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Reported by

Kenneth D. Hadsell, 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.)

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(Whereupon Governor Reagan read Press Release #434)

Q. Governor, have you delivered essentially this message to the Senate?

A. To Senator Collier. To Senator Collier?

Q. Yes.

A. I don't know what the direction has been. I think that he has gotten the idea and the message that this is the way we feel about it.

Q. You haven't talked to him personally though?

A. No.

Q. Governor, in the light of the recent comment made by Senator Eagleton --

Q. Can we stay on this subject, please?

A. All right. We'll stay on this subject then we'll come back to you. First change of subject he's up for bat.

Q. Governor, it's reported that the oil lobbyists and insurance lobbyists and other big business lobbyists have been working in behalf of bills. What will be the normal low tax payer's response to that?

A. Well, I think if we're just going to take the "tack" that everytime something comes up you look around and see who is for it and decide you're on the opposite side, or if you're not a member of the group that is for it, that's wrong. I think perhaps maybe they are right because they know it's a good bill; they know this is inevitable and there has been complaint from some of these same groups and other groups in the past on various facets of our attempts of tax reform. Maybe they too will realize that the Watson Amendment will produce a certain amount of chaos fiscally in the state and they would like to see the situation resolved.

Q. Do you think a tax bill can be good for big business and also good for the average home owner?

A. Yes, I do. a matter of fact, I don't think any tax bill is good. If it isn't fairly distributed over all of the -- all of the tax-paying groups. I think to -- this is what has been wrong in the past; too many tax bills passed by trying to find out which goose you can pluck with the least amount of ~~swack~~ ^{squawk}.

Q. Governor, if the Senate Finance kills the bill today and the Legislature goes into recess, what will you do?

A. Well, we haven't had a strategy meeting on that. Obviously, I have some alternatives that will be open to me, including special sessions; but I haven't made a decision. I'm -- I'm just trying to be confident here that the Senate Finance Committee is going to put this on the floor and let the Legislative process go forward.

Q. Are there any circumstances under which you can find yourself supporting the Watson Amendment?

A. So far every study we've made of it reveals that it would exact a great penalty on the people of California and it would be very difficult for me to find a way -- obviously it's not going to change now. It's not going to be amended in any way. It's there on the ballot.

Q. Governor, outside of calling a ~~sepcial~~ ^{special} session, what other alternatives will you have?

A. Well, there are other considerations we can do with regard to tax problems, but there isn't very much we can do about relieving the home owner by way of the property tax other than this bill. There are some problems of school finance and so forth we have to consider, whether a special session or whether ~~to~~ to come back when ever they come back from their recess. But I just have to tell you that we haven't sat down and made a decision. We've been working very hard in cooperation with the Legislative leadership on the progress of this bill, and in the Committee; and we just haven't made contingency plans.

Q. Governor, if the Legislature gets away from here without approving this tax bill or one like it, what is the chance of the passage of the Watson Amendment?

A. I think if they approve it, I think they are going to be once again people who have said - -

Q. Senator Collier's objection is that you can't justify a one-cent sales tax increase when you have a two hundred eighty million dollar surplus.

A. Well, I think Senator Collier has ignored the fact that we

that we have committed as much of the on-going surplus as we can now identify. We have committed that to this program, that that is part of the resources that are going to fund this program as the on-going surplus. And we have made additional provision for the commission of further surplus if it is identified. Some of us believe that there is going to be more surplus even than we've seen so far. But he's ignoring the fact that this is already committed; this is in helping finance this bill.

Q. Why would the administration want the education bill and tax bill put together as one?

A. Well, there was a period, I know, a few years ago when we thought they were separate matters and could be treated separately. In the negotiations down through the years and in our attempt to get tax reform, we have discontinued. And this was further heightened by the Serrano decision that they belong together; we couldn't separate them. We were going to deal with the principal tax funding situation, the property tax, that we might as well deal with it in the single package.

Q. Governor, one of the reasons the County supervisors object to your bill is this taxing or expenditure limitation. Why is it that you feel you can't or the people can't trust local government to keep taxes down, but you do insist local government is the only one that can be trusted to protect the ~~environment~~ ^{coastline} -- talking about the ~~Coastline~~ bill? Isn't there an inconsistency there?

A. No, I don't think there is at all. I think we're talking about two different matters and the fact is that we did lower property -- the home owner's tax by virtue of a state-wide tax. We made available the seven-hundred-fifty dollar exemption and all we succeeded in doing was subsidizing local government to the tune of about a half million dollars because in less than eighteen months they raised the property tax back up to and above the level at which we had offered to reduction. And they're continuing to get the subsidy from the State, and we just didn't feel that we could go back again to the people and ask them to accept raises in general taxation with the promise of a property tax relief off setting this. And then, see, that property tax really whipped -out and they would have the new taxes on top of it.

Q. So, Governor, you're saying then you do not trust county supervisors in local government, do you not, to raise taxes?

A. Well, it's not only county supervisors. They may be taking this

on personally. The main property tax reduction is going to occur in the school tax. But property taxes are levied against cities, county school districts and hundreds of special districts throughout the State. And it's not a single thing where a Board of Supervisors decides to raise the property tax or not. Some counties, I think, are well administered, very economically and sufficient. Others, I think, have shown tendencies, as government does, to let bureaucracy get out of hand and don't agree and increase and we just feel in this instance the State is attempting to relieve a local tax by substituting a state-wide tax. And if we're going to do this and impose this tax on the people, we think in this case we have a right to say to the people we are then also going to insist that there be a provision that other agencies of government that we can't control are going to turn right around and raise that reduced tax back up to the place where you're now getting a tax increase.

Q. Governor, what business is that of the State if that's local government's responsibility and if the people don't like it they can just kick the rascals out?

A. Well, some how they don't seem to do that; do they?

Q. Well, again what business is it of the State?

A. Well, the business of the State, I would think, is that the State already has a revenue sharing position with regard to local government. We collect state-wide taxes which are then redistributed. It's a matter of fact the bulk of the increases in the State budget are increases in the amount of money we return to local government. Now, if they would all run their governments as efficiently as we have run the State in the last few years, it wouldn't be a problem at all.

Q. Governor, could we go back to the surplus problem with Senator Collier? According to the legislature analysis of the bill from ~~the~~ Post Office that came out this morning, the balance is a hundred-forty -million in the first year, a hundred-twenty in the second. That seems a good deal less than the surplus you've been hearing.

A. The surplus you've been hearing about is adding a two-year surplus. It is anticipating that at the end of the next fiscal year you'll have the surplus of this fiscal year plus the surplus that delivered in the last fiscal years. Now the surplus in the

last fiscal year, we have to recognize, is a kind of one-time windfall. You cannot up government's on-going expenses on to the level of a two-year surplus without the third year winding up finding you need an increase in taxes. Now, we have identified as much conservatively as we think we can of what will be on-going surplus. We believe there is more. We will know in the near future. We will have further estimates that will identify if there is more, and we have therefore committed already as much on-going surplus as we feel we can absolutely identify. We have further stated that additional on-going surplus over and above that will be committed to this program in one way or the other.

Q. Just not to belabor it forever, but the first year, I gather, is a hundred-forty-one million. Why is it that low when the surplus at least in the first year is so much larger because of the two-year span?

A. Well, I don't know -- in the hearing that is going on right up stairs now, I think that has been increased somewhat, that figure we have increased the amount of identified surplus so that it is closer to two hundred million, the present figure.

Q. Can we go to the other topic now, Governor?

A. Yes.

Q. Governor, we're all anxious to hear your response to this. How do you assess the Democratic ticket following the revelation of Senator Eagleton concerning his medical history?

A. Oh, I think the only comments that have been made so far are the proper comments -- and that is no comment. I don't think this is an issue in a campaign. I think we have a philosophical difference with the candidates on the other side that the campaign should be waged on those philosophical differences, and I don't think anyone should campaign on the personal problems of any individual.

Q. Would you agree with the Senator that he should have informed Mr. McGovern, prior to his selection, of his background?

A. That's a problem of his conscience. If they work that out, that's all right with them. But I don't think any Republican I know will campaign on this or even make any reference to it.

Q. How do you think the voters will view it?

A. They will let you know in November.

Q. If you feel -- perhaps you don't -- but if you feel that one thing you should consider about a twice Presidential candidate is his fitness to be President, how could you ignore what has

transpired in the past day or so?

A. This is a decision for each voter to make, as I say. Maybe this is the difference between the two parties' campaign. I just do not anticipate that any Republicans are going to make any effort to campaign on this issue.

Q. But as a politician, Governor, would you consider that to be a handicap or liability?

A. Well, you're forgetting that I'm a citizen politician. Well, as a citizen politician, I've already made my decision as to how I'm going to vote in November.

Q. Governor, wouldn't it be possible that one of the other reasons for Republicans doing that is that President Nixon, at one time, prior to being a Presidential candidate in '68 also sought medical treatment and therefore the health of every politician would then have to be subject to public scrutiny?

A. Well, this man has very honestly come forward and given you the statement of the facts. No, what President Nixon did wasn't any treatment; President Nixon, believing in the 1968 campaign, had a complete physical examination and there seemed to be some talk about, again, just what you brought up. There was some press talk, as I recall, in 1968 about the right of the people to know all the facts about a man aspiring to that position, and President Nixon did the unprecedented, authorized his doctor to let anyone who wanted to know the complete results of his physical examination.

Q. But he did have psychotherapy?

A. Who?

Q. President Nixon. He did have some psychotherapy?

A. No. I've never heard of any such thing. There was an attempt to portray this about a 1964 candidate, a Republican candidate, that was invented out of cold cloth, but, as I say, maybe the two parties have a different approach to campaigns.

Q. Isn't there a stigma you just remove as to race, religion -- it's just a stigma that really has no basis?

A. I thought the ^(Senator) Senator did his best yesterday. He frankly recounted the whole experience and was upheld by the Presidential candidate on his side, and I would think that that closes the issue.

Q. Governor Reagan, do you feel there are any great unresolved

issues at the Republican National Convention?

A. Well, there probably will have to be a brief period in which we exercise the ghosts that are still lingering in the hall there, but other than that, I don't know what it would be.

Q. Would you kindly elaborate on that? I'm sure we all would be --

A. What?

Q. Can I ask just which ghosts?

A. Oh, No, no, I just meant the ghost of the previous convention which seemed to be one of unusual interest this year. You wanted me to comment on it. I would say that the difference was that the 1972 Democratic Convention differed from the 1968 Democratic Convention in that this time the demonstrators were inside the Hall.

Q. Governor, the Congress has sent to the California Legislature the equal rights amendment and the California Legislature, so far, hasn't had a chance to vote on that. Do you think that should be something that is brought to a vote of the entire Legislature?

A. Well, now, wait a minute. I'm a little - - you change subjects too fast. Now, what are we talking about?

MR. MEESE: The equal rights for women amendment.

A. Oh. What is the situation with it now?

Q. Well, it's still in Senate Rules Committee and it's not being allowed to come out to the Senate.

A. Well, I would like to see it come out. I would like to. I think it should come out.

Q. It should come out when?

A. What?

Q. When?

A. While the Legislature is in session. I don't see the Legislative process take its course.

Q. Governor, Senator Cranston said the documents have come into his possession which allege that the State is miss-spending and miss-using State and Federal funds; the State's Office of Economic Opportunity particularly is doing this; they've been doing it by investigating the CRLA in Vista and crediting the State officials and local officials who have been doing this investigating as part of the State's in-kind contribution to the program, which is against the Federal regulations. Have you been looking into this and apprised of this?

A. I know this has just been brought up and I think the question Mr. Hawkins has already answered that it has the appearance of a partisan attack, political attack; but I have confidence in GAO and have nothing to hide. And that's GAO's function, to investigate fiscal affairs of government. So we welcome them.

Q. Besides asking you about the forthcoming election, what were the questions that leaders of foreign governments had during your tour and what were the questions they asked you to bring back to President Nixon? Perhaps U.S. military presence in Europe, whatever.

A. Well, let me speak in some broad terms because while I have spoken with the President by phone, I still have a meeting to have with him. The general purpose of my mission was to reassure European leaders and through them the people in European countries, particularly NATO, European Alliance, that the President, because of his recent visit to Peking and to Moscow, was not charting a unilateral course for the United States and that he has no plans for reducing our forces in Europe or lessening his interest, that, if anything, it was stronger; he believed the success of the Russian trip was due to the strength of the NATO Alliance and that he wanted and hoped for a broadening and further unification of Western Europe and that the United States intended to fulfill all its commitments and maintain its forces as an ally. And I found that this message was well received in those countries. There had been concern. Sometimes not among the leaders, but they felt the concern among their people; and, granted this is a mess and that could be conveyed through normal diplomatic changes in there was no question but to send a personal embassy does give it an impact that gets wider acceptance and makes it more emphatic. Now this was the message I carried to him for him and I also pointed out in some countries that this was inseparable from some of our economic problems, that if they set out in concert to make the United States -- or put the United States in a position where economically we found it's impossible to maintain our treaty obligations, then we would all be suffering and this would be catastrophic. One of the messages that I could bring back very happily to the President was in every country the leaders of every country made it so plain to me that in their opinion this was the first president in many years of the United States that they believed

had a complete understanding of the world situation and was embarked on a course that really, definitely was leading toward the hope for peace. And I've never heard such expressions of confidence as they added, and I came home with an assurance that NATO and the European Alliance -- that this is a very solid force. And as we've seen in the last few weeks -- and I'll say I think the next few months it is expanding and it is increasing in size and in depth.

Q. Governor, why hasn't your Health Care plan received a committee hearing and moved to the Legislature?

A. I don't know. You'll have to ask the Legislators that. You're speaking about the catastrophic insurance? Well, my own feeling is I've tried to make this public. I've tried to make the people aware of it. Evidently either the people don't feel the need for it enough to put pressure on their own legislative representatives or the Legislature just has decided against it. I know that philosophically much of the leadership on the other side is committed to a much broader plan that could -- I use the term socialized medicine, but we go further into that area. And we've made this offer. I think it filled a need and filled it fairly and in the most economical way possible for the people of California. But the people are going to have to make themselves heard now.

Q. Governor, did you work for it?

A. Yes, I have.

Q. What did you do?

A. Well, in my public audiences and in speeches I've made throughout the State I've tried and in television appearances to publicize this. I've even made a speech that centered on this as pretty much a theme. And we, of course, have done our work with our own legislators.

Q. That's what I mean. Have you prodded the Legislature into doing it?

A. Yes. And here it sits. I would like to see it pass. I think that we have a plain and simple case. We have a case of about ten-thousand people a year in the average who suffer either catastrophic illness or accidents that extend over a period of years that averages to the cost to the individual twenty-five thousand dollars a year. Now sometimes that cost goes as high as a hundred thousand dollars a year. The average is twenty-five. We read these cases -- we

read the most recent -- a man in a nearby community holding a garage sale trying to pay off a thirtyseven thousand dollar bill; but the bills are continuing because the child still has the illness for which he's being treated. This insurance, as I say, thirty-six dollars a year covering an entire family against this kind of catastrophe regardless of the number of people in the family. I just don't think there is anyone that could provide a better solution.

Q. Governor, when do you expect to review and take action on your task force report on smog?

A. I'm meeting with them -- I don't know about taking action, but Friday I'm meeting with the task force.

Q. Governor, returning to your goodwill trip for a minute, you tied our stationed troops overseas with trade. Do you feel some concern and does the administration feel some concern about the expansion of the European trading block this week?

A. We know there is going to be some temporary dislocation and he knows that, certainly. But what would be concern is if our allies, banded together, would suddenly start using this as an economic club to unfairly compete us out of the market. I don't think this country has ever had any concern if it's a fair trade deal. But beyond that, no, I don't think that there is great concern. The President says that he believes that the expansion, the enlargement of the common market, in the end result must benefit all of us.

Q. (Inaudible) -- confer with you before he ordered the State schools for the blind in Berkely --

A. What's that?

Q. Did Wilson Riles check with you before he ordered the State schools for the blind and deaf closed as a fire hazard?

A. Now I was away. Let me inquire here whether there was any communication on that, although that certainly comes under his jurisdiction.

MR. MEESE: I'm not sure there was contact, although there was notification. But it was done on the basis of the fire marshall report, I understand.

Q. Governor; back on my question a moment ago on the alleged misuse of Federal funds, ^(OEO) were you saying that public officials' time was not used to count toward the State's in-kind contribution?

A. I would -- No, I would think this would be a proper question for Mr. Hawkins. I know that in our -- in our dealings with the Federal Government I can't identify which programs permit and which do not permit that. There are some in which the State's contribution is in-kind. And he could answer that; I couldn't.

Q. Governor, on the same subject, one of the allegations in a Federal OEO briefing it might mean that it is in violation of your State-Federal agreement; State OEO was still sending analysts out in an investigative role, largely at Mr. Meese's insistence. Now could you or Mr. Meese respond to that?

A. Again, this was --?

Q. Sending OEO community project analysts out to investigate in Los Angeles, Alameda County and elsewhere.

A. Well, since the Governor has the responsibility for approving or vetoing any of these OEO projects from the very first. There is no question but that we have been carrying out that responsibility and not just rubber-stamping "OEO Project"; and the result has been a savings of millions of dollars to the tax payers because we have found innumerable cases of misuse of public funds and projects that were not worth the money that was being spent on them; and I've had no compunction about vetoing them, as you well know, in all that time. Now if this is what is become of this partisan political effort, which, incidently, the request that GAO was signed by our two Democratic Senators and the Democratic caucus of our congressman. There were no Republicans that asked for this investigation. If this is what is become of it, then I'll stand on our record because I think we've pitted off a great many programs that were nothing but stealing the public money.

Q. The point was the Federal guidelines provided a staff investigation

MR. MEESE: Governor, could we make it clear that there has been no authority or request by the Governor's Office to do anything that would violate either the grant conditions or the Federal regulations.

A. There boys, the fellow stands before you; he needs a lawyer.

Q. Mr. Meese, do you send CPS's to --

MR. MEESE: I'll talk to you later. I'm not sure of your question.

Q. Governor, there are talks that the prison guards are threatening to strike. In Tennessee last week the governor had a prison guard strike on his hands; he closed the prison and sacked the

guards. Would you consider such an action if you were faced with a similar position?

A. No. In California the law does not -- the law does not recognize the right of public employees to strike. Nor do I.

SQUIRE : Any other questions? Thank you, Governor.

Q. One more here, Governor. This is regarding a story that came out of San Francisco yesterday. It's from a so-called movement within the pharmaceutical corporation called Operation Fair-Shake and they claim that for the past several months Department of Health Care Services forced pharmacists in California to use cheap, sub-standard and improperly tested drugs and are placing the blame on you --to save money. And at the same time they claim they are endangering the lives of Medi-Cal and drug patients. These drugs involve care for patients under epilepsy, heart ailments and asthma.

A. Well, I challenge that charge and even welcome any investigation they want to make on that. Dr. Brian would be the man to answer those questions. But you will find that every provision in Medi-Cal that we have contains the escape clause that on a doctor's recommendation any exceptions can be made for the health of a patient and there is no case that I know of that Medi-Cal regulations have been responsible for the lack of treatment or the death or serious illness of any patient. And I would suggest that you take this up with Dr. Brian because I think he might be able to give you some information that would put an entirely different aspect on it.

SQUIRE: Thank you again, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD SEPTEMBER 7, 1972

Reporter by
Beverly D. Toms, CSR.

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GOVERNOR REAGAN: Well good afternoon. Nothing in the line of an opening statement, so --

Q. Governor, I got a call from my grandmother in Springfield, Missouri yesterday and she said you are going to her state sometime next week. Do you plan --

A. Yes. You what?

(Laughter)

Q. Are you going to Missouri next week?

A. Yes.

Q. We don't know about it.

A. Oh, you mean the schedule hasn't caught up with you, I just found -- I'm just about two or three days ahead of my schedule myself. I think I'm due there Monday. It is in connection with a national campaign, the Committee to Re-elect the President.

Q. Are you just going to Missouri or are you going --

A. On this trip just to -- to that one stop there.

Q. Governor, how interesting would you find the Secretary of State's job?

A. I don't think that it would be possible to find another job as interesting as this one.

Q. Then you put no credibility in Rona Barrett's story that you are interested?

A. I absolutely do not. Or any of the -- of the other speculations about Ambassadorships or anything else. There has never been one word of conversation about them. They are invented totally out of hole cloth. I don't know how they started unless just after the unusual rains we have been having, like mushrooms they grew, but there is no truth in them whatsoever.

Q. Governor, since the legislature recessed have you given any

more thought to tax reform or what specifically you propose doing with surplus in the State budget.

A. Well, tomorrow if you happen to be covering the fact that I'll be speaking to the Host Breakfast, I'll make at least some tentative statement about that tomorrow in my remarks.

Q. You don't want to say anything now?

A. I better wait till tomorrow.

Q. Governor, back on the politics, are you going to stay neutral in the Republican Governorship primary in 1974 among what appears to be a growing list of possibilities?

A. I haven't made any decision other than the one about my own personal participation, non-candidacy about '74. And I haven't gone beyond what I'm -- upon '72 in the election and I'm not going to comment on any election other than the '72 election. There is too much talk, I think right now, on the part of people who are speculating all the way from '74 to '76, and I think that those of us who want to see the President re-elected, I think, should concentrate on '72.

Q. Governor, I wonder what kind of attention you'll be paying to campaigning for Republicans running for the State Senate and the Assembly.

A. Oh, I'm going to do everything that I can. As a matter of fact, my schedule for the rest of that month and for October is -- is very heavy with appearances in support of our candidates.

Q. Governor, on another subject. Our paper reported this week that Dr. Haagen-Smit of the State Air Resources Board is at the same time a paid consultant to the Los Angeles Pollution Control District, which the State Board supervises in some respect. Are you possibly looking into some possible conflict of interest in this situation?

A. Well, this was news to us also. He's a very distinguished man, he's known, of course, as the man who discovered smog. And I think he has served all of California very well and put us out in front of the nation in this fight. But, yes, of necessity, and since this information came to light, I have asked Secretary Livermore to look into this.

Q. Governor, does this indicate some breakdown in your review -- your administration's review of possible conflicts of

of interest that you announced some months ago?

A. No, I don't think it does at all. We have gone forward with the study, it is a very knotty problem. Obviously we do everything we can with regard to appointees to see that there is no outright conflict of interest. In our study of this we have run into the situation that where a state has as many advisory boards and commissions and so forth as we have, there are many instances where there is -- anyone could try and draw a parallel and say, doesn't this constitute a conflict of interest, on the part of one of these individuals, and their utmost integrity, and it would be almost impossible to find people to do some of these jobs if you -- if you carried this to the nth degree. And there come certain points where you simply have to rely on your belief in the integrity of the individual. There are other instances, of course, and these are the ones that we are -- we are studying right now, as to insure that even inadvertently there cannot be the kind of outright conflict of interest where an individual, as I say, inadvertently with no thought of this suddenly finds that he has come face to face with what could be his own personal interest. And we are doing our best -- best on it.

Q. Are you looking in other cases, Governor? You mentioned other cases.

A. No, we are looking at the whole -- the whole spectrum and the whole philosophy and to try -- trying to find where can you put down the -- hard and fast dividing line.

Q. Governor, has your administration made any changes in this area since the Terry Mulligan case of earlier this year, where I think you were looking into it then in order to expose more easily -- so you would know when something happened.

A. Well, we have asked all of our department heads and all of our agency secretaries to review their departments, their agencies, with this in mind, and thus be able to bring before us any possibility or potential that before had -- had not been considered or that we didn't -- that didn't appear to be a conflict of interest, just to insure that -- that there isn't some -- some case where this potential exists.

Q. Do you know -- is there a requirement now that your officers -- or appoint officers have to file an annual statement of their annual holdings?

A. I'd ask Ed to explain exactly what all they do state.

ED MEESE: Well, they do file a statement of any possible or potential conflicts of interest. Dr. Haagen-Smit did file such a statement with us at the time that he was appointed to his -- the previous board which is a predecessor to the Air Resources Board, and there was no problem at that time because it was just a very part-time board, and so there was no conflict. But, if you remember, on the first of July of this year the whole nature and composition of the Air Resources Board changed and Dr. Haagen-Smit's relationship to that board changed now becoming a more extensive part-time employee of the State, and so on the basis of that change in the board, not any change of Dr. Haagen-Smit's situation, that that relationship between the Air Resources Board and the Los Angeles Board has to be reviewed and that's what's going on now.

Q. Just to pin it down further, is there an existing requirement now in your administration, let's say every year or so, an appointed official has to file a statement?

ED MEESE: That's correct.

Q. Of his -- or bring it up to date every year?

ED MEESE: Well, or periodically, I'm not sure it is every year, but periodically.

Q. Was Dr. Haagen-Smit's statement looked over when it came time to re-appoint the board and pick the new members?

ED MEESE: I'm not sure whether it was or not at that time. But it was updated since that time and that's what -- what this drew attention.

Q. Governor, Senator McGovern made a swing through Southern California apparently for the purpose of trying to persuade workers in defense related industries that their jobs would be preserved under a McGovern administration. I wonder what your reaction is to that.

A. Well, maybe he's going to ask them to work as volunteers. I don't know, you can cut defense 30 million dollars or 30 billion dollars and still have the aerospace industry or how you can be opposed to the B-1 program, and how you can be opposed to the space shuttle and much of the rest of the space program and still insist that aerospace jobs are going to be guaranteed. I have heard some of the same kind of fuzzy remarks for which he has become distinguished so far in the campaign about, "Well, maybe the aerospace indus-

tries can make something else. I think that the people in the aerospace industry and the workers who depend on those jobs for a living deserve something more specific than that, and I think that specific answers have been very much lacking on the part of the Senator in the campaign so far.

Q. Is this the kind of rhetoric that he is going to have to put forward to win California?

A. Well, I have -- I have heard and seen it reported in the news, some of the rhetoric that he's putting forth, and while he's continued to refer to the need for talking issues in the campaign it still seems as if the issues are the last things he wants to discuss.

Q. Governor, do you think it is a personal rebuff to you if McGovern wins California?

A. Would there be what?

Q. A personal rebuff to you if McGovern wins California, can you save it for the President, in other words.

A. Oh, you do everything you can. I have never believed that one person elects another. What I am more concerned about than that is that with President McGovern in the White House, what would happen to a great many of the progressive moves and the gains that we have made in California that I think would go out the window.

Q. Governor, do you see the endorsement of candidate McGovern by the I.A.M. the other day as a sign that maybe he'll be pulling over more union support than was anticipated?

A. Oh, the polls have indicated that a reasonable split within union membership and I was a little surprised that they still hadn't done it. Maybe the convention just hadn't ratified -- I had been under the impression when I spoke to them that they had already endorsed him at least to the national level of the union. Now it is possible that my misunderstanding was -- was over the fact that maybe the national leadership did, but maybe that was a recommendation to the convention which had to be ratified.

Q. Governor, of your assessment of legislative campaigns thus far, do you think there is a chance the Republicans may take over either house of the legislature and if so, what Democratic members might be in trouble, as far as your assessment is concerned.

A. I couldn't pick out any exact names, I just know in our own view there is a good chance -- we believe there is an excellent chance to get a margin -- a slim margin in the Senate. But we also believe that we have some of the finest candidates for the

for the Assembly that we have had in many years. And because there are so many open races where there are no incumbencies due to men running for other office or leaving, that we think we have a good fighting chance there. Of course, it is an uphill fight. It is an uphill fight because the districts that were ordered reapportioned have not been reapportioned and there is no question but that this state is apportioned now in what is a pro-democratic gerrymander. The evidence of that is the fact that statewide the people of California for the last two elections have in a majority voted for -- at the statewide level have voted for -- for Republicans. But when broken down into districts, the gerrymander takes over and we find ourselves with a Democratic majority.

Q. Mr. Finch recently referred to an agreement among potential Republican candidates for statewide office that -- for some sort of moratorium pending of General Election. My question is, did you help spur that agreement and just what is it?

A. Well, yes, there was nothing more than a meeting back when the first talk of putting a campaign together began and I took advantage of Attorney General Mitchell's being out here then, who was the Director of the campaign, and we called in a number of our people and all of our constitutional officers for a meeting with him and we -- all of us resolved that anyone who was anything in terms of putting together a campaign organization for '74 would withhold any action on that until after the '72 election.

Q. On that same subject, governor, having worked with Lieutenant Governor Reinecke for as long as you have, can you foresee a situation where you wouldn't support his bid for the governorship?

A. No, I can't. I have full confidence in Lieutenant Governor Reinecke, I would have full confidence in his ability to run this state as Governor.

Q. So in that sense if he were opposed by Mr. Finch or Mr. Flournoy, you would be supporting the Lieutenant Governor?

A. Now, you are -- I'm telling you what I think of the Lieutenant Governor's potential as a -- as a governor, and my confidence that I have in him. You are now bringing up two and a half years in advance, what is going to happen with regard to a primary, and a basic election, and I have told you I'm not going to -- I'm not going to express myself on that issue now.

Q. Would you have the same confidence in Mr. Flournoy and Mr. Finch to run the state?

A. If I answered your question I'd be answering his question.

Q. Well, you did answer it regarding Mr. Reinecke. You did -- you did express a principle regarding Mr. Reinecke's capacity to hold the office of governor.

A. Well --

Q. You did go that far. Can you also express the same -- are you refusing to express the same confidence in these other two?

A. No, as a matter of fact, let me put it this way, I'll broaden it, then let me say this, that of the Republicans who have been suggested for Governor of the State of California, I have the utmost confidence in any one of them to do a better job than anyone that has been suggested on the other side.

(Laughter)

Q. And how about among them? How about among them, just among the Republicans?

A. Oh, now, we will just let them stand there as a sterling group.

Q. You consider them equal?

A. What?

Q. You consider them equal?

(Laughter)

A. I consider them all sterling candidates.

Q. Does that include Philip Watson?

A. What?

Q. Does that include Philip Watson?

A. I don't know -- I don't even know what party he belongs to or I didn't know that he was a candidate for anything except as an advocate -- a surrogate for his initiative.

Q. Governor, have there been any violations of that agreement that you know of?

A. Not that I know of. It was voluntary on the part of everyone and everyone was most enthused about it, and believed it should be done, and I know of no violations.

Q. Can I go to another topic? Governor, it was recently disclosed that the architect for the new state mansion is also the architect of your Pacific Palisades home. This brings up two points. One of possible favoritism in his appointment and number two, where will be the voice -- a more wider voice in building this thing rather than just one single architect laying out the --

A. I think we can clear that issue up also. Mr. Stevenson had been selected by the group of citizens who were raising money and who at one time had contemplated building a home on private subscriptions and donating it to the state, and as a result he had become familiar with the studies that had gone before at the state level as to the needs of such a residence. When the property and such tentative plans as he had made for the committee was donated or all of these things were donated to the state, the property on the American River, this now became a ~~new~~ completely a state problem. And Mr. Stevenson has not been hired as the architect for the residence but because of the experience that he'd had with that committee, the State architect on his own and with no word from me whatsoever hired him only on a limited consulting basis right now for the preliminary studies that must be put together, what must be included in such a residence to meet all of the state requirements. And Mr. Stevenson himself has taken himself out of the running for any consideration as the actual architect of the residence.

Q. Is that a new development because the state architect didn't tell me that a month ago or less.

A. Well --

Q. He said he was in line, he said he thought Stevenson would be in line.

A. I'm quite sure he did consider himself -- he's a fine architect and he had, as I say, this previous experience and I'm sure the State architect believed he was in line, but this is an indication that no decision had been made about the final architect. It Mr. Stevenson himself, when this news broke, who made it plain and said, "Let's get one thing straight," he said for his own personal reasons he just did not want to be considered for that -- for that task.

Q. Governor, back on the legislative races. One of the most threatened is Senator Marks of the Republican legislators. Senator Marks has never been known as an administration vote in the Senate. Are you going to campaign for him in San Francisco, and if so what kind of asset do you think it's to have a Democrat in San Francisco?

A. That's going to be up to the Senator, and his own campaign people. You know what Harry Truman once said, "Tell me how I can help, stay away or come into your district." And I feel the same way. I'll do what -- what will be the most helpful to any candidate.

I realize that Sen. Dr Marks has a district th -- in which his constituency is largely of the other party.

Q. You think he's worth saving, though, as far as the administration --

A. Yes, as a matter of fact, I have been cooperating with him right now in a number of ways on this, as well as with all the other legislators.

Q. Such as what, how have you been cooperating?

A. Well, the matter of contacting people, people that might be useful to him in the campaign and so forth.

Q. You've been helping him then, in other words?

A. As much as I can, yes.

Q. Has he asked you to come in and campaign actively, personally, in the city?

A. No, but I haven't had any contact with him recently. I've just returned yesterday from my -- my first day here -- back here. But, as I say, whichever thing will be helpful.

Q. Governor, do you believe the Republican National Campaign has any moral, if not legal, obligation to disclose the source of that disputed \$10 million dollars contributed before the April --

A. I'm glad you asked that question. You know, the plain truth is, and I don't know why more people haven't made this plain, the committee actually cannot reveal the source of those contributions. The law -- the law became effective April 7 with regard to the new reporting procedures. And anyone who wanted to contribute to a political party, and believe me there were numbers who contributed to both parties, and to a number of the Democratic candidates who chose to contribute before April 7, they did so under the protection that they could contribute anonymously. And the only person now who legally and morally can reveal that information is the individual who made the contribution. The committee has no right to make that information known.

Q. They are prohibited? They are prohibited from doing so?

A. Yes, the individual who wanted to contribute anonymously was within the law up until April 7 in doing so. And now there is two parts to a contract. You'd be breaking a contract with an individual who gave you a contribution if you said, "I'm going to blow the whistle and say that you gave me the money."

Q. But you say that would be a legal break rather than a moral

break?

A. I think it is both. I don't believe --

Q. Are you saying --

A. I don't believe legally that the committee has a right to unilaterally decide to reveal this information with regard to individuals who were within the law in making contributions prior to April 7.

Q. Well, is it your feeling then that the -- if the campaign did disclose the source of those funds that they would leave themselves open to some kind of legal action?

A. I would think that they -- they very possibly could, if anyone wanted to do it. I would think also that the -- the only way they could do it is if the individuals came in and volunteered their consent. But, as I have said, this is -- this is not a one-sided deal at all. There are -- there have been big -- as a matter of fact, while the opposition had to divide its fat cats up among more candidates because of the wide open primary, that the Democrats were having, I think that you will find, and you will find historically that the Democrats received more large contributions and their contributions come from a smaller group of people than the Republicans traditionally do; that the Republicans have always lead them in the number of small contributors and have always been behind in the number of -- well, what's called the big contributors from \$500 up. And you will -- you will also find if you want to go back that traditionally the Democrats outspend the Republicans in campaigns.

Q. Governor, would you like to see public financing of campaigns?

A. No, I wouldn't like to see it. I think -- I think we really get ourselves in a hole if ^{we} ~~we~~ get into the idea of funding on a compulsory basis, and one of the things that's been overlooked a great deal with regard to contributions is that this is a part of the democratic process. Once you make it public, where do you set the standard at, anyone who wants to declare himself candidate and who can't absolutely cannot get any public support whatsoever for his candidacy, but can enforce the taxpayers subsidizing his run at the office because his campaigns are publicly financed. When I say it is part of the democratic process, I think the fact that an individual is able to get support and that people are willing to help

finance a campaign ; evidence of -- of a person's, you might say, eligibility to run, that he already has something of a following.

Q. What do you do about a situation like in New York where Governor Rockefeller finances practically his entire campaign? Rockefeller put up five or six million dollars a couple years ago.

A. I know, what are you going to do about any candidate -- Norton Simon put up all the money for his own campaign too here in California.

Q. What do you do about ^{it}?

A. Here again as long as this -- as long as this is known certainly you can't say that there is a -- there is a conflict of interest on the part of the individual for backing himself. He's -- he isn't behold^{en}ing to someone.

Q. Isn't this unfair to, say, a person who is not wealthy who wants to run for the same office? He hasn't got that same backing.

A. I know.

Q. A wealthy person has.

A. We have always had that problem, but what's going to be the -- what's going to be the -- what's going to be the answer to it.

Q. Do you have one?

A. No, I don't. You can't say to someone that he can't support his own campaign.

Q. Governor, on the Watergate incident, do you think the committee to Re-elect the President has to accept some responsibility for that in view of the fact that the very least it was financed by their -- in some way by their contributions -- by contributions?

A. Well, here's a matter that's before a Grand Jury right now to be decided. I don't know what is proper to comment. I thought that Attorney General Mitchell's statement the other day with regard to the same question was absolutely correct, when someone said, "Well, as the Director of the campaign weren't you the General, weren't you responsible for the troops?" And I think he was correct when he said, "No." "Not to the extent that when someone without any authority and without anyone's knowledge goes ahead and does something on his own that turns out to be a violation, whether ethically or legally. You can't be held responsible for that. I think this is probably -- if people would ever try to understand it, this is a problem that faces both an office holder and the

candidate. You live with the knowledge that no matter how careful you try to get in the selecting of people that you are the victim. If some place along the line someone goes wrong and you go to sleep with this every night, you wake up with it in the morning, and the knowledge all you can do is say, "I have done everything I can humanly do to make sure this will not happen," and in the selecting of people the rules you lay down and so forth. And I think the same thing is true, you -- in a campaign, even worse than among appointees in office, you know that in the emotion of a campaign there are people and they are all worked up and they think they have your best interests at heart, and they are going to go out and do something. And you pick up the paper one day and read about it, and you stand there and what you say cannot be repeated or printed. But -- and yet at the same time you know that the individual really -- really did it with love in his heart and thought he was doing something great and noble for you.

Q. But you think that was the case --

Q. One follow-up question on that. Doesn't the high officials have to accept responsibility because they don't have sufficient controls over the money to allow \$114,000 to be diverted in that respect, now that's more than just some underling -- I mean if you have a system that permits that to happen, don't you have to --

A. Well, now, wait a minute, you are -- now you are getting into details that I don't know about, and I think all of this will come out and I -- I think that it is preposterous to think that responsible people at the higher levels and that the candidate himself, even if you could believe that they lack the ethics to do something of this kind, that they lack the political savvy to do something of this kind, give them credit for being more intelligent than doing such a thing.

VOICE: Any other questions? Thank you, Governor.

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9/21

PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD SEPTEMBER 21, 1972

Reporter 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. Because of the need to get it to the press as rapidly as possible after the conference, no corrections are made and there is no guaranty of absolute accuracy.)

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GOVERNOR REAGAN: Well, good morning. Other than that, that's the total extent of my opening statement.

Q. Governor, in connection with the present discussion about the initiative process and the fact that there apparently have been some irregularities, would you favor an investigation and possibly changing the regulations as they regard professional collectors of signatures.

A. Well, I don't know, perhaps the Legislature should investigate the entire matter of the initiative process, not just professional collectors, but perhaps they also ought to investigate why the Secretary of State, who has the ultimate responsibility for validating these signatures and ruling that they are legal, why he suddenly now after validating all of these and approving them has discovered what he claims are evidences of fraud. It seems to me that the whole fuss smacks very much of politics, and almost as if it is designed to arouse public opinion one way or the other with regard to just some of the initiatives. Now, we know that in every initiative process, in the signing of petitions, there are many signatures that are invalid. They are either incorrect as to address or they have done something wrong, they have signed outside their own precinct or their own district. I suppose there are evidences of fraud or forgery many times, and the idea is everyone who ever circulates a petition knows that he's supposed to get a lot more names than are actually required, because many will be invalidated. Now if, after having approved these the Secretary of State has evidence that some of the signatures are invalid and were not caught, it seems to me the process is for them to recall those petitions, go through and again glean out the names of those that are fraudulent signatures. And then if there are enough to reduce the petition below the required amount, why the answer is obvious, it is not on the ballot. If there aren't enough to reduce -- to reduce it below that level then I don't know why the -- the petition should be denied.

Q. Governor, you have some control over that, don't you? Couldn't you suggest a bigger budget for the Secretary of State then so that he could do this at an appropriate time rather than after the fact?

A. Well, the Secretary of State's budget problem seems to be with the legislature and as you well know, what the legislature takes out I cannot put back.

Q. Are you urging, though, that the Secretary of State be given additional funds?

A. Right now I'm urging that the Secretary of State find out why he found all of these petitions able to be validated. As a matter of fact, on the one, the death penalty initiative, which he has seen fit to include in his charging professional firms with fraud, there were no professional firms involved. If there is ever an issue on the initiative, on the ballot that was pure democracy, it was this one. There were no funds to speak of. A little money was raised toward the end to hire some girls to help in the -- in the typing at the office and the precincting, but there was no professional firm. This was circulated by citizens as volunteers.

Q. Governor, are you suggesting that the Secretary of State is using his office to influence people or to take a certain position on an issue? On certain initiatives, to defeat it, is that it, or to--

A. I think that my earlier words could be interpreted that there is the possibility that this was meant to influence voters rather than to --

Q. Governor, there are two points there, one is forged signatures and the other is fraudulently obtained signatures.

A. Yes.

Q. Apparently the fraud involves in selling -- the Attorney General's statement with a card. Now, how could the Attorney -- how could the Secretary of State have any control over that kind of practice?

A. Well, he has a few complaints. He calls it mass -- evidence of massive fraud and then he says he has some 2,000 complaints. Well, most of these petitions came in with -- in some instances hundreds of thousands of names more than were required. The death penalty initiative came in with a half million more signatures than were required. Now, should virtually a million people be deprived of their right, if only 2,000 of the million at most -- and certainly there's been no charge that it applied to that particular initiative --

that if 2,000 of the signatures were fraudulently obtained by someone being over-anxious or over-eager in his solicitation, it seems to me that this is a reversal of a democratic process to suddenly say that the efforts of all the million people and the willingness to sign is to be invalidated because a few thousand people have complained now that they want -- that they either didn't understand or they were not given the information they needed to properly sign or not sign the -- the initiative.

Q. You don't think that might just be the iceberg, the 2,000 complaints.

A. Well, I'll tell you, you take one or two of those initiatives and you throw it out on the basis of what he says are a couple of thousand complaints, and you may just find out that the iceberg is a raging fire because I have a hunch a lot of people would be awful mad.

Q. Governor, why do you say or why in your opinion is looking for violations of the law smacking of politics?

A. Because I think this should have taken place before these were validated. That's one of the processes of his office.

Q. Well, isn't that sort of ministerial thing, really, in his point, isn't that -- the checking done at the local level, they don't send it themselves up to Sacramento.

A. He has the ultimate responsibility, he could send them back to local governments and tell them to go over them again.

Q. Governor, when I talked to the Secretary of State's office they said that they do not receive a petition; they only receive numbers from the counties, and that the counties are the ones that are responsible for checking the validity of the signatures.

A. All right, then he has received complaints and I think they should be referred back before this.

Q. Or to the Attorney General?

A. What?

Q. Or referred to the Attorney General since there seems --

A. I'll turn you over to my lawyers on that as to which would be the best course to follow.

Q. New subject.

Q. Just one more. Governor, about your political statement. Do you believe that the Secretary of State is using this initiative business to further his own political ambitions?

A. Oh, look, I don't know whether I should get into that or not. All I can say is that when you walk down the halls any more you really have to be careful not to bump into a candidate.

Q. Governor, do you favor Prop. 22?

A. What?

Q. Do you favor Prop. 22?

A. Proposition 22. That's the farm -- yes, I do.

Q. Why?

A. What?

Q. Why?

A. Because I believe that the very basis of organizing of workers for representation depends on the workers themselves being allowed the right to vote and the right to vote by secret ballot so that there is no possibility of intimidation or coercion. And this is the very heart of that particular issue. And I think also because Proposition 22 reminds you that laws today are being broken, laws against secondary boycott and I think that this is in no way as its opponents have tried to portray it -- this is in no way an attack on organized labor. Indeed, I think it is a protection for the worker himself, and gives him the right to determine whether he wants to organize and what kind of organization or which organization he would like to have represent him.

Q. Governor, what laws are being broken?

A. Laws against secondary boycott, I think have been.

Q. Specifically federal law? Does that apply to agricultural production?

ED MEESE: This would put agriculture in the same position as other labor relations, and prohibit the secondary boycott as it now is prohibited in normal labor union activity. Agriculture was specifically exempted from the National Labor Relations Act and this is why you have this anomaly.

Q. Didn't you say laws are being broken now?

A. Well, now, I'm not a lawyer. I'm not as careful about my phraseology. The idea of a secondary boycott is illegal due to a technicality. Secondary boycott has been employed for quite sometime now in the labor dispute that's going on here in agriculture. I should have put out between the moral issue and the exact legal issue, but you see, that's what you get when you don't have a lawyer standing up here.

Q. Governor, on the death penalty initiative again, am I right in thinking that sometime back we asked you whether you signed a petition and you weren't sure, you sort of thought you had, but your wife was trying to get you to sign one, now that is the right one, the death penalty.

A. That was the one.

Q. So I'm wondering did you sign and may you be somebody that's maybe signed up a couple of times?

A. No, no, I -- I don't think you could find my signature on there twice.

Q. Did you sign it?

A. Yes.

Q. Governor, what has happened to your investigation of Dr. Haagen-Smit and the possible conflict of interest?

A. Well, we found out that Dr. -- first, there had been a great exaggeration over the amount of the consulting fees that he has received at the county level. We also discovered that there was not a conflict of interest in any way until July 1. In other words, there was no invasion up until this point. And July 1st, the part-time position of Dr. Haagen-Smit became the full-time position with the re-organization of the State Smog Control Board. And this has been called to his attention. Dr. Haagen-Smit with the concurrence of the county has severed his connection with the county, in this regard, and has preferred to stay and believes he could do more good just with the State Board. And so there is no -- the issue is closed, there really was no fault on anyone's part. He was simply doing prior to this everything he could in every direction to help in the fight against smog.

Q. On the proposition again, on 18, the anti-sanity or censorship, which side you are on, have you taken a position on that or what is your position on it? This is the so-called Harmer initiative.

A. Well, now, let me try and -- let me try and count them up because we have been -- we have started in cabinet here.

ED MEESE: This is one in which you are still seeking some legal information on some of the provisions.

A. Yes, there are some points in this, that's right.

Q. As to possible constitutionality?

ED MEESE: No, just to clarify the exact legal meaning.

Q. To save time, Governor, why don't you tell us what

propositions you signed and what initiatives you signed and which ones you refused to sign, if any.

A. Well, there are an awful lot of them that nobody ever presented to me, but since one of the petitions was being circulated out of my own home, I wound up signing that one.

Q. Was that the only one?

A. I don't recall whether someplace along the line I came to any others or not. Sometimes when you are out and at a meeting or place where you are speaking, someone will come up with a petition and you will sign it. I actually can't recall this particular year with all of these whether there were any of those instances or not. They all kind of blend together.

Q. Do you recall being asked to sign any and declining?

A. No, I don't.

Q. Not even the marijuana initiative?

A. I don't think anyone ever put one of them in front of me.

Q. You have never been on the Capitol Mall.

(Laughter)

Q. Governor, should the issue come before the Board of Regents, can you conceive of any circumstances where you might vote for the restoration of Angela Davis' job?

A. No, you are asking my personal opinion. No, I think the -- the reasons why she was not rehired when she came to the end of her contract, I think are as valid now as they were then.

Q. Do you expect that subject to come up at the meeting tomorrow?

A. Well, it is on the agenda for the Regents meeting tomorrow for the Executive Session, yes.

Q. Has she formally petitioned for reconsideration?

A. I don't know. All I know --

Q. Why would it come up?

A. It is on the agenda because I understand that -- the department down there has proposed her name for hiring as a member of the faculty in that department.

Q. Governor, the Democratic Vice-Presidential nominee was in Sacramento the other day and mentioned that Senator McGovern had never proposed giving \$1,000 to every person in the country. Would you comment on that?

A. Well, I hope that the Vice-Presidential candidate isn't

standing a thousand per cent behind that position, because I think it's been recorded in the press already or reported in the press that on May 27, a two-hour press conference was held and -- by staff members of Senator McGovern at which time a brochure was presented that was entitled "Senator McGovern's Minimum Income Proposal." And this was the one that spelled out the \$1,000 proposal. And I just think that -- well, of course, Sergeant Shriver hasn't been a Vice-Presidential candidate very long so maybe he missed out on some of the earlier things that took place.

Q. On pledges, are you close to having your legislation prepared to make some tax rebates when the legislature comes back?

A. No, we are still waiting for definite figures on what the surplus will amount to.

Q. Governor, are you talking with the legislative leadership about the possibility of doing anything at all on tax reform?

A. About what?

Q. Tax reform. When the legislature comes back, is there any talk at all about doing --

A. Well, they have been absent -- I don't know whether there have been some meetings here with staff or not. They have been away and we haven't had -- I have not participated in any formal meetings with the legislature on this. We know that in a sense, technically, the matter of the same tax reform bill that was defeated is -- is still alive when the legislature comes back in November, we would still prefer to give tax relief to the people by way of -- of the property tax on their homes. But, as I said the other day, publicly, if that proves to be impossible, when we know the exact figures of the surplus, then I'm going to ask for a tax reduction at the State level to give this money back or in a sense not -- we are not talking about giving back, what we are talking about is to ensure that the people of California are not paying more for government than government needs.

Q. Governor, that would sort of cut off the schools, wouldn't it, if you -- because the tax -- the tax reform plan had this major school financing then in addition to property tax relief. So if you have nothing and then you give all this money back, you have nothing for the schools, is that right?

A. We are not ignoring the -- the problem of school funding and the necessity for school equalizing. And we have -- Mr. Riles

and I have talked about this problem. We recognize that, and this certainly will be in consideration in determining what is a surplus, what is available to -- to do this. I will say this, I still stand firm with what we had in our -- in our property tax relief program, that for anyone to suggest that we just simply increase more money to the schools and in the same old formula that is not working now is an injustice to the people and is not going to cure the problems of education. We have done that year after year until we are now giving a billion aid in state aid to the schools and over these same several years no one can point to a single improvement in the quality of education in return for that money. But I think all of us are agreed in government that there -- that there is a school financing problem that must be solved but not by just increasing the amounts of money that we give in these mandated programs in this very intricate formula.

Q. Governor, with prospects of tax reform being somewhat bleak now, is your administration going to prepare a school finance measure that would -- that would try to meet the problems raised in the Serrano decision?

A. Well, we recognize that this is a -- this is something that has to be solved. There is no question that there are school districts that are definitely hardship districts, that must be brought up and that there is no way to bring them up by way of the property tax. And we are determined to deal with that problem.

Q. Do you have a legislative program in January to attack that problem, this initiative has to be dealt with?

A. Well, if this issue is not resolved in the tag end of the session that is late to be held or going to be held in November, yes, we will make proposals.

Q. It seemed to me when the legislature closed that you were much firmer that you said you were giving up really on tax reform this year, as far as the legislature was concerned, and you were going to ask for tax refund. Now you seem to be saying that maybe people are talking again about tax reform.

A. Oh, no, I don't -- I don't recall ever making a statement that I haven't -- don't -- have said that I would prefer --

Q. Right.

A. -- this tax reform to solve the property tax which is inequitable. And of course everything that we are saying here about reducing taxes and everything else is academic unless the

people turn down the Watson initiative which will not only absorb all the money that is in sight, but which will impose a heavy tax burden on the people, and be very disruptive, I think, of the entire tax structure.

Q. Governor, what is your position on the proposition that the legislature has placed on the ballot for a two-year session and other changes in legislative procedures?

A. I'm happy to say that that's one we haven't come to yet.

Q. You are going to stay neutral on that? Will you stay neutral on that?

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Q. Do you wish now you hadn't supported Prop. 1A in '66?

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A. What?

Q. Who is that, the mother alligator?

(Laughter)

A. As a matter of fact, in my mind it is a kind of a collective term.

VOICE: Thank you, Governor.

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propositions you signed and what initiatives you signed and which ones you refused to sign, if any.

A. Well, there are an awful lot of them that nobody ever presented to me, but since one of the petitions was being circulated out of my own home, I wound up signing that one.

Q. Was that the only one?

A. I don't recall whether someplace along the line I came to any others or not. Sometimes when you are out and at a meeting or place where you are speaking, someone will come up with a petition and you will sign it. I actually can't recall this particular year with all of these whether there were any of those instances or not. They all kind of blend together.

Q. Do you recall being asked to sign any and declining?

A. No, I don't.

Q. Not even the marijuana initiative?

A. I don't think anyone ever put one of them in front of me.

Q. You have never been on the Capitol Mall.

(Laughter)

Q. Governor, should the issue come before the Board of Regents, can you conceive of any circumstances where you might vote for the restoration of Angela Davis' job?

A. No, you are asking my personal opinion. No, I think the -- the reasons why she was not rehired when she came to the end of her contract, I think are as valid now as they were then.

Q. Do you expect that subject to come up at the meeting tomorrow?

A. Well, it is on the agenda for the Regents meeting tomorrow for the Executive Session, yes.

Q. Has she formally petitioned for reconsideration?

A. I don't know. All I know --

Q. Why would it come up?

A. It is on the agenda because I understand that -- the department down there has proposed her name for hiring as a member of the faculty in that department.

Q. Governor, the Democratic Vice-Presidential nominee was in Sacramento the other day and mentioned that Senator McGovern had never proposed giving \$1,000 to every person in the country. Would you comment on that?

A. Well, I hope that the Vice-Presidential candidate isn't

standing a thousand per cent behind that position, because I think it's been recorded in the press already or reported in the press that on May 27, a two-hour press conference was held and -- by staff members of Senator McGovern at which time a brochure was presented that was entitled "Senator McGovern's Minimum Income Proposal." And this was the one that spelled out the \$1,000 proposal. And I just think that -- well, of course, Sergeant Shriver hasn't been a Vice-Presidential candidate very long so maybe he missed out on some of the earlier things that took place.

Q. On pledges, are you close to having your legislation prepared to make some tax rebates when the legislature comes back?

A. No, we are still waiting for definite figures on what the surplus will amount to.

Q. Governor, are you talking with the legislative leadership about the possibility of doing anything at all on tax reform?

A. About what?

Q. Tax reform. When the legislature comes back, is there any talk at all about doing --

A. Well, they have been absent -- I don't know whether there have been some meetings herewith staff or not. They have been away and we haven't had -- I have not participated in any formal meetings with the legislature on this. We know that in a sense, technically, the matter of the same tax reform bill that was defeated is -- is still alive when the legislature comes back in November, we would still prefer to give tax relief to the people by way of -- of the property tax on their homes. But, as I said the other day, publicly, if that proves to be impossible, when we know the exact figures of the surplus, then I'm going to ask for a tax reduction at the State level to give this money back or in a sense not -- we are not talking about giving back, what we are talking about is to ensure that the people of California are not paying more for government than government needs.

Q. Governor, that would sort of cut off the schools, wouldn't it, if you -- because the tax -- the tax reform plan had this major school financing then in addition to property tax relief. So if you have nothing and then you give all this money back, you have nothing for the schools, is that right?

A. We are not ignoring the -- the problem of school funding and the necessity for school equalizing. And we have -- Mr. Riles

and I have talked about this problem. We recognize that, and this certainly will be in consideration in determining what is a surplus, what is available to -- to do this. I will say this, I still stand firm with what we had in our -- in our property tax relief program, that for anyone to suggest that we just simply increase more money to the schools and in the same old formula that is not working now is an injustice to the people and is not going to cure the problems of education. We have done that year after year until we are now giving a billion aid in state aid to the schools and over these same several years no one can point to a single improvement in the quality of education in return for that money. But I think all of us are agreed in government that there -- that there is a school financing problem that must be solved but not by just increasing the amounts of money that we give in these mandated programs in this very intricate formula.

Q. Governor, with prospects of tax reform being somewhat bleak now, is your administration going to prepare a school finance measure that would -- that would try to meet the problems raised in the Serrano decision?

A. Well, we recognize that this is a -- this is something that has to be solved. There is no question that there are school districts that are definitely hardship districts, that must be brought up and that there is no way to bring them up by way of the property tax. And we are determined to deal with that problem.

Q. Do you have a legislative program in January to attack that problem, this initiative has to be dealt with?

A. Well, if this issue is not resolved in the tag end of the session that is late to be held or going to be held in November, yes, we will make proposals.

Q. It seemed to me when the legislature closed that you were much firmer that you said you were giving up really on tax reform this year, as far as the legislature was concerned, and you were going to ask for tax refund. Now you seem to be saying that maybe people are talking again about tax reform.

A. Oh, no, I don't -- I don't recall ever making a statement that I haven't -- don't -- have said that I would prefer --

Q. Right.

A. -- this tax reform to solve the property tax which is inequitable. And of course everything that we are saying here about reducing taxes and everything else is academic unless the

people turn down the Watson initiative which will not only absorb all the money that is in sight, but which will impose a heavy tax burden on the people, and be very disruptive, I think, of the entire tax structure.

Q. Governor, what is your position on the proposition that the legislature has placed on the ballot for a two-year session and other changes in legislative procedures?

A. I'm happy to say that that's one we haven't come to yet.

Q. You are going to stay neutral on that? Will you stay neutral on that?

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