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OFFICE OF THE GOVERN, A Sacramento, California Contact: Paul Beck 445-4571 3.29.68 FOR RELEASE 5:00 P.M. SUNDAY, MARCH 31, 1968

PLEASE GUARD AGAINST PREMATURE RELEASE

TRANSCRIPT OF GOVERNOR REAGAN'S REPORT TO THE PEOPLE OF 3/31/68

(Taxes)

My fellow Californians:

By April 15 most of you will have dipped into your savings or gone to the bank for a loan in order to pay your share of California's state income tax.

And most of you are going to be puzzled -- and angry.

I have come to you today to tell you that I share your anger that we had to raise taxes.

To tell you why we had to raise them.

And to assure you again that this administration is dedicated to the proposition that government will operate efficiently and that taxes will not be raised again.

In a few weeks I understand billboards will begin to appear criticizing me for saying "taxes should hurt."

Those billboards will not carry the rest of the statement which said, "taxes should hurt so that the people will be aware of what government is costing them and will make it clear to their legislators how big a tax burden they are willing to bear."

If indeed, you are angry, if, indeed, taxes have hurt you this year, then it is time for us to begin demanding responsible, efficient government at all levels.

I also want that. And I hope to help you get that message across.

Let me show you what has happened in California in the last 10 years.

Population has risen 39 percent.

But, the costs of welfare have jumped 247 percent. Higher education costs have increased 138 percent. State support of schools is up 98 percent. Other costs are up 88 percent. / Altogether, of running your government has increased more than three times faster than population. With your help we can reverse that trend,

Now, of course, we will have taxes as long as we have government-and if we did not have a government to guarantee freedom, to preserve order, to educate our children and help those who cannot help themselves, we would have something much worse than taxes.

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But taxes, to be just, must be spread as evenly and fairly as possible among all the people. It is equally important to ensure that for each tax dollar, we all get a full dollar's worth of services.

Even more important, in view of today's exorbitant taxes, neither the Legislature nor the administration should attempt to adopt new and expensive programs that will require even higher taxes. On the contrary, we should sharply reduce the cost and extent of government, wherever possible.

Let me talk for just a few moments about why your state income taxes this year are so high.

When I took office, we found that spending for the year ending last June would exceed revenues by \$446 million.

We didn't have enough time, but even so, we reduced spending by \$125 million. Later, I bluepenciled \$43 million that the Legislature put back in the budget, and finally, I vetoed nearly \$80 million more in special appropriation bills passed by the Legislature. Despite all these economies the General Fund, which handles most of the spending of the state except highway costs, was still \$194 million in debt.

We should all realize that 66 to 68 percent of our total spending is fixed by the Constitution or by permanent statutes. This means that most of the money the state spends to support public schools, provide welfare (and our welfare programs are among the highest in the nation), and build highways--all of these and more cannot be reduced, nor be allocated for other purposes unless we change our Constitution and many of our laws.

Because of these problems we were forced to seek new revenues. And we concluded that good government practices required that we try to balance <u>our</u> budget without tax gimmicks.

So we asked for a tax increase of about \$900 million to pay off our inherited debt, to meet the built-in and self-perpetuating cost increases of our social welfare and education programs, to provide property tax relief, and to cope with the spiralling costs of the federal inflation.

The Legislature gave us that tax increase--and it has produced enough revenue to keep the state in the black, to take care of the legitimate needs of the people, and to give \$155 million for local property tax relief next year, plus \$39 million more to local governments to enable them to reduce inventory taxes, and \$22 million more

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for tax relief for low income senior citizens.

Now, despite our fiscal problems and the fact that we cannot, by law, permit expenditures to exceed income, there are those who insist that we spend more. In fact, if every bill approved by Assembly and Senate committees last year had become law, your taxes would have had to go up another three-quarters of a billion dollars.

Fortunately, most of those bills failed when brought before the entire Legislature. But it is important to note that there is an increasing effort by some in government to get a bigger hand on your pocketbook.

Meanwhile, another major problem has developed. We put into our budget this year and next the amounts the Legislature told us would be needed to pay for the new school bill. Unfortunately, they were wrong in their estimates by about \$152 million. To correct this, we have asked the Legislature to reiterate its earlier intent and put a ceiling on the state's share of public school spending in the amount of \$1,226,000,000--the amount the Legislature intended to be spent. If they do not correct this mistake, then we have no other logical choice under the law but to take the money from other state services such as higher education, Medi-Cal, or funds for welfare.

Some have said we should abandon our goal of local property tax relief, and instead permanently use the \$155 million to make up for this error. But I do not think the answer to mistakes of this kind is to always take money from the people. I think we should correct the mistakes.

We pledged local property tax relief and I intend to keep that pledge.

Let me be crystal clear--I am not going to ask the Legislature for more taxes--we have an ample state income and we will live within it, while I am governor. In fact, I hope we can do better than that--I hope we can not only reduce local taxes, but that we can look forward to the day when state taxes themselves will be lower.

That would be the greatest tax reform of all--it is a reform we will ceaselessly work for.

Meanwhile, there are many things we have done and can do to lower the cost of state government, improve its administration and make it more responsive. We have already made 265 changes in the operations of our executive branch agencies with potential annual savings of nearly \$50 million. But, there are two long-range goals we must reach if we are ever to achieve any significant tax reduction in California:

First, the federal government must be persuaded to share its revenues with the states. Right now, the federal government is doling out \$17 billion a year to the fifty states for programs it thinks we ought to have. Let me cite one program.

Many demand matching funds from the state or locality, thus sending your tax bill even higher. Currently 60 percent of the total taxes you pay go to support the federal government and its programs. Only about 20 percent goes to support all our state functions and programs.

What I seek is an agreement that the federal government return to California a small part of the income tax our citizens pay to Washington, and I want it to come back free and unfettered--so that we can spend it on the programs Californians think best--or even, possibly, and I know this is revolutionary, use it to reduce state taxes.

The only way we will achieve this is to persuade enough Congressmen and Senators that it should be done. I intend to ask our Congressmen, and other governors, to join with me to plan the continuous strategy needed to get these federal tax moneys shared with the states.

<u>Second</u>, we must have more flexibility in making up our own budgets. Until your governor and legislators can determine to a far greater extent than is now possible what our tax moneys should be spent for each year, we are almost inevitably doomed to even higher budgets.

I believe that each year we should be able to determine what are the highest priorities for the revenues we have, and to spend our money accordingly.

Some preliminary studies of this problem have been completed, and I will request the Legislature to study my recommendations with the hope that suitable constitutional and statutory amendments can be proposed next year to enable your elected officials to assign proper spending priorities each year.

Otherwise, our present system virtually guarantees that the Legislature will have to vote higher taxes every few years.

There are some immediate reforms which we hope can be adopted shortly, such as a far more simplified state income tax return. How simple it would be if a carbon copy of the federal tax return could

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be filed as the st e income tax return. The late tax would then be figured as a percentage of the federal tax and many of the problems we have encountered this year with tax credits instead of exemptions would be solved. The voters in 1966 narrowly rejected a constitutional amendment authorizing this. I hope if offered again such a constitutional amendment will pass. Under this change we could collect state income taxes at a substantially lower cost.

Another tax reform that would reduce costs and assure far greater service to the taxpayers would be the creation of a Department of Revenue. While it is not a new proposal, I am convinced it is essential. It is impossible to justify the current dispersion of our tax collecting and administering activities among three major state agencies, with the attendant duplication, double harassment of the taxpayers by double and sometimes triple audits, unnecessary personnel and many other factors. A modern, streamlined Department of Revenue organized as are other departments is clearly the answer. Such a department has been recommended by every group that has looked into the problem. The proposal needs no further study, but should be enacted promptly.

There has been a great deal of discussion about withholding. Most of the arguments in favor of withholding are based on the convenience to the government.

No question, of course, there's a certain convenience to the individual in any installment paying. But obviously the greatest convenience is to the state to have your tax payments early and to have the employer act as tax collector. In addition, under withholding, the state actually takes more of your money than it does under the present system.

But I believe we should consider the taxpayer first. I would much prefer to return to the system in effect before 1964. Under it taxpayers were allowed to pay their state income taxes for the prior year in quarterly installments.

This privilege was taken away as another sleight-of-hand means of trying to balance the budget without taxes. It cannot be restored now because the state would simply not have enough cash on which to operate. I hope that when we get our heads above water, we can go back to installment payments. But in the meantime perhaps there is a way to make the payment easier.

I have directed the Superintendent of Banks and the Savings and Loan Commissioner to attempt to work out a voluntary system by which

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the taxpayer could, if he wanted to, have an amount deducted from his paycheck, as many do now with other payroll deduction plans, and pay into a savings account of his own, similar to a Christmas savings club, as a means of accumulating in advance the amount necessary to pay the state income tax.

First the money remains in his possession. In the event some emergency arises he can use it and at the same time he is getting interest on his money to help pay his taxes.

If this can be done for the income tax, then I would strongly recommend that similar arrangements be worked out for the real property taxpayer.

But ultimately, broader approaches must be applied to this whole field of <u>tax reform</u>. We now have a piecemeal tax system which breeds inequities, duplication and, basically, an unbalanced result, with some taxpayers and some transactions bearing far too great a share of the total tax burden, and others escaping without bearing their fair share.

One requirement is careful study of whether real property should continue to be the principal tax supporting local government. Ideally, taxes should be based upon benefits received as well as upon ability to pay. Heavy taxation of real property frequently violates both of these objectives. Even worse, too high real property taxes can and do discourage the attraction of new capital to California. And without new capital and new enterprise many of our proudest programs and activities will have to end, because we will not have the broad tax base and the jobs here to support them. There has not been a basic study in California of public finance on a proper scale for more than 40 years.

We know, for example, that the property tax provides more than 40 percent of the cost of education in California and yet, there is no clearly established relationship between the owner of property and education as a function.

The property tax also supports about 50 percent of all our public health services. Yet, again, there is no direct relationship between the property tax, and these services.

Now, we have made our preliminary proposals. We are prepared to share these with every level of government in California. Tonight I call on the Legislature and our city and county governments to join with me in this program so that we can have ready for the opening

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of the next legislative session an omnibus tax reform bill for the people of California. I would hope such a reform measure will move us away from the over-reliance we have been putting on the property tax.

I also hope that the Legislature will consider and make reccommendations concerning our whole budgetary process. Far too often, the supposed needs of government are considered first, and taxes are then raised to support these needs. I believethis process should be reversed. I believe we should make up our budgets with a knowledge of what revenues the existing tax system will produce, and that we should then bring the cost of government into line with the existing tax base. This is the way you run your own affairs. You spend according to what you earn. By the same token, then, government should not spend above the amount the tax base will support. For that reason I believe government should not be allowed to <u>increase</u> your taxes except by a two-thirds vote of the Legislature.

Such a two-thirds vote would be additional insurance that the people's money is spent wisely and carefully. I recommend it strongly.

In the Executive Branch, we are pushing ahead with the establishment of the program budget. Such a budget involves the presentation of actual cost of the programs that the state government is engaged in, and it will give the Legislature and the Executive Branch a far better idea not only of the cost of each individual program but, more important, whether we should continue to spend the amount of spending money we are/on a particular program. The present budget only tells us how much each department costs each year, and whether one department is getting more typewriters or employees than it had last year. It does not tell us how effective its work is compared to its cost, nor does it tell us what we are spending on activities that cross departmental lines.

We have been told that such a budget cannot be operating until 1971. It is my hope that we can put it at least partly into effect next year.

We hold the same hope that the Legislature will act in those areas I mentioned previously.

I have already sent letters to the leadership of both parties asking them to meet with me to discuss not only these measures, but also to help iron out the problem of overpayment to the school districts.

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This is a legislative problem and only the Legislature can solve it. I will strongly urge it not to attempt to solve it by taking away from the taxpayers the 155 million dollars we have promised them. I would not, and I am sure they would not want to be in the position of having to explain away such a breach of faith.

I am sure that members of both parties can and will sit down and work together to solve the problems of California in a way that is of the most benefit to all our citizens.

Tonight I have been discussing with you the taxes which bear down upon us as the citizens of California. But taxes are just a symptom of society and one of the measures of government is its cost, its efficiency, its quality. The simple facts are...we are overtaxed, over-spent and over-budgeted.

As I said a few minutes ago, by April 15th there will be a lot of angry taxpayers in California. And this is as it should be. Because, an angry taxpayer is the strongest weapon we have, you and I, in the fight for good government. I intend to carry on that fight.

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OFFICE OF THE GOVERN Sacramento, California Contact: Paul Beck 445-4571 7.12.68 RELEASE: 5:( P.M., SUNDAY, JULY 14 PLEASE GUARD AGAINST PREMATURE RELEASE

TRANSCRIPT OF GOVERNOR REAGAN'S REPORT TO THE PEOPLE OF 7-14-68 (Equal Opportunity)

This is Ronald Reagan.

For the next half hour I want to talk to you and show you how your state government is working with the independent sector and with the minority communities to solve the unique problems within those communities.

This administration has a commitment to <u>all</u> Californians to work toward the goal of assuring every Californian the opportunities and the rights guaranteed him by our system of government.

I have a great faith in all the citizens of California and in their ability and desire to live together in harmony. I have faith, too, that our system can provide justice and equal opportunity for all. But for some, especially our Negro citizens and Americans of Mexican descent, the road to opportunity and prosperity has been difficult.

Many of our minority citizens have legitimate grievances. It is imperative--and it is morally right that we attend to these grievances; that we correct whatever injustices may exist; that we remove unnatural barriers; and that we guarantee equal rights to all of our citizens regardless of color or creed. And this administration--working with people of the minority communities--with business, with labor, and with other levels of government--this administration will do all that it can to see that every citizen has the opportunity to become whatever his manhood and his vision can combine to make him.

We cannot guarantee every citizen success, but we must guarantee every citizen an equal place at the starting line and his right to try to succesd.

We have discovered that it takes more than a memorandum from the head of the company to insure that hiring policies will reflect his sincere desire to provide increased employment opportunities for minority members. He has to see that shop stewards and foremen, that every level of his company is aware of his concern in this matter.

We have learned this is true of state government as well. We have also learned that we must be on guard for that occasional instance of outright discrimination.

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A man, one of Lose working to help find joos in a minority area, took a young Negro boy to one of our state offices to fill out an application. Outside, after they had filled out the papers, the instructor asked the boy if he had put down certain things that would be helpful. The boy admitted he had forgotten. They went back. Only ten minutes had elapsed, but they couldn't find the application. On a hunch, the man walked over to the wastebasket and there it was.

I am sure this isn't widespread, but we cannot afford even one such violation of a citizen's rights. A lot of effort has been put forth by well-meaning people who would have us be our brother's keeper. It is time we became our brother's brother. He needs a hand up---not a handout.

Failure to solve the problems of human misery is not due to lack of effort. Billions have been expended in a multiplicity of programs, but somehow there has been misdirection, and a great deal of social and as the promises tinkering. Hopes have been raised by glowing promises/failed of fulfillment, frustration resulted.

Other well intended legislation has hurt, not helped. Urban renewal promised new and better housing for the poor. But it destroyed homes and failed to provide new ones they could afford.

There was a vast difference all too often between the amount budgeted for poverty programs and the amount that actually benefited those who needed it.

More than half of many programs goes for administration and overhead; others teach outmoded skills or are mere leaf-raking projects.

Welfare should be salvaging people instead of perpetuating poverty and institutionalizing it into a kind of permanent degredation. The third and fourth generations of some families are now on welfare. They know no other life. It's a story of too much promised....too little delivered...a story of ineptitude and bungling and in some cases, deliberate deception.

It is the goal of this administration to see to it that the promise of America can be a reality for all our citizens. It is our belief that the proper function of government is to lead, not delude, to produce, not to promise.

We can and we intend to provide adequate education, including special education for our Spanish-speaking children, and job training and jobs for our youth and our untrained adults. Lack of these things has meant second class economic citizenship for many.

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In Bob's work , bund the state--and throug. our own meetings at the neighborhood level--it has become increasingly apparent as I said before that the main problem has to do with jobs. We have set up a greatly revamped and streamlined system in key minority and unemployment areas which brings under one roof the many diversified and specialized services which the state offers those in need of assistance. We call these our neighborhood <u>service centers</u>.

In charge of this program--and working very closely with Bob Keyes--is Robert Collins. We caught Bob on his way into our Venice, California service center the other day and asked him why the service centers are set up as they are. (filmed interview)

These community centers also provide an important local contact for the people with a direct representative of my office. We feel that this is one of the most important steps any state or federal agency has taken toward bridging the expectation and communications gaps. One of the requests we heard most often in our meetings was for more communications with the governor's office, and a greater awareness of their problems.

That is why I have appointed--from the local community--personal representatives in each of our six community service centers. Hopefully, this will also help break down the barriers that exist in any bureaucracy.

With me here in my office are two of the most recent such appointees. Working out of Sacramento is Sal Espana, and working directly out of my office in Los Angeles is Rudy Castro. Operating out of our San Diego service center is Ted Patrick. In East Los Angeles, we have Ralph Morales. In Richmond, Bill Thompson serves as my personal representative with the people of the community. In Venice, working out of that service center, we have John Alston whom we see here assisting a young man to find a better job. Working out of the San Francisco center is Charlie Booker whom we see outside of the Hunter's Point cooperative market which we will talk about a little later. And in South Central Los Angeles serving the Watts area is Ray Parr whom you met earlier. (filmed interview)

Again, I want to emphasize that these are my personal representatives. They are working in the community and they serve as a direct line of communications from the people to the governor's office.

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There are four ajor forces whose interest and involvement in the problems of the minority communities are essential. There is you and your family. There is the private sector---business and labor. There is government--local, state and federal. And there is the minority community itself, a community comprised of individuals who must want to help the other three forces that seek to help them prepare for, obtain and hold jobs.

You have a right to ask what this administration is doing to help provide jobs for qualified minority members and insure against job prejudice. To begin with, we have appointed more members of minorities to executive and policy making positions than any other administration in the history of California. And while this has been mentioned once or twice recently, this is the first public announcement that has been made about this.

A <u>career opportunities development</u> program has been formed to develop new employment opportunities for the disadvantaged. We feel this is an important and long needed step by the state as a major But to me, employer--to help the disadvantaged to better help themselves. /one of the most exciting things going on in California is a program headed by Mr. H. C. "Chad" McClellan in which more than 20,000 industrialists in 16 urban areas have banded together in a job training and placement program to put hard core unemployed in private enterprise jobs.

Chad McClellan started this program immediately after the Watts disturbance in 1965. In the next year and a half, 17,800 unemployed were put to work. The day after the election I asked him if he would take on the job statewide, and he did. In San Diego, the program has just placed its 1000th man in a job. In the Los Angeles-Long Beach area where the program has been operating longest, the unemployment ratio between whites and non-whites is now  $1\frac{1}{2}$  to 1. Nationwide, it is  $2\frac{1}{2}$  to 1. And to prove that the walls of the ghetto are indeed economic, nearly 30 percent of those placed in jobs from the Watts area have moved, many of them nearer to their new jobs.

We are pushing for greater participation by industry and labor in apprenticeship programs. And we are urging students in high school to remain in school, to learn, and thus to qualify for these apprenticeship programs which pay well and, in turn, lead to even better jobs.

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I don't deny t place of necessary legis tion, but it does not do much good to pass bills with a big fanfare that they will open doors of opportunity if the person they are supposed to help can't afford the ticket to go through that door.

Let us direct our effort toward making it possible for him to earn the price of admission to a share in California's prosperity.

But while recognizing that there are problems and legitimate grievances to all of our citizens, let me say this. Just as it is the function of government to lead in solving problems, so it is the responsibility of government to keep order and maintain the law. Abraham Lincoln said, "There is no grievance that is a fit object of redress by mob law." Mobs do not generate progress; they retard it. Mobs do not establish rights; they trample them. No mob will ever build a better California, or a better world. And those who would lead a mob are double-crossing the very people they pretent they are trying to help.

Society can have law and order without freedom. But no society-and no man--can have real freedom without law and order. Every law abiding citizen--regardless of color--has the right to expect that his government will insure the safety of his person, his home and his family. And every homeowner, every businessman, every resident of every community has the right to expect his government to protect his property against the criminal, the arsonist, the rioter and the looter. No man should be above the law, and no man should be beneath it.

And I know that at least 98 percent of our minority citizens feel the same way...have the same desire to feel safe and protected on the street and in their homes. They are responsible and law abiding. Here, for example, are typical answers given to my representative in Watts, Ray Parr, when in front of our service center there he asked, "Is violence the way to solve the problems?" (filmed interview)

We have not done all that can be done or all that must be done, but we are going to keep faith with these men and women.

But we are not going to grandstand with the kind of grandiloquent promises that have misled them in the past; promises that cannot possibly be kept.

There are a few gaps to be closed---an expectation gap for one, a chasm between what is and what should be. There is a communications gap between the majority and minority communities. We are trying to close both of these gaps, not with promises, but with action and programs. -3Over the last 1 ) months now, I have been unavelling up and down California meeting with neighborhood leaders in our minority communities. You didn't read about this because the press was not notified. Publicity was not the purpose of these meetings.

I used the term leaders a moment ago, but I do not necessarily mean the names that you have heard about or read about. I mean those men and women who are dealing first hand with the problems of their neighborhoods and attempting to solve them.

I went mainly to listen and I heard suggestions, complaints, hopes and frustrations. I did not hear any requests for more welfare, but I did hear about the need for jobs---self respect-building jobs in our productive economy. I did not hear anything about bussing school children, but I did hear requests for better education and discipline in the schools their children are now attending. I have learned how our educational system has failed them; how in too many instances, we are passing their children from grade to grade simply because they have reached the end of the term, until eventually handed a certificate-or a diploma--which is meaningless, because no knowledge goes with it. They are unable even to read and comprehend the directions at the beginning of a job training program.

In these meetings I have heard how our economic system has too often failed to extend its bounties, as it should, to all who are willing to make an honest effort. I listened as one man told me: "We would pull ourselves up by our own boot straps, but we have no boots." I have heard and seen and experienced their disillusionment with programs promising an instant tomorrow, but designed too often with political opportunism and expediency in mind.

Yes, we have learned from these meetings--both sides have learned--and the meetings will continue. And we will continue to learn. And based on this expanded communication, we will continue programs that this administration has undertaken to help the people of our minority communities help themselves. The problems won't be solved overnight. The road is long and hard, but between us, we can find the answers.

Playing an active and highly important role in our overall human relations program is Secretary for Human Affairs Robert Keyes. Bob was out in the field, working with the minority community as we were preparing this report, so here, in one of our community service centers, is Bob who will briefly describe his activities and area of responsibility. (filmed interview)

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In addition to greatly expanding their own job programs for minorities, such major employers as Kaiser Industries, Montgomery Ward, Pacific Telephone, Transamerica Title, Wells Fargo, Bank of America, Bank of California, /Shell Development, Lockheed and others are also using \$117 thousand of their own money, plus personnel and equipment -- in a most unique -- and practical program. Conceived originally by the students and principal at McClyman's High School in Oakland, this is a program which enables young people to gain first hand knowledge of the type of work involved in a variety of career fields in which they may be interested, and then customize their educational program to courses which provide the specific knowledge and know-how for a given specialty or career. This program also enables them to see just where and how they will use the knowledge they gain from their courses in the line of work in which they are Pooling their money and technical assistance with some interested. \$30 thousand in elementary, secondary education act and neighborhood youth group funds, these companies--working with the University of California, the Oakland and Alameda schools, the West Oakland community, and many others--are making a major contribution in helping to reshape the education and future employment picture for young people in the minority community.

An economically failing food Coop in the Hunter's Point area has had new economic breath pumped into it by a competitor--Safeway Stores-whose president, Bob McGowan, brought in top Safeway personnel as well as financial assistance, so that local citizens could be hired and trained to operate the store on a sound businesslike basis.

Lockheed, in Sunnyvale, has not only expanded its employment opportunities--as have other major California employers--but has set up special training programs where minority members and others can learn new skills to qualify them for better paying jobs.

These are just a few examples of progress, by the private sector, working with community organizations, school boards, neighborhood groups, local and state government, and with the people of the minority communities.

Meanwhile, we in Sacramento are attempting to correct inequitable laws and back up--with legislation--programs and policies which we find must be developed.

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In the last se. ion of the state legislatu \_\_ over 200 bills were signed into law dealing with minorities and others in low income levels.

The individual, working as an individual, as part of a family, and as an active member of a church, school, neighborhood or local government action program, is also helping to build a better community and to make community relations programs succeed.

Project Focus in Fresno is one example of an attempt at total involvement of representative groups of the entire community in an effort to identify community needs, their scope, degree of severity, persons affected, and then to develop specific, programs to resolve these problems. This is part of a great community effort, using the combined talents of all levels of government and the active participation of the local community.

In our community service centers and elsewhere throughout California, state employees and volunteers work with minority and low income families to help them stretch their food dollar and thus help them to get the best value for their money.

Community leaders from all walks of life, including men like former light-heavy weight boxing champion Archie Moore and his assistant Loy Lake, are giving time and talents to teach minority community youngsters to develop their physical skills and to use them properly in addition to learning rules of good sportsmanship, and how to be good citizens.

Through local community chapters of girls clubs and boys clubs and in parks and recreation programs, youngsters also learn athletic skills and the value of good sportsmanship, under the supervision of staff and volunteer local residents from the community.

Ownership of property and the acceptance of responsibility are closely linked. In this self help housing program in Yolo County, each family spends an average of 1,000 hours building its own home under supervision of a construction foreman hired by self help housing. Financed from the Farmer's Home Administration, the loans are at five percent for 33 years. This money--combined with do-it-yourself construction--makes it possible for these families to own decent homes.

Under our "Operation Sandlot" program, temporary surplus state land is leased to a local community for \$1 a year providing that the community, through service clubs, local action groups, community organizations, will use it for recreational purposes during the time it is available.

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We only had to menti the idea to the service ( )bs throughout the state and they were off and running. The extent of development, of course, depends on how long the land will be available before being put to its ultimate use, but in all cases where land is turned over to Operation Sandlot, it will be available to the community for at least two years.

In other areas, such as here in San Diego, local city government, working with and through the community, provides important recreational facilities for all the children of the community. In addition to learning to swim, these youngsters learn to get along and to grow up together, not as Negroes, Mexican Americans and Whites, but as Californians, as Americans, who can learn to live and work together while they play together.

During this half hour, I have attempted to put into a little clearer perspective what we--and that means all of us--are doing, can do and must continue to do in this important area of community relations. What it perhaps boils down to is that we are coming to a realization that those who look only to government for the answers have failed for some years to recognize the great potential force for good among those who instead have placed their faith in the doctrine of the individual.

The American dream that we have nursed for so long in this country and neglected so much lately is not that every man must be on the same level with every other man, but that every man has the right to live, to be himself and to become whatever thing his manhood and his vision can combine to make him...that he will be free to be whatever God intended he should be.

The restoration and the perpetuation of that dream is the greatest challenge confronting every one of us today.

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RELEASE :

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OFFICE OF THE GOVERNOR Sacramento, California Contact: Paul Beck 445-4571 12-7-68

> TRANSCRIPT OF GOVERNOR RONALD REAGAN'S REPORT TO THE PEOPLE 12-8-68 (Higher Education)

The following stations will carry a Report to the People on the subject of higher education by Governor Ronald Reagan on Sunday evening,

December 8:

	KERO	8:30 - 9:00 p.m.
Bakersfield Chico-Redding	KRCR	7:00 - 7:30 p.m.
		7:00 - 7:30 p.m.
Fresno	KFRE	7:00 - 7:30 p.m.
Eureka	KIEM	
Los Angeles Palm Springs Sacramento Salinas-San Luis Obispo	KHJ	7:00 - 7:30 p.m.
	KPLM	6:30 - 7:00 p.m.
	KCRA	6:30 - 7:00 p.m.
		6:30 - 7:00 p.m.
	KSBW	6:30 - 7:00 p.m.
	KSBY	
Santa Barbara	KEYT	6:30 - 7:00 p.m.
San Jose	KNTV	6:30 - 7:00 p.m.
	KFMB	7:30 - 9:00 p.m.
San Diego	KTVU	6:30 - 7:00 p.m.
San Francisco		11:30 - 12 Midnight
	KPIX	TT: JO - TZ MITOUTAN

Here are the Governor's remarks:

Devotion to learning, teaching, scholarship and recognition of learning's importance to the full manner of life---this should be the preoccupation of our schools and colleges.

Good evening. Tonight I want to discuss a subject with you which I know is of great interest and concern to all of us...the state of our University and college campuses.

This report is for all Californians:

The great silent majority of students on our campuses...you ladies and gentlemen who support these institutions and pay the salaries of those who administer and teach in them...the dedicated educators who share our common concern over the disruption of classes and the shattering of the atmosphere of tranquility and intellectual pursuit...and those of you who--for whatever reasons motivate you are intent on taking over or destroying one of the great University and state college systems in the world, often hiding behind academic freedom, this report is for all of you.

The people of California founded and generously support what has become the finest system of public higher education in the land.

Within this system there are now nine University campuses, nineteen state college campuses and eighty-one community colleges, plus many fine independent colleges and universities which are also supported, for the most part, by the people of California.

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The system has worked well.

Graduates of our colleges and universities have made great contributions to the world and to our society. Alumni include nobel prize winners, captains of industry and labor, world and national leaders...ar.d----closer to home---hundreds of thousands of thoughtful, hardworking men and women who quietly and effectively contribute so much to society by the way they do their jobs...raise their families... participate in community affairs...and set a good example for their children and others to follow.

Yes, on these campuses, generations of Californians have pursued knowledge within the widest range of disciplines. They have sampled widely of man's knowledge of man, of the history of his ideas and of what he knows of the world around him.

This is the role of higher education in California. At least this has been the case up until recently.

Within the past five or six years something new has been added--a violent, strident something that has disturbed all of us...a something whose admitted purpose is to destroy---or to capture and use society's institutions for its own purpose...I say whose admitted purpose because the leadership minces no words. It is boastful, arrogant and threatening.

Consider these words from a campus teacher:

"I think we agree that the revolution is necessary and that you don't conduct a revolution by attacking the strongest enemy first. You take care of your business at home first, then you move abroad. Thus we must make the University the home of the revolution."

From the capture of a police car and negotiations conducted in an atmosphere of intimidation, threats and fear, we went from free speech to filthy speech.

The movement spread to other campuses. There has been general incitement against properly constituted law enforcement authorities, and the general trampling of the will, the rights and freedom of movement of the majority, by the organized, militant and highly vocal minority.

Though the causes were cloaked in the dignity of academic and other freedoms, they are in fact a lusting for power. Some protestors even marched under banners that ranged from the black flag of anarchy... the red flag of revolution...to the flags of enemies engaged in killing young Americans---the North Vietnamese and the Viet Cong.

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What is so trag is that it all begins wit this kind of exhortation and ends up with the physical takeover of buildings and property belonging to the Universities and state colleges and therefore to the people of California.

The tactics change and they will continue to change. But from SDS, PLP, BSU, YSL and other radical organizations, we find a common design:

1--Find a few core people on a campus;

2--Train them in the tactics of insurrection;

3--Have them find the issues of potential strain on their particular campus--whether it's the food in the cafeteria, campus rules regarding the use of facilities, or visitation rights in dormitories;

4--Seek out support in strategic places in the community; 5--Push constantly for just a little more than is allowed; 6--Harass the local administrators verbally, as well; 7--Wait for the mistake you produce;

8--Paint the administrators as rigid and authoritarian;

9--Be prepared to win either way--you either win the building or you point to police brutality if you are removed from it;

10--Be willing to nibble, because each success makes easier the next one.

This is the strategy of takeover.

One of the great tragedies in all of this is that an entire generation--and a great educational system--are being indicted---and I believe most unfairly.

I know, and I feel it imperative that all of you watching tonight know, that the chaos on our campuses is not caused nor approved by the great majority of our young men and women. In fact, 87 percent of the students on our college and University campuses have recently been found to reject the coercive tactics of the organized and highly vocal minority.

If these young people are guilty of anything, it is that they are silent...as are the great majority of dedicated educators who--like the majority of students--are being deprived of their rights and--if you will--their academic freedom--by the destroyers.

Perhaps this silent non involvement is natural in an academic atmosphere where the true student and the true educator are simply not used to violence, force and confrontation politics.

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I want to make it crystal clear that I--and the majority of your fellow Californians--even those of us over thirty--have a great respect for you and the problems you are going through.

We also know that yours is a time of life when you must seek knowledge and truth and express yourself on your opinions.

It is tragic, then, that too often you--as individuals and as a generation--are put into the same bag with those who are actually depriving you not only of your reputation and your just place in the sun, but of your rights, privileges and freedom as well.

Just as it is tragic that a great University and college system is, likewise, painted with the same brush.

There are a number of issues and opinions which at first may appear to divide us.

Yet in our differences of opinion, lies our strength and unity of purpose if we are sincere about preserving the Universities and colleges and protecting true academic freedom.

Let us remember that the real purpose of higher education is to transfer the intellectual treasure of mankind.

There are many things to be learned in our colleges and Universities and there are other things which can best be learned in other places...in hospitals, in the slums, in the artist's studio, in factories or business offices, in church...and in the home.

There are some very important truths that come only with experience in life...and I submit that it is not the purposes of our higher education system to duplicate these forms of learning.

Which brings us directly to the subject of academic freedom, the true meaning of which we must fully understand. For as we have seen, many who wrap themselves in the mantle of defenders of academic freedom are, in reality, those who would destroy it.

Academic freedom is that commodity which is so precious to the pursuit of knowledge.

In the first part of its formal statement on academic freedom, regulation number 5, the University of California sums it up so very well:

"Essentially the freedom of a university is the freedom of a University of competent persons in the classroom. In order to protect this freedom, the university assumes the right to prevent exploitation of its prestige by unqualified persons, or by those who would use it as a platform for propaganda."

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It therefore ta's great care in the appointment of its teachers: it must take corresponding care with respect to others who wish to speak in its name.

The University respects personal belief as the private concern of the individual. It equally respects the constitutional rights of the citizen. It insists only that its teachers shall likewise always respect--and not exploit--their University connections.

True academic freedom has served free men well; it has served best and been held in highest esteem, when those who claimed it for their own have kept constantly in mind that they are, in fact, scholars.

Where, then, is our heritage of good taste when a faculty senate demands the continuation of plays so vile and so obscene as to be absolutely without any redeeming social importance? Where is the quest for education in classes that are disbanded because the professor is out leading a demonstration? Where are our high academic standards when a faculty senate approves the use of foul-mouthed felons as lecturers even for credit?

Where is our leadership--and for that matter, the overall rights and freedom of the majority of students and faculty on a campus closed down because of the militant demands of a violent minority protesting the firing of a faculty member who urged his students to bring guns to school.

Academic freedom is one of the important freedoms to go in the new order envisioned by the New Left. There was no academic freedom in Hitler's Germany.

There is no academic freedom in Mao's China or Castro's Cuba. And there is no academic freedom in the philosophies or the actions of the George Murrays, the Eldridge Cleavers or the Jerry Rubins.

It is therefore most imperative that we--the great and thoughtful majority of citizens--of all races--keep our perspective. We must recognize the manipulations being carried out to frustrate our common interest in living together with dignity in one American society.

And we must also recognize that those who exercise violence must be held accountable for their actions and held equally accountable regardless of their color.

The State College Trustees and Acting President Paul Blomgren were appropriately color blind--and correct--when they took decisive action, regardless of who was involved against militants at San Fernando State College last month, as were the Trustees and Chancellor

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Dumke in their recent decision regarding the termination of Mr. George Murray's relationship as a graduate student and instructor at San Francisco State College.

But here again, we must ask curselves, where is the true freedom-the freedom of all of us, black and white. Those on the faculty and in the student body must work not only to preserve, but to improve their fine institutions...but within the lines of authority and responsibility of that institution. Never can we capitulate...surrender...to the vocal, abusive minority of militants, thus completely closing down an entire campus--depriving the majority of students the education they seek and are entitled to--and depriving the vast majority of responsible faculty of their rights to exercise true academic freedom.

Yet we continue to hear demands that the universities and colleges should be run by the students--the academic senate--a coalition of the two.

The people of this state--through due process of the law--have established a Board of Regents to govern the University of California. This is a body of 24 members.

A Board of Trustees was established to govern the California State Colleges. This board consists of 21 members. A majority of the members of each board are appointed by governors...I say governors because the terms of Regents are 16 years and of Trustees, eight years...simply to insure that no governor will be able to exercise too much influence over either board.

For example, my own appointments to the Regents have been two and to the Trustees, three. The balance of the boards were appointed by Governors Warren, Knight and Brown.

Our entire system of government is based on the premise that the people are the ultimate authority...that government has only such power as is delegated to it by the people. This great university and college system belongs to the people. The Regents and Trustees are the agents of the people.

As a matter of good administration, the Regents and Trustees have authorized the administrators of each campus...and through them the faculty and students...to make decisions with regard to academic matters---curriculum, appointments, etc. But the <u>responsibility</u> for those decisions must be borne by the Regents and Trustees who are accountable to the people.

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Authority can by delegated...and should be. Responsibility cannot.

We must trust the people as the source of all power.

And if there is any question as to how the people feel on this, let the Regents and the Trustees and any other college administrator-come to Sacramento and read my mail.

I am but one member of the Board of Regents of the University of California and the Board of Trustees of the State College system. I will do everything in my power as a Regent and a Trustee to communicate your thoughts and wishes to the others for they, as I, am responsible to you...the people of California.

As your governor, I also have another responsibility---that of upholding the law, maintaining order and insuring the safety and freedom of the people of this state.

And for the record, let me state here and now that I intend to uphold this responsibility...be it on a campus of the University of California, a state college, a private university or a neighborhood street.

Anarchy will not prevail.

I would also like to say this to all of you...and especially to our young people.

There is an artificial separation between you as students and the youth of this state and what is referred to as the public interest.

Let me stress that this is an <u>artificial</u> separation. It really does not exist.

The majority of Californians want justice...so do you. You want relevance in education as you want relevance and meaning in every other phase of your life. So do the majority of Californians. You support true academic freedom and oppose anarchy and tyranny...so does the majority of your fellow citizens---of all ages.

You want your campuses free of strife, threats and violence... so do the majority of Californians.

Your interest is the public interest.

I wonder if you don't agree, in order to protect true academic freedom and assure the continuation of our heritage, that disorders which disturb or disrupt the work and educational activities of any university or college campus can no longer be tolerated.

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other persons in aut...rity on any campus, upon 1 arning of any incident which causes or threatens to cause the disruption or disturbance of any activity on the campus, shall immediately notify the campus police and any other law enforcement agencies necessary to restore and maintain order--a normal classroom atmosphere--promptly and to insist that all campus officials cooperate fully with any law enforcement authorities in carrying out this order.

Nationwide, experience has shown that prompt dealing with disturbances leads to peace. That hesitation, vacillation and appeasement leads to greater disorder.

Isn't it logical, in view of past experience, to ask that no campus official negotiate or hold conferences with any individual or group while such individual or group is disturbing or disrupting campus activities, violating any rule or regulation of the campus or its governing board, or committing any criminal offense.

And likewise, to insist that there shall be no consideration of the demands or requests of any such individual or group while their disruptive or disorderly conduct continues.

And, finally, isn't it time to demand that when individuals have been arrested as a result of their participation in the disturbances and disorders, the chief campus officer--or such other person designated by him--shall sign a criminal complaint against such persons and shall cooperate in the prosecution of those individuals and shall immediately suspend them from the University.

Aren't such steps not only reasonable and proper, but absolutely necessary if we are to preserve our system of higher education in California and truly carry out our responsibilities for our young people.. who, after all, <u>are</u> our great hope for the future.

These institutions of higher learning represent man's value for preserving and communicating the knowledge he has acquired through the ages...and for pushing ever forward the frontiers of knowledge through continuous inquiry and research...research which has upgraded hard stoop labor jobs and improved working conditions while providing more and better food...research which is helping to preserve the lives of our highly mobile citizens on our highways, beginning with our children...research on smog for a healthier atmosphere for all Californians...research in our colleges and Universities, in the field of medicine for the overall betterment of our society and all of our citizens. These are just a few examples of the great progress that is being made through University and college research projects. That is why we are doing everything we can to preserve these institutions, why higher education gets a greater share of the state budget than any other single group, why this year's budget for higher education in California represents a 21.2% increase over last year's expanded budget. We are spending more for higher education per student than any other previous administration. And that's why your help is needed to see that these campuses are preserved for today's young people...for their children and their children's children.

From these campuses have come many great Americans. And from these campuses will come tomorrow's leaders. Future Presidents of the United States, future Nobel Prize winners, scientists, writers, Senators, and even a Governor or two are now attending classes on these campuses.

From which group will we--and really, from which group will you young people now going to college--elect your future leaders?

Will it be from the few, but militant, anarchists...and others now trying to control and run our campuses...or will we elect our future leaders from the majority of fine young men and women dedicated to justice, order and the full development of the true individual.

At this moment in history we have a great responsibility. The people of the nation and the world--equally concerned with true democracy, academic freedom, relevant education and the freedom and individuality of man--look to us for leadership. But what is perhaps even more important is that our young people look to us. Are we responding? Or do we leave them alone and easy pickings for the violent few? For one tick of history's clock we gave the world a shining, golden hope. Now the door is closing on that hope, on the great challenges to our generation and to tomorrow's generation. Can we hold open the door to that shining golden tomorrow?

Can we afford not to! Let it never be asked in the years to come, where were you when we called for leadership. What were you doing that was more important than the survival of our great educational system...and the fate of this society.

Thank you, and good night.

(The above text may vary slightly from the actual televised report, however, Governor Reagan will stand by the above.)

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