OFFICE OF GOVERNOR RONALD REAGAN
Sacramento, California 95814
Clyde Walthall, Press Secretary
916-445-4571 4-30-74

RELEASE: THURSDAY A.Ms.
May 2, 1974

PLEASE GUARD AGAINST PREMATURE
RELEASE

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN
LAW DAY
Mather AFB Officers Club, Sacramento
May 1, 1974

The occasion that brings us together this evening is more than a testimony to our commitment to the rule of law. It is an affirmation of our commitment to our very form of government.

Rooted in the documents that form the basis for our system---the Constitution, the Bill of Rights and the Declaration of Independence---is the principle of government based on the rule of law.

From man's earliest beginnings, people have sought a way to protect and safeguard the rights of the individual against injustice; some formal means of providing a shield against the whims of a king, dictator or any other tyrant that might be inflicted on them.

But success has not been easy to come by. Still the yearning for freedom, for the ideal system that would assure justice for all, has been known and voiced throughout man's history.

And it is no accident that those civilizations which left man his greatest legacy were those which took the first steps toward formalizing a system of law.

Liberty and freedom were familiar themes to the philosophers of Greece. The rule of law found an even wider means of expression in Rome even though it was often disregarded---then as now.

And so it has been throughout history. The seeds planted in the Greek and Roman cultures may have been dormant for centuries at a time, but only dormant. The ideals never completely died.

The great principles discussed by Socrates and Aristotle, the laws that were flouted by the Caesars, appeared again in the Magna Carta. From those roots spread the English Common law, and a concept of freedom that found its most perfect expression in our own Constitution and Bill of Rights. I wonder at times if we have placed enough emphasis on this fact of history. Certainly there is not a deep and widespread understanding of our Constitution and its origin.

In all the turmoil that led to the American revolution, the single standard which shines brightest is a commitment to law. Ours was not a revolution to exchange one set of rulers for another. It was a philosophic revolution---certainly it was not a revolt by an unruly mob.

Law Day

Men of substance, tradesmen, lawyers, farmers---engaged in a thoughtful quest for freedom, for independence, for a system of government in which the law would be the supreme arbitrator and justice the ultimate objective.

It seems strange that it took man 6,000 years to arrive at the simple concept that government exists only to serve the people.

But by the same token it is not strange that a government which made this its guiding principle is now the oldest continuous Republic in the world.

Right now, on the other side of the world, another May Day observance is taking place, celebrating a system in which the state is supreme and the individual only an afterthought, a tool of the system.

We have recently seen an example of the striking contrast between our different systems of government.

(cq)

The famous writer, Alexandr Solzhenitsyn became a virtual prisoner in his own land for the crime of writing a truth that the State in which he lived would have preferred to hide.

And ultimately, he was exiled.

I have had students sometimes ask me if there is really such a great difference between our two systems. They say they have read the Soviet constitution and their laws, and found frequent use of the words freedom and justice.

The right of free speech, which we so often take for granted, is mentioned, too. But there is a difference between our two constitutions. The difference is so subtle we often do overlook it, but it is so great it tells the entire story. Their constitution says governments grant these rights. Ours says we, the people, are born with these rights and no government can take them from us.

The rights guaranteed by our Constitution, by our laws, have a higher origin than the state or the dictates of any group or individual. These basic rights are divinely conferred on us at birth.

And yet today this system is under attack, as are most of our institutions. We hear our system unfavorably compared to that other which has produced a society in which everything that is not compulsory is prohibited.

And some who attack from within claim we are deficient in the very freedoms that permit them to speak, to write, to openly declare their complaints and grievances.

Law Day

At this moment, when all of those institutions which form the fabric of our society are being challenged, it seems there is an ongoing contest to see which is held in least regard, the courts, the executive or legislative branches of government, or in our economic system--- business or labor.

Now there is nothing wrong with a people being constantly vigilant against injustice. Caution about government is part of our origin. Our founding fathers told us never to give any power to our best friend we wouldn't give to our worst enemy.

Yet so much of the criticism is misinformed or worse, deliberately distorted. Rarely do we hear from the most vocal critics the balance, the other side that is always necessary to make intelligent, informed decisions.

When I say ours is the best and most advanced system of political freedom yet devised by man, I certainly do not mean that we are perfect. I hope none of us will ever be so smug as to think that there are no more injustices to correct, no more wrongs to right.

The ability to change was built into our system, but let's be sure it is constructive change. One hundred years after the signing of the Constitution, England's great statesman, Gladstone said of it: "I consider the (U.S.) Constitution to be the most remarkable political advance ever accomplished at one time by the human intellect."

To subvert the law and twist the truth while chanting the words freedom and justice is the greatest of hypocrisies.

The revolutionary rhetoric of a few years past has now escalated beyond verbal debate and has become violent attack. In the name of justice and freedom, self-proclaimed revolutionaries rob and kill and kidnap. They talk of truth, but terror is their weapon.

They march under many different banners, but they all get around to promising prosperity and liberty. The price for these promises is a society in which lawlessness and violence are substituted for the rule of law.

Our two party system makes for partisanship. But we must not allow political differences to paralyze society's ability to protect itself against crime and lawlessness.

I am not speaking now of abstract philosophy. I am speaking of real and urgent threats to society, to our young people, to all citizens.

5/1/74

All of us have been aware for years of the widespread drug addiction in our midst. In the past decade, the drug culture has found root in America in a way that most of us could never have believed possible.

Possibly some of you have known families where a youngster has become hooked on hard narcotics. You are familiar with the tragedy this means, for the victims themselves, for their families and friends and for society.

A whole generation of young people has been exposed to the drug fads and the drug culture. And too many have been lured into accepting the idea that drug addiction is somehow an expression of personal freedom.

Adults who should know better have tried to make smoking marijuana a sort of sociological protest, instead of seeing it for what it is: a path that has led too many youngsters into stronger narcotics and sometimes, to a tragic death or a life of crime.

Our law enforcement officials see the impact of drug abuse another way. They know that drug abuse is responsible for a great part of the crime with which the police must contend every day. And yet when law enforcement seeks to strike at the cause, and eliminate the pushers who profit from drug abuse, they find resistance to stronger laws.

We had an example of this in the legislature this year. After a long study into the weak links in the whole system of criminal justice, we found that the law was not dealing adequately with the threat of drug abuse.

Too many pushers were getting off with light sentences or probation. And so we asked for a law that would make a minimum prison sentence mandatory for both drug pushers and those convicted of a crime in which a deadly weapon was used.

At a time when drug abuse threatens hundreds of thousands of youngsters every year, when crime stemming from drug addiction is costing the lives and property of innocent victims, we do not believe it is unreasonable to request stronger laws. Unfortunately, the law we sought was blocked in the legislature. It was blocked because the prevailing majority in one committee is philosophically committed to a more liberal view of drug abuse, to the strange concept that the way to fight crime is not with stronger law enforcement, but by redefining what constitutes a crime. There are two ways to reduce crime statistics---reduce crime or make the crimes legal. The right choice should be pretty apparent.

How can we expect to wipe out the drug traffic if those who make our laws are unwilling to act forcefully to put drug pushers in prison where

The tragic answer is: we can never expect success in the fight against drug abuse until our society shows that it has the will and the determination to act.

Right now we are all disturbed by another type of crime: the kidnapping or shooting of innocent people, in the name of social protest or for no reason at all. After several years of hearing some among our intellectuals proclaiming the right of individuals to decide which laws they would obey---we should not be surprised.

No amount of rhetoric can change a crime into a social or political cause. Kidnapping is a violent crime and those who engage in this kind of terrorism, whatever their alleged motives are not romantic revolutionaries; they are common, sordid, vicious criminals and should be treated accordingly.

Murder is murder, whether it is committed as an individual act or as a protest against society. And we should treat these random shootings as crimes of violence. We should exert every power at our command to bring the guilty to justice swiftly.

There is no inconsistency in being a strong supporter of due process of law and an equally strong advocate of speedy justice. In fact, speedy trial is one of the guarantees in the Constitution.

From the standpoint of protecting society, any undue delay that leaves a guilty criminal free to commit still other crimes is too long.

That is why our system of justice must make efficiency in the courts a reality. The legal profession has a great responsibility in these efforts. The people look to the legal profession for the leadership to reform the courts.

But we must all accept the broader responsibility for re-establishing the public's confidence in other areas---in government, in our economic system---in the law itself.

After Watergate, we heard some calls for law schools to include a course on ethics as part of the training for every would-be lawyer.

I have no quarrel with that. But I would like to observe that some of the things which led to this call involve allegations of wrongdoing that are really not exclusively matters of legal ethics. They are simply a matter of right and wrong. And isn't graduate school a little late to be introducing a student to ethics and morality?

Precepts of right and wrong must begin early, starting with the family itself.

Law Day

The teaching of respect for the law cannot be left to education alone. It is a responsibility we all must assume, in our daily lives, in every school, in our churches, throughout our social structure.

The law is only as effective as we ourselves make it. But the law should not outlaw common sense. In eliminating God from the classroom, have we also canceled the age old virtues---respect for the law but even more important the need to preserve it---not because of a fear of punishment, but because it is morally right?

With freedom goes responsibility, a responsibility that can only be met by the individual himself. This is an eternal truth as valid today as it was in 1791 when Edmund Burke said: "Men are qualified for civil liberty in the exact proportion to their disposition to put moral chains upon their own appetites...."

We could add 10 thousand laws to our codes. And yet they could never be effectively enforced unless a majority of our people are willing to accept the code of conduct set forth by the 10 commandments.

The ultimate goal, the ideal of the law, is to assure justice for all.

If this ideal is to be a reality, all of us must accept our share of the responsibility.

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5/4

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RELEASE: P.Ms. SATURDAY
MAY 4, 1974

PLEASE GUARD AGAINST PREMATURE
RELEASE

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN
Vietnam Military Memorial Ceremony
Angeles National Forest
May 4, 1974

A little more than a year ago, the first American prisoners of war came home from Vietnam. They received a hero's welcome, which they properly deserved.

It was the kind of homecoming that I am sure most of us would have liked to give to every American who served honorably in Southeast Asia.

Unfortunately, because of the length and the nature of the war, it was not possible to have a suitable ceremony for every returning Vietnam veteran. Yet we are grateful to each and every one.

Our reason for being here today is to dedicate a memorial to the 6,000 Californians who gave their lives in the defense of freedom in Southeast Asia.

On such an occasion, there simply are no words that can possibly convey our innermost feelings.

There are those who say that Vietnam was a war without heroes, because the conflict became a controversy that divided our people for so long. I do not accept that. They were all heroes, especially those we are honoring here today.

During another war, in another time, Abraham Lincoln spoke at a similar ceremony. He said, the fallen heroes at Gettysburg gave the "last full measure of devotion" for the cause of freedom. And a century later, another group of gallant Americans did the same in Southeast Asia.

Many words have been spoken about Vietnam. Even more has been written. There are those who question America's participation in the Vietnam war. Yet no one can ever question the motivations nor the bravery of those we are honoring today.

They gave all that they had in freedom's cause, as hundreds of other Americans have during the great struggles in our nation's history. And no group of Americans were ever more deserving of honor than the fallen heroes of Vietnam.

We must never forget their courage and their sacrifice. We must never permit anyone to denigrate their gallantry or their unselfish devotion to freedom.

Vietnam Military Memorial

We are here today to dedicate a part of this great forest as a place of reverence. Each tree is a living memorial to those who gave their lives in Vietnam.

I think it is especially significant that this program was sponsored not by any official group, but by the Los Angeles Chapter of the Association of the United States Army. It is a project undertaken by men and women who have served their country and who now seek to honor the memory of their fallen comrades.

No one knows more intimately the terrible human cost of freedom than those who shared in the struggle to preserve it.

It has been said that a nation that forgets its defenders will itself be forgotten. This grove of living things is dedicated to the memory of those who are gone. But let us resolve that they shall never be forgotten.

The time we spend on this early is always limited. Brave men live and brave men die.

But the courage they displayed will never die. Their memory will live forever in the hearts of their comrades and countrymen.

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5/8

PLEASE GUARD AGAINST PREMATURE
RELEASE

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN
State Women's and Men's Club Luncheon
Sacramento
May 8, 1974

This is the last time we will meet together under these circumstances. Both Nancy and I are going to miss what has been one of the things we have looked forward to each year.

I know you have heard me say it many times before but I will say it once again on this---our last such meeting---California has the finest group of employees to be found anywhere, at any level of government.

And I think the proof of that is the fact that so often the federal government and other states try to lure some of you away from us. I know every governor in the future will learn to appreciate your hard work and your dedication, as I did from my earliest days in Sacramento.

I realize there have been times when we have not always viewed things the same way. Like anything else in this life, there have been good times and difficult times. There have been times when we disagreed on priorities in allocating state resources.

I want you to know how much I appreciate the understanding and the support that so many of you have given to us---even during the difficult times.

A government (any government) has the same problems that you or any other citizen has when you make up your own budget priorities. There are always more things you would like to do that you cannot afford to do.

We have tried---to the best of our ability---to upgrade the salary and benefit levels of our state employees, to give you the pay and benefits you deserve. And yet there were times in these years of economic dislocation when we had to ask your tolerance and patience. When we could, we tried to implement measures to improve things for you.

Since 1967 salary increases total almost 50 percent.

We sponsored and put into effect the most significant increase of retirement benefits in 20 years. This was achieved by adopting the so-called "1/50th at age 60" retirement formula which I am sure is familiar to you. In effect, this action amounted to about a 20 percent increase in retirement benefits.

In the same year, and for the first time in history, we adopted some permanent fringe benefits that never before had been available to state employees, including time and one half for overtime, night differential pay and unemployment insurance coverage.

State Men's/Women's Club

I know we have been in a period of severe inflation. The cost of living has been going up for you, just as it has for every other group of citizens.

Over the years, partly because of inflation, we know that the salary levels of many job classifications got out of line and fell behind. More than two years ago we commissioned a study to find a way to bring your salaries into better balance with that paid for similar work outside of state government.

As a result of this effort, we embarked on a program to correct salary inequities within state service.

Along with cost-of-living adjustments, we made some specific adjustments across the board in those civil service job categories where the inequity was greatest.

It was a two-stage program. But as you know, just about the time we were putting it into effect, the national government adopted wage and price controls. And we ran into a crunch with the Cost of Living Council.

Last year, we proposed---as part of this inequity and cost-of-living adjustment---a salary package that would average a total of 12½ percent. But the Cost of Living Council ruled that we could not give this full amount at that time. We did everything we could to get them to change their minds. This was not just a gesture with us. We meant business. We sent our Finance director, Verne Orr, back to Washington to personally argue with the Cost of Living Council to give us the authority to grant you the full salary adjustments we had proposed. When they refused, we did not just spend the money on other things. We put it into a special fund, and held it in the budget so we could eventually pass it along to you.

Recently, there was some legal action to free these funds and a ruling. But the most significant thing that happened is the Cost of Living Council went out of business April 30, except for some cleaning up.

The national government decided it would let the council's authority expire on schedule.

I am happy to say with that action, we were free to act on these salary increases. You will be getting the full amounts authorized by the Personnel Board in your paychecks at the end of this month. In fact, you are earning them right now. They will be included in your May and June paychecks.

As you also know, the federal government had indicated there may be some further legal action to hold up the retroactive part of this pay increase.

State Men's/Women's Club

So far, we have received no official notification of this, so we are going right ahead with our plans to distribute this retroactive pay, for all those who had part of their salary increases held back. If we have our way, the lump-sum checks will start going out to you early in June.

We believe you should have had this salary increase in the first place. That is why we put it in the budget last July. We think you should have it now. And we are going to do our darnedest to see that you get it.

It is, of course, in addition to the salary and benefit package we proposed for the coming year which totals almost 6 percent.

Even while we are meeting here today, the state Personnel Board is holding hearings to recommend the specific percentage amounts that should be given in salaries.

In undertaking a study of the state's total compensation system, we have been trying to acknowledge the vital role of fringe benefits. Fringe benefits have become more and more important in arriving at a balanced total compensation package, not just in state government, but throughout our economy. From the employer's standpoint, fringe benefits amount to about 25 percent of the total payroll costs.

They are no longer a minor item in calculating total compensation, either to the employer or to the employee. Because of taxes and inflation we recognize that in some cases, fringe benefits have an even greater value because they increase net take-home pay and are non-taxable.

That is why we developed a total compensation package, to improve your employee benefits in the coming fiscal year and to keep them equitable on an ongoing basis. Total compensation is more than just a one time package of benefits. It is a technique for measuring state employee benefits against those offered elsewhere in public and private employment, and for making appropriate adjustments.

Most of you are familiar with the recommendations in the total compensation package, so I will not go over the entire list with you today.

However, there are a couple of items that you have indicated are very important to you.

One of these involves health insurance. We have increased the state's contribution to health insurance since we have been in Sacramento. But the package now under consideration calls for the state, for the first time, to provide a full 80 percent of the cost of the individual employee's monthly health insurance premium, along with a very substantial increase in the state's share of the cost for family coverage.

This will mean a greater net increase in take home pay than if you received the same amount in a taxable salary increase.

Part of the package also recognizes that inflation has had an impact on employees who retired before the 1/50th retirement formula was adopted.

So we have proposed that this formula be adopted for those who retired before it was put into effect.

The approach we have taken in the total compensation study acknowledges the fact that we live in a period of inflation. You, of course, know that no one can make commitments that will be binding on future administrations.

We can, however, establish basic guidelines that will enable the state to develop a well coordinated and balanced program of fringe benefits in the future.

The state has an obligation to its employees, to carry forward a continuous program of evaluation and when justified, to make salary adjustments both on the basis of the cost of living and to correct inequities that may develop in the pay levels for specific jobs.

This has been our goal in programs we have already adopted. It is what we are trying to do this year and in the longer range compensation guidelines that we establish for the future.

Elected officials also have an obligation to the people of California, to manage the state's affairs as economically as possible, so that we can meet all legitimate costs without increasing taxes.

You are state employees. You are also taxpayers. Part of the reason you need and should have inequity and cost of living pay adjustments is because of the impact of higher taxes.

We have been trying to strike the maximum balance, so that as state employees you will receive the salary and benefits you deserve and at the same time, as taxpayers, you will not have those salaries eaten away by higher taxes and deductions out of your paychecks.

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(NOTE: Since Governor Reagan speaks from notes, there may be changes in, or additions to, the above quotes. However, the governor will stand by the above quotes).