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6/25

July 25, 1971

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
AMERICAN LEGION STATE CONVENTION  
Los Angeles, California  
June 25, 1971

Throughout our country's long history, America has greeted its returning servicemen with the consideration and all the honors a grateful nation should bestow upon soldiers home from the wars.

Today, we have a new generation of young men returning from an unpopular war. They are coming home at a difficult time because the nation is slowly shifting from a war to a peacetime economy. And their unemployment rate is disappointingly high.

Despite the bitter debate over the whys and wherefores of the Southeast Asia conflict, several million of our finest young men have served gallantly and honorably during the Vietnam conflict.

They deserve every assistance our society can provide for them as they make the transition to civilian life. And we are determined that they will receive that assistance.

Only two weeks ago, President Nixon ordered a new and more intensive effort to expand the national Jobs for Veterans Program. To coordinate the State of California's efforts in opening up more jobs for veterans, I am appointing a statewide task force that will include businessmen, veterans and other state leaders.

The chairman of this group will be a distinguished gentleman whom you all know and who is with us here today---Mr. Gordon Elliott, Director of the U.S. Veterans Administration Regional Office in Los Angeles.

This task force will work with businessmen, industrial leaders and governmental agencies to actively promote additional job opportunities for our young veterans, particularly those in the 20 to 29 age group who served in Vietnam.

Efforts also are being undertaken to expand on-the-job training positions and to increase and improve the counseling and placement program the Defense Department operates for servicemen about to be released from active duty.

California is vitally interested in augmenting the national veterans' programs at the state level. For many years, we have had the nation's most comprehensive program of assistance to veterans and we are determined to maintain this leadership.

American Legion

One of our current goals is to assure that the housing needs of the half a million California Vietnam veterans will be met. To accomplish this, Director Frank Nichol of our Department of Veterans Affairs has set a goal of 100,000 new low-cost home loans during the next 10 years.

A new \$250 million veterans bond issue is now before the legislature to provide funds to continue the Cal-Vet farm and home loan program, a program, I might add, that has become a model for other states.

It does not cost the taxpayers a cent because it is entirely self-supporting. But we will need authority for this new bond issue to continue an orderly program of financing to assure the money to provide for the housing needs of Vietnam veterans.

During these next ten years, we want to double the amount of available low interest rate loan funds and to double the number of home loans available to veterans.

I know we can count on the American Legion for the same kind of dedicated support you have given us in the past in securing the necessary voter approval for this well-deserved state program for veterans.

In addition to job preference rights provided by law for veterans, we also must continue our efforts to assure that the young men returning from Vietnam service have an opportunity to continue their education.

Last year, the legislature passed and I signed into law a bill which gives veterans first call on admission to all state campuses. Although not every veteran has gotten his first choice, all have been granted preference in their application for admission to our system of higher education.

There may well be an additional benefit in this. Some of our students who have been learning how to tell it like it isn't should benefit from mixing with a group of mature young men who know more intimately than anyone what Vietnam is all about.

Perhaps their presence may assure a more balanced presentation of recent history.

A few history lessons might also be in order for some of our elected officials. Not only are they content to allow America to slip into second place in space and technology---they don't even want us to try harder.

Two weeks ago, the Soviets put into orbit what is purported to be the world's first manned space laboratory. They have two rockets racing our own Mariner to Mars...and there is speculation that theirs may attempt a landing on that distant planet.



I know it is difficult for the layman to fully comprehend the fantastic possibilities of deep space exploration.

It may be even more difficult to understand the full potential of the Soviet Union's unrelenting effort to achieve a massive nuclear first-strike capability. Despite America's long-expressed willingness to negotiate an end to the arms race, the Soviet Union continues a massive build-up of nuclear and conventional power.

During almost 20 months of negotiations, they have added to their arsenal of SS-9 rockets, a missile 25 times as powerful as our own Minuteman.

They have extended their influence and military power into the Middle East, the Mediterranean and the Indian Oceans and they still hold a tight grip on Eastern Europe.

All these developments pose a potentially dangerous threat to the United States and to the freedoms you fought to preserve.

We faced a similar challenge after Sputnik more than a decade ago. But the response then was quite different. Instead of settling for second place, we put America's scientific and productive genius to work. And it was an American who first walked on the surface of the moon.

No man now living can really calculate the ultimate benefits that mankind will reap from space and from the technology that our space program is producing.

No man now living can say with certainty that it is not absolutely vital to preserve and enhance the nation's technical capacity in aviation and space technology. Many of our own planners believe that those who control space may hold an unbeatable military advantage.

The Soviets are placing a high premium on gaining that advantage. Yet, today we hear a chorus counseling retreat---turning away from the next great frontier. And some of the loudest voices belong to those who would claim the mantle of leadership in America.

Theirs is a disturbing example of hypocrisy. They vote against the SST (supersonic transport)---an action that doomed thousands of California aerospace workers to joblessness---and then bewail the unemployment that has occurred in our aerospace industry.

Yet they do not propose to abandon them entirely. In the same week that one senator voted to scuttle the SST, he proposed a government program to lend unemployed aerospace workers their monthly mortgage payments while they are out of work.

Little men...with little dreams for America tell us we should not reach out to the stars, but should build a subway instead...and subsidize the fares.

Because of our aerospace industry, America leads the world in commercial aviation, with 85 percent of the market for civilian airliners. This leadership has helped our balance of payments, provided productive employment for our skilled work force and it has kept America ahead--- in first place---in the technology a modern nation must have to compete and even to survive.

But they say we should turn backward. They seem not to care that the next great fleet of commercial airliners may well bear the Soviet star instead of the insignia of an American manufacturer.

They seem unconcerned about the tragic waste of talent and the unemployment created by their votes to downgrade our aerospace industry.

They are not willing to make the investment necessary to keep America moving forward, to keep the greatest scientific teams ever assembled working on productive programs that will provide lasting benefits for mankind.

But they are willing to vote welfare benefits for the scientists, engineers and production workers who suffer most by this short-sighted attitude.

Some say we are spending too much on aerospace and that we need a re-ordering of priorities, that we should devote more of the nation's budget to social welfare programs.

How much more?

Ten years ago, defense consumed 48 percent of the total federal budget. This year defense costs are down to 37 percent and still declining. The budget for social programs---housing, income security, community development, education---has continued to climb, to more than \$80 billion.

The space budget this year is only \$3.5 billion, about 1.7 percent of total federal spending, and considerably less than the billions of dollars proposed for increased welfare spending.

No one denies that America must invest a proper proportion of its resources in social programs that are important to our people. But it is also essential that the United States maintain the technical capacity that gave us the world's highest standard of living and which may one day be called upon to produce the productive miracles that could assure national survival.

Somehow, this ill advised retreat from reality brings to mind an old American refrain popular in frontier days:

Mr. Finney had a turnip  
And it grew behind the barn,  
And it grew and it grew,  
And the turnip did no harm.

Too many Americans in positions of elective responsibility obviously feel the Soviet technical and missile threat is a development as harmless as Mr. Finney's turnip.

And I suppose they will want to hide behind the barn if we ever are forced to concede that a 25-megaton nuclear missile is not a harmless turnip.

We cannot afford to accept the counsel of those who reject the future. A nation which keeps its eyes rooted firmly on the past is doomed to perish.

Instead, we must heed the lessons history has taught us about the folly of appeasement and being unprepared for defense. Our generation had to learn that lesson the hard way on the beaches of Normandy and on a hundred Pacific atolls.

It is a mistake peaceful societies have made many times.

Several weeks ago, I spoke at a dinner here for wives and relatives of the almost 1600 Americans who are missing or held prisoner in Southeast Asia. It was sponsored by a group of airline pilots---men who feel a special empathy for downed airmen---they want to keep the prisoner issue in the spotlight, to make sure that America does not forget them.

The Communists have held many of our prisoners for four and five years. And they have tried to use them as pawns in negotiations while Hanoi was violating or ignoring every principle of the Geneva Convention.

We should be united in our demands for a quick and safe return of these brave men.

Yet some Americans feel a stronger bond with the enemy. They say that if America will only fix a final date for withdrawing all its forces, the peace-loving Communists will cease the killing and return our men. We are urged to lay down our arms and by so doing, bring peace to Southeast Asia.

But what if they are wrong---as they were wrong about how quickly peace would come if only the bombing were stopped? What if Hanoi causes an American Dunkirk---over-running and killing or capturing our remaining forces?

What if there is only a thousand-to-one chance they are wrong? What a terrible price we would pay. Of course, those who parade for peace would not have to pay that price. But, our troops would.

The President cannot afford to take even a thousand-to-one chance with the life or freedom of even one young man.

He has to remember that this particular enemy may still hold 300 French prisoners who surrendered in 1954.

The President is bringing our troops home on an orderly basis. But he has declared that we will not attempt to buy peace by abandoning even one American.

It is a difficult position to hold at a time when there is a natural yearning for peace after almost a decade of war.

Abraham Lincoln faced a similar time of trial more than a century ago. And the words he spoke on the greatest moral issue of his time still echo through the years.

He called on all Americans to stand by what they know to be their duty, fearlessly and effectively.

"Let us have faith that right makes might," he said, "and in that faith let us to the end dare to do our duty as we understand it."

Those of you who are gathered here today know well what he meant by those words.

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



7/19

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
CONSUMER FRAUD TASK FORCE MEETING  
July 19, 1971

The basic strength of America is the competitive free enterprise system and the opportunity it offers to every citizen, however humble his origin.

Under this system, we have built the most prosperous society the world has ever known. We have provided the individual with more freedom and a greater variety of choice, from consumer goods to vocations, than any other society in history.

Ten years ago, Premier Nikita Khrushchev boasted that the Soviet Union would bury us economically. Well, he was wrong.

This year, the gross national product for the United States soared above the trillion dollar mark for the first time. The sum total of the goods and services produced by our people is twice that of the Soviet Union.

California alone produces more than 11 percent of that total. If our state were a nation, we would rank seventh among the world's economic giants---behind the United States, the Soviet Union, Japan, West Germany, France and the United Kingdom.

The 20 million people of California produce and consume more goods and services than Mainland China, a country with 35 times our population. We have a bigger economy than India, Italy and all the remaining nations in the world.

Americans have more disposable income after meeting the basics of life than the annual income of citizens in most countries.

The secret of this success, the driving force behind this prosperity is the free enterprise system. Despite attempts to centralize and control our economic destiny, our free enterprise system encourages the businessman, industry, the inventor and the merchandiser to provide better and more efficient goods and services.

Imagine, if you will, what would happen to the individual entrepreneur under the regimentation and the red tape of a rigidly controlled economy.

## Consumer Fraud Task Force

What would the economic ministers in the Kremlin say to a man in his sixties, who had less than a grammar school education, if he walked in one day and said he wanted to start a new multi-million dollar industry---an industry that would provide thousands of jobs, generate millions of dollars in individual income and produce a product that people wanted? Suppose, too, this man's only major asset was a special recipe for fried chicken...a recipe he wanted to market on a mass production basis.

Would government bureaucracy give him permission to try out this idea? Would he be able to build a multi-million dollar business with such limited assets?

Even if he could have obtained a travel permit to go there to present his idea, Colonel Sanders would have been laughed out of the Kremlin. But in America, he achieved his dream and by doing so, created a new industry.

The freedom to try a new idea, to market a new product, to offer a new and needed service is a precious part of the competitive free enterprise system.

There will always be a few who would exploit the free market system through unethical and dishonest business practices and government has a proper, indeed, an essential role to protect the consumer's interest.

In fulfilling this responsibility, government must guard against unreasonably stifling competitive free enterprise through undue regulation.

Competition itself is one of the greatest safeguards for the buying public because under our system, the consumer is king.

Most businessmen are interested in giving the consumer a fair deal because if they don't, they will lose their customers to those businessmen who do.

To protect both the interests of the consumer and the honest businessman, California has developed over the years the nation's most effective consumer protection laws and regulations.

More than 60 state agencies and departments with licensing and regulatory powers are concerned in one way or another with protecting the consumer.

The Department of Agriculture has the task of seeing that the food offered to the buying public is wholesome and correctly labeled, that the weights and measurements of various products are accurate.

The Department of Justice maintains a Consumer Fraud Unit whose primary goal is to eliminate false and misleading advertising and unlawful business practices.

The Department of Corporations protects the public against questionable practices in the sale of securities and other investments and the Department of Housing and Community Development serves the public by protecting the consumer against the health and safety hazards of inadequate construction and maintenance of housing.

As our society becomes more complex and sophisticated, new programs are necessary to strengthen the state's ability to protect the consumer's interest.

During the past 4½ years, we have added a number of new programs--- we have enacted laws designed to protect the buying public:

- against being forced to pay for unrequested goods and services charged to lost or stolen credit cards.
- against unethical land promotions.
- against unscrupulous swimming pool contractors.
- against unsafe automobile tires.

Last year marked a milestone in our efforts. The legislature passed and I signed into law a bill creating the nation's first State Department of Consumer Affairs.

This law went into effect July 1 and formalized the expanded consumer protection program which we had implemented earlier by an executive reorganizational plan.

Our goal is to provide a more effective direct link between the consumer and those state agencies which have the responsibility for protecting the consumer's interests. Instead of being referred from one department to another, we wanted to provide the individual citizen with a central place where he could seek and get prompt action on his complaints.

The Division of Consumer Services is now operating. It handles more than 4,000 consumer requests for information and complaints each year. By providing this one-stop information service, the individual consumer can readily determine his rights under the law and the most effective way of resolving his grievance. The department publishes a consumer complaint handbook which advises the citizen of the protective services available to him.

Quite often, the problem is a lack of communication between the purchaser and seller. I think it is significant that the Better Business Bureau's report that a majority of the complaints referred to these privately-sponsored agencies are satisfactorily resolved by simply bringing the two parties to a dispute together. The business community itself is keenly aware of the need to strengthen consumer protective services, to protect the honest businessman and the public from the unscrupulous.



Last week, we took another major step. I appointed a Consumer Advisory Council to make recommendations for legislation to help maintain California's national leadership in the field of consumer protection. The members of this group include representatives of private consumer organizations, labor, business and the legislature.

Your participation on the Consumer Fraud Task Force is another part of this overall effort.

To effectively protect the buying public, we must constantly be alert to new types of fraudulent practices and we must also determine whether present laws are adequate.

Your task is to sift through the fact and the fiction about consumer fraud...to classify the various types of fraudulent practices in various businesses and to determine whether present consumer fraud protective services are adequate.

We must know whether law enforcement agencies have the necessary legal tools to detect, investigate and prosecute those who prey upon the public.

We want to learn whether there is a need for and how we can achieve greater cooperation between state, local and federal enforcement agencies in guarding against consumer fraud.

By participating in this effort, you are in good company. The task force approach to problem-solving has been the single most important part of this administration's effort to bring government closer to the people...to strengthen government's ability to serve the needs of our people without creating unnecessary and costly new bureaucratic structures.

A citizen's task force produced recommendations that saved the state more than \$200 million through improved management techniques.

A task force on drug abuse provided the stimulus for a greatly expanded program against drug abuse, including educational efforts to warn our young people against the danger of addiction.

An educational reform task force came up with recommendations to improve the state's system of public education in the 1970s. And it was an administration task force which produced the comprehensive welfare reforms we are now seeking to improve benefits for the most needy while eliminating those abuses which have caused our people to lose confidence in public assistance programs.

I am confident that the recommendations and the information the Consumer Fraud Task Force will produce during this year-long study will be a valuable addition to California's nationally recognized consumer protection program.

The creative participation of citizens in government is essential if government is to determine and meet the needs of our people.

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(NOTE: Since Governor Reagan speaks from notes, there may be additions to, or deletions from, the text. However, the Governor will stand by the text as printed.)

7/23

OFFICE OF THE GOVERNOR  
Sacramento, California  
Contact: Paul Beck  
445-4571 7-23-71

RELEASE: ( URDAY A.Ms.  
July 24, 1971  
PLEASE GUARD AGAINST PREMATURE  
RELEASE.

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
REPUBLICAN DINNER  
San Diego, California  
July 23, 1971

Admiral Gehres and distinguished guests:

After the last week in Sacramento, it is great to be in San Diego with a friendly audience.

This is the first time I have had an opportunity to attend a strictly Republican gathering since I made a brief visit to Boston and New Hampshire last month. Anyone visiting New Hampshire these days has to carry a program to keep all the Democratic presidential candidates straight. I am probably the only office holder from outside New Hampshire who has been there and who is not a candidate for anything---I just went there looking for the Mayor of Los Angeles.

It seems like we just finished the last election and here we are knee-deep in the next one. We already have a Muskie doll---you wind it up and Teddy Kennedy starts running. Then there is the Humphrey doll---you wind it and you never have to wind it again. We already have a Teddy Kennedy watch---it doesn't have the regular numbers on it---just 72 or 76, 80 or maybe 1984.

In the Senate the Democrats are using the free substitute rule---Hughes of Iowa goes out but Harris of Oklahoma takes his place.

The only time you can get a quorum in the Senate these days is when the Democrats fly back to Washington to vote against an aerospace appropriation. I have been thinking of asking Governor Williams of Arizona since we share water with them if we can't share their Senators---someone ought to represent the people of California in the United States Senate.

It is hard to understand how someone can cry bitter tears for the unemployed and then vote to downgrade an industry that has achieved the greatest scientific and engineering feats in all of man's history---the industry that allowed an American to be the first man to walk on the moon.

Most of our opponents are against the anti-ballistic missile defense program; they are against helping the nation's largest defense contractor through a difficult economic period, even though their attitude means more aerospace unemployment. They scuttled the SST (Supersonic transport) plane program.

## Republican Dinner

They are willing to see America become second best and they don't even want us to try harder. How easily they repudiate the words of one of their own young leaders who, only a decade ago, challenged America to maintain its leadership in the newest frontiers of science and technology, on earth, on the seas and in space.

Instead of encouraging America's scientific and industrial capacity, our opponents offer as candidates for the highest office in our land those who would have us retreat from excellence, from the leadership that our country has given the free world these past 30 years.

They have a curious double-standard when they consider governmental economic activity.

In the same week that Senator Cranston voted to scuttle the SST---sentencing thousands of workers to the unemployment lines---he proposed a special government loan program---to lend jobless aerospace workers their monthly mortgage payments while they are out of work. This nation once had a slogan "millions for defense, not one cent for tribute." Today it is billions for welfare and take them from defense.

Ten years ago 48 percent of the total federal budget went for defense. Now it is 37 percent and still declining. Less than 2 percent of the budget is for the exploration of space and even this is begrudged by those who have increased spending for social programs to more than \$80 billion.

Certainly, we must continue to improve social programs. But it also is essential for us to maintain the technical capacity a modern nation needs to survive in the market place and in a world still threatened by the nightmare prospect of nuclear and missile warfare, perhaps to survive at all. They try to outshout each other in denouncing the nation's aerospace/defense industry, so much of which is California-manned. But let them consider just how crucial this technical leadership has been to our country. Eighty five percent of the commercial planes in the world's skies are American made.

This productive capacity has helped our balance of payments, provided employment for hundreds of thousands of our most skilled technical talent and provided America with the modern defense it must have to protect our nation's security. But somehow this seems inconsequential to some of our most vocal opponents in Congress. If they had had to vote on that first flight at Kitty Hawk, the Wright brothers would never have gotten out of the bicycle business.



If our opponents' attitude didn't mean more unemployment in aerospace, their double-standard would be amusing for its inconsistency. But it is not amusing to Americans concerned with keeping this country free and prosperous. And it is tragic for those whose jobs are sacrificed because of this short-sighted attitude.

Our freedom and our prosperity need a strong defense and a vigorous economy. Our opponents would weaken both.

#### SPACE SHUTTLE DEVELOPMENT

Fortunately they are not unopposed in their folly. We have a state administration and a national administration strongly interested in maintaining America's leadership in space...using California talent and skill when they are best for the job.

Only ten days ago, the National Aeronautics and Space Administration announced that the Rocketdyne division of North American Rockwell Corporation is the probable recipient of a \$500 million contract to build engines for the space shuttle program.

This will mean about 2,000 additional direct jobs in Southern California and even more indirect employment because half of the subcontracting work will be done here, too.

This guarantees California a prominent role in the \$10 to \$12 billion program designed to create an American capacity for man to travel into space and return with re-usable rocket engines and space vehicles.

Led by Lt. Governor Ed Reinecke as co-chairman of the California Space Shuttle Task Force, Republican legislators in Sacramento and Washington have been working with California's space industry to persuade Washington of the advantages of locating this major part of the space shuttle program in our state. Many of our legislators, including State Senator Robert Lagomarsino of Ventura and Assemblyman Don MacGillivray of Santa Barbara, have also provided strong leadership to the space shuttle campaign.

Vandenberg and Edwards Air Force Bases are still in the running for the launch and retrieval sites for the space shuttle program. And California companies also are bidding for the contracts to design, build and test the space vehicles that will be used.

America must have a strong space program. And California's aerospace industry can help assure that America will lead man's exploration of this new frontier. We cannot afford little men with little dreams who would trade supremacy in sky and space for a subway.

## Republican Dinner

Many of you who have worked so hard for our cause, to elect responsible and responsive representatives to public office may sometimes wonder whether it is worth it, whether there is any difference in the philosophy and attitudes of the two major parties. I would hope the confrontation in Sacramento over the budget and taxation these past weeks has made plain the ideological difference between our two parties.

### DIFFERENT PHILOSOPHY

Looking back on the crises of these past few years---it is easy to recall how the great attacks on our policies were always of one kind. Our opponents objected to every effort at economy and cried doom---we were bringing progress to a halt and taking the state into a stagnant back water of regression.

### ECONOMY IN GOVERNMENT

Four and one-half years ago, California had the largest budget of all the states second only to the federal government. In these four and one-half years we have become the nation's largest state in population but we have dropped to fourth in budget size behind the federal government, New York State and even New York City.

Needless boards and commissions have been eliminated; major areas of government reorganized, creating new and expanded services while resisting efforts to expand less essential functions.

In these four and one-half years, I have vetoed more than \$825 million of new or higher spending. This was not one time spending. The measures vetoed were for ongoing programs and had they passed the annual cost of government would be almost a billion dollars higher.

Four and one-half years ago, there were 102,465 full-time Civil Service employees on the state payroll. At the last count in May there were 101,862---603 fewer than when we started. And what destruction have all these streamlinings and economies brought about in our State? Certainly not death on the highway. While we have decreased the overall employee total, we have doubled the highway patrol and reduced the slaughter on our highways. Last year we reached an all time record low of 4.2 deaths per 100 million miles of travel. We have added more than a thousand miles of freeway and expressway and completed 970 highway safety projects that are now being copied all over the land.

These four and one-half years have seen more progress in protecting the environment than in any period in the state's history. Our water pollution controls are the toughest in the nation and our smog control laws are stronger than even the federal standards. Yes, much remains to be done but we are doing it, we are not continuing to go down hill.

Every 1971 car rolling off the assembly line onto California's highways has the most sophisticated smog control system ever developed. They emit 85 percent less hydro-carbons than the new cars of a few years ago and this year we put into effect the first new car controls ever imposed anywhere on oxides of nitrogen---the stuff that makes the sky turn brown.

Our long range efforts to provide more parks, beaches and other recreational facilities near our cities were not hurt a bit by the recent news concerning those 3100 acres of Camp Pendleton beach property.

The rate of increase in the seven major crime categories has been cut in half. So has the percentage of parolees who wind up back in prison. Other states still have the problem of prisons bulging and over crowded---not California. We have fewer prisoners now than we had back in 1962.

I am sure you have heard of our ecology camps for conscientious objectors. The idea is new but the camps are not. They once held juvenile offenders but they are no longer needed for that. Our rehabilitation and probation program is so successful we no longer have enough juvenile offenders to man the camps.

Professionals who four years ago criticized the changes we proposed in our treatment of the mentally ill now acknowledge that California is number one in the nation in its mental health program. Hospitals for the mentally ill that once held 31,000 patients now have less than 12,000.

Four and a half years ago we learned our great water project was under funded by more than \$300 million. Now we can assure you the project will be finished on schedule and will only require an additional \$89 million which can be realized from the sale of electric power.

Department after department is serving Californians better with fewer people and at lower cost. Typical is the Department of Motor Vehicles. By the standards of four years ago the workload increase would have required 200 additional employees---there has been, instead, a reduction of 450.

## Republican Dinner

Now, however, let me change the tune. We are faced with making economies we would rather not make. These are stringent times for our citizens, unemployment is high and inflation takes a cruel toll. Earnings are down as is evidenced by the reduction in state tax revenues.

Some in government and among the citizenry, dedicated to the philosophy of big brother government, insist the economic setback should not be allowed to interfere with government growth or activity. They would have us maintain government activities at a normal level even at the cost of imposing new taxes on our people.

I find I cannot accept their premise. For four years we have weighed comparative spending priorities against each other and against an additional priority, namely: is the government service more important to the people than having the cost returned to them in reduced taxes? Maybe I have read you wrong, but until you convince me otherwise, I believe one of your highest priorities is reduction in the high cost of government.

Just as there is a widespread lack of knowledge about some of the successful innovations I have mentioned, there is little understanding of the success we have had in easing the tax burden at least a little.

Individual tax relief by way of the property tax exemption to homeowners, double standard deductions for renter relief, the income tax rebate and a senior citizens property tax relief total \$835.6 million since 1967. Inventory tax relief for business amounts to \$130.1 million over the same period. There is, in addition, another almost \$80 million tax relief for both individuals and business in a variety of smaller programs. All told, more than 40 tax relief measures have been passed in these last four years.

Now we have come upon stringent times and the seeming confusion in Sacramento is not confusing at all if you see it for what it really is. We are engaged in a confrontation brought about by the difference in basic philosophy between our two parties. We have been 4½ years in coming to this moment.

Our approach to the economic slump and the resulting fiscal crisis is that government cannot be immune to the self-denial and belt tightening of its citizens. Government, too, must forego or postpone some of the things it would normally do. We submitted a budget of roughly \$6-3/4 <sup>/billion</sup> in this spirit---a budget which admittedly put off certain construction and maintenance needs, held the line in some areas where expansion was desirable and a 20 percent increase in retirement benefits.



In addition, about 40 percent of our employees will get their regular merit pay increase.

Even more important there will not be widespread layoffs and salary cuts such as are taking place in a number of states and cities where economies have not been practiced these past four years.

This year, possibly more than at any time since we have been in Sacramento, we have the most difficult task we have ever faced. We are trying to achieve four major goals: welfare, Medi-Cal and tax reforms, including withholding---and a balanced state budget---without higher taxes. For us a tax increase is a last resort. For our opponents it is a sought after goal. Even our stringent budget was out of balance more than \$400 million. The reforms we asked would have balanced it. Those who have a different philosophy responded by adding more than \$500 million in new spending---\$503 million of which I vetoed. This was not simply to give me a little exercise with the blue pencil.

Unlike the federal government, our state constitution does not permit us to go into deficit spending or to print money.

Our budget still is \$108 million short if welfare reforms are not adopted and another \$124 million deficit is possible unless the legislature approves reforms in Medi-Cal, plus \$200 million because of the decline in tax revenues. This can be made up by adopting withholding.

Only one of the three steps has been even partly accomplished. Medi-Cal reforms have passed in the Assembly and are now before the Senate. Welfare has not fared so well in spite of a Herculean effort on the Senate side led brilliantly by Senator Burgener. Withholding is a total question mark even though our opponents have claimed they wanted it for more than ten years.

Time is truly money. Without the reforms spending goes on at a rate of \$1.2 million each day more than we are taking in. This cannot be recovered by the reforms---it means increased taxes in spite of our efforts. As of now this grant total cost for this delay is \$27.6 million, tomorrow it will be \$28.8 million.

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

ADDENDUM TO REMARKS BY GOVERNOR REAGAN AT SAN DIEGO REPUBLICAN DINNER  
July 23, 1971

Thirty-five years ago a President of the United States said that our generation had a rendezvous with destiny. It is possible that we are living in that time of destiny right now. Our sons and daughters in this particular moment of history are coming into their inheritance a few years early. We are proud and happy to have these young people here with us. But I wonder sometimes if we are really as disturbed and concerned as we should be that the great majority of our young people seem to be registering with the opposition party. Oh I know that a great many of them have been indoctrinated in over a thousand classrooms. I suppose the miracle really is the number who are still on our side--- when you consider the power of their peers at that age and the indoctrination to which they have been subjected. I wonder how these young people who are here have managed to hold out the way they have. Certainly they must have an extra strength of character and willpower that would make them a very valuable ally in the days ahead. But right now you and I should be seeking them out and asking what have we done or what have we said, if anything, that has helped them choose this course or stay on this course. Or did they do it all by themselves. We have a story as Republicans to tell and we haven't done a proper job of selling that story. If we had, I think the majority of young people would be going our way. Hasn't the complaint of those younger generation in these last few years of unrest been that they're against materialism, they're against big impersonal government that's beyond their reach, they're against regimentation and imposition on their individual freedom. They have a great idealism about the course a nation like

ours should follow. But what do they think we have been against for these last four decades. Materialism? Materialism that thinks a full belly is excuse enough to justify keeping people on the dole for the rest of their lives. Our opponents have built this giant bureaucratic government where regulations are spawned in multitudinous agencies, regulations that seem to have even more power than the laws passed by Congress. It is our opponents who built the cavernous halls of government where the voice of the citizen echoes unheard and unheeded. Our sons and daughters have let us know they are against the establishment. Well, so are we. But can we make them understand that the establishment we are opposed to is a government? A government that is capable of great tyranny. That unless we control this establishment, we shall become a nation of timid sheep dependent on a shepherd. We're on the eve of another election and I wonder sometimes if we are approaching this challenge as we should or are we as Republicans once again beset by doubts? Confused about our own leadership, wondering whether we've chosen correctly. I have talked of the economic slump in our state but you all knew that this economic slump is nationwide. But what has been its cause. Very simply, the transition from a wartime to a peacetime economy. A transition that has come about because for 2½ years a new President has been winding down a war that was growing larger for eight years before he took office. Two and a half years ago we were talking about long hot summers. We were accepting, even though we feared them, the riots that were almost commonplace in our cities and on our campuses. Now, and in recent days, the President has made an announcement that is disturbing to a great many of us. May I offer some thoughts for your consideration before perhaps misgiving becomes

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Red China visi

mistrust. With this announcement the President put himself where the loud mouths of his potential opponents have been for quite a few months---in fact, for most of these two and a half years. With his announcement he preempted the field worldwide. The President has taken center stage as the one man who is trying to do something besides talk about peace. All of those peace-loving Senators have been very quiet for just about a week. They were busy revising their campaign speeches, but now they have discovered that in his announcement the President made it plain that he had no intention of abandoning an old friend and ally, and suddenly they're beginning to make their noises again. I don't believe that if he were willing to abandon this ally, this would fit with the idealism of the young people we would like to appeal to. I think we all, before we become disquieted, should remember that Dick Nixon among all the leaders of this nation has known perhaps better than most that the enemy is where he always has been, in Moscow.

And, there is some evidence of this in the fact that the Kremlin has been strangely quiet since that announcement. They can't make up their mind whether to send over a bomb or the Bolshoi ballet. Well, I have no information that the rest of you don't have but I would like to offer some possibilities out of this new development based on, I think, some knowledge of the men and knowledge of the situation. For ten years, bullets and rockets and mortars and booby traps made in China have been killing young Americans. The President has made it plain that not only will we not abandon an ally---we will not disengage from this war if the price means leaving even one young American as a prisoner of the enemy. China holds prisoners of ours, airmen shot down in the air war over Laos who came down across the Chinese border.



China has boasted that it is going to continue to hold those men. Has anyone suggested a better way to get them back than the President has suggested---by simply going there and at least getting into a conversation about getting them back? For decades we've heard conflicting voices talking about the inevitable Armageddon and other voices on the other side saying that we should give in---better Red than dead, slavery of surrender. I think the President, cutting through the confusion, has made a bold and decisive move with no suggestion or no hint that he has any intention of asking this nation to abandon either honor or principle. I believe that we should insure that when the time comes, and the President goes there---and in my own heart I believe that when that time comes, we will find that all the matters of prisoners of war and cease fires, and an end of the killing in Vietnam have been tied together with this Red China visit---I think that it would be well if he went there with the knowledge that he has the prayers of two hundred million in his country. I've taken the liberty of suggesting that perhaps these young people are here with us because they have made a decision. I think it would be well if we recognized that perhaps these young people are here looking us over. They are about to make a very decided choice and it is up to us to prove by our actions that there is much to love in this land---very much to be proud of. To those who say there is a communications gap, I will say to these young people that there has never been a time when an older generation wanted more to understand and be understood by its own sons and daughters. This older generation has paid a higher price for freedom than any people have ever paid in all man's history. And I think with some pride we can say we have done more in our lifetime

to advance the dignity of man than any other generation that ever lived. And, now very frankly we will tell you young people we would be very proud to have you look us over---look over our principles---and decide whether you wouldn't rather join us than join those who believe that mankind is incapable of governing itself---that a little chosen elite can be picked and sit in the nation's capitol and make the decisions in our every day living that we should make for ourselves. Or, whether you would like to go along with us who would like to see America become in your lifetime and ours, if possible, a place where every man is free to be whatever God intended him to be.

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EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
SACRAMENTO HOST BREAKFAST  
Sacramento, California  
September 3, 1971

I look forward each year to this occasion as an opportunity to deliver a kind of State of the State report to you as a cross section of California citizenry. This year, however, let me spend a few moments discussing a larger issue on a wider scene.

An American President has asked us to work together to defeat a new but familiar array of enemies.

The targets of the President's new economic policy are unemployment, inflation and the difficulties caused by international monetary speculation.

We, who have paid such an awesome price to preserve freedom for ourselves and for the Free World, should not find this too difficult a task. Since World War II, America has been a generous benefactor to almost every free country in the world, pouring out almost \$150 billion of our resources and wealth to rebuild war-shattered nations, to feed the hungry, to help fight disease and to assist our allies in defending themselves against aggression.

We have championed the freest possible trade policy and worked for a fair, stable and efficient world system of monetary exchange to finance this partnership in prosperity.

In doing this we have eroded our own position in world trade. Last year, the difference between what we spent abroad and what we earned was almost \$4 billion dollars. On top of this was an almost runaway inflation brought on by the ill advised attempt in the '60s to fight a war on a guns and butter basis.

Now, with the winding down of that war, we are faced with the problem of absorbing two million workers released from the armed services and from defense production, while millions of younger workers are joining the nations labor force for the first time.

The difficulties involved in making the transition to a true peacetime economy after almost 30 years of war and crisis are monumental.

They will not become less monumental if we delay an all out effort to create more and better jobs for our people while halting the inflationary increase in the cost of living at the same time we protect our dollar in the international money market.



Let us hope that our friends overseas will be cooperative and understanding if after a generation of economic self sacrifice in their behalf we indulge in a little economic self interest. Many Americans think it is high time we quit playing Uncle Sugar and went back to being Uncle Sam.

It is important, too, that we cooperate. The President has asked for that. Certainly voluntary cooperation is preferable to the vast, incompetent bureaucracy and the corruption and black market which characterized our World War II attempt at controls.

But there is much more--we have been dangerously adrift in recent years--forgetful of the dream that made us a nation, forgetful of our own capacity for greatness. Now the President has suggested a purpose worthy of our best effort---a lifetime of peace for our children.

California's state government has paid a costly price for the inflation of the past few years. More than a billion dollars of our budget is a direct result of inflation. We stand to benefit not only from the national effort to curb inflation, but even more from the program to create job opportunities---particularly for those who have been displaced in the aerospace and defense industries. Lieutenant Governor Ed Reinecke has been devoting a major portion of his time to this problem. I wish it were possible to tell in some detail all that he has been doing but such a recital might possibly be counter productive at this time. Let me just say the result of his effective effort is continued employment for thousands of aerospace employees who might otherwise be part of the unemployment problem.

In adjusting to the economic slump and now in cooperating with the new economic policy, we in California have been spared some of the traumatic shock suffered by some states and even some local governments within our borders. Our past four years of cut, squeeze and trim may have been hard on the typewriter ribbon business, but they are saving us a lot of headaches now.

Five years ago our state budget was second in size to the federal government's. Today, we are fourth--behind the federal government, New York State and New York City. In fact "Fun City's" budget is \$2 billion greater than the budget for this largest state in the union.

Five years ago there were 102,465 full time civil service employees on the state payroll. When we ended the fiscal year in June there were 101,399--1,066 FEWER than when we started. This is just one of the dividends resulting from the effort to introduce private enterprise techniques, efficiencies and cost saving measures into state government.

I have been able, as a result, to veto more than \$800 million in measures calling for new spending. These actions have not been greeted with universal and unrestrained joy. And I will not deny there was merit in some of the proposals. Certainly, I wish we could reward our fine state employees with a raise, but higher taxes contribute to inflation and Californians right now are bearing the second highest tax burden in the nation for state and local government.

I am not revealing any secret when I say that the chorus of criticism over these past years has been consistently directed against the effort to economize. I doubt if anyone can recall a single instance of any great outcry because we wanted to spend some money. There were plenty of doom criers charging that the state was moving backwards, services declining, California's great promise and progress grinding to a halt. It is difficult to glean the facts amid the clamor of such a crescendo of complaint.

Well, just let me say economy in government needs no explanation or apology. But it goes without saying that government at the same time must perform its legitimate functions. During these 4½ years, California's record of progress has been as great or greater in more major areas than in any comparable period in its history.

I spoke of our success in halting and even reversing the growth of government. This was not at the cost of reduced service.

While we were reducing the overall number of state employees, we were completing a program to double the strength of the highway patrol. And this was because we were adding more than a thousand miles of freeways and expressways incorporating 970 highway safety projects that are now being emulated all across the land. This was more than just a convenience for the motoring public. Ours is the only major state with such a dramatic declining rate of fatal accidents. While the national average continues to go up, last year the slaughter on our highways was reduced to an all time record low of 4.2 deaths per 100 million miles of travel.

Law and order is an obscene term in some circles, but more than 40 anti-crime measures adopted by the legislature have helped cut the rate of increase in the seven major crime categories more than half.

The percentage of parolees who wind up back in prison has been cut in half and this plus our success in rehabilitation finds us with fewer inmates now than we had back in 1962. In juvenile offenses a joint county, state probation system has been so successful we are closing down a number of institutions we no longer need.

Our hospitals for the mentally ill--which once were crowded with more than 31,000 patients--now have fewer than 11,000 because we have increased the state funding for local community health programs from \$18 million in 1967 to more than \$104 million this year.

California is the only major state with all its state hospitals fully accredited as meeting prescribed national standards.

Almost five years ago, we learned that California's great water project was going in the hole some \$300 million. Today, more than 99 percent of the first stage facilities due in 1973 are either complete or under contract.

Surely, there can be no question about California meeting the environmental challenge. When the rest of the country was just starting to take on the massive problems of environmental protection, California was setting the pace for effective controls of air and water pollution. We have the strongest controls in the land. This was recognized last week when the federal government granted our request to require assembly line testing of every new car's smog control system before they can be sold in California.

The 1971 automobiles on California's highways have the most sophisticated smog control devices ever developed. They produce 85 percent fewer hydro-carbons than new cars of a few years ago. And this year we put into effect the first controls ever imposed anywhere on oxides of nitrogen--that stuff that makes the sky turn a brownish color.

We do not pretend that the job is complete or ever will be.

Assuring clean air and clean water will be a priority task from now on.

All of us in Sacramento are hopeful that at long last we can agree on a restructuring of our tax system to reduce the homeowners burden and keep it reduced. One of the few items that was increased in this year's budget was the state subvention to the counties for the homeowner's exemption. Although inflation tended to obscure the benefit and in some cases to wipe it out entirely, the state financed more than a billion dollars in direct tax relief between 1967 and 1971. The property tax exemption for homeowners, double standard deductions for renter relief, the 10 percent income tax relief and the senior citizen property tax relief program amounted to more than \$835 million. The inventory tax relief for business, which helps keep California jobs and business from migrating elsewhere, totaled another \$135 million.

Incidentally, that comes out to six times more tax relief for individual citizen-taxpayers than business received in the same period.

This has been a trying year and the year's work has not been completed. The state constitution requires that we resolve several matters before this legislative session is concluded.

There has been so much confusion regarding the budget---whether it can be balanced without a tax increase and the part played in answering that question by such things as welfare and Medi-Cal reform.

Even before the budget was submitted last January the air was full of talk about the absolute necessity of a tax increase.

Estimates as to the size of the increase ranged from \$350 million to more than a billion. Almost everyone was aware that the economic slump had reduced our revenues, but beyond that some felt we should not economize further and some believed we should go forward with new programs and increased spending.

Having access to the figures and knowledge of how hard the people of California had been hit by the economic slowdown, we had long since made the decision that we should not impose an additional tax burden on the people if there was any way to avoid it. And we felt there was a way to avoid it. It was decided that those functions of state government over which we have administrative control would swallow inflation and work load increases reflecting growth in population. And, at a time when many Californians were wondering if they would have a job, we would ask our employees whose jobs were assured to forego a cost of living pay raise. To a small degree, we proposed a one-time use of some funds by transfer, knowing as we all do that the present crisis is a one-time thing.

For seven months we had a task force working under one simple order: "come back with a plan for a complete overhaul of welfare and Medi-Cal." These two programs were out of control and increasing in the neighborhood of 30 percent a year.

For seven months, this task force cut through the bureaucratic jargon, the overlapping and conflicting regulations of three levels of government and came back, not discouraged, but convinced that this gigantic, costly, socialized tinker toy could be almost restored to sanity.

We submitted a budget technically in balance but which required adoption of our proposals for reform of welfare and Medi-Cal. The imbalance was around \$250 million. The choice was reform which would save that much---or a tax increase in that amount.



By May, however, the final word was in on tax receipts and we were hit by the second half of a double whammy. We had to face a \$200 million reduction in the revenues upon which we had based our budget. Again the voices were raised demanding a tax increase. But that further decline in tax revenue reflected further hardship being borne by the taxpayers. We had hoped that the increased revenues to be gained from a withholding system of income tax collection---(by coincidence in the neighborhood of \$200 million)---could have been used to ease the homeowner property tax burden. But, it seemed more logical to use this to meet the new shortage. The legislature was informed that adoption of withholding plus the welfare reforms eliminated the need for a tax increase.

Prior to any such action, however, the budget was returned to me with more than \$500 million in new spending added. I line item vetoed \$503 million, still convinced that no new spending should be adopted if it meant an increase in taxes. I still feel that way.

A few weeks ago, an agreement was reached on welfare and Medi-Cal reforms and signed into law. It was a compromise and did not achieve all the savings we had hoped for, but it is still the most comprehensive reform program of that kind ever undertaken by any state. It contains many of the tools we will need to control the growth rate of welfare, to reduce abuses and to prosecute fraud.

The program tightens up eligibility requirements. It requires recipients to take a job or training if offered. And, it achieves the basic humanitarian goal we have sought from the beginning---to increase welfare grants to those who need help most, the people who have no other income.

To give some idea of why we are so optimistic, parts of the program did not require legislation---only administrative action, and we began implementing these steps as far back as February.

~~Welfare~~  
Welfare caseloads had been increasing at a rate of 50,000 a month. Now for four straight months, California's welfare rolls have been declining. We ended July with 105,000 fewer people on public welfare than in March.

In Ventura County, the first pilot project to place employable welfare recipients in jobs already has resulted in a saving of \$105,000 in annual welfare costs. Thirty-five employable recipients were placed in jobs with private employers in the first month and the program is actively seeking work for 241 welfare recipients.

I really just digressed and put in that cheerful news to bolster my own spirits. Meanwhile, back to the budget.

The result of not getting the total reforms we wanted leaves about \$100 million which must be raised by new or increased taxes. I am hopeful that will be the total amount---meaning I am hopeful the legislature will adopt withholding.

It is necessary not only to balance the budget, but to provide the cash flow which is now being met through sale of tax anticipation notes.

Our very good friends in the State Chamber of Commerce have come out strongly against a tax increase and have advocated adoption of withholding and even a close review of the budget to see if the \$100 million for welfare can be found through further economies. I am afraid we have already done that and the answer is that so much of the budget is mandated by law there is no more fat to be trimmed. But their help and yours---in securing passage of withholding and no new spending---will be gratefully accepted.

I have been called stubborn, even adamant and unreasonable about the matter of holding the line on taxes. Fair enough---I am. Let me just touch on our revenue situation and what it reveals about the problems of our people.

This year's revenue statistics demonstrate how unreasonable it is to add massive new spending burdens which would require massive new tax burdens on our people.

Revenues from the personal income tax have been increasing 12.2 percent a year. <sup>70-71</sup> This year, it was 1.9 percent. <sup>only 6.9-7.0</sup> Bank and corporation <sup>10 years ago</sup> taxes usually grow almost 6 percent a year. This year, they decreased <sup>55-60</sup> more than 10 percent.

Normally, California's overall total tax revenues go up 7.63 percent a year. This year it was 1.7 percent. These are temporary hard times and if we can see them through with temporary economies, we should. To meet a temporary situation with a new tax is to ignore the fundamental truth that taxes are rarely temporary. Once the temporary crisis is past, government will find an ongoing need for the new tax. I am reconciled to the necessity for an increase to meet the welfare gap. I am unalterably opposed to new spending funded by increased taxes.

documented most breakfast  
California faces problems today that are different from those in the period of massive population growth after World War II. The transition to a peacetime economy and slowdown in population mean that we cannot expect rapid growth and business as usual.

We must take steps to improve the economy and to expand job opportunities so that our state will have the leading role in creating a new era of peaceful prosperity.

To spur the recovery, labor, business and government must join in a concerted effort to attract new business and industry to replace those jobs which have been eliminated through aerospace and defense reductions.

We certainly do not agree with all the aerospace and defense reductions Congress has chosen to make. But we cannot afford to ignore the economic impact of those decisions.

I told you earlier about Ed Reinecke's efforts to develop a broad-scale program to attract new and expanding industry and business to California. Senator Robert Lagomarsino is sponsoring a key part of this program.

His bill would create a state commission for economic development to provide the necessary bipartisan support and guidance for California's long-range economic development.

The commission would include labor, business, legislative and executive branch representatives and is designed to replace two existing commissions---Industry and World Trade and the Commission on Tourism and Visitor Services.

I hope we can count on the private sector to provide leadership in these efforts.

To continue the kind of prosperity and dynamic economic growth California has experienced in the past, we all will have to try a little harder. I am confident we can do it.

Someone once said the rungs on a ladder are not meant to rest upon, but only to hold a man's foot long enough to enable him to climb higher.

That's what our system of government has meant to the individual for almost two hundred years. As a state, as a nation and as individuals, our goal is excellence.

We are trying to climb higher. Working together we can extend the long and noble list of accomplishments we have achieved while seeking a better life for ourselves and for future generations.

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



9/27



OFFICE OF THE GOV. NOR  
Sacramento, California  
Contact: Paul Beck  
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RELEASE: MONDAY P.Ms.  
September 27, 1971

PLEASE GUARD AGAINST PREMATURE  
RELEASE.

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
INTERNATIONAL ASSOCIATION OF POLICE CHIEFS CONVENTION  
Anaheim, California  
September 27, 1971

*cancelled*

In normal times, a speaker should be content for a chance to address such a large and distinguished audience of law enforcement officials. And I do appreciate the opportunity.

Yet these are not normal times. And, with your help, I would like today to address my message not merely to those assembled here, but to all the enforcement officers you represent...at whatever outpost of danger they may now be stationed.

Through you, I would like to express the gratitude and respect of decent men and women everywhere---because it is upon your efforts to uphold the principle of law that our civilization may depend for its very survival.

If ever there has been a time that might be called an age of reason in man's long history---and there are many---then the period we are living through today must be described as an era of calculated unreason.

All of the patience, all the compassion and understanding of which civilized men and women are capable is being challenged and tested in a crucible of mindless violence.

The tragedy of Attica's prison riot is but the latest example of what can only be described as a guerrilla war against our society. You and those you represent are society's first line of defense in this seemingly endless struggle.

You are the point men in a prolonged battle against a cowardly array of enemies who strike from ambush...who seek to incite hatred and suspicion and who try to portray as folk heroes the terrorist bomb-thrower who kills at random, the arsonist and the assassin.

Every person who values human life can only regret the loss of 40 lives at Attica, especially because it stems from senseless savagery. But we grieve most for the brave correctional officers whose lives were sacrificed.

It is an outrageous distortion of values that some now question the necessity and even the morality of those who had the courage to act decisively. The violence at Attica was triggered by an outlaw group whose very presence in a prison was because of past violent crimes. These self-proclaimed revolutionaries set out deliberately to kidnap and murder and then tried to legitimize their lawlessness in a cloak of sociological and revolutionary rhetoric.

Every official who has any degree of responsibility for protecting society against criminal brutality knows the agony of decision in confrontations where the innocent are involved.

Every time there is a kidnapping, every time there is a riot and it becomes necessary to use force to restore order, decisions must be made that involve risk to hostages or to the innocent who may be caught in the crossfire of a confrontation. But there is a far greater degree of risk to life and public safety in surrendering to the violent law-breaker. The decision to stand up to lawlessness is a final choice that has to be made sooner or later, if society is to retain an effective capacity to protect the public.

There can be no compromise with those who hold so little regard for human life that they would maim or kill unarmed captives. Society cannot negotiate with the lawless.

A criminal holding a knife at the throat of an unarmed captive is not an ambassador with diplomatic immunity. He is a potential murderer.

And any attempt to suggest otherwise can only encourage these outcasts to try again and again to force society to accept the law of the jungle.

Although the casualty list may have been smaller, the challenge to law at Attica has its counterparts elsewhere, at San Quentin...in prisons throughout the country...in assaults upon police that occur almost daily...in every act of violence directed against society and those whose professional duty is to protect society.

In a single week last month, there were half a dozen major confrontations.

In New Jersey, a wave of terrorist firebombings, sniping and looting injured six persons. Firemen responding to fires during this outbreak were pelted with rocks by the militants.

In New York, hundreds of demonstrators hurled rocks and bottles at policemen and passing cars.

## Police Chiefs Convention

Inmates of a federal correctional institution in Florida created a disruption that lasted six hours. When it was over, guards confiscated half a dozen knives and assorted clubs made from broken broom and mop handles.

In our own state, six persons died in an attempted breakout at San Quentin, including three guards who had been held as hostages and two inmates who refused to join the escape attempt.

I am sure you have heard of that well-publicized event.

But perhaps you did not hear what occurred four days later. A group of demonstrators gathered outside the prison walls---not to mourn the innocent dead or to express outrage at brutality of the lawlessness that had taken place. No, these demonstrators gathered to express support for the goals of the slain convict whose attempted escape set in motion the tragic events that led to the butchery.

Whenever a policeman is killed, we never hear any words of remorse from the avowed revolutionaries, no tears for the slain upholders of the law.

Instead, there are insults, invective and often threats of further violence. If this were confined merely to the small group of avowed fanatics who glorify violence, it would be disturbing enough. But some prominent figures in the news media and others who should know better joined the chorus of radicals and suggested that the San Quentin tragedy was not only the result of the activities of a violent few, but could somehow also be blamed on society's imperfections...on sociological problems that afflict our country...on the victims themselves...on anything but individual criminal action.

How far have we departed from the concept of individual accountability? From the teachings and legal code of every civilization that the individual is responsible for his own acts and should be accountable under the law? That concept is the foundation of our system of justice.

But we live in a strange time. Those who sin seek to shift their own burden of guilt to someone else, to society at large. Any excuse will do to escape the consequences of their own violent acts.

If carried to the obvious extreme, that philosophy of permissiveness would destroy not only respect for law, but the ability of a society to establish and enforce the civilized code of conduct that forbids a man from killing or harming his neighbor.

Those who preach hatred and contempt for the moral values of our society have tried to spread a virus of violence in our country and in other nations around the world.

In the decade of the 1960s, rioting and violent upheavals became world-wide phenomenon, a problem for law enforcement in Japan, in Europe and in our own country.

Attacks upon those who uphold the law have always been with us, never before in such magnitude. Even in Britain, with a long and admirable tradition of non-violence, unarmed policemen have now become the targets of criminals who carry and use destructive weapons in their crimes and in their efforts to escape the consequences of those crimes.

The ideological effort to capture and subvert peace-loving societies into class and racial conflict has been going on during most of our lifetimes.

Those who try to exploit racial tension, to incite class warfare have tried for a generation to enlist the working men and women of the world to their cause. They failed.

Terrorism did not become popular. The working men and women of the world showed a commendable capacity for separating fact from fiction. They knew that when bloody revolutionaries prevail, in societies where the slogan "Up Against the Wall" is substituted for due process of law, there has been an inevitable loss of liberty and the human values we all cherish.

Through propaganda and by teaching a distorted view of history and social conflicts, the revolutionary movement and its apologists sought to capture a whole generation in our colleges and universities. For a time, it appeared they were succeeding too well. But when rhetoric turned to violence, when verbal threats escalated into arson, bombings and deaths for innocent bystanders, the innate decency of our youth caused them to turn against terrorism. The tide of rebellion appears to be subsiding.

Now, they are attempting to find a receptive following inside our prisons---among those who have by their own individual violent acts placed themselves outside the law.

Suddenly, the lawless element that exists in all societies has become a target of agitation and propaganda. Criminals who have been judged guilty of one misdeed seek to mitigate the enormity of their crimes by becoming advocates of a political cause. They are eager to shed the role of social outcasts. They prefer the more sympathetic role of political martyr...to be a victim rather than the villain, no matter how preposterous the portrayal.



But their so-called revolution lacks the noble motives of political upheavals of the past. Their cause is not legitimate redress of grievances. Their's is a brutal call to terrorism, violence and even murder.

And incredibly enough, they have discovered they have sympathizers on the outside. This too, is a part of the bitter harvest of permissiveness. Fanatics who advocate blowing up a school would never hope to elicit any sympathy when judged by those acts alone. But if it is done in the name of a political cause, society suddenly finds that there are those who are quite ready to excuse almost any kind of extremist conduct.

For some, we have to hope, trying to explain or justify violent acts stems from misguided compassion...from the false philosophy of permissiveness that can find no individual guilt even in the most horrible crime.

For others, the motive is simpler. They openly encourage every type of protest and violence in a frank hope that it will help tear down and ultimately destroy our society.

It really doesn't matter what the motivation is. The result is the same: it creates among the fanatic few the false idea that they might break the law with impunity, if they shout enough political slogans.

The suggestion that an individual may violate the law and get away with it is a seed that is sown early. It starts the first time a child is allowed to break a window and escape the consequences of his vandalism.

It carries over into the schoolroom and is compounded every time a child finds that he can mock his teacher and not worry about staying after school.

It reaches into the very citadels of justice when the legal skills of those sworn to uphold the law are used not to assure a fair application of the law, but to thwart it.

We have been told by the sociologists that poverty spawns crime. Yet in Seattle, when the unemployment rate went up to 15 percent, the crime rate went down 15 percent.

Economic stresses do not lead inevitably to criminal activity. When depression gripped the world 30 years ago, crime rates were only a fraction of what we have in today's affluent society.

Sociological problems cannot justify crime. And the blame for mass violence today cannot be shifted to the victims of that violence, or to the society in which it occurs.

## Police Chiefs Convention

Yet so-called revolutionary crime is possibly the single most difficult problem for law enforcement today. Ironically, it comes at a time when we appear to be making some progress in combating the more traditional types of crime.

During the first quarter of this year, the national crime rate slowed to less than half of last year's rate.

The attorney general reports that in 60 major cities with population over 100,000 the crime rate actually decreased in the first quarter this year.

In our own State of California, the rate of increase for the seven major felonies has been cut in half. We feel at least part of that slowdown is due to some of the stricter laws that have been enacted in recent years.

We increased penalties for rape, robbery and burglary and toughened the penalties for the use of firearms in the commission of a crime.

We passed the first anti-smut laws in eight years, cracked down on drug abuse with tighter laws and with an educational campaign to acquaint our youth with the dangers of drug abuse. In all, more than 40 different laws strengthening law enforcement have been enacted.

But we are not satisfied with merely slowing down the crime rate.

One murder or one mugging is one too many for a civilized society to endure.

We know we must do more. We must do more to strengthen law enforcement's ability not only to deal with orthodox criminals, but with the self-proclaimed revolutionaries.

We must do more to protect the peace officers who risk their lives every day and every night to protect society or to guard society's law-breakers.

In the past nine years, more than 100 police officers have been murdered in the United States. When you count prison guards and other peace officers, the toll is even higher.

The policeman who wears a badge of authority has become a principal target of the revolutionaries and many have died as a result of their violence.

We are trying to do more in California. This year, I asked the state legislature for three major new laws:

--To make it a felony to specifically advocate killing or injuring law enforcement officers.

## Police Chiefs Convention

--To increase the amount of reward we might offer for information leading to the arrest and conviction of persons killing or injuring police officers; and

--To make the killing of a peace officer while on duty first degree murder.

We want all three of these measures enacted into law, but there is a special urgency for the bill which makes the killing of a peace officer on duty mandatory first degree murder.

It has been eight months since we asked for these new laws and 15 California peace officers have been killed so far this year---nine policemen and six correctional officers. How many more must die before everyone recognizes the urgency for more effective action against the criminals who killed them?

Attacks on policemen have become almost routine, if the repetition of lawlessness can ever be described by such a casual term. Sometimes you must wonder whether people have seen or heard of so much violence that they are becoming numb to threats, violent rhetoric and tragic death.

Those who do not live with the daily tension, the prospect of instant death, cannot really appreciate the full extent of the challenge that confronts our law enforcement system. It becomes difficult for the average citizen to keep everything in perspective.

But we must understand the policeman's plight and give him our full support.

Shakespeare spoke of the seven deadly sins. I suggest there is an eighth sin---perhaps more deadly than all the other human imperfections. And that is the sin of indifference---indifference to the difficult task we have asked our peace officers to perform.

They need our help. One of the policemen killed during the week of the San Quentin violence was a San Francisco police sergeant, gunned down by a shotgun blast fired into a district station house.

He also was a victim of the revolutionary mentality.

We often see and hear the fanatic ravings of the revolutionaries and their sympathizers when they strut before the television cameras and try to justify, excuse or explain violence, especially when it involves a police officer.

But rarely do we really get to know in full measure the courage and dedication of the victims of the bombings and the shootings.

And yet, we must know the kind of men who are being sacrificed because only then can we truly appreciate the courageous and lonely battle they are waging on our behalf.

The policeman killed in San Francisco was not an anonymous figure... a line on some casualty list remote from the reality of our own daily lives. His name was Sergeant John Young. He was 51 years old, a deeply religious man who lived and died for his fellow man. Although he and his wife had no children, Sergeant Young spent many years working with homeless young people and on behalf of church charities and civic activities.

That is not the image the revolutionaries seek to construct of all police officers, the tough law man insensitive to social consciousness or to the disadvantaged. It is the image of a kindly man who happened to be a police officer. And Sergeant Young was a kindly man, a man who respected the law and sought to instill respect for justice in the young people he counseled.

How should his colleagues, how should all civilized men everywhere, accept the loss, the tragedy of his sacrifice?

Difficult though it is, we cannot be swept up with reckless anger. Instead, we should heed the counsel of the police chaplain who delivered Sergeant Young's eulogy.

He said: "Let the so-called 'revolutionaries' scream invectives and promise 'to slit the throats of any who stand in their way'." We must not be caught in the trap of vengeance.

"Cowards killed this man of compassion, but we will not allow them to strangle the compassion and sense of justice which he left us as his legacy." We will not allow their cowardice to sully our courage. We will not allow their insanity to warp our judgment. We will not allow their cruelty to wither our kindness.

"But neither will we sit meekly by...and watch these pseudo-revolutionaries who represent no community but the community of their own indolence, violence and cowardice. They claim to be revolutionaries; they vow they will overthrow the government.

"Brave talk for people who break the arm that holds the scales of justice and then hide behind her skirts when held accountable."



## Police Chiefs Convention

Sergeant Young gave his life upholding the principle of law... to preserve our system of justice as a shield, to protect the weak and the innocent against brutality and cowardice. Greater love hath no man. However slowly the wheels of justice turn, we must carry on his struggle against the lawless. But we must never forget his sacrifice. And we must never allow the forces who caused his death to prevail.

Whether the threat to life and liberty comes from a totalitarian army or a gang of street criminals, there is only one sure way for peace-loving men to avoid a showdown with those bent on violence. And that is to surrender to their demands, to accept intimidation, violence, the law of the jungle. This we cannot do.

If civilization is to survive, we can never buy peace through appeasement. It is a price too great for society to consider. It is a price we dare not pay. It is a price we will not pay.

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

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EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
LEAGUE OF CALIFORNIA CITIES CONVENTION  
San Francisco  
September 29, 1971

In the decade of the 1960s, the United States set a goal for itself: to land an American on the surface of the moon. It was a vast undertaking requiring the skills and technical genius of thousands of people and the expenditure of billions of dollars.

Because the outcome could be crucial to our survival, the people of the United States responded enthusiastically and confidently to the challenge of space.

We put a man on the moon---an American. And we did it ahead of schedule.

Instead of wallowing in self-doubt and arguments, we charted a course to the stars. And we achieved the greatest scientific and engineering feat in all of man's history, a step that opens a new age of progress for mankind.

It is particularly appropriate to recall this today because another American President has set a new goal for this great nation in the 1970s. In a technical sense, it isn't as glamorous as a flight to the moon.

But it is a goal well worthy of all our energies, our cooperation and our national determination. And if we can achieve it, we will have accomplished something we have been seeking throughout our adult lives, through three wars and 30 years of international crisis.

The new goal we seek in this decade is the start of a generation of peace and a generation of stable prosperity without war, without runaway inflation and without the disruptive impact of international monetary speculation.

In many ways, this is an even greater challenge than space because there are no computers to chart a definite path, no electronic machines to assure that the course we take will lead unerringly to the result we desire. The steps we are taking require the cooperation of every American because the peaceful prosperity we seek will benefit all Americans.

I am confident that we will meet the challenge of peaceful prosperity, just as we have met and mastered every challenge---with unity and determination.

It requires some individual economic sacrifice. But Americans are no strangers to sacrifice when that sacrifice is for the good of all.

It means establishing new priorities, putting the national interest ahead of self-interest for a time...something Americans have always been willing to do.

It involves the opening of a new era in our international relations. During the past generation, the United States has been a benefactor to the world.

We have given almost \$150 billion of our national resources and wealth to help rebuild the economic and material strength of a hundred nations, including some of our former enemies.

We have conscripted American young men to help defend other nations while our allies acquired the strength to provide for their own defense.

We have taxed ourselves heavily to feed the hungry, to fight disease, and to help our allies rebuild their war-shattered industries---indirectly financing machinery newer than our own industries can afford.

We have allowed our own trade base to erode, generously assuming that we could afford it better than those we were trying to help.

We have seen our gold supplies depleted by more than half. While seeking to build a worldwide prosperity built upon the principle of free trade, we have shared both our technical expertise and our markets---even while other nations imposed trade barriers and tariffs against our goods and our products.

In brief, we have done more than any other society in the history of the world to be a good neighbor---to make it possible for the world to enjoy unprecedented prosperity. Some may question the wisdom of our generosity, but no one can challenge our compassion.

Now, we have reached a point in our history when we have to do more to assure our own prosperity. Many of us think it is about time.

In the last decade, we were told that America was rich enough to afford both guns and butter...that we could fight an ugly war abroad with no sacrifice on the homefront. This we did but at the price of a near runaway inflation rate that doubled and tripled in a two or three year period. Now we suffer the inevitable dislocation that accompanies a shift to a peacetime economy with military personnel and defense workers added to the labor pool. Unlike the aftermath of World War II, there is no stored up demand for consumer goods because all through this war they were never in short supply.



In California you can add the reductions in aerospace as the second part of a double-whammy---inflation, plus the misery of unemployment all at the same time.

It is a tribute to the basic strength of our economy that our problems have not been even greater than they are. But there had to come a day of reckoning. The President's economic program is designed to speed up this transition from a war to a peacetime economy, to hasten the day of full employment without the stimulus of war.

Individual tax relief already scheduled to go into effect in 1973 is being pushed ahead a year.

We are trying to correct the balance of payments deficit that results from spending more abroad than we earn.

All of these moves are steps toward the goal we seek. But in addition to government policy, there will have to be a permanent recognition on the part of all Americans that to really beat inflation, price and wage increases must be balanced by increased productivity.

I saw a statistic the other day that emphasized the task ahead. During the past 10 years, America's productivity--the output of goods per man hour of labor--has been smaller than that of any major industrial nation. We increased productivity by 34.7 percent in those 10 years, compared to a gain of 75 percent for France, 87 percent for West Germany and 188 percent for Japan.

For 25 years, I served the cause of organized labor---I still believe in it, but I challenge the leadership of labor today to face honestly the fact that the slow increase in productivity resulting from wage and benefits rising faster than output is one of the major reasons for inflation. It also is partly responsible for the slippage in our trade balance.

The economic miracles of Germany, Western Europe and Japan following World War II are not miracles at all. They resulted from a combination of our aid and their hard work. They had no secret formula.

And neither did we when we built a small, poor country of three million into the mightiest nation in the history of the world.

During World War II, America produced more planes, ships and tanks faster and more efficiently than anyone thought possible. The whole world stood in awe of our knowhow and our ability. Our efficient productivity in large measure won the war.

Is it impossible for us to do in peace what we did in war? We fought a great war even though we hated war. Surely to win an entire generation of peaceful prosperity we can work harder at our chosen jobs, increase our productivity and become more competitive. We must revitalize the spirit of peaceful economic competition which enabled us to be first with so many of the major technical and engineering advances of the past 200 years. Almost half the economic activity in the entire history of man has taken place in the United States.

If you are wondering what all this has to do with the problems of state and city government; it has everything to do with it because it forms the backdrop against which we in government must play our assigned roles.

Just as private industry must become more efficient, we must do the same in government at every level--not just during one administration or two--but from now on.

During the same period of rising affluence when our nation's industrial productivity began lagging, government took on several layers of administrative fat. As Americans earned and spent more, revenues rose proportionately and waste and inefficiency were hidden in the larger outlays for various government programs.

Those days are over.

At a time when the average citizen spends 13 hours and 5 minutes of his 40-hour work week just to pay his taxes, he is not in a mood to tolerate waste and inefficiency in government. And he wants his tax load held to a minimum.

Between 1957 and 1969, state and local taxes more than doubled in our major states.

Throughout the country, in every state and county and city, there is a demand for tax relief and efficiency in government, reforms to slow down the tremendous rate of spending increases that have occurred in such areas as welfare.

At the state level, we recognized the necessity for all this long before the federal government began taking the same steps.

We introduced and accelerated more efficient ways of operating government through streamlined administrative procedures and such innovations as mass purchasing. At the end of the 1970-71 fiscal year, we had a thousand fewer full-time civil service employees than were on the state payroll 4½ years ago even though our growth in population had vastly increased the workload in many departments. Some state departments are now operating with 25 percent fewer employees than when we started and are carrying a 30 percent workload increase.

In 1969, the California state budget was second only to the federal government's budget in size. Today our budget ranks fourth. Along with the federal budget, the budget of New York State is higher than ours now---\$1 billion higher. And the proposed budget for New York City was almost \$2 billion higher than ours this year.

We have critically analyzed every new spending request. But we also have kept in mind the essential services government must provide for the people.

Between 1967 and 1971, we increased the amount of state support for public schools by more than \$500 million a year---the greatest four-year increase in history. Many say that is not enough. But it was three times the increase in enrollment.

We applied the cost efficiencies selectively, never in areas where the result would be to reduce essential services. During the past five years, we have doubled the strength of the highway patrol and our state's traffic fatality rate of 4.2 per 100 million miles of travel last year is an all-time record low. So far this year, the rate is even lower and if it continues we will set another all-time safety record.

Along with the efficiencies, we also sought to reform the fastest growing area of state government costs: welfare and Medi-Cal.

We sought to eliminate from the welfare rolls those who didn't belong there, the people with significant outside income and those who are able to work and support themselves. But we did not lack compassion for those truly in need---the people who have no outside income and nowhere to turn for the basic necessities of life. We increased their grants as much as 30 percent. Although much of the reform program doesn't become operative until later this week, the results of the several administrative reforms we instituted last spring are already showing. From a 50,000 per month caseload increase we now show as of the end of August, 109,000 fewer people on welfare than there were last March. The rate of decline in the caseload has been averaging 22,000 a month.

We don't know yet what the final cost savings will be. But we have made the most significant reform in welfare ever achieved in one legislative session.

We are trying to reduce the amount of revenue that will be needed to finance welfare. And at the same time we are trying to fairly distribute the welfare dollars we do spend for public assistance so that those who need help most will get more aid.

I realize that cities do not have as much of a direct role in welfare as the counties and the state. But you certainly do have a vital stake in these reforms. Every jurisdiction of government competes with every other level for the available tax revenue.

When one part of government takes a disproportionate share, all the other levels have a far more difficult time finding the money to pay for essential services that they are required to provide for the people.

We feel the federal government has been taking a disproportionate share of the fastest growing revenue sources, leaving the states and the cities with what is left. One example illustrates this imbalance. In the 1969 fiscal year, the federal government collected more than \$135 billion from the corporate and individual income taxes. All the 50 states combined, tapping the same sources, collected only a little more than \$10 billion. In short, the federal government took more than 90 percent of all corporate and individual income tax revenues and the states took less than 10 percent.

That money comes from the states, the counties and yes, from the cities. And we never seem to get back in federal benefits the same proportion of money we send to Washington.

One of the reasons why so many mayors, county officials and even some governors have wanted to turn to Washington to solve the problems is because that is where the money is.

This fact is being officially recognized at long last in the various revenue sharing proposals that have been made at the federal level. We fully support the concept of revenue sharing. But whatever program Washington finally adopts to return some of the money taken from the cities and states must recognize the responsibility of each level of government. It must include a realistic distribution formula.

California already has a well established system of revenue sharing. More than \$600 million of our revenue this year--for the sales, cigarette and highway user taxes--is being returned to cities and local governments to help meet local expenses.

And we have supported legislation to increase your sources of revenue. An additional half cent of the sales tax is being collected now to help pay for the Bay Area Rapid Transit System.



"tippler's tax"---a bill which would allow cities and counties to levy a local tax on alcoholic beverages consumed on the premises. It is specifically designed to help provide cities with additional revenue sources to help meet local needs.

Because it will greatly relieve the burden on the local property taxpayer, our own tax reform program is a major step toward achieving a greater balance in the tax structure.

The property tax has become an intolerable burden. I know you realize this because the property taxes levied by cities have increased at a slower rate than other major areas of local government. You have resisted the pressures for greater spending. Our reliance on it must be reduced. Our tax reform proposals would be a major step in that direction.

Ideally, I have always favored the concept of reserving property tax revenues for property related services---things such as police and fire protection, the very types of services which cities provide for their residents.

The cost of other individual services, such as garbage collection, should be more directly related to those who receive the service. This kind of user charge is well-established in such areas as licensing fees and motor vehicle taxes.

We know that such a transition cannot take place overnight. But we should look to the day when it can.

In the interim, we at the state level want to encourage the development of new revenue sources for cities---to help you meet the increasing costs you are facing today.

The tippler's tax for local government and federal revenue sharing <sup>you</sup> are both constructive ways to provide/with some of the revenue you must have to meet the increased costs of municipal government.

We are aware, too, of the other ways in which our operations affect your costs. One area in which we both face difficulties is in salary levels for employees.

Even though you may differ greatly in size, there is a constant drive for all public employees in similar jobs to receive comparable salary levels.

This treadmill of comparability pits one city against every other and against the salary levels in the state government and at the federal level. When salaries go up in any level of government, there is a constant and unrelenting pressure on the cost of government at every other level.

The state government is trying always to be conscious of the impact of our salary levels upon other areas of government.

We share other problems, too, and we must try to be understanding and help each other to develop better ways of meeting our different responsibilities.

Certainly, we want to pay competitive salaries; we want to improve civil service benefits and working conditions. But as elected officials, we cannot forget that government is not like a private business and in some ways, what is permissible for private industry cannot be tolerated in government.

This is particularly true in regard to public employee strikes. Earlier this year I told your legislative institute my own personal feelings on this matter. I would like to repeat what I said then because the issue is one that is likely to be with us for some time.

I was an officer of my own union for 25 years and played a leading role in contract negotiations with management. I strongly believe that the strike is a legitimate tool in bargaining between the membership of a free trade union and a private industry. I led our union as president in the first strike we ever had.

Yet, I believe just as strongly that the right to strike is something public employees must forego.

Government isn't like a private business. A city, a state and a county cannot just close down. The strike is the ultimate use of organizational power---the test whether the worker can afford to withhold his services longer than the employer can shut down his business.

Always, in these labor-business contests there is the inherent knowledge that if at any time the public good is greatly endangered, the elected representatives of the people will protect the people's interest. But government, when it is the employer, cannot operate as a private business does. It cannot refuse to provide the services and protections required by the Constitution and charters of the nation, the states and the cities.

Government has no choice but to continue operations any way that it can. It must, of course, be responsive to legitimate demands, it should provide the machinery for settling grievances and to try in all ways to be fair with its employees. But having done all this, the final decisions on how far government can go to meet employee needs and requests must rest with elected officials. Only in this way can the public interest be guaranteed the protection our laws and system of government require.

I would not like to leave you with the impression that the road ahead is entirely uphill and we are running out of gas. Certainly, we have problems, some more acute than we have known before.

The demand for municipal services, for services at all levels of government, keeps rising. It has been ever thus.

But we must critically analyze every new spending request. We must insist upon efficient operations and we must do everything we can to hold the tax burden on our people down to the absolute minimum.

That will take courage and ability and a cooperative attitude by everyone. But we must do it.

Just as the national government is trying to put our economic house in order, to achieve a balance in our trade deficit, we must fight against the threat of deficits in government. We must control programs that lead to deficits because unrestrained spending postpones the day of reckoning, the day when the books must be balanced.

I am confident we can meet our responsibilities and help America move forward to a new era of prosperity greater than we have ever known.

I am confident you will do your part. I know we'll try to do our part and I believe the people will do their part. After all, we really have no other realistic choice.

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

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OFFICE OF THE GOVERNOR  
Sacramento, California  
Contact: Paul Beck  
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RELEASE: SATURDAY P.Ms.  
October 2, 1971

PLEASE GUARD AGAINST PREMATURE  
RELEASE.

REMARKS BY GOVERNOR RONALD REAGAN  
REPUBLICAN STATE CENTRAL COMMITTEE MEETING  
Los Angeles, California  
October 2, 1971

As you know, when last we met in January, the election was fresh in our minds (that was the election that was just past); there were many things that had us unhappy.

Now we are meeting again and a coming election fills our thoughts.

Our Party has chosen to hold the national convention in our state, just a stone's throw from the Western White House.

You know, in the early days here in California, in the early days of manned flight, California was the locale for a lot of what is called "free flight ballooning." You couldn't turn in any direction but what you saw those big bags full of hot air.

I don't know why that came to my mind because California has changed a great deal. We are now the biggest state in the union. Now when you turn around---every place you look---you see a presidential hopeful. John Lindsay was just out here...he brought his tennis racket. Up in San Francisco he said he had the second hardest job in the country. Well, now that's probably true the way he does it. He reminds me of that old story of the Irish hod carrier that was running up and down the ladder all day with a big hod full of plaster on his back, and finally one of his friends said, "Why are you working so hard?" And he said, "Shh, I'm fooling the boss; he thinks I'm working hard; I'm carrying the same load."

Senator McGovern has been around testing the water---probably to see if Teddy can walk on it. The Senator from South Dakota has travelled so far around the world he ran into Sam Yorty.

But there's Muskie and Birch Bayh and Hubert Humphrey and Harris, and in political parlance, they are all trying to catch fire. And so far in California we haven't seen any reason to keep them from going up into our brush-covered hills. As a matter of fact, they are looking at each other so close, that if even one of them tries to light a cigarette, the rest will beat him to death with a wet banquet napkin.

But, seriously, in all the campaign oratory to which we have been subjected by these would-be's, there has been one recurrent theme; indeed, all of the candidates use almost identical language in voicing it. They want to change the direction in which this country is going. They want to turn the country around. What they really mean is, they want to stop the change in direction that is now taking place and return to the bankrupt policies of 1960 to 1968.

During the eight years in which this nation mired itself down in a land war in Asia, the budget doubled and the debt increased to a total of \$70 odd billion more than the combined debt of all the nations of the world, against Republican objections. They started a runaway inflation that doubled and tripled as it eroded the value of our savings, our insurance and our pensions. And they multiplied tenfold the social welfare programs from 40 to more than 400 and embarked on a war against poverty. And they couldn't win that one either. One thing I can say, they sure may not have cured poverty, but they sure cured wealth.

Crime, and the inability to feel safe in our neighborhood and even in our homes was uppermost in our minds just less than three years ago. It is hard to remember that a short time back we were talking about long, hot summers. We had accepted street riots and burning of our cities as a matter of course and that our educational institutions would erupt. And we were told by many of those in high office that somehow we were to blame. I don't recall such things being commonplace during the Eisenhower years, and it seems they have markedly decreased since.

When I addressed you eight months ago in Sacramento, I spoke of the difference here in our own state between the one legislative session when Republican leadership named the committees and the committee chairmen, and the preceding three years when so much of what we tried to do met with hostility and died in the various committees.

That one Republican year was the only year in which a Republican budget was returned to me that I could sign within five minutes without vetoing tens of millions of dollars of excess spending. Little did I know last January when I talked to you that six months from then I would set an all-time record for the United States by blue-pencilling more than half a billion dollars out of the one budget that was sent back by this Democratic-controlled legislature. This brought my total veto score of budgets to more than \$825 million.

Nothing illustrates the difference of philosophy between the two parties more than the constant screams of rage and protest over these last four years that have greeted every economy we have proposed. You can't recall when there was a single time when there was an outcry by our opponents because we wanted to spend more money on something. Always the objection was to spending less. And we are on the right track because it has been uphill all the way.

You know the record, and I have tried many times to keep you posted on what it is we think we have been accomplishing. When we ended the fiscal year in June, we had a thousand full-time fewer employees than when we started five years ago. When we started, our budget was second in size only to the federal budget. Today it is fourth behind the federal budget. It is behind New York State, and it is even behind New York City. In fact, in Fun City, the budget is \$2 billion bigger than the budget for this, the largest state in the union. Now that happened when the mayor was a Republican. What do you think is going to happen now that he is a Democrat?

But I told you in January that the economies in government wouldn't be at the cost of quality government, and they haven't been. Our mental hospitals, once crowded with 31,000 patients, are now down to 11,000 because of the success of our local mental health care clinics. We are the only major state in the United States with all of our mental hospitals certified as meeting the standards prescribed by the American Hospital Association.

I told you in January that in the one term of Republican leadership we had passed the most comprehensive anti-crime legislation---40 measures in all. And that was thanks to the Republicans in the legislature. And now I can tell you the result of that leadership.

The rate of increase in California in serious crimes is less than half what it was two years ago. Incidentally, we have been so successful in prison reform and rehabilitation that we have fewer prisoners in our prisons than we have had at any time since 1962. And the percentage of parolees who are returned to prison for violation of parole or committing another crime has been reduced in half. But the very success in that has created new problems as you well know. Most of the men now remaining in our prisons are the hard core incorrigibles. Add to this the same kind of revolutionary rhetoric that tore up our campuses a few years back, with the leaders of that revolution admittedly directing their attention to the prisons as the new battleground of the revolution, and you have tragedies such as the recent massacre at San Quentin.

And, of course, there are those who are eager to blame their misdeeds on the sociological problems, the ills of our system, anything but the real reason for their own individual violent acts. Shootings and bombings are not justifiable political activism; they are criminal acts.

Killing a policeman is murder, whether it is done by a bank robber or a self-proclaimed revolutionary martyr. And the real martyrs in this revolutionary conflict are law enforcement and correctional officers who risk their lives every day and every night to protect and preserve the law-abiding, non-violent society. They need our help and our support and we are determined to give it to them.

In the State-of-the-State Address eight months ago, I asked for three new laws. I asked the legislature to make it a felony to specifically advocate killing or injuring law enforcement officers, to increase the reward we can offer for information leading to the arrest and conviction of persons killing or injuring peace officers, and to make the killing of peace officers while on duty mandatory first degree murder.

But things have changed in Sacramento since that one brief period when the Republicans controlled the legislature. Since I asked for those laws, sixteen law enforcement and correctional employees have been killed in the line of duty in California, and the laws have still not been passed. How many more brave men must die before our opponents will face the world as it really is instead of continuing to look at that Utopia they dream of and which they seem so unable to secure.

I told you in January that the passage of welfare and Medi-Cal reforms would make an increase in taxes to balance the budget unnecessary. As you know, we negotiated a compromise package that gave us about 70 percent of what we wanted. But, by forcing a compromise, our opponents deliberately chose instead to leave us needing \$130 million to balance the budget. I think this is another example of the difference in philosophy with regard to taxing and spending, because they knew, and were frequently reminded in our negotiations, that each time they refused to accept one of the measures we had proposed, they were deliberately choosing instead to impose additional tax burden on our people.

The program went into effect yesterday. It is the most comprehensive welfare reform ever enacted at a state level. But almost before we had it enacted, various welfare rights groups and their OEO-funded attorneys representing welfare clients began their court challenges. Now it is a question of whether we can stay ahead of the judges.



And no one has had an unkind word to say about the 30 percent increase in benefits to the truly needy. It seems they want the increased benefits but they don't want the eligibility standards which would make it impossible to remain on welfare as a permanent way of life regardless of the size of your earnings.

But I can report one bit of comforting news. We started implementing our reforms way back in March because there was a portion of the program that did not require legislation; we could do it administratively. Those measures, plus what I think is just a simple psychology of turning a spotlight once and for all on the whole problem of welfare, has proven in a sensational manner the rightness and the necessity of welfare reform.

For the past few years, California's welfare growth rate has been averaging 50,000 new caseloads a month. For five straight months since we started implementing a part of the reforms, the caseload has been declining 22,000 a month, and we have 109,000 fewer welfare cases than we had last March when we started.

There are other things we could talk about, and I probably will before too many more months have gone by. But, I know that all of us together have business to transact, and it is business that is important to the state and nation.

Of immediate concern to us is the all-out effort to reduce the Democratic majority in the Assembly by electing Bill Brophy in the 48th. Now you know better than anyone else that is a tough district for us, and we don't get any free rides anymore. Since 1958 we have won all but one of those special elections.

Now the Democrats are finally doing what we have been doing and doing so successfully. They, too, are mobilizing. They are getting their people out walking the precincts, turning out victory squads. And now we have to outdo them because no longer can we take advantage of their apathy. The day is October 19, the district is the 48th, the candidate is Bill Brophy, and the troops up front need all the help they can get. I am confident that we can do it, confident that when we get in there we can go back to that record we have had for so many years.

But I know this: whether you share that optimism or not, let's make sure that they don't get any free rides and that they can't win any of these by default.

Last January I told you that the Republicans in the legislature and the executive branch were determined to achieve a realistic and fair reapportionment of California's legislative and congressional delegations.

The disgraceful Democratic gerrymandering that occurred in the 1960s still cheats hundreds of thousands of Californians. It has deprived our fine citizens of Mexican descent, for example, of a chance to have representation in the state legislature and the Congress that will recognize their particular problems. This is true of some of our other minority communities as well. We promise to correct this injustice. A Republican plan has been unveiled in the Assembly and the Assembly plan has proved that we intend to keep that promise.

Unlike our friends over on the other side of the aisle, we have revealed ours and conducted public hearings. Our legislative leaders who have been doing this have a distinct feeling that the Democrats don't dare come out and reveal the secret of their plan. We have to wonder what they are hiding.

But we do know that our plan does---for the first time---take communities like the large community of Americans of Mexican descent in East Los Angeles and set them up as districts where they can elect their representatives. We have not cut it up as our opponents did like a pie and given a chunk of what is supposed to be sure Democratic votes to as many Democratic candidates or districts as possible to maintain a majority.

I cannot leave this subject without mentioning the long hours and hard work that our Party leaders have given to reapportionment. Along with our legislative leadership and Put Livermore, we know that the only way to insure good government in the 70s is to guarantee that reapportionment this year is fair to all of our citizens. If Republicans stand together, we will get that kind of reapportionment.

And as long as there is a veto power which we didn't have before in the other reapportionment, I think we have a little more muscle to the point that they will either sit down with us and work it out on a fair basis or (this sounds strange coming from me) we'll kick it into the courts.

Now for some of our current business. I have been asked by the President and Attorney General Mitchell to organize California's delegation to the convention. Unlike our opponents, we have a pretty good idea of who our candidate will be. The President has also asked me to be chairman of our 96 delegates and 96 alternates. I have accepted with pride and told him and the Attorney General that the criterion for representation on that delegation will be commitment to the President's re-nomination and election.

Of course, the delegation will be acceptable to the President and to the Attorney General. Beyond that we have agreed that the delegation should be one that provides the fairest and broadest representation to every constituency within the Republican Party in California. It will have a proper balance of men and women, of young and old, it will include representatives of our ethnic minorities, and it will represent every wing of our Party.

The delegation will have on it elected Republican officials and those who may be elected in the future; it will include those who are Party leaders and not yet Party leaders; and it will definitely include a representation of precinct workers and volunteers---those who do the hard work of registration and the registrars.

Because the delegation is to be filed in March, we have a lot of work to do. We haven't yet developed specific criteria for all the categories I have mentioned, and the list of potential delegates is wide open. So I urge you and every Republican who wants to be a delegate or alternate, or who knows someone else that he thinks should be, to send in his or her name during the next few weeks to Tom Reed, our national committeeman. I have asked Tom to be the chairman of a small committee which will be made up of our national committeewoman, Eleanor Ring, Holmes Tuttle, Leonard Firestone, Put Livermore and Gordon Luce. They will do the initial screening of all these names. The final approval, of course, will be in the President's hands.

Thousands of Republicans are qualified and deserve consideration, so I know we will have a great many names to review. We will need a lot of help. But let me assure you that everyone will be fairly considered and the final delegation will be one that truly represents all the viewpoints within our Party in California.

Before I get off the subject of nuts and bolts politics, let me just mention one of the basics that is essential to success. I am talking about registration. Our opponents are devoting tremendous amounts of time, effort and money in their own registration drives and we must do no less. We have heard a great deal about the 18-year-old vote, and its possible impact on the elections. Well, we won't get our share of these new young citizens unless we reach them and tell our story.

I think we can begin by exploding the Democratic myth...myths that they can only bring about prosperity and full employment.

I am sick of seeing these Gallup Polls that have everyone saying, "Oh, yes, in times of economic stress, the Democrats are the ideal party." They are the only ones who bleed for the poor and the persecuted theirs is the way of true liberalism in the classic sense of the Founding Fathers. They evoke the spirit of Herbert Hoover and say that didn't he preside over the Great Depression and that is the proof that the Republicans are somehow not the party to solve economic problems.

They forget, of course, that Herbert Hoover had only been president eight months when the crash came. Now, I don't think that even a very energetic president could achieve that kind of a cataclysm in just eight months in office.

They forget also, however, that after more than six years of the New Deal and all the nostrums that were applied to cure all of the economic ills that nearly 25 percent of the nation's work force was unemployed. And only when we geared up for World War II did we achieve full employment.

Following that war, the unemployment rate began to creep up again. And then came the war in Korea, and again full employment. A Republican president ended that one and presided over eight years of peace and a stable economy. It was the only breathing spell we have known when the dollar held its own in value.

In the Kennedy years, the unemployment rate was the same as it is now, but curiously enough no one called it a recession or an emergency. Those were the happy times in Washington. In two years of frequent press conferences, not one journalist ever asked President Kennedy what he was going to do about unemployment.

Full employment came, once again, with war when we escalated the conflict that they had started in Vietnam up to its full height. In 1968 when the guns and butter policy loosened runaway inflation, the Democratic administration sought a plan to control it.

But they never implemented their plan because they found that any plan that would curb inflation had no way of dampening the inflationary fires without cooling the economy and accepting a measure of unemployment.

The Democratic leadership, backed by the hierarchy of organized labor, did not have the guts to head off the collapse they knew was coming. They just hoped they could hang on and not be around when it happened.



So the war went on---the war that they wouldn't win and they couldn't end. A Republican President is ending that war and he is accepting the blame for a temporary economic dislocation that accompanies a transition to a peacetime economy while at the same time reducing the costly inflation.

Yes, we have unemployment and an economic slump.

But young Americans are not dying at a rate of 300 a week, and the inflation rate has dropped. If we continue the gains of the first quarter of this year, it will drop again.

There have been other charges to refute, other myths that must be refuted by Republicans if we are to be successful. Let those in our minority communities who continue to vote almost automatically for the Democratic ticket ask themselves and ask those enlightened members of the minority communities who have come over to the Republican Party why, after all the decades of rhetoric that they have heard about help for their problems under Democratic administrations, now, after less than three years of a Republican administration, six times as many minority children are attending integrated schools in the South than were attending them just two and one half years ago.

Ten times as much money is being loaned through the Small Business Administration to encourage businesses in the minority communities than was going there in spite of all the language of two and one half years ago.

Here in California, the number of minority employees named to executive and policy-making positions in this administration is greater than all the previous administrations in California's history put together.

And then, as we debunk the mythology, above all let us give our young people a perspective of history they apparently don't have. Polls show that the young people prefer the Democratic Party. It is hard to explain how a generation that seemingly wants more freedom, wants government smaller and more responsive to the people, a government or society less materialistic, can repudiate the Republican Party, indeed, automatically assign the blame for big, impersonal, imperialistic government to our party. I think we tend to forget that <sup>/at</sup> age 18 and 19--- it was only such a very short period of time, three or four years back--- that today's young people had no interest or concern in the social structure or things of government. And so to them the Establishment--- and therefore those who must be responsible for all the things they complain about---are those they see now in positions of power---a Republican president, a Republican governor if you will.

Government is too big, too centralized. And certainly a government that thinks of meeting the needs of the less fortunate while denying them hope for the future---disregarding the fact that human beings have spiritual needs---is materialistic. But who is to blame for this and how did it come about?

Republicans have only occupied the White House 13 of the last 39 years, and for only one two-year term in those 13 did a Republican president have a Republican Congress. For 37 of the last 39 years, the Democrats have been in charge, and during these years they built a gigantic bureaucracy.

Did you hear about the Bureau of Indian Affairs, that vast expanse of desks with everyone at a desk? A fellow over in the corner at his desk was sobbing, his head down in his arms, as if his heart would break. They finally went over to him and said, "What's happened; what's wrong?" and he said, "My Indian died."

In these 37 years they have been in charge, they set out to save the family farmer, and there are only now about half as many family farmers as when they started saving them.

They were going to build 26 million low-cost public housing units for the poor and after 20 years they have managed to reduce by 200,000 the ones we already had.

They tried to help the wheat farmers and wound up cutting the price of wheat in half and doubling the price of bread.

Six of the Senators who would be President have, in the halls of Congress, introduced between them \$143 billion in new spending measures.

One, the young Senator from Massachusetts, is going to guard our health from the cradle to the grave. He has a proposal that he says is absolutely necessary, but I don't think we can afford \$77 billion worth of Teddy-Care.

We have less campaigning to do and more teaching of economics and history to do. And if we do this we will find that there are millions of patriotic Democrats as well as our young people---people who had been true to the party of Jefferson and Jackson but who are now taking a second look at Muskie and Company---who have decided they would be more at home with the elephant than they would with the donkey that has now been made into a plain jackass by the present leadership of that party.

To do this, of course, we have got to be a little bit up on our facts and our history, too. Right now there are a great many Republicans disturbed at some of the things that they think may be happening or that they don't understand.

Particularly, and more lately, many Republicans are disturbed by the President's announcement that he is going to visit Red China.

And many Republicans have said, why, if Hubert Humphrey had been elected, and had made this announcement, we would be rising up in a storm of opposition.

Well, of course we would, and why not?

We have lived through a period when we saw a Democratic president bring back the bitter fruit of appeasement from Yalta and Potsdam. We have seen a Democratic president snatch defeat from the jaws of victory in Korea. We have seen a Democratic president march up to the barricades in the Cuban missile crisis and then lack the will or the intelligence to take the last step to victory there.

A Democratic president disgraced us at the Bay of Pigs, and Democratic presidents lacked the will and the wisdom to exact a victory as a price for the young Americans who died in Vietnam.

But this is a Republican president. This is a Republican president who has said only "I will go and talk. I have no intention of abandoning old friends or allies. I will go and talk to the man."

And this is a Republican President, who, when he was a vice president met another dictator, the dictator of the Russians in a kitchen in Moscow, listened to his blustering threats against the United States, and then said, "Try it and we'll kick hell out of you."

Until he gives some hint that he has undergone a massive change of personality, which I doubt, I think he deserves our confidence, our prayers and our best wishes.

I have talked of concrete things in this crusade that will begin in the coming year, but may I suggest that the political activists, particularly, pause in their activities to listen...listen to what the people of this great nation are really saying---not what they say in so many words to the inquiring reporter or the answer they give to a professional poll taker.

What they seem to be saying in some kind of a murmur is the sound of restlessness that accounts for so many unexplainable election results. Sometimes you must listen to the silence because it is more eloquent than words.

But we haven't found words yet to express our dreams, our hopes and our fears. Nor can these people in America always articulate the purposes that they would have government pursue, or their opposition to the things that government provides for them.

The polls tell us a variety of things but it usually depends upon when the poll is taken. Smog is the number one issue in a certain week when the air inversion results in several consecutive days of bad air. A few days of bickering over the budget and taxes become a number one concern. Both are pushed out of the ratings if there is a trial or a particularly brutal crime that makes the front page...pocketbook issues, jobs and inflation are in and out of the top spot, depending on when the polls are taken.

Could it be that the problems of America are the problems of the spirit, that the people in this land want to believe once again in their country, their leaders and themselves?

When have we heard the voices raised extolling the virtues of simple manliness and love of country? If these attributes are dead in our land they are not suicides; they were murdered---murdered by cynics who would stop at nothing enforcing their own purposes on their fellow men. We have been told that ours is a sick society.

But America used its power wisely and with restraint, not for conquest, but to protect and preserve freedom. It was because we heeded the Biblical injunction that it is better to give than to receive that we generously allowed our own economic trade base to erode while we shared freely our markets and our technical expertise.

Now we find we must do more to insure our own prosperity if we are going to work for a generation of peace and peaceful prosperity.

It is a goal that is worthy of the best from every American. It is a call for us to fulfill another part of America's splendid destiny.

Just as we led the world to victory in a time of war, we can lead the way to peace, the peace which we have sought for so long and for which we have already paid such an awesome price.

Again, I would say to our young people, with their idealism today, to take a very definite look. I know that it is intriguing to many of them to say I am going to stand aloof and be independent, that I'm going to choose the man and not the party.



But that ignores the reality of party discipline, it ignores the fact that there are two basic philosophies at odds here between these two parties.

It is time for them to link up their ideals with the party they think will advance those ideals best.

If they believe those who tell them we are aggressive and imperialistic, I would have one simple question. If that is true, when World War II ended we had the greatest military force that the world had ever known---our country was the only country that was not desolated by the war, our production facilities not bombed out, and we had the bomb and no one else had it---then let them ask themselves if it had been reversed and the Soviet Union had had that power, would there be a free world today.

We are not surrounded by a ring of satellite nations. We have built no barbed wires and no walls to keep our people in. We think that our cause is just. And I think that if we pursue the educational program that we should pursue, many young people will take a second look.

All we have to do is show them the way...show them that we believe in an America in which men can stand proud among their peers, but humble in the presence of God.

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

10/5

OFFICE OF THE GOVERNOR  
Sacramento, California  
Contact: Paul Beck  
445-4571 10-4-71

RELEASE: TUESDAY P.Ms.  
October 5, 1971

PLEASE GUARD AGAINST PREMATURE  
RELEASE.

*Speech is identical  
to cancelled Intern'l.  
Assn. of Police  
Chiefs - 9-27-71.*

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
CALIFORNIA REAL ESTATE ASSOCIATION CONVENTION  
Los Angeles, California  
October 5, 1971

There is one subject that is probably more crucial now than any other. It has a direct impact on you...on your community...on every American who values the civilization we have built over these past two hundred years.

I am referring, of course, to the problems of crime...not just the burglar and the robber...but revolutionary crime...the calculated instigation of disorder in our society by violent revolutionaries.

Last week, I had planned to discuss the challenge this poses to society at the International Chiefs of Police Convention in Anaheim. The tax discussions in Sacramento prevented me from attending that meeting.

And so, with your permission, I would like to share those thoughts with you here today.

Our law enforcement officers deserve the gratitude and respect of decent men and women everywhere---because it is on their efforts to uphold the principle of law that our civilization may depend for its very survival.

All of the patience, all the compassion and understanding of which civilized men and women are capable is being challenged and tested in a crucible of mindless violence.

The tragedy of Attica's prison riot is but the latest example of what can only be described as a guerrilla war against our society. Our law enforcement officers are society's first line of defense in this seemingly endless struggle.

They are the point men in a prolonged battle against a cowardly array of enemies who strike from ambush...who seek to incite hatred and suspicion and who try to portray as folk heroes the terrorist bomb-thrower who kills at random, the arsonist and the assassin.

Every person who values human life can only regret the loss of 42 human lives at Attica, especially because it stems from senseless savagery. But we grieve most for the brave correctional officers whose lives were sacrificed.

It is an outrageous distortion of values that some now question the necessity and even the morality of those who had the courage to act decisively. The violence at Attica was triggered by an outlaw group whose very presence in a prison was because of past violent crimes. These self-proclaimed revolutionaries set out deliberately to kidnap and murder and then tried to legitimize their lawlessness in a cloak of sociological and revolutionary rhetoric.

Every official who has any degree of responsibility for protecting society against criminal brutality knows the agony of decision in confrontations where the innocent are involved.

Every time there is a kidnapping, every time there is a riot and it becomes necessary to use force to restore order, decisions must be made that involve risk to hostages or to the innocent who may be caught in the crossfire of a confrontation. But there is a far greater degree of risk to life and public safety in surrendering to the violent law-breakers. The decision to stand up to lawlessness is a final choice that has to be made sooner or later, if society is to retain an effective capacity to protect the public.

There can be no compromise with those who hold so little regard for human life that they would maim or kill unarmed captives. Society cannot negotiate with the lawless.

A criminal holding a knife at the throat of an unarmed captive is not an ambassador with diplomatic immunity. He is a potential murderer.

And any attempt to suggest otherwise can only encourage these outcasts to try again and again to force society to accept the law of the jungle.

Although the casualty list may have been smaller, the challenge to law at Attica has its counterparts elsewhere, at San Quentin...in prisons throughout the country...in assaults upon police that occur almost daily...in every act of violence directed against society and those whose professional duty is to protect society.

In a single week last month, there were half a dozen major confrontations.

In New Jersey, a wave of terrorist firebombings, sniping and looting injured six persons. Firemen responding to fires during this outbreak were pelted with rocks by the militants.

In New York, hundreds of demonstrators hurled rocks and bottles at policemen and passing cars.



Inmates of a federal correctional institution in Florida created a disruption that lasted six hours. When it was over, guards confiscated half a dozen knives and assorted clubs made from broken broom and mop handles.

In our own state, six persons died in an attempted breakout at San Quentin, including three guards who had been held as hostages and two inmates who refused to join the escape attempt.

I am sure you have heard of that well-publicized event.

But perhaps you did not hear what occurred four days later. A group of demonstrators gathered outside the prison walls---not to mourn the innocent dead or to express outrage at brutality of the lawlessness that had taken place. No, these demonstrators gathered to express support for the goals of the slain convict whose attempted escape set in motion the tragic events that led to the butchery.

Whenever a policeman is killed, we never hear any words of remorse from the avowed revolutionaries, no tears for the slain upholders of the law.

Instead, there are insults, invective and often threats of further violence. If this were confined merely to the small group of avowed fanatics who glorify violence, it would be disturbing enough. But some prominent figures in the news media and others who should know better joined the chorus of radicals and suggested that the San Quentin tragedy was not only the result of the activities of a violent few, but could somehow also be blamed on society's imperfections...on sociological problems that afflict our country...on the victims themselves...on anything but individual criminal action.

How far have we departed from the concept of individual accountability? From the teachings and legal code of every civilization that the individual is responsible for his own acts and should be accountable under the law? That concept is the foundation of our system of justice.

But we live in a strange time. Those who sin seek to shift their own burden of guilt to someone else, to society at large. Any excuse will do to escape the consequences of their own violent acts.

If carried to the obvious extreme, that philosophy of permissiveness would destroy not only respect for law, but the ability of a society to establish and enforce the civilized code of conduct that forbids a man from killing or harming his neighbor.

Those who preach hatred and contempt for the moral values of our society have tried to spread a virus of violence in our country and in other nations around the world.

In the decade of the 1960s, rioting and violent upheavals became a world-wide phenomenon, a problem for law enforcement in Japan, in Europe and in our own country.

Attacks upon those who uphold the law have always been with us. B never before in such magnitude. Even in Britain, with a long and admirable tradition of non-violence, unarmed policemen have now become the targets of criminals who carry and use destructive weapons in their crimes and in their efforts to escape the consequences of those crimes.

The ideological effort to capture and subvert peace-loving societies into class and racial conflict has been going on during most of our lifetimes.

Those who try to exploit racial tension, to incite class warfare have tried for a generation to enlist the working men and women of the world to their cause. They failed.

Terrorism did not become popular. The working men and women of the world showed a commendable capacity for separating fact from fiction. They knew that when bloody revolutionaries prevail, in societies where the slogan "Up Against the Wall" is substituted for due process of law, there has been an inevitable loss of liberty and the human values we all cherish.

Through propaganda and by teaching a distorted view of history and social conflicts, the revolutionary movement and its apologists sought to capture a whole generation in our colleges and universities. For a time, it appeared they were succeeding too well. But when rhetoric turned to violence, when verbal threats escalated into arson, bombings and death for innocent bystanders, the innate decency of our youth caused them to turn against terrorism. The tide of rebellion appears to be subsiding.

Now, they are attempting to find a receptive following inside our prisons---among those who have by their own individual violent acts placed themselves outside the law.

Suddenly, the lawless element that exists in all societies has become a target of agitation and propaganda. Criminals who have been judged guilty of one misdeed seek to mitigate the enormity of their crimes by becoming advocates of a political cause. They are eager to shed the robe of social outcasts. They prefer the more sympathetic role of political martyr...to be a victim rather than the villain, no matter how preposterous the portrayal.

## Police Chiefs Convention

But their so-called revolution lacks the noble motives of political upheavals of the past. Their cause is not legitimate redress of grievances. Their's is a brutal call to terrorism, violence and even murder.

And incredibly enough, they have discovered they have sympathizers on the outside. This too, is a part of the bitter harvest of permissiveness. Fanatics who advocate blowing up a school would never hope to elicit any sympathy when judged by those acts alone. But if it is done in the name of a political cause, society suddenly finds that there are those who are quite ready to excuse almost any kind of extremist conduct.

For some, we have to hope, trying to explain or justify violent acts stems from misguided compassion...from the false philosophy of permissiveness that can find no individual guilt even in the most horrible crime.

For others, the motive is simpler. They openly encourage every type of protest and violence in a frank hope that it will help tear down and ultimately destroy our society.

It really doesn't matter what the motivation is. The result is the same: it creates among the fanatic few the false idea that they might break the law with impunity, if they shout enough political slogans.

The suggestion that an individual may violate the law and get away with it is a seed that is sown early. It starts the first time a child is allowed to break a window and escape the consequences of his vandalism

It carries over into the schoolroom and is compounded every time a child finds that he can mock his teacher and not worry about staying after school.

It reaches into the very citadels of justice when the legal skills of those sworn to uphold the law are used not to assure a fair application of the law, but to thwart it.

We have been told by the sociologists that poverty spawns crime. Yet in Seattle, when the unemployment rate went up to 15 percent, the crime rate went down 15 percent.

Economic stresses do not lead inevitably to criminal activity. When depression gripped the world 30 years ago, crime rates were only a fraction of what we have in today's affluent society.

Sociological problems cannot justify crime. And the blame for mass violence today cannot be shifted to the victims of that violence, or to the society in which it occurs.

Yet so-called revolutionary crime is possibly the single most difficult problem for law enforcement today. Ironically, it comes at a time when we appear to be making some progress in combating the more traditional types of crime.

During the first quarter of this year, the national crime rate slowed to less than half of last year's rate.

The attorney general reports that in 60 major cities with populations over 100,000 the crime rate actually decreased in the first quarter this year.

In our own State of California, the rate of increase for the seven major felonies has been cut in half. We feel at least part of that slowdown is due to some of the stricter laws that have been enacted in recent years.

We increased penalties for rape, robbery and burglary and toughened the penalties for the use of firearms in the commission of a crime.

We passed the first anti-smut laws in eight years, cracked down on drug abuse with tighter laws and with an educational campaign to acquaint our youth with the dangers of drug abuse. In all, more than 40 different laws strengthening law enforcement have been enacted.

But we are not satisfied with merely slowing down the crime rate.

One murder or one mugging is one too many for a civilized society to endure.

We know we must do more. We must do more to strengthen law enforcement's ability not only to deal with orthodox criminals, but with the self-proclaimed revolutionaries.

We must do more to protect the peace officers who risk their lives every day and every night to protect society or to guard society's law-breakers.

In the past nine years, more than 100 police officers have been murdered in the United States. When you count prison guards and other peace officers, the toll is even higher.

The policeman who wears a badge of authority has become a principal target of the revolutionaries and many have died as a result of their violence.

We are trying to do more in California. This year, I asked the state legislature for three major new laws:

--To make it a felony to specifically advocate killing or injuring law enforcement officers.



## Police Chiefs Convention

--To increase the amount of reward we might offer for information leading to the arrest and conviction of persons killing or injuring police officers; and

--To make the killing of a peace officer while on duty first degree murder.

We want all three of these measures enacted into law, but there is a special urgency for the bill which makes the killing of a peace officer on duty mandatory first degree murder.

It has been eight months since we asked for these new laws and 15 California peace officers have been killed so far this year---nine policemen and six correctional officers. How many more must die before everyone recognizes the urgency for more effective action against the criminals who killed them?

Attacks on policemen have become almost routine, if the repetition of lawlessness can ever be described by such a casual term. Sometimes you must wonder whether people have seen or heard of so much violence that they are becoming numb to threats, violent rhetoric and tragic death.

Those who do not live with the daily tension, the prospect of instant death, cannot really appreciate the full extent of the challenge that confronts our law enforcement system. It becomes difficult for the average citizen to keep everything in perspective.

But we must understand the policeman's plight and give him our full support.

Shakespeare spoke of the seven deadly sins. I suggest there is an eighth sin---perhaps more deadly than all the other human imperfections. And that is the sin of indifference---indifference to the difficult task we have asked our peace officers to perform.

They need our help. One of the policemen killed during the week of the San Quentin violence was a San Francisco police sergeant, gunned down by a shotgun blast fired into a district station house.

He also was a victim of the revolutionary mentality.

We often see and hear the fanatic ravings of the revolutionaries and their sympathizers when they strut before the television cameras and try to justify, excuse or explain violence, especially when it involves a police officer.

But rarely do we really get to know in full measure the courage and dedication of the victims of the bombings and the shootings.

And yet, we must know the kind of men who are being sacrificed because only then can we truly appreciate the courageous and lonely battle they are waging on our behalf.

The policeman killed in San Francisco was not an anonymous figure... a line on some casualty list remote from the reality of our own daily lives. His name was Sergeant John Young. He was 51 years old, a deeply religious man who lived and died for his fellow man. Although he and his wife had no children, Sergeant Young spent many years working with homeless young people and on behalf of church charities and civic activities.

That is not the image the revolutionaries seek to construct of all police officers, the tough law man insensitive to social consciousness or to the disadvantaged. It is the image of a kindly man who happened to be a police officer. And Sergeant Young was a kindly man, a man who respected the law and sought to instill respect for justice in the young people he counseled.

How should his colleagues, how should all civilized men everywhere, accept the loss, the tragedy of his sacrifice?

Difficult though it is, we cannot be swept up with reckless anger. Instead, we should heed the counsel of the police chaplain who delivered Sergeant Young's eulogy.

He said: "Let the so-called 'revolutionaries' scream invectives and promise 'to slit the throats of any who stand in their way'." We must not be caught in the trap of vengeance.

"Cowards killed this man of compassion, but we will not allow them to strangle the compassion and sense of justice which he left us as his legacy." We will not allow their cowardice to sully our courage. We will not allow their insanity to warp our judgment. We will not allow their cruelty to wither our kindness.

"But neither will we sit meekly by...and watch these pseudo-revolutionaries who represent no community but the community of their own indolence, violence and cowardice. They claim to be revolutionaries; now they will overthrow the government.

"Brave talk for people who break the arm that holds the scales of justice and then hide behind bar skirts when held accountable."

## Police Chiefs Convention

Sergeant Young gave his life upholding the principle of law... to preserve our system of justice as a shield, to protect the weak and the innocent against brutality and cowardice. Greater love hath no man. However slowly the wheels of justice turn, we must carry on his struggle against the lawless. But we must never forget his sacrifice. And we must never allow the forces who caused his death to prevail.

Whether the threat to life and liberty comes from a totalitarian army or a gang of street criminals, there is only one sure way for peace-loving men to avoid a showdown with those bent on violence. And that is to surrender to their demands, to accept intimidation, violence, the law of the jungle. This we cannot do.

If civilization is to survive, we can never buy peace through appeasement. It is a price too great for society to consider. It is a price we dare not pay. It is a price we will not pay.

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

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PLEASE GUARD AGAINST PREMATURE  
RELEASE.

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
A.D. Edmonston Pumping Plant  
California Water Project  
Thursday, October 7, 1971

You and I have the rare privilege of taking part today in a milestone event in the history of our state. When the first pump of this A.D. Edmonston Pumping Plant begins moving water across the Tehachapi Mountains to Southern California, it will mark an engineering achievement never before attempted on such a grand scale.

For the first time in the history of California, this state will be united---north and south---with a water transportation system that truly distributes one of the state's most important resources to all areas of California and to all of the people who live here.

We are one state and one people. We have separated ourselves too long on the basis of a post office address. We are Californians. Conquering the traditional geographic barrier of the Tehachapi Mountains through the sharing of our water resources may be the first effective step in erasing our Mason-Dixon line. The water that flows through this site may bring us together in harmony.

The pumping plant we are dedicating today is a major phase of the California State Water Project and a vital link in the largest and most complicated engineering feat of our time. It is an achievement that epitomizes the kind of creative vision that made California the most productive agricultural area in the nation and the fountainhead for the most sophisticated technical society in the world.

Some of man's greatest triumphs have been realized over the opposition, even the ridicule of those who are afraid to look beyond the nearest horizon; who do not dare to dream great dreams; and who find satisfaction only in the known, the status quo.

California was built by the dreamers of the past and it will go forward on the imagination of today and tomorrow. But only if we realize that the short-sighted view of man's capabilities is not a phenomenon that belongs to the Middle Ages. Some of that same short-sightedness is still with us today in the doom-criers and the nay-sayers who are just as vocal and just as lacking in vision as they were hundreds of years ago.

Like every vast and bold accomplishment, the California State Water Project has been an object of controversy and dispute. It has also been an object of great accomplishment and it has probably been subjected to more audits, more legislative investigations, and more public debates than anything ever built by man.

It is too bad and a little ridiculous that some of the recent opposition has been linked to the legitimate desire of all of us to protect and preserve the magic of California. One of the major benefits of the water project has been the protection and the enhancement of man's environment whenever and wherever possible. I know this to be true because one of my first moves upon assuming office was a task force to re-evaluate the effect of the project on the California environment.

The project is an excellent example of California's pioneering efforts to improve the quality of the life of her citizens and to insure their prosperity. In this respect, California has also been a national leader in halting the destructive practices which destroy or unreasonably alter the ecology. We have taken strong, effective action to control and ultimately to permanently stop, the threat of pollution wherever it occurs.

Man himself is the most guilty offender in the pollution of his air and his water, and it is both unfair and unwise to lay the burden of guilt upon any public works project for which man has created a demand. A New Mexico newspaper publisher has written a succinct paragraph which if followed would do more for environment than all the proposed programs and government agencies combined. He has written a pledge for each one of us: "I will not desecrate the landscape. In all my activities I will ever be mindful of my stewardship of the land. I will keep my private property in a neat and orderly appearance. I will respect the private property of others. I will not damage my interest in public property through acts of vandalism, carelessness, or neglect."

We have a commitment to protect the environment and we are going to keep that commitment. Our actions have shown the seriousness of our convictions. California has enacted, and is enforcing, the stiffest water quality control laws in the nation. Every one of our major public works projects---from water, to highways, to power plants---must pass strong environmental standards. We have adopted legislation to guard against <sup>ocean</sup> oil spills and oil well leaks from the ocean floor. We have established a California Ecology Corps which serves a double purpose. It provides a new and creative source of manpower to work in our forests and mountain areas, to fight destructive fires and to undertake other tasks that will enhance and protect the environment. And, it gives the volunteer conscientious objectors a constructive alternative to their military draft obligation.

No, we are not Johnny-come-latelys in environmental protection. Our legitimate cause is the preservation of an ecological balance which is necessary to avoid permanent environmental damage. But the sound of this effort is too often drowned out by the critics and the voices of doom who are, at best, guilty of misguided overstatement and, at worst, outright exaggeration. As another journalist has written: "There are three kinds of pollution---actual, political and hysterical." Hysterical pollution leads to political pollution and does nothing at all for actual pollution.

There are no valid arguments to justify halting or delaying the State Water Project. Abandoning this project would, in fact, create a financial catastrophe for the State of California. The costs of the water storage, power production and water supply features of the project, as presently designed and operating, are paid for by the water and power users who benefit from the project---not by the general taxpayer.

If the project were to be halted, at this point in time and for any reason, the repayment of \$1.75 billion in general obligation bonds, with interest over a 75-year period, would become the obligation of the state and would have to come from the General Fund rather than from the project users. And the full faith and credit of the State of California would suffer so badly in the world financial market that every other financing program within this state would be affected.

This project is not a boondoggle foisted upon an unknowing public, as strangers to our state have most recently tried to make us believe. This project has been tested and retested by the most democratic process of all---the vote of the people.

The people of California originally approved and authorized the project by a majority vote at a general election. They ratified that decision again last year through the approval of Proposition 7 and again the same year with Proposition 20, which provided a \$60 million bond issue for the State Departments of Parks and Recreation and Fish and Game to use in constructing onshore recreational facilities at State Water Project reservoirs.

Our people know today, that a beneficial distribution of natural water supplies is the most effective way of assuring the prosperity and the quality of life for the next generation of Californians.

But that legitimate, desirable, and necessary public priority has sometimes been obscured by the false charges and overstatements of certain would-be protectors of the public good who do not live in California and who do not vote in California...yet, who feel no qualms in arrogantly suggesting that their judgment be substituted for the judgment of a majority of the people who do live and vote in California---and who know how important the State Water Project is to the present and future prosperity of this state.

I would like to express myself on some of the criticism that has been directed not only toward the whole idea of the State Water Project, but at those who have the responsibility for making it work.

I appointed Bill Gianelli, Director of Water Resources, virtually the same day I took office. He has met more dragons than I knew existed. And, he has conquered every one of them. He has kept the project on schedule and within the financial limitations which have threatened it every step of the way. Today, as the first water goes across these mountains into Southern California, the 1973 facilities of the State Water Project are 99 percent complete or under construction. When the names of those back through the years who had a major role in this great undertaking are listed, none should be in bolder type than Bill Gianelli. We are fortunate to have him directing the greatest engineering achievement in our state's history.

When our administration arrived in Sacramento in 1967, the State Water Project was well underway, but its financial integrity was in considerable doubt. That led to my second task force. A group of business leaders to investigate and determine the exact fiscal situation. They found that if the project continued on course it would be \$300 million in the hole by 1972 and an astounding \$600 million by 1980.

We took immediate steps to bring these deficiencies out in the open and to rectify them wherever possible. Some facilities of the project were deferred until a later date, additional financing was obtained through legislative appropriation of additional tideland funds and through elimination of the offset provisions of the bond act. Now, only months away from the completion date, and with \$2 billion having been expended, the financing necessary to carry us through to mid-1973 will be available



In the financial climate which has existed in the United States since 1967, we can consider this a major victory. Despite a 25 percent increase in construction costs in just the last four years, we are very near to coming out even. We are also hopeful that revenues generated through the sale of electric power at the project's Southern California facilities will meet the remaining financial needs. This is a financial achievement matched only by the sheer magnitude of the project itself.

A few minutes from now, when we give the command to "Start the Pump," a new age of California's development will begin. We will be putting into operation the largest pump in the United States and the only one of its kind that has ever been installed in this country. Standing six stories high and weighing 430 tons it still is engineered to two thousandths of an inch accuracy. And it is the first of 14 pumps.

The pump and motor that will start here will push water from Northern California almost 2,000 feet up the face of these mountains and on an 11-mile journey through the mountains into Southern California.

The A.D. Edmonston Pumping Plant is the only pumping plant of its type that has ever been built anywhere in the world.

When completed, its pumps will lift more water a higher distance than has ever before been attempted by man---120 million gallons per hour, more than 450 miles from the mountains of Northern California, through the California Aqueduct and up the sheer rock face of these southern mountains.

Ultimately, the project will be delivering more than four million acre-feet of water a year to all areas of California---north, central and south. It is designed to assist in meeting the state's water needs through the turn of the century, but water supply is only one of its many benefits. The State Water Project provides flood control in the north, irrigation water in the Central Valley, and, in the south, much-needed fresh water recreation areas. All along the route it will be a significant source of smog-free electrical power to light the homes and fuel the industries which employ our people. The revenues from the sale of this power are earmarked to help pay for the construction of the project.

The lakes and other water recreation areas developed through the State Water Project have been in operation in Northern and Central California for many years now. Within the next 18 months, project lakes will be opening in Los Angeles, San Bernardino and Riverside Counties. These are state-produced recreation facilities being brought directly into the areas of use where they will be readily available to the largest segment of our population, available to the user at a small cost and a short travel distance.

It is a tribute to the foresight of the people of California that they had the vision and the daring to undertake a project of this magnitude. But the people of California have always had that pioneering spirit that made them do a little more, a little better. Guided by a faith in God and in themselves, the first Californians crossed the mountains and made the deserts bloom. And, from that day to this, irrigated agriculture has made us great and provided the firm foundation of our economy and our lives.

We only have about 3 percent of the nation's farm units. Yet we produce nearly one quarter of the nation's table food and we account for about 10 percent of all farm income.

Nearly three of every ten Californians who are employed derive their livelihood from agriculture or agricultural-related businesses. And their employment in turn generates other jobs throughout our diversified economy.

Water development made all this possible, just as it helped turn Southern California into an oasis where other industries could flourish and grow and provide jobs for our people and the technical capacity to build exotic new products and whole new industries.

Calling a halt to water development in this state would not protect our environment. The cause of conservation is not served by watching crops wither and die, or by allowing the fertile soil of California to dry up and blow away.

Turning off the water faucet to the richest agricultural regions in the world would not improve the environment. Putting an embargo on the construction of all dams might retain a more natural state, but it would also threaten some of us with destructive floods.

Describing California's problem is easy. More than 70 percent of our natural water supplies are located in the northern part of the state, and 80 percent of our people live from Sacramento south.

The State Water Project will help assure a beneficial distribution of these waters; it will help correct nature's imbalanced blessings; it will harness our natural resources for the good of everyone.

Man himself is part of the natural ecological cycle and his survival has been assured only because he has been able to harness the destructive elements of nature which have threatened his existence.

Floods, famine and disease are part of the natural ecological cycle, but so is man and man found he could not co-exist with destructive floods. So he built dams to protect his homes, his farms, and his family.

He conquered the threat of mass starvation by turning to irrigation to become more efficient in producing food and fiber for himself and for export to other areas where the hostile natural environment or lack of development prevented his neighbors from growing a sufficient variety of food.

Diseases whose names we are fast forgetting once threatened the human species. They killed and crippled by the millions, and that, too was once regarded as part of the natural ecological cycle.

But through the creative and compassionate genius of the species, man developed vaccines and sanitation standards to wipe out many of the diseases that used to kill millions.

We cannot be deterred by those who consider this to be upsetting the natural ecological cycle. We cannot and will not return to a dark age of ignorance, where death, destruction, poverty and famine were accepted as inevitable, or even natural.

Back in the 1930s when I first came to California, America was witnessing one of the saddest mass migrations in our history. Lack of water and lack of the knowledge or capacity to wisely use water turned a huge area of our country into a dust bowl. That was before most areas of our country had learned how to conserve the rich natural resources that exist in abundance, but are not always evenly distributed. It was before the days of soil conservation and mass irrigation and it was a time of tragedy and human misery.

Many of those migrant farmers who left a dying land came West, to California. Sharing the same vision as our first pioneers. They had the foresight to appreciate what the ordinary man can do if he has the courage to try. They had the strength to see beyond the next mountain.

That is still true of the people of California. The project we are dedicating today is an enduring monument to man's stubborn, daring and courageous effort to tame the elements and create an environment in which he can prosper and which can be a lasting legacy to his children's children.

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

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OFFICE OF THE GOVERNOR  
Sacramento, California  
Contact: Paul Beck  
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RELEASE: TUESDAY P.Ms.  
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PLEASE GUARD AGAINST PREMATURE  
RELEASE.

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN  
AMERICAN PETROLEUM INSTITUTE  
San Francisco, California  
November 16, 1971.

It seems only yesterday we were hearing a great hue and cry about a scheduled underground nuclear test on a remote Alaskan island.

There were dire predictions that great earthquakes and tidal waves would create havoc as far away as Hawaii and Japan. One could not help but think of those groups who on occasion take to a hilltop to await the end of the world. Only these latter day doomcriers are knowledgeable and seemingly responsible citizens who offered their dire predictions of an almost mortal blow against the environment without one shred of scientific evidence to prove their claims. The test went off on schedule without earthquake or tidal wave. Officials monitoring the scene have yet to detect any radiation in the atmosphere.

But there has been a strange silence from those who objected most vigorously and vociferously. I have yet to read or hear of any of them holding a press conference to announce that they were wrong, that it is possible for America---without causing environmental ill-effects---to test an anti-missile defense system that may someday prove crucial to the nation's survival.

If we let our memory go back a little farther to a place called Bikini---when that was an island in the Pacific, not a mini size bathing suit, we recall some genuinely alarmed citizens who thought that test would blow a hole in the bottom of the ocean and let all the water drain out.

The recent Amchitka controversy is another example of something that might be called the Doomsday syndrome so prevalent in our country in recent years. There is of course a new awareness of nature and our responsibility to preserve the beauty and the wonder of this spaceship called earth. I know few, if any, who don't feel this way.

Protecting the environment now receives a high priority in almost every industrial and individual activity, yet the Doomsday crowd is not satisfied. Their exaggerations hurt the cause of the sincere and dedicated conservationists who have done so much to alert us to the need for environmental safeguards.

Their pervasive pessimism is anti-technology, anti-industry and includes opposition to the defense program we must have to maintain the very freedom that allows them to speak their minds and stage their demonstrations. From all this has come a downgrading and even a reviling of the most prosperous and advanced society in the world.

A free enterprise system that has given America the highest standard of living in the world is portrayed as a conspiracy against the poor.

A technology that allows the average American to live better, longer and with more conveniences than the wealthiest monarch could afford 50 years ago, is denounced at worst as a tool of the so-called "military-industrial" complex at best, as an evidence of our crass materialism. Energy sources that fuel our homes, our transportation systems, the industries employing our people, are attacked as massive threats to the environment.

Our system of government is accused of repression, of denying either economic or social equality to minorities and of not caring about injustice or the poor and hungry.

We have always had prophets of doom and gloom with us. But their ranks have proliferated.

And because of television and other technological advances which some of them regard as socially menacing, they are able to spread their pessimistic view of things to every corner of the globe.

We seem to live in an age of simplistic overstatement and false propaganda.

We used to have problems. Today, we have crises.

Worry about over-population is twisted and projected into a threat of imminent mass starvation.

Education, the effort to end discrimination, our health needs, almost every valid concern of a forward-looking and humanitarian society become causes around which the Doomsday crowd rallies to spin their tale of calamity.

Somehow, they always seem to ignore the very real progress we have made in meeting the needs of our people.

Your industry has been plagued by the Doomsday syndrome as much or more than most. Yet, those of you who produce the nation's oil and petroleum products share the determination of our people to end air and water pollution and to stop destructive environmental practices.

## American Petroleum Institute

Our own state has led the nation, indeed the world, in efforts to protect the environment against everything from smog to offshore oil spills.

We have enacted and are enforcing the nation's strictest water and air pollution controls. And, we are convinced that industrial progress can be made compatible with the necessary efforts to protect the environment. Petroleum is California's Number One mineral commodity. Its annual value of \$1.2 billion exceeds the value of all other mineral production combined. More than 600,000 of California's 20 million people derive their livelihood directly from the petroleum industry.

Oil and petroleum products fuel the cars, trucks, tractors, buses and airplanes we use to ride to work, and produce our food. Oil products provide part of the power for the industries which give employment to our people and for the hospitals which heal them when they are sick.

It has been said that a modern economy literally runs on oil and California is no exception. Yet I am told that paying compliments to your industry is not the smartest thing politically a fellow can do in today's climate. As a matter of fact, you are almost as picked on as actors used to be.

Well, take heart---if worst comes to worst, you can always try politics.

California consumes about 1.4 billion barrels of oil every day. And even though we are the nation's third ranking oil producing state, we still must import almost a third of the oil we use. This has created new environmental hazards.

With tankers having a capacity of more than two million barrels, the consequences of an accidental oil spill must be contemplated, and steps taken to provide the greatest possible degree of protection against offshore pollution.

But this does not mean a total moratorium on oil production or oil tanker traffic.

To provide and maintain the kind of environmental safeguards we must have, your industry we know will display the kind of constructive attitude it has demonstrated during environmental problems of the past. Too often, your costly and commendable efforts have been ignored by critics eager to cast the oil industry as the Number One environmental villain.

Following the off-shore oil blow-outs on federal leases off Southern California two years ago, the firms involved did not wait for government order. Without hesitation, they started to clean up the beaches...at an estimated cost of \$10 million.

When our State Department of Fish and Game noted a loss of wildlife in oil sumps in the Southern San Joaquin Valley, the oil industry without any government coercion started a massive cleanup campaign. More than 800 sumps have been filled or covered at a cost of about \$750,000.

When the U.S. Navy accidentally spilled 5,000 barrels of oil in a refueling operation off Southern California this year, the industry sent advisors to assist in the clean-up.

Your response to the public demand for environmental safeguards has not been limited to a reaction after the problem occurs.

You have invested millions of dollars for new and more effective equipment to control air and water pollution and to make refinery and other operations compatible with the natural environment.

Standard Oil of California, headed by Chairman Otto Miller, has removed more than 3,000 advertising billboards to help enhance and preserve the scenic beauty of our rural landscapes in California. Other firms have taken similar steps. Since the Doomsday myth-makers rarely mention this, I thought I would.

But you will be hearing from the experts about the problems affecting your industry. I would like to spend a few moments examining a few widely accepted Doomsday myths to see how they stand up to a few facts.

Maybe it is hard for us to recall some of our childhood fears and how very real they were in the dark of night. I receive a great many letters from children---sometimes from a whole class telling me of their belief that unless someone does something they will die before they can grow up because there will be no air---or the water will be poisoned. They ask if it is true that all the trees will be gone in a few years. One whole class was convinced we would be making plastic trees to replace our once great forests. The Doomsday myth-makers produce a peculiar smog on their own.

Population control is one of their popular causes. Zero population growth is the rallying cry. The spectre of mass starvation, of people standing elbow-to-elbow...is raised as the frightening prospect if we do not take drastic steps to curb the birth rate. Some of the steps proposed involve a kind of regimentation Americans have always found unacceptable.



American Petroleum Institute

Never mind if the plain, unvarnished truth about our population growth makes their rhetoric sound a little melodramatic and downright silly. Despite all the furor, the United State is not producing a bumper baby crop every year.

In fact, after reaching a peak of 3.8 children per average family in 1957, the birth rate in America has been declining steadily ever since. It is now estimated at 2.3 children per family.

But things like excessive population growth and decline have a way of balancing themselves out to avoid the Doomsday predictions.

Actually, the United States still has a long way to go before it even approaches the population problems of other countries. There is still plenty of wide open space in America.

If you put America's total population in the land area of only two states---California and Texas---you would have a lower population density than any country in Western Europe. And 48 empty states left over.

A faster way to achieve the mass starvation the Doomsday prophets worry about might be to do one of the things they advocate---abandon the use of agricultural chemicals and pesticides. With all our vaunted technology the world is never more than 90 days away from starvation. We cannot produce more than a 90-day supply.

Now this does not mean that we should ignore potential problems of over-use of pesticides. As a matter of fact, California has been steadily phasing out the use of DDT. The amount being used today is only 2 percent of what it was just ten years ago.

Now many prominent scientists are expressing alarm about what they feel is a greatly exaggerated myth about the possible harmful effects of DDT. The other day, a Nobel Prize Winner (Dr. Norman E. Borlaug) denounced those who cry wolf and predict doom for the world through chemical poisoning.

Dr. Borlaug is used to dealing with facts. And one of the facts he pointed out was the remarkable safety record of DDT and its role in controlling malaria and increasing the world's food supply. DDT helped end the threat of malaria for more than a billion of the world's people. Without a wise use of pesticides, Dr. Borlaug estimated that crop losses in the United States would probably reach 50 percent and food prices would go up four or five times what they are today.

On another front, we are told that we have a sick society, riddled with racism. Young whites raised in the most affluent society the world has ever known rail against what they call materialism. But the establishment they would tear down has conducted the most successful war on poverty in man's history. Curiously enough, one of their complaints is a lack of affluence among our minorities. Their concern for others is commendable but the facts present a different picture. There is no question but our minorities have some catching up to do but in the last quarter century that catching up has been at an accelerated rate.

In 1970, the median family income in America was \$9,870, an increase of almost 300 percent over 1950. Even discounting inflation, the average family had almost double the purchasing power last year than it did 20 years earlier.

With a smaller population, the United States sends three times as many of its young people to college than all the countries of Western Europe put together.

One of the greatest humanitarian efforts in history has been our effort to ensure that our minority citizens share in this affluence. Since 1960, the number of Negro families earning more than \$7,000 a year has more than doubled. In a mere four years, the number of Negro citizens hired for professional jobs climbed 35 percent.

More minority citizens are serving as judges, in Congress, in the state legislatures and occupying important positions in our society than in all the Communist countries combined.

The average young Negro in America has a better chance of going to college than the average citizen of any color in Germany, Italy, Spain, Belgium or England. Indeed a higher percentage of our young Negro men and women go to college in America than the percentage of whites in any other country in the world.

Still the Domsday crowd talks about misplaced priorities and lack of progress in meeting social needs.

A favorite target is the spending many of us think is necessary to maintain our defensive forces. The complaining critics see each and every dollar as one that could better be invested in social welfare. Twenty years ago, America devoted two-thirds of the federal budget for defense. Today, defense spending is down to a third and still they are not satisfied.

It is true that defense spending between 1952 and the 1972 budget increased 66 percent. But spending for education, welfare and health increased 1,346 percent.

Right now, health is an issue much in the news. And the doom peddlers would have us believe we face a crisis as dangerous as the plague.

One young Senator is proposing a nationalized medicine program at a mere \$77 billion figure. By any standard of measurement you want to use, medicine as practiced in the United States is the best in the world.

Yes, we need more physicians, but we have been doing something about it.

Ten years ago, we had 86 medical schools with an enrollment of a little over 31,000. Today, we have 108 medical schools with more than 43,000, and another 20 schools are in various stages of planning.

In 1960, the United States had one physician for every 712 Americans. Today, we have one for every 632.

One of the chief problems is that of distributing available health manpower. The doctors are not spread around on an even basis. Some rural states may have only one physician for every 1,000 or 1,200 people. Some cities have one for every 350.

Again we can say the health profession is conscious of this. A number of programs are underway to encourage doctors to locate in areas where the need is greatest. Medical student scholarships are offered by foundations and even some small towns to pay part of a student's medical training expenses in return for a commitment from him to practice in a town which needs a physician.

While some of the socially conscious talk hunger and deprivation as a threat to health, an objective appraisal reveals that affluence and our high standard of living is the main cause of health problems. Up to the middle 40s in age, the leading killer in America is accidental death... in cars...at home...or on the job. After that heart disease becomes the number one health menace. And that we all know, is closely linked to living high off the hog. Cassius might have had a lean hungry look, but he had low cholesterol.

Statistics are the major way of measuring our effectiveness in meeting social needs and that is too bad for statistics tell only part of the story. Water never freezes on a seasonally adjusted basis and a fellow can drown trying to wade across a river whose average depth is three feet.

## American Petroleum Institute

We did not wipe out malaria by increasing the number of hospital beds; we drained the swamps and got rid of the mosquitoes.

We are making a transition from the inflated wartime boom of the 1960s, to a peacetime economy where hopefully we will have prosperity without ruinous inflation, full employment without war.

And we are making progress. In mid-1961, the national unemployment rate was higher than 7 percent but no one called that a recession. Today it is 5.8 percent and the atmosphere is one of gloom and crisis.

It is time for us to be reminded of the inherent strength of the free market place. Right now the American economy is providing jobs for more than 94 percent of its people.

Take a look at what we have accomplished in a single lifetime. Forty years ago, only two of five Americans had radios. Today, the figure is more than 99 percent. Fewer than 1 in 25 families had a refrigerator. Today, 99.8 percent of the nation's families have this basic appliance as well as electric or gas ranges and electric irons; 95 percent have TV sets; 92 percent clothes washers and vacuum cleaners. Most of the things we use every day were developed in our lifetime.

The anti-technology myth-makers raise a hue and cry about \$3½ billion we spend on exploring the new frontiers of space and would add even to the \$80 billion of public funds dedicated to social welfare and education. If they had been around in the time of Columbus, he would never have made it through the pickets on the dock.

Some of our young people use figures such as I have just cited to prove their charge that we are materialistic. Yet there are more symphony orchestras in America than in the rest of the world. We support more community operas and theatres and publish more books. What they call materialism has also made them the biggest, healthiest generation with the longest life expectancy of any generation that ever lived.

Seven of every 10 prescription drugs were unknown 12 years ago. We have virtually wiped out polio and other diseases which for centuries killed or maimed millions. Furthering our technology will conquer other killers and will provide the tools to preserve and enhance our environment.

To listen to those who would lead a technological retreat would be to turn backward...to disease, famine and mass unemployment. You know better than anyone else that business---the free enterprise system---is under attack for the second time in this century.

There is, for example, much loose talk about excessive profits. Yet manufacturing profits are lower now than they have been in a decade. In that same decade by contrast, government has flourished. The federal payroll has gone from \$13.6 billion to \$29.9 billion.



May I suggest to you gentlemen it is high time that business in this highly regimented society of ours reviewed its own position in relationship to government. To resign yourself to the supposed inevitability of ever more spending and government controls may or may not make you healthy, but certainly it will make you less wealthy and sadly wiser.

Today you are blamed for many things, none of which you have done and you are denied credit for those you have done very well. Government preempts field after field of human endeavor as logically part of its domain on the bland assumption that group compulsion is the only road to Utopia. And slowly, silently, inch by inch, the goal becomes economic security---not personal freedom. The state is a smiling escalator perpetually going up to Social Justice.

Environmentalists delight in quoting Thoreau to bolster their case. I hope they won't mind my using him for the same reason. He said, "Yet this government of itself never furthered any enterprise except when it got out of its way. The character inherent in the American people has done all that has been accomplished; and it would have done somewhat more if government had not sometimes got in the way."

Government and business working together---each in its proper place--makes for an irresistible force. One half of the economic activity of the entire human race has been conducted under American auspices. No other system can even begin to match our abundance. But government is too important in your life to leave it to politicians. You must participate---not just in lobbying---but in the practice of a kind of modern day "noblesse oblige."

It has worked in California these past few years. Business made its expertise and its manpower available and government is smaller and far more efficient.

We have a story to tell and we had better start with our own sons and daughters.

This is the most dynamic, humane, forward-looking society in the world. We do care about the oppressed, the disadvantaged, the minorities. Freedom and individual dignity are as important to us as the technology that made them possible.

Whatever the Domsday myth-makers say, this is the brightest hope of men who seek a brighter tomorrow.

The next time you are told how much better government can make things if only government had a little more power and resources, refer them to that great nation which has practiced total government control without interference for more than half a century.

We can, if we are willing to expend the effort, match the economic achievements of the Soviet Union. It would mean moving 60 million Americans back to the farm, abandoning 60 percent of the steel industry and 2/3 of the oil industry. We would junk 90 percent of our cars and our telephones, rip up 2/3 of the railroad tracks and tear down 70 percent of our houses.

There would be only one thing left to do then to match their government run paradise; give up 100 percent of our freedom.

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

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I don't know the answer to that old American joke of what the governor of South Carolina said to the governor of North Carolina, but I can tell you when modern day governors meet, they try to top each other with regard to their troubles, and I had plenty of ammunition in that particular regard. I could best illustrate it by telling about the man who once had a race horse, and he was standing at the track watching it buried back in the pack as they went down the backstretch. Finally a hole opened up in the pack of horses and he waited for the jockey to take his horse through and he didn't do it. After the race, he said to the jockey, "When the hole opened up, why didn't you go through?" and the jockey said, "Because that hole was going faster than we were."

But as I indicated there was a great concern and speculation about America's intentions and their meaning for our allies in Japan, as well as in the other Asian states that we visited. And so it was wonderful to be able to reassure, on many fronts and many counts, things that they were worrying about. In 1853 and 1854 Commodore Perry carried a letter from the President of the United States to the Emperor of Japan. In that letter the President said, "I have no other object in sending him to Japan but to propose that the United States and Japan should live in friendship and have commercial intercourse with each other." And today, more than a century later, a few weeks ago, I bore a message from another president. I think it was fitting that a Californian should have carried that message from another Californian because California figured in that first letter sent by an American president. He had written, "Our great state of California produces about 60 million dollars in gold every year, besides silver, quick silver, precious stones and many other valuable articles. Japan is also a rich and fertile country and produces many valuable articles. I am desirous that our two countries should trade with each other for the benefit of both Japan and the United States." The message that I bore expressed the same desire, that our two countries should live in friendship and trade with each other for the benefit of both.

Now the next few years, I think, are going to witness a growth of Japanese influence that is correspondent with her dynamic economic growth. Japan-American cooperation is a most fundamental factor in a stable, peaceful and prosperous Pacific. For either of us to seek separate solutions to common problems in Asia would not only be impractical for both of us, but unfortunate for the entire Pacific area. We of the West Coast understand from this tradition that began when the 19th century clipper ships first linked California with Japan, that the basis of our friendship will always be in trade. Today Japan and the United States enjoy the largest overseas trade between any two countries in all the history of mankind. And more than a third of that trade makes its way to the United States through California ports. It's vital that we continue to seek conditions which allow free, open and competitive trade with one another, with our Pacific neighbors and

with the world. Two and a half years ago President Nixon called for a greater self reliance on the part of other countries, and a new approach as equal partners seeking solutions to common problems. Two joint Japanese-American activities illustrate the spirit of this Nixon doctrine. First, the Okinawa Treaty, then the Asian Development Bank. As of today, Japan is the largest single contributor to the bank and has taken greater interest and involvement in the problems of the less developed countries of Asia. The Okinawa Treaty symbolizes a reaffirmation of common political interests between our two nations. While I was there, there was political disturbance in Japan about that treaty, and those who marched and demonstrated oppose the philosophy and policy of their own government as well as that of the United States. It is hard to believe the charges of those opposing the treaty, that somehow the United States is retaining some hidden control. I have to believe that they're deliberately distorting the facts, because all of history indicates that it would be out of character for the United States to hold a territory which is historically linked with Japan and whose people have chosen to rejoin Japan. The United States does not forcefully hold satellite nations or people, but we must go forward if we are to meet the needs of today and to lay the foundation at the same time for a modern monetary and trade system of tomorrow. For decades following the war, the United States had the strength to assume responsibility for a major share of the reconstruction of Europe as well as the new development of the third world. There was a time of unprecedented expansion of world trade, international investment, full employment and all around well-being. But no nation has inexhaustible resources. The guns and butter policy of the Vietnam War, the costly social tinkering here at home, and now the dislocation and unemployment as we wind down the war and move to a peace-time economy - all of this has served to diminish our ability to continue carrying the same share of the international burden.

So the President, some weeks ago, proposed new economic policies to help us overcome the balance of payments problem and to move once again toward a balance in world trade and the payment system. Now this does not portend a change in philosophy or a retreat into isolationism, and I was happy to be able to carry this message, and to assure the government leaders that I met with, of what the philosophy really means and to tell them also of the strong domestic measures that were being taken here, and that they were beginning to bear fruit. We've had the smallest annual rise in the price index in three years. Last year's more than seven per cent inflation rate in America is now down to 4.2 per cent. The working man's purchasing power is up two per cent over a year ago. It is the first time in several years that even the great wage increases they have negotiated have been able to keep up and actually get ahead of inflation. Now, we seek a realignment of the dollar against the other currencies, including the yen, in order to establish a realistic exchange rate structure. Some of the measures, there was no question, were disturbing to trade partners like Japan; but at the same time



I sensed that there was no real animus. In fact, Mr. Kennedy was there signing the textile agreement while we were there. There seemed to be a great understanding of the problems that we faced and recognition that, in the long run, what we are doing will prove mutually beneficial because it will keep the United States on a sound fiscal footing.

They realize that it will not serve either Japan or the United States, and certainly not the cause of freedom, if the U. S. should be so economically distressed that it could no longer engage in world trade as either an exporter or an importer.

Our two countries, Japan and the United States, are the greatest economic powers in the free world. Our ties are indissoluble. Our destinies lie in taking a path together not as a leader and a follower, but as co-equals in a partnership based on friendship, trade and commerce. We are both heavy investors abroad. We can learn a great deal from each other. The U. S. is looking at such things as joint ventures, minority interests and local ownership with foreign management. We're exploring the advantages of participation with Japan in joint ventures in third countries. All of this means accepting a cooperative economic action as a two-way street. There's going to be some tough bargaining ahead, but in the long run, the readjustment to new realities will help us both. It's time that both of us correct whatever distorted image we have of ourselves and of each other. And I would think, at the risk of being presumptuous, that this means Japan recognizing its place as a major world power and accepting the leadership responsibilities that go with such a position. For both nations it means recognition of the profound importance to the world, and particularly to Asia, of close Japanese-American cooperation and the necessity of both nations pledging themselves to the development and maintenance of a Pacific that is free and competitive as well as peaceful and prosperous.

On this trip, meeting the leaders of the Republic of China, Singapore, Thailand, South Vietnam, Korea and the great Prime Minister Sato of Japan, and the other government officials, I say I was aware, also, of their concern about what meaning might lie behind President Nixon's announcement of the visit to Peking. I was again proud and delighted that I was able to speak with the authorization of the President of the United States and say that, yes, the President wants to open communications, to see that if by so doing we can move the world a step closer to peace, but that there would be no lessening in the strength of our alliances with our old friends and allies; and that the President, in these coming meetings in Peking, has no intention of giving anything away; that the free nations of Asia are our friends and allies. They are not pawns to be moved around in some giant chess game. I was also able to say, as I have been told directly by the President, with reference now to the subsequent speech at the introduction to the U. N. of the mainland Chinese government, that if there should be a move to take Taiwan by

force, this country is still pledged to the protection and defense of Taiwan.

I spoke a moment ago about feeling that there was an understanding on the part of some of our economic problems in Japan, and the Foreign Minister, I think, put it very nicely while I was there. He said, "Japan and the United States have been on a honeymoon. On the honeymoon, as on all honeymoons, we spoke politely to each other. We had no differences. But," he said, "the honeymoon is over. Now we are proving we have a very happy wedding because we can afford to quarrel and say unkind things now and then to each other, but we are still happily married."

But there is a contest going on in the world. It's a deadly serious contest and I think the stakes are man's right to dignity and freedom. We've referred to ourselves so long as the free world that sometimes I think it's become a cliché, and we've forgotten that we've done so because there is a part of the world that is not free. We need to be reminded that it is not the free world that seeks to impose its way on others. One of the national leaders that I was privileged to meet was the King of Thailand. This young man said there was an infection threatening all of us, and I thought the term was well chosen because there is an infection spreading through the blood stream of the world. Rapists and murderers in a New York prison take the role of revolutionary martyrs and extoll the virtues of a new order in which government owns the means of production and would distribute the fruit thereof. Dilletante revolutionaries in select salons echo the line. Young people on the campuses in Korea and Harvard assail something they call the Establishment. The rhetoric, whether it was in Korea or Tokyo, or Paris or here on our American campuses, has been the same. Trade this system we call free enterprise or capitalism or private ownership for some promised utopia that would be delivered some day some way. The exact particulars aren't always explained in detail, and that's strange too, because some very distinguished and knowledgeable educators have participated in this same pleading for change. We who defend our system must admit, as we defend it, the defects and imperfections because we are talking about a real world, a world in which man has climbed from the swamp to the stars and yet still has unrealized dreams. There is still poverty and hunger in our establishment and our system, and sometimes men can find no market for their willingness to work or their skills. But still, in all of those places where man has been free to choose, free to own, and free to work at a calling of his own choice, men have achieved a standard of living which could only be afforded by the very wealthy or royalty alone a few years ago. The dignity of man has been advanced under the system of capitalism more in a single century than in all the centuries before under whatever systems we've had before. We've distributed our wealth more widely among our people than any system that's been tried now or in the past. And you wonder why such a system should be under threat right now. Perhaps it's because those who would destroy that system, when they talk of their ideas, don't talk of a real world. They match our cold, hard reality,

all the imperfections of our system, with theory; and they talk of a promised utopia that they predict will result if we buy their regimented world where men would live without competition in a placid existence dictated by an all-wise and generous government. They talk of a rule by the people, of all men being equal, of owning and sharing the means of production and all property; and there would be no misery in that world, and even human nature would be changed for the better. But I think it's time, in these discussions, with all due respect to other men's opinions, to remember that utopia, the very word, means "nowhere". And to ask them in future discussions to match their reality with ours. And they do have a reality. It is no longer necessary for them to argue with us on the basis of theory, of a dream of the future, because for more than half a century there has been a trial going on in a great nation that is rich in natural resources, tremendous in size, with millions of capable, energetic and talented people. For more than half a century without interference they have practiced the theory that these others talk about and you have to ask, could we match the utopia that they have achieved in this half century? And we could, by dint of a great deal of effort. We would have to tear down about two thirds of our homes, scrap three quarters of our automobiles, tear up seventy per cent of our highways and two thirds of our railroad track, disconnect ninety per cent of our phones, and the only thing left, then, would be to give up one hundred per cent of our freedom and we would have matched their fifty year-utopia. And these figures would be pretty comparable with those of Japan. I spoke to an audience of our Japanese hosts and recited some of these figures to them. - Incidentally while we were there, great demonstrations were going on world-wide, and in Tokyo I told them that I had absolutely no fear and felt very secure because I had a friend over here named Dr. Hayakawa, and if they got too rough with us, I'd call on him. -

Well, the price would be pretty high that I've just outlined. No people that have ever known freedom in all the world's history and then lost it have never known it again. It can't be inherited by succeeding generations. It has to be fought for, worked for and defended, and then we have to teach each successive generation to do the same thing.

I know that we have a tendency sometimes to think that we've gone down a road so long, and so much has happened to curb our freedom and to interfere with the free market place, and that we're just hanging on as long as we can, but that inevitably freedom as we have known it in the past would be gone. Let me just remind you that it doesn't have to be true. Things can be done. In England following the Napoleonic wars they had a debt that was larger in proportion to their resources than our present national debt. The taxation was confiscatory. Wage, price, production and exchange controls existed and they were so restrictive that only black marketeers and smugglers kept the people from starving. And two men, two single Englishmen, one named John Bright and the other Richard Cobden, who understood freedom, began speaking and writing and

traveling around England talking to whoever would listen. And there followed one of the greatest reform movements in English history. They brought about the repeal of all restrictive law. The Corn Laws were repealed, and in our country that would be the equivalent of repealing all of our agricultural regimentation laws. The Poor Laws were repealed and they were almost identical to our present welfare structure. In short, government gave the people freedom and the English people expanded all over the earth. The British Empire on which the sun never set, was the result. It operated successfully until along about post World War I days and then the old disease returned.

Well, to preserve this freedom is not a task for government. It can only be done by men and women like yourselves, meeting together and wanting freedom badly enough. The young people who marched in those capitals all over the world were our sons and daughters. I think they were terribly and tragically wrong. They claim to see hypocrisy in all of us, but they see no hypocrisy in marching under a banner of peace while they go out to beat a policeman's head off with a club. I know that every generation thinks of itself as the first in the world and that the world has been mismanaged. The young tend to challenge all the mores and customs of the past, and I think that's all right; we did it too. But no generation has a right to just discard all the truth and all the tradition that man has accumulated, simply because it's old. There's an old legend of an island where there was an old wiseman who lived high on a mountain. He was of such wisdom that everyone said he never made a mistake, he was always right. There was a young man who was determined to challenge him. He figured out that he would take a bird in his hands and he would approach the old man on the mountaintop, and he would ask him if the bird he held in his hand were dead or alive. If the old man said dead, he would release it and it would fly away; if he said alive, he would crush it with his hands before he opened his hands and the old man would be wrong either way. So he approached the old man and he said, "Is the bird dead or alive?" The old man looked him in the eye and said, "That, my son, is up to you." I think freedom in the world, as we've known it, is up to us.

While we're waiting to see if there are questions, let me just tell you an impression. Staying in the top floor of the hotel in Tokyo you couldn't help but be overpowered by the drive, the energy and the progress that you can see is being made. During the noon hour we discovered from our vantage point, that every building in downtown Tokyo was fenced in around the top, and people working in the buildings would come pouring out on to the roof tops to exercise. Everything from volleyball to paddle tennis to doing calisthenics, - everything you could name was going on. And then back down to work. I came home with one distinct impression for us as Americans: We had better start taking a shorter lunch hour and get to work.



Question: (Joan Tomika, Sumitomo Shoji) Governor Reagan, do you foresee the abolition of the surcharge on imported goods in the near future, and are you personally doing anything toward that effort?

Answer: Well, unlike the city of Los Angeles, California doesn't have a foreign policy - But let me say that I reported all the things I saw to the President; and I have a very distinct impression from conversations with the President and others in Washington, that all of the things we are doing now are temporary. A great many of them are contrary to basic American philosophy. We believe in free trade; we would like to see the day when there could be a totally free exchange of trade. We don't believe in permanent wage and price controls. I know that the President is opposed to institutionalizing those things. And I am quite sure that such things as the ten per cent surcharge are simply to get back into a balance and to let the U. S. compete on more even terms than we have been able to. One of the things we're up against: Last year Japan's increase in productivity per man hour worked was 14.4 per cent. Last year the increase in productivity in our country was 1.9 per cent. Now we had better start turning our more goods in shorter time.

Question: (Joan Tomika) I was wondering since California is involved because of the shipping, if you are doing anything personally?

Answer: Well, yes. Here again, the federal government has been involved, but we have made it plain to our own government and to all parties involved, that if there is any place where the state can take a hand and bring a solution to this, that we are ready willing and desirous to do so. I might say I was kind of disappointed to find that the issues had not all been resolved, because when I left there had just come the invoking of the Taft-Hartley Law and the shipping had opened and this was one of the reasons for great joy in Japan. Everyone there had not caught up with the news that all was still not well. They had been actually suffering, and Californians should take note that one of the first things the Foreign Minister said to me was, "Now maybe we can get some California grapefruit."

Question: (M.M. Smith, San Francisco) You mentioned that Mr. Kennedy had signed a textile agreement while you were there; would you identify that Kennedy?

Answer: Yes, that was David Kennedy, the former Secretary of the Treasury. - Incidentally, in Osaka we visited the shipyards there where they're mass producing those great tankers. I tell you, we're spoiled as Americans from thinking that we export American know-how, believe me, we could bring some home. It was one of the most fantastic things that I have ever seen in shipbuilding.

Question: In your travels do you think the port of Sacramento can compete with the port of Stockton?

Answer: Well, I just hope that you will have the same friendly trade relationships with us that we have with Japan.

Question: What was the date of the U. S. - Japan wedding, was it 1853 or 1945?

Answer: Well, let me answer that seriously. One of the most moving experiences I had during the trip was a rather small dinner party which had been arranged, not with government officials, but with private citizens of Japan and it included some older gentlemen, industrialists who had been part of the rebuilding of Japan after the tragedy of World War II. They sat me down in a corner, and they wanted to talk; we had to talk through an interpreter. One of these men had been the man that General McArthur had put absolutely in charge of restoring industry. We were high up in a hotel in Tokyo, looking over that vast, modern city, and they gave me a contrasting picture of what it looked like then. There was no bitterness. But they told me, and I think Americans would have been proud to hear, of those reconstruction days and of McArthur; of that first two billion dollars that this country immediately made available at the cessation of the war for rebuilding. And one of the men spoke up - he has flour mills - and said he will always remember the first American ship that sailed in with a load of flour for his mills to get going again. Their warmth and their feeling toward America - well for one thing, it made you realize how stupid war is; and the second thing, as an American I am very proud to say, what other nations in the world have laid down their arms at the end of a war, and had the history that our nation has had in holding out a hand to an erstwhile enemy? These men recognized this. Their generosity and feeling toward us was such that I will remember that if all other memories go.