# Ronald Reagan Presidential Library Digital Library Collections

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

Collection: Reagan, Ronald: Gubernatorial Papers, 1966-74: Press Unit Folder Title: Press Conference Transcripts – 08/13/1968, 09/10/1968, 09/17/1968 Box: P02

To see more digitized collections visit: https://reaganlibrary.gov/archives/digital-library To see all Ronald Reagan Presidential Library inventories visit:

https://reaganlibrary.gov/document-collection

Contact a reference archivist at: <u>reagan.library@nara.gov</u>

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

### PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD AUGUST 13, 1968

Reported by

Beverly Toms, CSR

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

#### -----

GOVERNOR REAGAN: Well, good morning. You all have your Florida tans.

(Whereupon Governor Reagan read Release ii' 512)

GOVERNOR REAGAN: And that's the end of any state-

## ment.

Q Governor, what do you -- what would you consider assurances that they could solve these problems?

A I think that in advance of putting them on a <u>special call</u>, I think the leadership of the <u>legislature</u> on both sides, we can sit down together and discover that we do have an approach with which we could all be in reasonable agreement, solving them and then they could be put on special call, but to simply put them on special call as an unresolved issue with no -- no assurance that anyone is going to come in with any more reasonable attempt than we have had in the last seven months, I think would serve no useful purpose and would simply again victimize the people of the State.

Q

Q

By leadership --

Are you talking just about the Democrats? GOVERNOR REAGAN: Here, and there.

Q All right. Are you going to ask the leadership to come to Sacramento and sit down with you and talk about these problems?

A I think that we will be setting up some meetings on this, depending on whether they know my position on this,

-1-

they evince such a desire to do such a thing.

Q Will you ask both parties to come, both Republicans and Democrats?

A Oh, ofscourse.

Q That was my question.

Q Aren't you in effect asking the legislators to use your phrase, put their feet in cement before they come here in order to get the special call?

A Oh, I don't think you have to dot every I, but I think you've got to find out that there is a reasonable agreement and approach in the method and then certain details of course would have to be ironed out in the legislature.' I'm not trying to dictate to them at all. But again there was just such an impossibility in the seven months, that we have been coming into the same area for negotiation, that I don't see any reason to assume that a few weeks off to bring them together again, still in the same political season and atmosphere would achieve anything.

Q Governor, do you have a suggestion for property tax relief?

A The same suggestion that I've always had. Right now with this particular temporary situation of the -- of the excess funds, the sales tax

Q It failed the Senate, though.

A I have always recognized that there is -- that this is a kind of piecemeal approach because we are discussing the over-all problem for the next session of total tax reform.

Q Governor, do you have any indication that the Senate would go with this sort of thing? They turned it down three times in the session that just ended.

A Well, when I say the legislature, I'm talking about both houses.

Q Governor, the Republican legislators on your delegation, some of them after the convention the other night, after the convention had made a choice, indicated they felt that your candidacy throughout these last few months was at least a major factor in the lack of legislative progress, and that now that that's all over they can get down to solving some of the state problems.

Would you agree with that assessment?

There has never I don't agree with it at all. A been a time, -- first of all there was no candidacy in an active sense on my part that in any way interfered or removed from my mind the first priority of California and its prob-I had one priority. It's been a most difficult time lems. and the one priority was to not lose by way of a delegation at a convention the unity that we have put together in our party here, and we were successful in that priority. We did maintain that unity, and I at all times told that delegation and those legislators certainly understood, and perhaps here and there there might have been someone that was looking for an excuse to cover up or justify his own unwillingness to meet some of the problems head on. Perhaps they were concerned with their own coming candidacies. Governor, is the presidential bug finally out of ରୁ

your system?

I tell you, I'm going to give an award. A You are going to get it, for always being able to ask the question with a statement. There never was a presidential bug in my system. I told you, I found myself in a difficult situation of a great many sincere and well-meaning people in this country -- I never knew how many, and I was amazed at Miami when they surfaced on me, who honestly believed that I should be and worked toward that end. They were free to do so. I myself never violated my decision and they knew that decision throughout the entire past several months when they were here that they would have no help from me, that I would continue on my way doing what I could for the If this constituted exposure, there was no way to party. prevent that. That was the name of the game, as far as raising funds for the party was concerned, but they were doing this without my help and they went along with that. That was true right down to the convention, and as I said there was one priority above all, we were not going to allow campaign maneuvering by way of our own delegation to split

-3-

up and thus lead to a possible split in the Republican party.

Had I had the presidential bug, I was in the position to have chosen as a Favorite Son, a delegation that represented a more -- one single viewpoint rather than a delegation that actually represented every viewpoint including all of the candidates who were avowed candidates.

Q Governor, you said before you went to the convention you thought it would be an open convention. Having been there, do you think it was an open convention in that it could have gone in a different direction?

A I tell you behind the scenes that was a pretty exciting time, and it was only along about Wednesday afternoon itself that doors were shut, particularly in the south by way of the unit rule. There was a lot of stirring going on and it was an open convention for a couple of days and I think the whole thing contributed a little to the excitement.

Q It could have -- the convention then could have selected a different person than Richard Nixon?

A Well, this would have to be determined on what would have happened following the first ballot, but right up until Wednesday there was no assurance, no guarantee of a first ballot for anyone, and the decisive -- the decisive factor was the unity of the south in their decision to stick to their unit rule which is a rather unusual in Republican circles, we just haven't had that in a Republican party.

Q I hope this isn't a statement rather than a question, but what about the Gubernatorial bug, you think the two long more years are going to be about enough?

A Well, that's a decision to be made in the future and depending on the progress we are making with what I've tried to do. Let me say that I have no intention voluntarily of -- of putting down an unfinished job.

Q Governor, I'd like to return to this <u>legislature</u> a little bit. Do you have any solutions for BART or urban school aid or any of these other things likely to go on the special call?

-4-

Well, again these are all issues that I would A rather, before I commented, have some meetings with our own legislative leadership, find out their thinking. I think there are ways. I have always thought that if they had gone forward with the county sales tax idea, giving the counties a half a cent of sales tax, that there was a logical BART solution there that would represent a little help to all the people and no increase in taxes for anyone or tolls or anything else. In other words, if we had been able to give the \$155 million back by way of the half a cent of sales tax going to the counties and then had given permission to the BART counties to use a portion of this half a cent, not just for property tax relief, but for the financing of BART, while their people in those counties wouldn't have received as much property tax relief as some other counties, they would have received some and at the same time they would not be faced with any increase in tolls or increase in taxes for the financing of BART and it seems to me a kind of simple and happy solution.

Q Didn't you find that --

Q Governor, is that meeting between you and Richard Nixon in southern California still scheduled for this week?

Q Still on BART.

A Yes, Friday afternoon.

Q Well, Jack --

Q Still on BART, didn't you find that the least popular, you didn't find anything -- anyone to introduce that bill, did you?

A No, I simply -- and I never called for that, Q Your feet --

A Because I felt that was -- it was not for me to dictate to them. I simply -- now you asked me what some of own my/thinking was, and I said here was a pretty simple and reasonable solution, when they were apparently and completely unable upstairs to get together between the difference of charging tolls or an in lieu tax.

Q But that was one there wasn't even one member that favored that in the entire Bay area delegation, as I recall. -5-

A As I say, I at all times took the position and still take it that it was not in my place to come up with a program that I demanded as the solution.

Q So your feet are not in concrete? A No.

Q Now that the two houses have deadlocked on <u>BART</u>, the Senate passing one bill and the Assembly another, would you think it is now your position to try to present your plan as a possible compromise?

A I'm -- I've just thrown it out here for grabs. Somebody can --

Q Governor, I'd like to get back to the convention and the presidency for a couple of questions.

Q Can we finish off with BART, please?

A You know that is not a bad idea.

(Laughter.)

Q Would you accept either of those plans, which is to say the in lieu tax or the increased toll if the legislature should see fit to pass either of those?

A Well, let me wait till we see what they do, if they try that. I've made no secret of the fact that I think increasing tolls is -- is one of the poorest solutions that's been offered.

Q Well, Governor, that was the one thing the leadership, as you use the term, earlier had agreed upon, presumably in the closing hours of the legislature, was an increase in tolls.

A Well, somehow nothing ever happened, did it? Q Governor, did you mean to indicate generally that the legislature -- legislative leaders have to agree among themselves on broad solutions to particular problems before you'll put it on special call or do you mean to indicate that the legislative leaders have to agree generally with your idea of --

A Oh, no, no, I think that there's got to be some agreement all around that a reasonable solution is going to come down instead of just simply going back up there with the same impasse, the same frozen positions and continuing what's gone on for the past seven months. Then there'd be no point in putting it on special call and using up the taxpayers money.

A

Q

Q You don't mean to indicate they have to agree generally with your position?

No, I didn't say that.

Wait, wait one second, back there.

This unfinished convention business.

A Oh, all right.

Q At your meeting with the Mississippi delegation last Wednesday, did you make a promise there that if nominated you would select Governor Rhomes of Ohio as your running mate?

This was at a caucus late in the evening. А Word was brought to me and it was evidently some misunderstanding there as to who wanted to see who. I thought I was going at their invitation. This was the first time really, outside of to a few individuals, that I'd ever expressed what, if such a thing had happened, or who would have been my choice. And again on the floor this whole subject of the vice presidency seemed to spring alive Wednesday evening prior to the balloting and again there seemed to be an effort that every once in a while was causing me great concern to indicate that I was available for that position. And I thought this must be the time now, the balloting is at hand, it is Wednesday night, and they are ready to vote, there is no reason for me now not to say who my preference is and to make it plain once again that there was no way in the world that they could have had me for that spot. And so I told them and frankly in my mind Jim Rhodes was about as good a man as anybody could have picked and frankly I had no second choice beyond him.

Q Governor, my other question, Norm, was, corollary to one that's already been asked, but when your eager friends and associates approach you around mid 1971 with an urging to begin a drive for the nomination, what are you going to tell them?

A I just finished ducking a question on 1970 for Governorship of California, so don't ask me to go beyond that. As a matter of fact, I haven't made a decision on next week

-7-

yet, what I'm going to do.

(Laughter)

Q What about later this week?

A Well, I'll be right here this week.

Q You haven't counted it out?

A No, look, if you are talking about 1971, we are goint to win a Republican victory this year and I would assume that the Republican President would be the most logical choice for our party to be renominated for a second term.

Q Are we done? Are we done with the convention now? Can we get back to the session? Governor, has your office turned down the two bills the Assembly passed in your absence, where they brought down to your office yet for signing?

A There were two bills that were not accepted in our office yet, if they were brought down. Because they were two bills that the Assembly was not legally in session and those bills do not have the Senate signatures that are necessary before they reach the Governor's desk.

Q Well, they wouldn't have been brought down then, would they?

A Yes. There is still on the Assembly side who challenge as to whether they were legal or illegal in their meeting.

Q Governor --

A Now, wait a minute, you had your hand up.

Q I wanted to know, did you indicate you were going to meet Friday afternoon with Mr. <u>Nixon</u>?

A Yes, Friday afternoon.

Q And what are you going to tell him?

A I have a hunch that I'll go there to listen. I imagine this is to discuss and to hear something of <u>campaign</u> strategy.

Q In San Diego?

A Yes.

Q And is it your understanding that you've already

-8-

gotten an indication that one of your jobs in this campaign will be to speak in the south, Texas and places like that?

A No, I've Thad no indication of what would be asked at all. I have indicated my own opinion that I would think the greatest contribution I could make would be right nere in our own state of California as a main effort.

Q Governor, back to those two bills, you -- did you actually see them and were they signed by the Senate office? A No, I dih't see them. They never got as far back

in as the back office.

Q Governor, with all your lavish praise of acting Governor Burns' brave decision in adjourning the legislature, isn't this making it more difficult for you to reach some kind of a meeting of the mind with the Speaker as to any item that goes on special call and resolving these conflicts and issues?

A No, I don't think so. I'm perfectly willing to sit down with any reasonable discussion of these particular problems that remain unsolved and I think they should be solved. But again I have to say what I pointed out in my answer to him when suddenly he wanted a meeting in Miami last week, this was a meeting that could have taken place several months ago here in Sacramento.

Q Is there any such meeting in prospect now? A I told him in the wire I'd be very happy to meet him here.

Q Are you concerned that your decision in announcing publicly 48 hours prior to your nomination may lead to charges of a credibility gap by your opponents here in California?

A Ray, since they have been trying to establish or charge a credibility gap from about the first day that I ever took office, I'm sure that they won't miss any opportunity. Actually it was not a decision of mine. This particular -- I just say this, and I made no -- as you know, no pretense about it, when the delegation made that decision back there, it certainly did relieve my mind because once there and on the scene it was getting increasingly difficult at that point, you know, to say I am not now, I will be in

-9-

15 minutes, and so this did make the task easier and perhaps that's why it was suggested, but when this idea was presented to me, I took the same position. I told Senator Knowland that I couldn't retreat from my position, that I would not prior to being placed in nomination, that I would not in any way change my position, and he made it plain that he was talking about the California delegation making this decision themselves. And I certainly gave them permission to do that, told them at the time that I -- I did have a question in my mind as to what the decision might be, but that our policy had been and it had been so stated to the delegation that any decision on any move they chose to make would be by way of a delegation vote. And I said if you are going to do that, though, I just won't be present at that meeting, and so I absented myself and a half hour later he told me that their decision had been unanimous.

Q Governor, in the weeks preceding the <u>convention</u>, you said repeatedly here and elsewhere that the entire <u>Favorite Son</u> strategy and the importance of unity was to make sure California's delegation had a maximum influence in the selection of the Presidential candidate. As it turned out what influence did California's <u>delegation have</u> in selecting a presidential candidate?

A Well, on first ballot it was as close as that one. It was late in being decided. I'm sure that this was true of any Favorite Son candidacy. California then I think did make an effort toward unity in the motion that was made that night with regard to making a nomination unanimous. There are some things you can't foresee but we -- we kept our pledge with regard to keeping our delegation as informed as any delegation could be. We were keeping account. We knew that it was extremely close and we were pretty sure when the balloting started that because of the final decision making it clear that the unit rule is going to be held that it would be a first ballot decision. But again I believe that you could have disrupted our delegation if prior to that balloting with the decision that close we had attempted

-10-

to get that delegation as divided as it was with regard to the two major candidates, if we had tried to get them -convince them that they should vote -- change their vote in advance on the basis that somebody was going to be a winner, I think that the delegation would have split.

Q Governor, have you signed or would you sign Senator Alquist's bill on the Oregon style open primary?

A Well, here again this is one that I haven't had time to study this bill, and I -- the way it finally arrived, and to discuss and I think with party leadership I would like to, all that it means. I made no secret of the fact in advance, as you know, that the general idea I do not think is one that in any way makes the process more democratic than it already is in California, but before I made a decision as to signature of the bill, I want to have some further study.

Q Do you have 30 days on that one now? A Yes.

Q Governor, I believe your administration supported -at least the Department of Finance, the Burton Act. You may not like the term, but that's the one turning the Port of Sacramento over to grassroots operation. When do you plan to sign that one?

A That bill is -- there is no question about it, from the first day I took office I have been in favor of and had our people working toward the idea of returning the <u>Port</u> of <u>San Francisco</u> to local control and ownership just as all our other ports are in the State. I didn't think the state should be in that. This bill does not automatically turn the port over and I think the people of California should be clear on this, that the bill simply authorizes us to now negotiate so that the people are protected in this turnover. We want to turn over, but we are going to make sure that the people of California who are the owners are protected in their vested rights there and that there is no giveaway of all of the people to just one group.

Q Governor, how long will you be in San -- will you meet him at Mission Bay or will you meet him at his private -11home in Point Loma, Mr. Nixon?

Q

A I don't know the exact place yet. All I know is that the schedule has been set and I suppose --

How long will you be in San Diego?

A Oh, just a short time because as a matter of fact I'm due back that evening in Los Angeles speaking at a party fund raiser.

Q Governor, what contribution do you feel you will make to the Nixon campaign? What part will you play?

A Well, as I said, I would think that the -- the greatest contribution that could be made would be right here in our own state. It is a major state, very difficult for anyone to carry an election without this state, and this is -this is normal, traditional, that the party leader in one state, that's where his greatest responsibility is.

Q Governor, when you did make your final candidacy announcement, you made an agonizing choice to some members of your delegation, which you point out was broad based, did your announcement have anything to do with sending Lieutenant Governor Finch back to Los Angeles that morning?

A Oh, heavens no. No, as a matter of fact, both Bob and I had met long before anyone had ever told me that they were going to present this -- such a resolution to our delegation. Our whole concern and it's been a concern for some -- for some weeks about the <u>convention</u> and the fact that for the first time the two of us would be absent and of course there is fresh in our minds an incident of three years ago involving the Governor being absent from the state, and we made a decision a long time ago that any time we would -- if we erred, we'd err on the side of caution and not the other way around. We wouldn't gamble with the people's welfare.

Q Governor, what is your reading of the situation now in Watts?

A Well, we have had maintained the same liaison, the State and the local authorities, that we have always maintained in any prospect of trouble here in the State over this last year and a half. It's been a good system. We -12have had liaison. So far there is no indication that there is any problem that cannot be met by local government and local authorities there.

Q Governor, what is your thinking on the bill that would raise the retirement benefits of legislative employees?

A Well, this is another one I haven't had a chance to look at, but I intend to get into it before the day's over. Q Jess Unruh asked you to veto it. Does that have any influence on you?

(Laughter)

A Well, I'll consider his viewpoint as well as all those others.

Q Governor, if you do put several items on <u>special</u> <u>call</u> and they bog down into the same old differences, would you consider you invoking that same constitutional provision that Governor Burns did, send them home?

A Well, before a Governor can invoke that, you have to have at least one house of the legislature voting to go home. The Governor just doesn't dismiss them. It has to be a case of one house wants to -- to adjourn and the other one doesn't and then the Governor can make his decision, drawing the balance.

Q On the Alquist bill again, do you expect to consult with Lieutenant Governor Finch on that again, who is in favor of the bill? Does that --

A I'm going to roundtable this and get everyone's views in our official family.

VOICE: Thank you, Governor.

-13-

## PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD SEPTEMBER 10, 1968

Reported by Beverly Toms, CSR

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

-----

GOVERNOR REAGAN: Well, this is one of the shortest press conferences on record.

SQUIRE: You got some opening statement there, Governor?

GOVERNOR REAGAN: No opening statement, no. Q Governor, what's the status of the -- whether further items will be put on call and when -- when do you expect to have a decision?

A Well, I'm waiting to hear from the other party now. We met yesterday after our joint meeting -- we met with our own joint caucus of the Senate and the Assembly and I think it is safe to say that the Republicans are on this particular item of <u>property tax relief</u> -- are united and ready to go and I'm waiting now to hear from the -- from the other side.

Q Governor Reagan, has the decision been made about BART legislation?

A No, as a matter of fact, I'm resisting any efforts to talk about any of the other items until we get one settled. This was the idea. I don't -- each one should stand on its own and once we get the property tax issue out of the way, then we can discuss the second one.

Q I understand you did discuss it this morning with Assemblyman Foran.

A He came in to see me briefly, tell me as much as he could because he certainly has been closer to this,

-1-

I guess, than almost anyone. I listened to him.

Q Governor, when you say we are waiting to hearr from the other side, do you mean the Democratic side, and if so, I understand the Democrats in the Assembly are ready to go, but it is the Senate. Now, are you waiting to hear from the Senate or waiting -- what do you mean by "the other side?"

A I have heard -- I've been told that the -- in the Assembly that the Democrats have announced their ability to go along with this property tax relief program, but again as we left this meeting yesterday afternoon, this joint leadership meeting, what I asked for was a -- to come back and tell me an agreement had been reached on what could be passed, and they are ready to take action on it, and I'd put it on the call, and no such word has been brought to me, so evidently there are still some elements that haven't been heard from.

Q Governor, are you limiting -- limiting acceptance of property tax relief to a specific type of property tax relief program? In other words, the specific bill that you caused to be introduced in the General Session or --

No, the -- the return of the \$155 million is Ά the issue and the method of the formula for returning it directly to the people, there have been several proposals, with varying acceptance on the part of the legislators. One by day of the welfare formula. Another one was on a basis of population and sales or sales tax receipts. Originally, if you remember, my proposal more than a year ago was to simply give themoney directly back to each citizen taxpayer on the basis of a reduction from his bill. And then we would reimburse the local government for that -that cost. No, we haven't pinned it down. This to me is up to the legislature and the legislators to find the one that is most acceptable. I could accept any of these so long as it results in giving this money back to the taxpayers in the form of at least some measure of reduction or relief in their property tax payments.

-2-

Q What's your deadline, Governor, for when the legislators have to come back and tell you that they reached or haven't reached this agreement?

A I haven't set any deadline. I have more or less felt that today was sufficient time, but I realize that with other problems and other legislative matters going on there are situations where perhaps they need some more time, so I haven't suddenly gotten on the phone and said --

Q Governor, to get back to an earlier question, you've been talking about the Assembly. Now, what about the Senate? What have they told you?

A Well, you mean from the Democratic side?
Ω Yes, or either side.

A I haven't had any word from the Democratic side. Q Governor, if property tax is not placed on special call then the sales tax will revert to October 1 and you can't extend it without something being germane to the items or on the call. What would you propose to do with the three months of money that you've collected if there is nothing happening this fall?

A Well, I don't think that there would be a particular problem with that because if you will recall, a half a cent of sales tax brings in -- well, \$155 is roughly about three-fourths of the -- of the amount that a half a cent of sales tax brings in. So there wouldn't be any -wouldn't be any great problem there to begin with. In other words, \$155 was the amount that was allocated for that -- for property tax relief, not just take a half a cent of the sales tax.

Q Would you -- Governor, back on the subject of <u>BART</u>, are you saying that no agreement has been reached yet on BART or do you think that some agreement has been reached and you are just not willing to consider it until the property tax matter is taken care of?

A No, it is my understanding that there is no agreement that's been reached at all on BART.

Q Governor, on that subject, are you adamant against any increase in tolls?

A Squire, I'd rather -- I'd rather wait now while it is true that we touched on this subject in our joint meeting, just as trying to explore areas where we might find agreement or disagreement between all of us, I don't want to be in the position of any of these -- this is why we are doing it one at a time, being used to barter one against the other. I didn't mean to use that as a pun -- trade one against the other. And therefore I'd rather not comment now because even indirectly -- and by way of the communications media, this could seem to be a way of bargaining. So I 'd just rather not discuss BART at all until we settle this issue of the property tax.

Q Governor, as you probably are aware, today Speaker Unruh told the Assembly that this was after they passed those two items, that you had put on the special call -- that their business in the Special Session was completed this afternoon, they would complete their business in the veto session and that if you'd -- you had not by then added to the call, that he saw no reason to prolong the session and would move for adjournment of the Assembly. Now, do you expect to add to the call or do you think this is a threat or would you comment on it?

A Well, I don't know. I feel that after having had this joint meeting we more or less erased the house division and simply treated it as a Republican position, and I -- I expect to get back -- they certainly understand that you don't have agreement that you can pass a piece of legislation unless you have both houses in agreement, so I'm -- I'm waiting to hear from them. Now, I don't know how they do things on the Democratic side. If they choose to go their separate paths and they are not going to treat this as a -- as a party matter, there is nothing I can do about influencing that.

Q Governor, some Republicans in the Senate have indicated they believe they can run property tax relief right past, around or over Senator Miller and see no reason why you shouldn't go ahead and put it on.

-4-

No, I think all that's needed is if they come
 and tell me that there are -- that there are that many
 votes from the other party. I'm not asking for unanimity.
 I'm asking that they can tell me that this will pass.
 Q But they are really not Democratic votes.

A Remember this is one that requires two-thirds majority. This isn't just a simple majority.

Q Speaker Unruh this morning said that he would hope that you would put on special call a bill which would preclude the use of autopsy for the RFK trial, for the Robert Kennedy trial. Have you considered that at all or ruled on that bill?

A No, I just heard about this a little while ago for the first time. As you know, unfortunately, the bill that was introduced was a bill that also had a feature of it that would have restricted against all custom and usage -the use of such photographs for medical research and for' medical reasons, and for that reason it had to be vetoed. But whether this should go on the special said call or had not, I haven't/time to really think that out.

Q Do you plan to add the <u>odometer SB76</u> which you already signed to the special call if property tax relief or some other measure is --

A Well, I heard an expression from some legislators, it very possibly could go on call, that they have specified not if there isn't a reason -- they wouldn't want it just as a call by itself. In other words, if we were going to issue a special call, they believe they could bring word to me that this could be handled very quickly and there would be no disagreement on it and I'd be willing to do that.

Q Governor, this morning Speaker Unruh called Mr. Monagan a puppet and literally called you a puppeteer. Do you have any comment or indications about that?

A Well, now, in what way is Mr. Monagan a puppet and am I a puppet master?

Q Strings were directly connected with the Governor's office to Mr. Monagan on the floor.

A Well, I don't know of a greater authority in the legislature on puppetry than the Speaker. But I haven't thought of myself as a puppeteer, if that's what they are called at all and as a matter of fact I don't think there's been wery much string pulling at all.

Q Governor, yesterday there were 54 Assembly, Subsistence of Age Security Subsistence Grant subsequently switched after a caucus and one of them said that although he was totally in favor of the principal of the bill, and would either introduce the bill himself or serve as a co-author next year, one of those four who switched, he didn't want to do anything to embarrass you. When the legislators are pretty well committed on this, do you think that their loyalty to you personally overrides--should override their individual conscience as apparently it did, these four?

A The only loyalty that must have been involved to me must have been their respect for my friendship to Governor Emeritus Burns because that wasn't my veto that they almost overrode. They changed on that, it was Governor Burn's veto while I was at the convention and --Q Excuse me, then -- but it is safe to conclude

that it was with your knowledge and approval, I should think?

A As a matter of fact, I never exchanged a word with him all the time I was gone.

Q Governor --

Q How about before you left, Governor?

A No, I didn't know what he's be treating with, told him he was on his own.

Q Acting Governor Burns said he wasn't going to veto anything that didn't have your approval. Did you approve of that veto by Governor Burns?

A Are you asking me if it had come to me would I have vetoed it? I think I would have.

Q Mr. Monagan told the caucus yesterday, according to members who were there, that to support the override of the Burns veto would be -- I think the word was rubbing

-6-

the Governor's face in the mud and therefore he implored the members to switch and they did. Could I repeat Bob's question, do you think that loyalty to party or to an individual in that case ought to superfiede conviction of an individual legislator?

Well, gentlemen, you've all been up here a long I think you know that particularly several weeks time. before an election there are many factors that enter in. Since it seems in the history of the Legislature and the governors here in California, I don't know how many years you have to go back to where there was an override of a I can't believe that conviction was not sacrificed veto. to a number of other factors on all those occasions in the past or there might have been some vetoes in the past. I think that what a minority leader, Assemblyman Monagan must have been saying in there, was borne out by some of the news accounts already, which have so far -- and the ones I've seen failed to mention at all that this was not my veto, that Governor Burns had vetoed that while I was out of the city, so perhaps this is what Assemblyman Monagan had in mind, that it would be taken in the eyes of the public as a repudiation of me.

Now, I think you ought to ask yourselves, also, were there some who went against their convictions in the first place to vote for a veto who would not have done so had it actually been my veto.

Q Governor, without getting into any of the specifics on BART, one of the qualifications listed by Mr. Clark, regarding the source of revenue for financing, is that it not be discriminatory and I say, without getting into any specifics, can you give us your definition of a discriminatory tax?

A Discriminatory tax? Now, in what connection were you asking this, in connection with BART?

Q I'm asking in connection with BART, but not in connection with BART because you don't want to speak about that.

(Laughter)

Well, you could find two tax -- two tax formulas A that can conceivably approach conflict or into an area where you've got to work out a compromise. One is the tax theory that says where possible you assess the charge for a service against those benefiting from the service. On the other hand, there is the tax policy of as broad a base as possible, avoiding other than for an actual charge for a service -- avoiding a tax that finds one particular segment of a society paying and the bulk of the cost of some service, regardless of whether they benefit or not and -- or get an exceptional benefit more than others, and I think in BART these are some of the things that are causing the great conflict over this. Originally this was founded or was funded on bonds based on property tax. Now there is the controversy, is this assessing on a broad base a tax burden where some people will benefit over and above the general run of citizen and yet all are paying Is there enough charge for the actual service? alike? Again, you come down to the situation with regard to tolls, are you centering the tax on a particular group of people without regard to whether they are the only ones who will be benefiting from this. Is it a proper charge for a service. And I think until we can work out what is the fairest way to assess this with regard to the users and the -- those who will benefit, we are going to continue having this controversy.

Q You met with the Bridge Toll Authority this morning and they later announced a reduction in tolls on the Richmond-San Rafael Bridge. Could one assume that you are rejecting an increase in tolls as one method of financing here?

A You are getting around a long way to the subject that I said I wouldn't discuss. Just let me say, if you look at the San Rafael Bridge, you'll find that its tolls were way over and above the tolls on the other bridges, but it had reached a point in its financing where a reduction within the provisions of the bonding of that bridge--

-8-

a reduction could be made without impairing the ability to pay off the bonds, and the interest on same.

Q Governor, a few minutes ago you painted a rather detailed and apparently accurate picture of how with respect to both parties, <u>party loyalty</u> apparently supergedes conviction in matters of <u>vetoes</u>. Do you think this is right? Do you think this serves the public interest?

Α Oh, this is -- this takes a chapter in a book, because you are getting into a -- the whole philosophy of our form of government. When for the -- let's say, the philosophy of a party that is believed to be over-all important as to what you are trying to accomplish, when can that be impaired or set back by some division of party I'm -- I'm certainly the last one who would say ranks? that just automatically everyone in a party has to travel We don't do that. We haven't done that. the same route. I do think there come occasions when there must be a certain party discipline where you believe that the effectiveness of what the whole party structure is trying to accomplish is being impaired, and then you have to ask for a certain party loyalty.

Q Governor, do you think the experience of last year and this year with this veto session which is <u>new</u> indicates it isn't working and we ought to go back to the old system?

A Oh, I haven't had time to really think that out that much. I have heard some legislators who have indicated that they would like to have some second thoughts on this new policy, this <u>five-day session after the 30day wait</u>. I must confess I haven't really sat down, and first of all, unlike them, I don't have any other experience by which to -- on which to base this. They have been here under the previous setup. I would rather hear their opinions.

Q Could we turn to politics, Governor Reagan? SQUIRE: Before we get to that, Governor --GOVERNOR REAGAN: I got a couple here want on the same subject.

Q Can we get back to <u>BART</u> a second? Would you clarify something. Are you saying you will not put BART on special call until property tax relief is settled one way or the other?

A That's right, I'm going to take them one at a time.

Ω In other words, you will put property tax relief on call if that's the situation, after that's settled you will take up BART?

A Yes, I tell you, I think these are important enough issues that they should stand on their own and they should not get into an area, an atmosphere where someone might want to barter, speaking of convict one off against another. I'll go this way if we get this, so --

Ω Governor, just to clarify that -- that last statement. You are not saying, are you, that you'll have to have agreement on property tax -- in other words, if you reach no agreement on property tax, does that preclude the possibility of then taking up BART?

A No, he said it, settle one way or the other.
 Q One way or the other.

Q Governor, what I asked earlier about what would be the plans for the <u>half cent sales tax</u> that's being collected which does -- would be for three months period somewhere between \$25 and \$30 million dollars, what would that -- where would that go and what would be done with it?

A In that half a cent of sales tax, you must remember as I said before, that it roughly picks up about two hundred million and only 155 million of that must go -when we discussed giving the half a cent of sales tax entirely to the counties, they in turn were going to pick up about \$40 million dollars worth of programs now funded by the state. If it isn't done in that way, if it is done by simply giving back the \$155, then the -- the rest of that revenug remains in the General Fund.

 I'm referring to this present 90-day extension.
 A All right, well by the same token, by cancelling -10from October 1 on the sales tax you would be giving back to the people roughly the same amount of the -- same 155 only you'd be giving it back by way of sales tax instead of property tax relief.

Q What about the money that's being collected now in this quarter?

A That would have been in the General Fund anyway. Q Governor, there is a further clarification on George's question. Even a question which has a general agreement of both houses on it and which they want on the call would not be considered for the call until some answers is arrived at on BART, or on property tax?

A As I -- until that's disposed of one way or the other, I'm not going to consider another one.

Q Governor, who do you expect to give you the answer whether they are in agreement?

A Well, now that's -- that's up to the Democrats to figure out and I know all of the leadership, both the caucus leader and the President of the Senate, their committee leaders were there yesterday in this meeting. How they choose to do that, I don't know.

Q Change the subject, Governor?

Q I have one following up on that. What if the Senate Republicans say that they think the votes are there for <u>property tax relief</u> and the Democrats say they aren't. How would you decide? Would you go ahead then and --

A Well, --

Q I'm not saying whose word would you take, but --A No, I think -- I think we'd have to really -we'd really have to do some nose counting and find out who we did believe and who have the right count on it.

Did you still have a question?

-11-

Q On the same subject. Based on your conversations Governor with the Democrats and the Republicans over the last day or so, at this point are you optomistic that you are going to be able to put anything on special call or there is going to have to be significant movement on the part of the Democrats before you will -- A I think it would be premature not having heard back from them, and only met yesterday afternoon, and that's too -- to express an opinion as I told you yesterday, I'm always an optomist, but I couldn't say-that is just human -- my nature, I couldn't say to you that I have particular reasons to be optomistic or the other way or otherwise.

Q Are you ready to change the subject?A Ready to change.

Q No, I want to follow this up a little bit. What about if both houses came in and say they could agree on <u>BART</u>. Now, would you put that <u>on call</u> before <u>property</u> <u>tax relief</u>?

Well, I'll treat with that when it comes down.
 Q Are you thinking of property --

A You mean they come back in without property tax relief and say they had an agreement on another one?

Q Right.

ŋ.

A Say, you tempt one side of me to say, well, fine fellows, we will get at it just as soon as you come down with an answer on property tax relief. I don't know that I'd do that.

Q Your suggestion on BART has it ties in with property tax relief.

A That's true. This is one of the reasons why property tax relief I think was a logical choice to be settled first because it does tie in.

Q One more BART question, Governor. There's been a lot of conversation and rumors kicking around, one that you have suggested a combination of an in lieu tax upon the automobiles and use of this half cent sales tax revenue. There also have been suggestions of toll increases which I think you've told us that you basically are not in favor of, but now this big question: A lot of people say that if a toll -- if they did get an agreement, increase in Bay Bridge tolls were part of it, that you would veto it. Have you ever said that or do you believe that you would veto it?

-12-

A Well, now again, Jack, you are getting me into a position I just don't think I should answer that or could answer it here in view of what I have said about this one at a time issue. There are great problems connected with tolls. The principal ones being the requirement for refinancing of the bonds on the bridges if we change the toll structure. Now --

Q Can we get onto another subject now?

A Yes. Well, if we do, we have got somebody that was first in line over here.

Q This pertains to politics nationally. Is
 Mr. <u>Nixon</u> worried about Governor Wallace's gaining strength?
 A You say is he?

Q Yes.

А

A I haven't had any conversation with him at all on that. I don't know what his reaction to it is. I think it would be foolish to underestimate <u>Governor</u> <u>Wallace</u> and the -- and his impact on the people. I don't know that anyone -- has anyone really done a poll now recently? I've been too busy to check and see as to where he may stand, but as I say, I think -- I think he's definitely & factor in this race.

Q Do you have any -- your own personal comments on that, how do you observe it?

A Well, I've -- I'm a believer in the two-party system. I would hate to see a <u>President chosen</u> out of the House of Representatives or by the House of Representatives. I would hate to see a President who does not actually go into office with a mandate from the people. So I -- just like the 1948 election where once again a dissatisfied against the encumbent administration was simply expressed by a group of people throwing their vote away, and the administration they were opposed to wound up back in office.

Q Would you favor doing away with <u>electoral</u> <u>college</u>, then, and have direct popular vote?

Here again I've got to plead that I just simply--

-13-

I know that all this discussion is going on. I just haven't had time with all what we are doing to sit down I and find out what/really think about that and national primaries.

Q Do I interpret your remarks to be that you are fearful that <u>Wallace</u> will hurt the Republicans more than the Democrats?

A No, as a matter of fact, I think -- or formerly I once said that I believe that although he would hurt us in the extent that I believe the people are ready for a change, and I would think that this would be -- there is no question, a Republican year. Other than that, I just say that he is a factor in this race and going to be a factor among people who do want a change. Obviously those who vote for either the Republican candidate or Governor Wallace want a change or they would be voting Democratic, and if -- if all of those votes who wanted a change combined for one candidate the result is inevitable.

Ω Governor, how about your own <u>plans for partici-</u> <u>pation in the national campaign</u> for Mr. <u>Nixon</u>? Do you have any <u>out-of-state plans</u> at this point?

A Well, there will be some -- certainly a great deal of pressure. First of all, I've had assignments given as have all the Republican Governors by our Republican Governors Conference. The head of the Senate and the Congressional campaigns are both Californians. Congressman Bob Wilson and Senator Murphy, and I'm getting a certain amount of pressure from them and then of course there is the over-all campaign, the Nixon-Agnew campaign. Now, I'm going to do some things. As a matter of fact, next week I will go for the thousand dollar dinner in This is one of the thousand dollar dinners Cincinatti. that are held simultaneously throughout the country and then the candidates will speak by closed circuit television. Governor Agnew is coming to Los Angeles. I am speaking in Cincinatti on that occasion, but I will be back the next day for the Regents meeting. There will be a few of those, but the first priority and the overwhelming majority -14of amount of my time is going to be spent right here in California, not only for the national ticket for Max Rafferty, but also for our legislators and our hopes to get additional Congressmen in our Congressional delegation.

Ω Do you -- that was a slip -- plan some active campaigning on behalf of Dr. Rafferty?

A I'm going to do --

Q Will you be making speeches specifically on his behalf?

A I spoke at a fund raiser and I think I have another one scheduled along the campaign trail. But when you go out campaigning, even when you are in a district campaigning for state legislator, I think you emphasize the need for the ticket top to bottom, so --

 $\Omega$  I was going to ask also if you'll be going into the south, any southern states on behalf of Mr. Nixon?

A I have -- well, yes, I have -- I have an obligation in Texas. This is the one assigned by the Governors Conference in behalf of the Republican candidate for Govermor there. He was assigned to me. Very possibly one other one, a Congressional candidate that I have been asked to help, but for the most part no, tentatively, and again as I say we are talking about a schedule that probably won't total more than 9 days in the two months of the campaign, and not in one trip. It will -- like this one just overnight for a -- next week. But the bulk of them actually happen to be through the midwest up in some of the mountain states like Colorado and so forth.

Do you have one of the Carolinas?

Q

A That's -- it would be North Carolina, and that's in the air. I don't know whether that's going to come through or not, but it wouldn't add to the schedule, that's included in that roughly 9-day total that's being considered.

O On that <u>Rafferty campaign</u>, Rafferty said the other day he'd ask both you and Senator Murphy to do what you could to get an endorsement from Senator Kuchel of -15Rafferty. Have you done anything in that line, talked to this Senator Kuchel about it?

A I haven't had an opportunity to talk directly. I think my appeal has been carried to him, and I -- I had hopes that and still have hopes that he will have an endorsement of the entire ticket.

Q Have you any idea why he has not? So far?
A No, I haven't had any opportunity to talk to him so I won't have any way of guessing.

Q Who is your emissary?

A By way of his own campaign structure, this was sometime ago after the campaign was over.

Q Could we get off the politics for just a minute, Governor?

A Why, all right.

Q I'd like to ask you what your reaction is to the news this morning that two Oakland Policemen shot up a Black Panther headquarters in that city.

A I understand that that's under investigation by city authorities and I'd rather not comment until I see that -- the results of that investigation. I know no more than just what -- as much as you've said, that it was just told to me a little while ago, that such athing had happened and my informant then couldn't give me any details on it other than to say that it was under investigation. So I'll wait for that.

Q Governor, can you tell me along that line, there's been some mobilization of the 49th National Guard Infantry troops. They are stationed, I understand, at the Parks Job Center in Pleasonton, and the Mayor's office said it had nothing to do with the request to your office or the National Guard or this mobilization. First, are you aware of this mobilization and secondly what's the basis of it?

A Not in connection with any possible disturbance at all. The only thing we have going is the liaison, the organizational setup that we have had for more than a year now with regard to representatives in constant liaison -16so that there will be no delay if there ever is a need for mobilization on a greater scale than local police.

Q Governor, Mr. Weinberger I guess at this very moment is debating Phil Watson on Proposition 9. Do you plan to campaign vigorously or at all against passage of Proposition 9?

A We have had some discussions on this, but Iim waiting to -- frankly, with a great deal of interest to see what's brought forth in addition to what I already know about it, -- I think I know, -- In the three days of legislative hearings that are going to be held. And that is a committee up here, and as I said, I'd rather wait and comment until I have some of the additional facts. Q Is Mr. Weinberger acting on his own then or not really as a member of the administration team today, for instance?

A Well, he's -- he and a number of others are free to act on their own and express themselves. This is again one of those situations that I don't think any one of us is opposed to the ultimate goal of a reduction of property tax. There is some question as to whether this approach doesn't present some organizational or admninistrative problems that are just unacceptable.

Ω Haven't you said you were opposed to -- haven't you already said once that you were opposed to --

A I said that it looked to me from what I've been able to see that there are -- yes, there are these administrative problems that I think there is a better way to approach it. I would suggest a better way is by way of our own property tax reform that we are talking about.

Q Governor, Senator Burns has suggested a counterboycott by California purchasing agencies of states -products produced in states which support the California <u>grape boycott</u>. He's asked you to send a directive saying that we will not buy from those states. Do you plan to do that or do you have any comment on that?

Well, I think this is a kind of last resort

-17-

Α

measure and since we have had people working in this area on this problem for sometime, I wouldn't think that the time is now to take that kind of action against other I'm a believer in trying to get along with them. states. We all are interlocking in our imports and exports from We have had good cooperation from Pennsylvania the other. in the past on discriminatory legislation of that kind in their area, and they did cooperate with us. So I don't think this is the time for that. I -- this particular problem, there is no question about the evil and I think even the immorality of the suggested boycott in these other states. I think that more evidence is coming to light in addition to our own findings. I know one metropolitan paper in the state right now is publishing a series of articles as a result of their own impartial investigation of that whole situation.

Q <u>Governor</u>, as you prepare to wage this very extensive campaign in California rather for 1968 candidates, do you regard this as in effect the beginning of your <u>campaign for re-election</u>?

A Well, I don't -- somebody told me once that -that campaign -- a fellow's campaign for re-election started the day he took office, so maybe in one sense you could -- you could say that. No, I think the -the emphasis on this '68 campaign, as far as I'm concerned, is my belief in what we have been trying to accomplish in California, a great deal of what we already have accomplished in spite of an uphill fight and a belief that we can move faster and better and do a better job in the things we promised the people if we have a Republican majority in both houses, both the Assembly and the Senate.

Q What is your reaction to the <u>redwood park pro-</u> <u>posal</u> that Congress apparently -- the Conference Committee brought in back in Congress?

A Well, all I've seen is, first of all, the mysterious story on acreage and they have -- I have seen since a brief breakdown, but I haven't had a chance to get at our own maps of all the propositions that have been -18discovered to find where this fits. I see that this particular report introduces one new element that hasn't been in the discussions before, and that is that the federal government is willing to go along with their acreage purchase for a park even without the inclusion of I haven't -- I haven't had time to get the state parks. with Ike Livermore on this and we have a number of maps and overlays on all the proposals that have been made in the past, to see what this means with regard to our I was very gratified to see that the proposal economy. does include the purchase unit in making that available for trade in order to preserve the lumber economy in that I'd have to say this, that a national park without area. the state inclusion of the state parks would be a national park that was inferior possibly in quality and beauty to any one of our three state parks that are being discussed.

Governor, I'm afraid I didn't guite understand 0 your answer to Jack Johnson's question on the National Did you say why they are at Parks? Guard mobilization. A No, I said, there's been -- there is no mobilization that I know of with regard to any possible civic disturbance. Now, I don't keep track of -- of all of the maneuvering or all of the drills, practice mobilizations of the National Guard, so I wouldn't have any information on that other than that I would know if it was one brought about by reason of a possible disturbance and I don't -the only thing I know is that we are keeping in constant touch with our liaison men.

Q Mobilization has nothing to do with your office then in any way?

A No, no, not that I know of.
 Q Governor, is there any of your staff personnel that are likely to be leaving in the near future that you know of, any changes forthcoming?
 A No, no.
 SQUIRE: Any more questions?
 GOVERNOR REAGAN: That little vacation almost lost me.

-19-

-----

#### PRE CONFERENCE OF GOVERNOR RC LD REAGAN

HELD SEPTEMBER 17, 1968

Reported by

Beverly Toms, CSR

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

----000----

COVERMOR REAGAN: I have a brief statement here I'd like to read before we get into the questions,

> (Whereupon Governor Reagan read Release No. 590) GOVERNOR REAGAN: That's it.

Q Governor, do you have any meetings with the Bay Area legislators today scheduled?

A None scheduled, but there is -- there is time if they -- whenever they cam come down and get together on this.

Q Governor, if they are unable to meet this dead line, does this mean there will be no <u>BART financing</u> on special call at this time?

A Well, now, before you slam a door completely here, it is not so rigid but what if they come down to see me and are on their way or making progress toward something, but I think -- I think that by five o'clock there have been enough meetins on this -- by five o'clock today there is no reason why they couldn't have some decision on this. Q But you are being rigid, adamant, feet in concrete on tolls?

A Yes, I have to be. I have to be from the simple standpoint that there is a problem of BART and it is a problem of the three counties and the state's interest in it is simply -- or the state's part in it, the legislature is merely to remove any obstacles that we can that might prevent them in that area from finding the finances for it.

-1-

However, when one method is one that involves the entire state and not three counties, but 58, and endangers the credit and the bond selling capacity of the state, then I just can't do that, I have to be responsible to the 58.

Q Will you use the same arguments when the question comes up to refinancing the bridge for southern crossing when the problems could be even worse a few years hence?

A Actually, here is a statewide problem in which we have control even over the timing, the cost, the construction of a <u>southern crossing</u>. As a matter of fact, I've been informed that there is -- there will probably be no increased tolls required and that the financing of the southern crossing can be done without that.

Q Who's informed you of that?

A Our own people that are interested in that problem.

Q Have there been any real fiscal studies by financial consultants?

A I don't think they just took this off the top of their heads. They have been studying this for quite sometime just as I have asked them. I didn't go lightly without advice on this matter of the increase in tolls for <u>BART.</u>

Ω Well, all written reports indicate there have-would have to be an increase in tolls.

A Well, we don't think so, but again I would say to you that when that time comes, we are in control of whether we think the project is feasible, whether it is too costly, how it will be financed.

Q Well, you are spending \$10 million in the meantime on getting everything ready to build that bridge.

A Well, I think you have to go ahead with the program, yes.

Q Governor, on this problem of <u>refinancing of</u> <u>bonds</u>, can you summarize briefly just what the problem is? Is it a matter of interest?

-2-

Yes.

A

Q

Getting higher interest?

Yes, I could tell you very easily. Actually Δ as closely as we can come with the figures to refinance the present bonds this would be a total of around 250, psssibly getting up towards 300 million dollars. About \$275 million, in that area of total bonding. This would add a cost in interest alone to the people of California in the neighborhood of \$115 to \$130 million dollars depending on how good you can be in selling them in interest costs over the life of the bonds. Now, the total amount that is needed is apparently \$144 million. Four and a half years of the increased sales tax would pay this off with no bonding whatsoever. No \$115 or \$130 million dollars in interest costs against the people of that area. So we have to also point out that this is not a good bond market. This endangers the selling of our bonds on school bonds, on our -- on our water program bonds, and we just have to he constantly aware of the bond market, the state that with present programs is marketing in the neighborhood of better than a half a billion dollars in bonds a year.

Q Governor, where did this four and a half year thing suddenly come from? We have been talking about it for several --

A This is figuring out on what half a cent of sales tax in that area brings in, and plus the fact that each year as the economy expands it brings in a little more than the year before.

Q One more question on tolls, Governor, is the -the Department of Public Works objection, your administration's objection, based partly on the fact that if a toll increase is needed to help finance the <u>southern crossing</u>, it ought to be available from the Bay Bridge Tolls?

A No, as a matter of fact, this has been of great concern to us, and I've hammered on this point with our own people, and as I say, we don't think that it is necessary. That's a problem we can look at when the time comes. But right now my advice with regard to the bonding comes not

-3-

only from people outside government, but from our elected Treasurer, Ivy Baker Priest, from our own Finance Department, and the -- the bond market. You have to <u>refinance bonds</u> that were sold at a better market and at a lower rate of interest than on today's market. It is just not is good business.

Q What about an in lieu that requires sales of bonds?

A What?

Q In lieu tax.

A Yes, it does. And it is -- that's why it would not be my favorite, but the idea is I have tried to keep my --from injecting myself into this except where the matter comes up of my responsibility to the state. So I haven't handed them a plan that I say is the only plan that they can pass. What I have said is there are a number of alternatives, but the -- there is one of all that has been proposed that I cannot accept simply because of what it does to the credit rating of the state.

Ω Can you accept others besides <u>in lieu</u> and the sales tax?

A The in lieu tax, remember, also would be a different matter of refinancing, you would not have to refinance the present bridge bonds, you would simply float a bond issue the payment for which would be guaranteed by the in lieu tax.

Q Governor, why did it take you so long to take such a firm position on <u>tolls</u>? I know that consistently -but you've never been this firm on tolls until this last week or so.

A I could also turn that around, why has it taken you fellows so long to register that for a very long period of time that I have indicated and tried to make it plain that this was not a plan or a method that I would approve or that I wanted. And as a matter of fact, in July, a few months ago, a detailed letter was sent to the legislative leadership with regard to this and why it was not practical. As a matter of fact, our position was made known and I know was carried in -- in the metropolitan papers in the Bay area. And as a matter of fact with quite some approval, not only from the press, but from the public, and again it was made plain. So it's finally come down to the fact that none of this seems to have registered and I finally had to say to the legislators what I was trying to tell them, this was unacceptable.

Q Is the hangup the question of <u>refinancing prior</u> to <u>1970</u>, is that the problem?

A The hangup is, as nearly the advice we can get, is that this is not a good business venture now or for several years in the foreseeable future on the basis of the hond market.

Q Well, Governor --

Q Governor, the agreement you are asking for, is it an agreement that they would not consider <u>tolls</u> or do they also have to pick one of these other plans?

No, if they can come up with an alternative plan -- I have simply told them that the one plan that is now before them, that is unacceptable simply because I think it would be fiscal irresponsibility on the part of the state, the one thing we could not do in fairness to the people of California. This is the one that is unacceptable. Now the rest have been left to them. If you wanted me to express a preference, I think it -- I think it stands to reason that the increased sales tax without any bonding whatsoever, it is saving of \$115 to \$130 million in interest charges to the people of the area, it is not adding to our bonding at a time when the bond market is so bad, and so @stly -- I just think that that would be my choice, but I'm not insisting on that.

Q Governor, whuld you allow them to discuss on the floor these other proposals or do you want a firm agreement from them on one way?

A Well, the thing is they could discuss and they have discussed -- what I'm talking about is now the policy we have been following. There is no sense in going through a useless exercise on something they haven't been able to

-5-

settle on the floor for eight months and now go through a useless exercise and come down with something I could not acdept and then would have to veto. This is all I'm trying to make plain. Jack.

Q Well, a moment ago you were talking about your position didn't register, but we have asked you, as you may recall, several times at press conferences, whether you would veto or fefuse to put on the call the <u>BART</u> subject matter, if tolls increases were the solution they agreed to. But you had not previously told us that you wouldn't veto it. As I recall, I think you said we will meet that when we come to it.

A I know it, Jack, I'm caught a little bit in my own policy here. There are many, many, many times you've sked does this mean outright veto. I've tried to avoid aying that although I've been very explicit and made it plain to the legislators interested what the reasons and objections were and I'm just trying to stick with the policy of saying that I prefer not to in advance say that I would or would not veto something until I see what comes down.

Q Well, you've been criticized now for saying that you would veto something after polls were taken which showed that this bill would pass. That toll bill.

A Well, again, whether it would pass or not, and I'm -- this is exactly what they say, that they could pass it. I'm sorry, but when it gets to my desk, my signature has to be based on what I think is good for 58 counties in California, and every bit of financial advice I have say this would be fiscally irresponsible, and I'm not going to be fiscally irresponsible.

Q Have you talked to George Harrington about this? A I don't know who all have been involved in the meetings. I know they had a hearing yesterday with some of the legislators, trying to convince the representatives of the Treasurer's office, our Finance Department and others that perhaps it didn't have that much fiscal irresponsibility and they had outside financial advisors come

-6-

in and the sum total of the hearing was that everybody including the representatives from banks here in California was that it was preposterous to embark on such a gigantic program as would be entailed bondwise with the increase in tolls.

Q Governor, may I change the subject? May I change the subject?

A Sure, all right.

Q Governor, are you opposed to <u>Eldrige Cleaver</u> appearing on the University of California campuses, you don't want students to hear his views or you do:not want him to use University facilities?

A I'm opposed from the simple standpoint that I think it is ridiculous to bring someone on as an instructor or lecturer, which is the way he was to be brought on, who has absolutely no qualifications whatsoever for that position. No educational qualifications. If they want to study what his views are, that should be very easy; he's written a book, there are transcripts available for his countless speeches that he's been making up to and including the last few days, and I think that this -- this could well be studied, but I don't believe that in studying racism and violence that you necessarily have to invite onto the campus an advocate of racism and violence.

Q Governor, there is a cartoon in the Times yesterday that shows some unidentified rather affluent looking people shouting at Cleaver, "We don't want to hear it like it is, we want to hear it like we say it is." Would you say that that's an accurate observation of the way a lot of California politicians feel about it?

A No, I would say that that's a reflection of the thinking of Mr. Conrad and the Times and every once in a while Mr. Conrad's cartoons make me think of the parable of the talents and those who wasted theirs.

Q Do you think there are people who really don't want to hear it like it is on the political scene?

A I don't think there is a case of not hearing it like it is. I tell you the truth, I could bring up here -7some transcripts which are available to everyone of public addresses and the views of Mr. <u>Cleaver</u> and the problem is you couldn't print them and they couldn't run them on television or radio, and I don't see any reason why parents sending their sons and daughters to college should have to accept this. What would be the position with megard to its -- I think someone editorially, to quote the same paper, the Times, had an editorial the other day which -- that I thought a very good parallel on this. This is like asking that famous Bluebeard in Paris, the wife murderer to be a marmiage counselor.

Ω Governor, are you also then objecting or going to try to block his scheduled speaking appearances on other campuses, the one-time shot? I know he's scheduled for City College here in Sacramento.

A Well, I think this is -- let me just say, I'm just one Regent and incidentally, let me say here, whether you use it or not, there still is a lack of understanding on the part of much of the citizenry as to the power of the government with regard to the University under our constitution. Mainly, I am simply one Regent and as one Regent I know what I'm going to do and I'm going to advocate. This is on a -- this is a matter to be discussed also. Frankly, I don't see that there is any necessity for his being a speaker on the campus.

Q Well, Regents don't have anything to do with the Junior Colleges, do they?

Q Governor, at San Francisco State College they have just rehired <u>George Murray</u> who is the Minister of Education of the Black Panther party. He's been rehired as a teaching assistant at San Francisco State. He's also just returned from Cuba. Do you oppose his being rehired at San Francisco State and are you going to try and get that overturned?

A I think it is a matter for discussion by the Trustees and I hope and in fact I'm sure it will be discussed very quickly. I think it is part and parcel of the

-8-

entire -- this entire problem and I think it is high time that the whole subject of academic freedom and the use of the authority that has been delegated by Regents and Trustees should be decided by both Regents and Trustees to see what's necessary to bring a little sanity in certain greas.

Q Do you have any policy suggestion as a Regent that could prevent incidents like this in the future, any policy that the Regents could adopt that could prevent them from employing <u>Eldridge</u> Cleaver and George Murray?

A Well, I -- let me say that I made some recommendations which I'm sure didn't meet with favor about the Regents, and having better access, better information perhaps having something in the nature of a staff of their own and to see whether Regental policy was being enforced on the campuses. I still believe that this would be a good plan, a good policy. I don't know that it is so much a lack of policy on the part of the Regents as it is here and there they stray away from enforcement of policy.

Q Governor, do you agree with Senator Schmitz that if the University persists in keeping <u>Cleaver</u> that funds for the University should be withheld from the next budget?

A Well, I haven't even bothered to get into that particular matter because I just don't think that Mr. Cleaver will be retained.

Q Who do you think is to blame for his selection in the first place?

A Well, evidently this was the -- this hiring was done by a committee of the faculty senate, according to the plan that I understand, and these experimental courses and thepay comes from student fees that are paid under compulsion.

Q In the broad picture, aside from the Cleaver thing, but over-all, do you think there is too much campus autonomy in this area, that the <u>Regents</u> ought to have a little more extension of <u>authority</u> down to the --A No, no, I think you have to have autonomy, but I think that when you delegate authority it simply goes

\_0\_

without saying that you then have a responsibility. The Regents have a responsibility vested in the Regents by law and by the Constitution to take action if those to whom the authority has been delegated violate their trust and misuse- or abuse that authority; then the Regents are responsible for coming in.

Ω There was no action as to change the personnel and authority?

A That's right.

Q Is that what you are going to recommend at the Regents meeting?

A No, since this is a matter that's been placed on the agenda for the executive meeting dealing with personnel, don't get me too deep in what I'm going to recommend.

Ω Governor, you said, "I just don't think Mr. <u>Cleaver</u> will be retained." What do you base that opinion on?

A I just can't believe that the Regents will shirk their responsibility in this matter.

Ω Well, Governor, you also mention paid out of students fees. Did you not read where this money is coming from the outside, if he's going to be paid at all, and it is not coming from student fees or state funds?

A You know, let's make one thing plain. I don't really care whether they are printing the money in the basement over there. It is on the University campus. It is a course for which five units of credit will be given toward a University diploma. As far as I'm concerned it is a University program, and as far as I'm concerned, it is an affront and an insult to the people of the State of California and let me tell you the calls and the mail are making it plain that the people of California have reached the end of the line and I don't blame them.

Ω Governor, will you give us a word picture of your opinion of Eldridge Cleaver?

One word.

Q

-10-

(Laughter)

A I don't know whether I could do it in one word. You want one sentence? Here's a man who has openly advocated solving the present problems in this country on a racist basis involving hatred and violence in which he recommends the solution by way of killing people, and he openly advocates this. He asked one of his recent audiences in the Bay area, said that the way they could make him happy would be to provide two machine guns. When they still in good faith asked him what they could do to help in solving the inter-racial problems in this country, he said, "Kill white people."

Q You think George Wallace should be invited to teach at that court?

(Laughter)

A Right now he's trying for another job, so we won't have to meet that problem.

Q Governor, you said that you had no objection to the class reading Mr. <u>Cleaver</u>'s book and you had no objection to the class listening to Mr. Cleaver's speeches. I'm not clear then quite on what objection you have to the class hearing Mr. Cleaver in person. What is the differential?

A Well, the differential is are you -- we are talking about the use of this man as an advocate and under the pretense that he is there to try and instruct and teach and make people more understanding of and better able to solve the problems of racism, and so forth, and violence. And you are talking about this as against studying him as an example of violence and racism, which And on that basis you don't have to have him he is. there in person. His views are known. The views of his organization, the thing he recommends, all of these are known, and I think that there is -- I think the University has to be careful with regard to not just its study, but whether it lends the prestige of the University I just wonder what the reaction -to some individual.

-11-

I don't know why they never asked the head of the American Nazi party to conduct a course on that. I think it a would be/very interesting course. They could even get into the area of engineering and science, how would you build an oven. How high should the fence be around a concentration camp.

Q You are not advocating they invite the head of the American Nazi party?

A No, I'm just saying that I've -- if following the policy or following this idea, this theory of the present invitation, it would figure, why don't they do that.

Q Can we go to a different subject?
Yes, all right.

Q In view of the financial experience of <u>Cal</u> <u>Expo's first year</u>, do you favor any change in the pay-asyou-go method of financing or do you -- which steps do you think should be taken out there?

A No, I think -- I think the Cal Expo has been on a shakedown cruise and I know that I'm a little limited, if you don't mind, as to commenting now because a meeting is going to be held on September 30th of the non-profit orporation, of directors and all, for a review of the results of the shakedown cruise.

Q By shakedown, you are not referring to the charges to get in?

(Laughter)

A No, no, as a matter of fact, you know something, when I -- when I went out there, it didn't upset me a bit to pay to get in because I didn't have any money in my pocket and I had to tap Dale Rowley for the price of admission.

Q You don't get the money back the way the legislators did?

A What?

Q You didn't get your money back the way the legislators did?

No, no.

Ą

Q Do you still think it is a sound project, Governor, as you said in your dedication address?

A Well, before I comment, let's -- yes, I think -yes, I think so, but -- and I'm convinced that we were on the right path, pay-as-you-go.

Q You still want to give credit to Governor Brown? A Well, it is a project that like so many others we inherited from the previous administration, and I wouldn't want to take credit away from anyone that had so much to do with getting it under way.

Q Well, Governor, you did not inherit the pay-asyou-go concept of it. Do you think possibly that is where they went wrong?

A No, because if we hadn't done that, we'd have had to print money in the basement.

Q Governor, last week you indicated you were postponing a forthright statement on proposition 9 until you had a chance to study it a little further. Have you had a hance to study it a little further and what is your opinion of proposition 9 now?

Yes, I think we have to be opposed and are opposed and as I said before, there is no -- no denying the problem of property tax, what it is, the regressive rature of it, what it is doing to our economy of the state and to our citizens of the state. This is why I've been so insistent over this last year and a half on some kind of <u>property tax relief</u> as fast as we could give it. It is certainly a prime consideration in our study of total tax reform for next year, but proposition 9, regardless of how worthy its goal might be, proposition 9 administratively is jut impossible, and I think it would -- would create complete chaos.

Q Governor Reagan, what is your opinion of Senator Miller's effort to make him put an either-or stipulation on the property tax relief measure that's now in the Senate? A Well, I don't know exactly what the status of that is yet. I heard yesterday what they were attempting. I wasn't happy about it. As a matter of fact, I thought it went beyond the agreement that we had, the legislative leaders and myself, as to the bill and what we were going to propose upstairs. I thought we had an agreement. This seems to be over and beyond it. And I think it could onfuse the issue, clutter it up and I just wish it wouldn't be done.

Q Governor, would the bill be unacceptable to you in its present form then, wired to proposition 9 as it is? A I don't really know what the present form is and I know it still has to go through conference committee and let me fall back on policy again, I'll face it when it actually gets here.

I'll say this, that I am mightily concerned that now having arrived at some agreement that we go forward with giving the people of the State some measure of relief, small though it may be. Anyone else?

Q Can we change the subject again?A All right.

Q Governor, the Senate Judiciary committee this morning approved the nomination of <u>Abe Fortas as Chief</u> <u>Justice</u>. Do you have any comment on this?

Ά No, I've -- Ray, I've tried to stay out of that one because I recognize the right of the President to recommend and I recognize the right of the United States Senate to -- to ratify, and as I said, my only criticism was that if the stories were true and the statements of friends and associates of the present Chief Justice Warren that he guit only to prevent a new President from making the appointment, that this did show a lack of faith in the American system. I might point out that the present President as theleader of the Senate back in the last five months of the Eisenhower administration, was successful in leading the Senate passage of a resolution asking Eisenhower not to make any Supreme Court appointments because u he believed that as an outgoing president he was obligated to leave that to the next president.

VOICE: Anything else? Thank you, Governor.

-----