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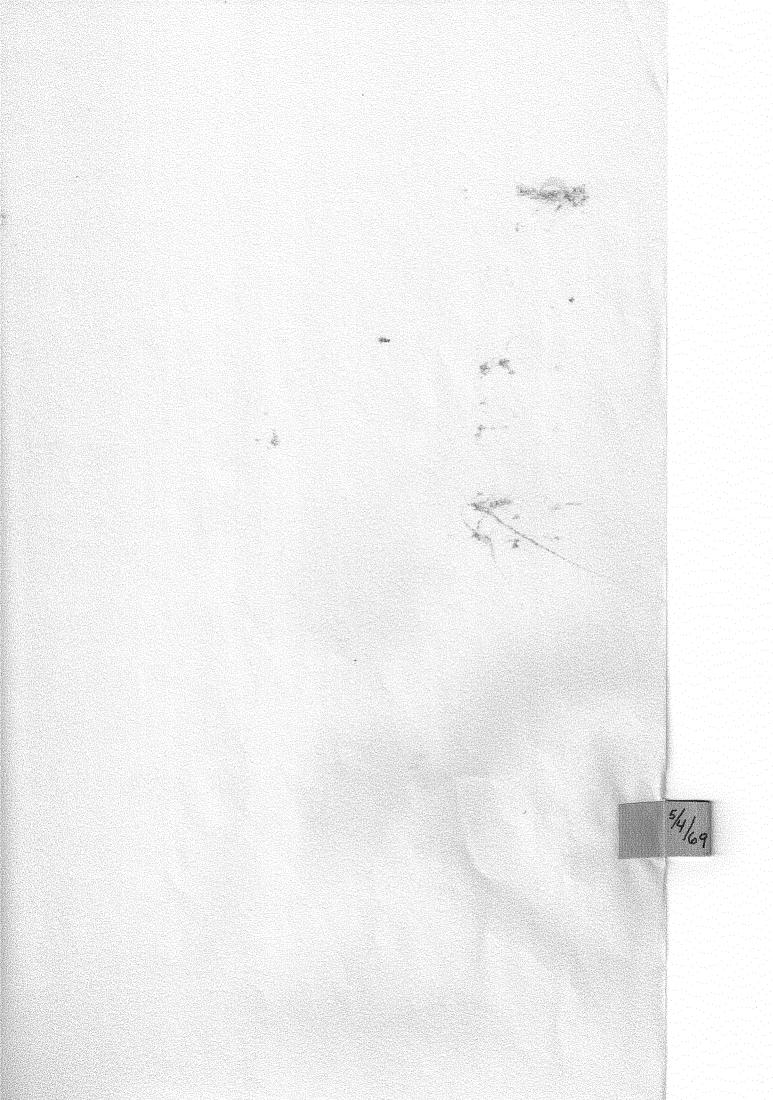
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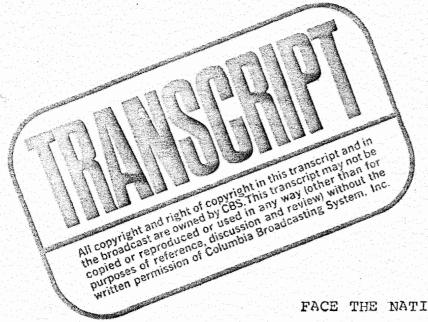
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CBS NEWS 2020 M Street, N. W. Washington, D. C. 20036

FACE THE NATION

as broadcast over the

CBS Television Network

and the

CBS Radio Network

Sunday, May 4, 1969 - 12:30-1:00 PM EDT

GUEST: RONALD REAGAN Governor of California

REPORTERS:

George Herman, CBS News David Broder, The Washington Post Mike Wallace, CBS News

PRODUCERS: Sylvia Westerman and Prentiss Childs

This broadcast originated at WHAS-TV, in Louisville, NOTE TO EDITORS: Kentucky. Please credit CBS! "Face the Nation."

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favoring the antiballistic missile, and they didn't. What happened? GOVERNOR REAGAN: Well, in the previous session, in which the Vice President was talking to us about the cooperation that he hoped to achieve between state governments and the federal administration -- and this is his assignment -- he outlined a number of things where he thought, if the governors were so inclined, resolutions could be helpful in establishing this, in making our own positions plain. And I was not clear whether that particular subject, which had also been a part of his discussion, was one in which he had suggested we do this, and in the press conference I said the following morning we would discuss it. It developed, as we then later on discussed this, that this was one in which the administration felt they would rather not have any hint of partisanship involved; and ours being a Republican Governors Conference, it was specifically mentioned that they would hope that we would not, so we acceded to their demands. ANNOUNCER: From Louisville, Kentucky, in color, FACE THE NATION a spontaneous and unrehearsed news interview with the Chairman of the Republican Governors Association, Governor Ronald Reagan, of California. Governor Reagan will be Questioned by CBS News Correspondent Mike Wallace, David Broder, National

MR. HERMAN: Governor Reagan, you indicated that you would like

to see the Republican Governors Conference approve a resolution

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Political Reporter of The Washington Post, and CBS News

Correspondent George Herman. We shall resume the interview

with Governor Reagain in just a moment.

MR. HERMAN: Governor Reagan, do you presently subscribe to what you say is the administration's position, that a group of Republican -- I suppose, for that matter, Democratic -governors should not state their minds and pass a resolution on some matter of grave national policy? GOVERNOR REAGAN: Well, if he was fearful in this issue, which is admittedly controversial, that it might take on a flavor of partisanship to the point of there being party positions on it, this could endanger in Congress, perhaps, his getting the bipartisan support he would like to have and that he would need for this, and so, having been governor and having been in the same position with regard to measures that require the opposition to support you in the legislature, I would have to say yes. He knows better what his problem is. MR. BRODER: Governor, you were very scornful of President Johnson's efforts to sort of manipulate the Democratic governors to produce statements of support or hold off statements of support. Are the Republican governors going to speak only when requested to speak by the administration? GOVERNOR REAGAN: No, and I think, if you look at the resolutions passed, there were some in which we certainly did make our

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position known on the domestic scene. If you are recalling ne one, I'm sure, that had to do with the Vietnam war and the conduct of the war back at the time of the general governors conference, there I did think we were being asked to do something political, because an endorsement of the position that the President wanted them was not just an endorsement, let's say, or the hawk side versus dove, because there has been no question that I am a hawk, but the endorsement also would have been one of the manner in which the war was being conducted. And, at the same time that I confess to being a hawk -- in fact, I won't even call it a confession, I am very affirmative about that -- I have been and was quite critical of the lack of solid effort toward victory that was being put forth at that particular time. So I thought that we were being asked to do something that we could not specify our position. It would have been a blanket endorsement of the policy. MR. WALLACE: Your own characterization of yourself, Governor Reagon, now again is that you're a hawk. You made some fairly war-like statements from time to time about Vietnam. time you were going to pave North Vietnam, and a year ago, it seems to me, there was talk about the possibility -- keep the threat of the invasion of North Vietnam by South Vietnam open. Lately, though, you seem to be less win-oriented. What show the United States do with respect to Vietnam? GOVERNOR REAGAN: No, I'm not less win-oriented than I ever was,

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but I say that a new administration that has taken over and inherited that war, and inherited also the peace negotiations that finally got under way under the last administration, certainly should have an opportunity themselves to catch up with and learn all the factors, all the options open, the reason for the past decisions, information which they had not been privy to until it was taking office; and three months I think is hardly time to expect someone to make all of this decision, and I think you have to wait until you discover whether something is going forward to bring this tragic war to an an end, and so it is no less determination on my part. For example, the line you quoted about paving over Vietnam, I used that -- and it has been quoted many times out of context since, and it was over three years ago, almost four years ago -- that in a discussion and questions regarding the relative strength of whether we could or could not win, as of four years ago, I used some figures pointing out the relative strength of the two countries, and then perhaps I shouldn't have said it, but in trying to illustrate it I said, on the basis of comparative strength, we could pave the country over, put Disneyland in the middle and paint parking stripes. I never advocated doing that. MR . BRODER: Governor, as a hawk, what do you think of the talk coming out of the administration about unilateral American troop withdrawals at a point when we apparently have no agreement that would safeguard the South Vietnamese independence and

freedom?

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GOVERNOR REAGAN: Well, Dave, at this point I have to be gu a little bit by the frank statement of the President at the press conference recently, when he said there were things going forward, there were things going on, but that he couldn't mention them or discuss them because, in the nature of so-called secretive diplomacy, if he did they would no longer be secret. Aml the inference was that if they were not secret some people who finally have begun to talk might back away if they were This is a little similar to Dr. His kawa exposed as talking. San Francisco State, when some members of the BSU left their militancy and came in and wanted to arrive at a peaceful settlement, and when it was exposed in the press that they we meeting, that was the last they ever heard of them again. Their colleagues evidently made sure that they did not come in and talk to the President of the college again. MR. HERMAN: Governor, like Dr. Hiakawa, I am sort of a student

MR. HERMAN: Governor, like Dr. Hiakawa, I am sort of a student of words. In answering Mike's Question about whether you were still as hawkish or whatever, you mentioned the -- you used the phrase "to bring this tragic war to a halt." You didn't say, as we might expect a hawk, "to win this war." Now, is there some change in your position --

GOVERNOR REAGAN: Oh, no.

MR. HERMAN: -- when you talk about bringing this tragic war a halt?

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GOVERNOR REAGAN: No, no. Any halt, I think, would have to be with the assurance that the South Vietnamese could continue on their way with their own free choice, that there would be no gain whatsoever or advantage for the aggressors. In other words, this must be brought to a halt in such a way that we will have taken a stride toward making it evident that aggression will not pay, and that the aggressor will get nothing for his effort, and that the South Vietnamese are guaranteed their Now, whatever it takes to do this should be done. criticism over all these years, from the time when the then President, John Kennedy, sent the first combat division in, the time when it was then escalated up to the half a million or more men that we have, is that some place along the line this country seemed to have departed from a policy or a formula that had quided us for a couple of hundred years, that our great regard for the sanctity of the individual, for human life, was such that we didn't risk human life, we didn't ask a man to die for his country unless the cause was so worthwhile for us, so meaningful for this country that we put the full resources of this Nation at the man's disposal to win a victory and come home as quickly as possible. And it has seemed for several years as if we are now adopting a custom that was formerly used and has been used back through history by too many older mations in the world of declaring human beings expendable and using them in political maneuvering.

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MR. WALLACE: Well, have we, in effect, as some people suggest,
    lost the Vietnam war and, under those circumstances, isn't
    possible we should get out as gracefully as we can?
    GOVERNOR REAGAN: No, I don't think we have lost it. And I
    think that to get out gracefully, leaving the other side with,
    whether in name, in fact a victory of sorts, proving that
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    aggression does pay, I think we will have just bought more. I th
    Winston Churchill gave the greatest description of this kind
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    of appeasement when he said, that if you will not win when your
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    vicoty will be sure and not too costly, if you will not win
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    when you can without bloodshed, you may come to the moment when
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    you will have to fight with all the odds against you and only a
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    precarious chance of survival.
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    MR. BRODER: Governor, the word "appeasement" reminds me, I
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    want to ask your reaction to one other foreign policy decision
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    of the Nixon administration. You said at the time that our
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    surveillance plane was shot down by the North Koreans that there
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    had been an appeasement, this kind of thing was happening
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    because we had appeased them too often in the past on this kind
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    of incident. And you said, out in Sacramento, I believe, that
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    you felt that we should take the decisive action to let them
    know we weren't going to put up with that, and you hoped the
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    administration would do that. Does Mr. Nixon's action measure
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    up to your concept of decisive action?
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GOVERNOR REAGAN: Well, not knowing all the options open to him

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I would have to say that the mobilizing of forces, both sea and air, the announcement now of military escort for anyone in such a position, whether in the air or on the sea, was a decisive action, and the announcement to the enemy that we were now prepared for any further adventure on their part of that kind -- yes, I do think it was. There is a great difference between this and the Pueblo. The Pueblo was a situation where 82 young men of ours were kidnapped and held by the enemy. And I didn't think we were taking all the proper action we should to get them back. Now we've had a case of some men murdered by the enemy. Well, ours is a system in which you may go for an eye for an eye and a tooth for a tooth, but it is a little difficult for people like ourselves to go kill thirty-one people who were innocent of the original crime simply to match numbers. This is a little different than saying we should take an action to get our men back. MR. HERMAN: Governor, in the long run all these questions of policy are settled by what, I suppose, you could call under the envelope of politics, by the desire and the will of the American people. Now we see campus demonstrations, we see students, we see nonstudents talking about peace in Vietnam. Is there a will in the country to pursue this war in Vietnam to the extent to which you think it should be pursued? GOVERNOR REAGAN: Well, of course, I could quote the British --MR. HERMAN: I would rather have you quote Ronald Reagan.

GOVERNOR REAGAN:

MR . HERMAN:

Pardon?

I would rather have you quote Romald Reagan.

GOVERNOR REAGAN: Well, they made a statement that we had

abandoned the number one position of power in the world, and

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then they questioned in their survey whether there was the
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    desire in this country to hold that position of power that we
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    had.
    MR. HERMAN: Do you question it?
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                      I think we have been softened up. I think w
    GOVERNOR REAGAN:
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    have had, very frankly, under the previous administrations, I
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    think we have followed policies of softness, and it has cloude
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    a great many people's thinking as to the eventual result of
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    this. There are some times you have to stand on principle, yo
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    have to make decisions on the basis of right or wrong and not
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    on expediency.
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    MR. HERMAN: I didn't want to interrupt you, but you did say w
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    had been softened up, which implies by somebody.
                                                       I wondered
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    whether you were including the students as a deliberate attemp
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    to soften us up?
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    GOVERNOR REAGAN: No, perhaps they are the victims of this, al
    though I would think that there are some student leaders who
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    made it pretty plain that they have an interest not so much in
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    peace as an interest in the other, in the enemy.
    MR. WALLACE: On the business of the students, you were we.
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ahead of a good many state administrators on this whole subjec

and college administrators. I understand that, in your absence from California, Governor, your Lieutenant Governor, Ed Reinecke has proposed that a <u>student be placed on the Board of Regents</u> of the University of California, and a student on the Board of Trustees of the State College System.

GOVERNOR REAGAN: Well, I don't think that this would denote any great difference between us, although I would take issue with Ed on some things. This has been considered and talked about.

MR. WALLACE: Do you think it is a good idea?

GOVERNOR REAGAN: Well, let me tell you the problem. Now, here in the state from which this broadcast is emanating, Kentucky,

GOVERNOR REAGAN: Well, let me tell you the problem. Now, here in the state from which this broadcast is emanating, Kentucky, they have done this. But there is a difference in putting a student from a campus on a board of trustees or a board of regents of that particular institution. In California we have nine campuses at the university, with one board of regents governing them. We have eighteen state colleges with one board of trustees governing them. Now, how do you select that student from which one of the eighteen campuses? How do you insure that he is representative of the students? I also note that the student here in Kentucky is an ex officio member with no vote. As I say, these are things we've discussed and we've brought up the various difficulties. And Ed would not be alone. There is no solid body of opinion yet, either way, in the trustees or regents about this, and you would probably be surprised to see

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the difference of opinion and how it crossed lines of people normally associated. MR. WALLACE: Which side are you on? GOVERNOR REAGAN: Frankly, at the moment, I am opposed, not because of any lack of confidence in the students but, as I say, number one, I have been unable to figure out how this selection would be made on nine campuses scattered over a state 700 miles long, or eighteen campuses over the same area. MR. WALLACE: It does seem a strange time for him to make a suggestions, while he is Acting Governor in your absence. GOVERNOR REAGAN: Well, I imagine that he was probably questioned, the same as I am questioned on a variety of subjects, just as here. Look, I have just been talking about Vietnam, and California doesn't have any foreign policy. I was expressing personal opinions. But I do know Ed Reinecke's feeling about the situation on the campuses, what we've been confronted with, and I know there is no basic difference of opinion between us. MR. BRODER: Governor, why didn't your association have anything to say formally on this subject of student disorders? The administration didn't warn you off of that topic, did they? GOVERNOR REAGAN: No, and we had quite a discussion on this. think since the resolution I asked for in Washington, at the time when some of the governors hadn't had the experience yet,

really there was such a unanimity of opinion on this, and it

has moved so far and so fast, and we have now had statements by

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    the Department Justice indicating their interest in this, and
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    they are looking into things. You will recall --
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    MR. HERMAN:
                 I wish you would explain, this was your resolution
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    to have a complete investigation of the campus riots.
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    GOVERNOR REAGAN: That's right. And the President has now made
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    a statement, and the Vice President has made a statement, and
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    most of the governors have now had their own troubles. I think
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    the situation just moved to the point that no resolution was
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    necessary.
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    MR. WALLACE:
                  I think the President has taken the issue of
    pornography away from you, too, Governor Reagan. How big an
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    issue is pornography, obscenity, sex education in the schools
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    going to be next year in the California campaign?
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    GOVERNOR REAGAN: Well, pornography has been a California issue
    for some time, and properly so, because -- we're number one in
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    a lot of things in California, of which I am very proud, but I
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    am not proud of this, that we have become virtually the capital
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    For example, there isn't a week that goes by that I don't get a
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    number of letters from all over the country from parents who
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    have intercepted the advertising material for pornography that
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    has been sent to their children, and it always has a California
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    return address. And the display that we could make shows that
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    we've gone beyond anything that any of us had ever known or
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    experienced in this. Now, those who want that and those who
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want to close the door and include themselves in looking at

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I'm not interfering or advethis kind of material, let them. cating that kind of censorship. But there is another kind of freedom, too. There is the freedom of a parent to be able to determine what his children are going to see, to be able to send his child to a store on an errand without having them walk past a magazine rack and subjected to this kind of material. And I think there is an answer, and we have legislation that I believe is within the spirit of the Supreme Court decisions so that it avoids unnecessary censorship and that will give us the tools. The police themselves have asked for better weapons. They say they are virtually helpless in the face of this. In sey education, which is an issue, I don't know in how many other states, but in California, because it was put forth in California -- I have read the legitimate complaints of parents that indicate that some of the teachers, there is a wide variation in the approach to this subject on the part of individual teachers, so evidently it was a hasty move. But I am also inclined to think that one of the things wrong with it, might we move in to teach admittedly physiological function that perhaps does need much more light shed on it, but first, following a Supreme Court decision regarding prayer, we have gone back to a point where we won't even discuss moral rules or morality at all in the schools. How do you discuss sey inthe schools with children if you cannot do it within a framework of moral rules and morality? How do you treat it as a purely

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    their children exposed to?
    MR. HERMAN: And what is the state's role?
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    GOVERNOR REAGAN: Well, the State Board of Education, of course,
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    which sets certain standards for education, has now been deal-
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    ing with --
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    MR . HERMAN:
                I mean what is the state's role in teaching
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    morality?
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    GOVERNOR REAGAN: Well, I myself would be one who would like to
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    see us get off this ridiculous completely secular kick and
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    recognize the fact that this is a nation under God, that these
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    words appear in our most historic documents. I thought that it
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    was -- they talk about extremism on the other side, I thought
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    it was a little ridiculous at the time of the death of
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    President Eisenhower, when a school in California named the
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    Eisenhower School called the children all out in the playground
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    to lower the flag to half-mast, and the principal then asked
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    them all to bow their heads and meditate for the family of
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    President Eisenhower. He was afraid to even use the word
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    "prayer."
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    MR. BRODER: Governor, could I come back to this question of
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    student disorders for a moment. You told us over in Levington
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    the other day, and I was intrigued, that if we read the
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    Congressional Record we would find out that the whole plan for
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these student disorders had been laid out at a meeting at the

biological function without going far beyond what parents want

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Edgewater Beach Hotel in Chicago, I believe you said nine years ago. GOVERNOR REAGAN: Yes. MR. BRODER: Now, I have been spending more time down here with the racing form than with the Congressional Record. Maybe you could just tell us what happened there, because I don't know the story. GOVERNOR REAGAN: Well, this was a report by the Federal Bureau of Investigation to a committee of Congress, and therefore was in the Congressional Record. I have the exact statement back in my office and have been aware of it for those years. And this was a group of campus leaders at that time associated with various Communist organizations who met in the Edgewater Bea and they laid out a plan --MR. BRODER: These are the same people whose names we know now? I mean are these the SDS leaders? GOVERNOR REAGAN: Well, you've got it nine years later, you have a newer, younger crop now. I am not familiar enough with the names that were mentioned there to see whether in any way they are connected, like some of the older individuals like Dellinger, for example, with his anti-Vietnam mobilization group whether they were present there or not, or whether they have

continued now above college level or age organizations. But

the plan laid out was for a plan of fomenting dissent on the

campus, and they were to start out and move by taking advantage

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of legitimate complaints, that even if it was just a complaint about the food in the cafeteria or they wanted a change in the hours in the dormitory, whatever it was, that they were to get in and foment this to bring about and bring it up to more and more points of demands and the use of violence eventually, but not to begin with, but to bring this up to a demand where they could eventually, in the pattern of the Latin American educational system, which is probably one of the world's worst, because they have made the campuses sanctuaries where the students run the show, that they were to aim at this kind of control of higher education in this country. MR. WALLACE: Down at Lexington you talked about a plot. You said straight out that there was a plot afoot, and that these various student leaders were moving from state to state, from campus to campus to foment disturbances, to create riots, if possible. Well, the Attorney General has the right, has the power, under the Civil Rights Act of 1968, to move against them Why doesn't he? GOVERNOR REAGAN: Well, I would gather from the statement he made the other day that now, a new Attorney General, again someone who has only been there three months, he is looking int this to see what position the Justice Department can take. The only federal law here that would probably be involved, the most likely would be the tracking down of these individuals and to establish that they did indeed cross state lines to

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foment riot. Now this is not the easiest thing to take into court. It is not the easiest thing to prove, that the rioccurred as the result of a speech by a Jerry Rubin or someone was it his intent -- this would be the defense -- did he inter with that speech to start a riot or was it just matural combustion. But, anyway, I would gather from his statement that they are investigating in that area. MR. HERMAN: Excuse me, I didn't mean to interrupt you. The pattern that you cited was a comparison with the Latin America universities. The more frequent one that we've heard from historians is comparison with the Nazi Germany universities, before the Nazi takeover in Germany. There is a lot of talk about the threat of a right-wing wave of reaction, extremi right-wing, bully boys fighting the campus demonstrators. Do you see any threat of an extremist right-wing reaction, as is so frequently talked of? GOVERNOR REAGAN: I think if you look at the record you have t see that the --MR. HERMAN: This is a talk about the future. GOVERNOR REAGAN: -- that the great silent majority, the bulk the legitimate student body -- and let me make one thing plair they have legitimate complaints on a great many campuses: I'm talking of the legitimate students now, the great silent

majority -- they have a legitimate complaint about a number -

things, inability to be recognized as individuals, teachers

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turning over their duties to teaching assistants while they go into research and so forth. But they, I think, have shown remarkable control in not physically striking back. No, if there is any comparison with the Nazi bully boys of Adolf Hitler, it is the students that are now conducting the riots. They are following exactly the same tactics as the Hitler Youth Movement, the brown shirts. MR . HERMAN: In the very few seconds we have left, do you see any kind of a rebellion among taxpayers who want to clamp down on universities and on liberalism generally in a right-wing fashion? I don't know of any issue -- and it wouldn't GOVERNOR REAGAN: be in a right-wing fashion -- I don't know of any issue that has the people so incensed, so determined, and to me it is as simple as this, and they are justified in this, the people, whether it is with a private institution or whether it is with a university --MR. HERMAN: I'm sorry, Governor, we are just about off the clock at this point. Thank you very much for being with us here to FACE THE NATION. And we will have a word on next week's guest in a moment.

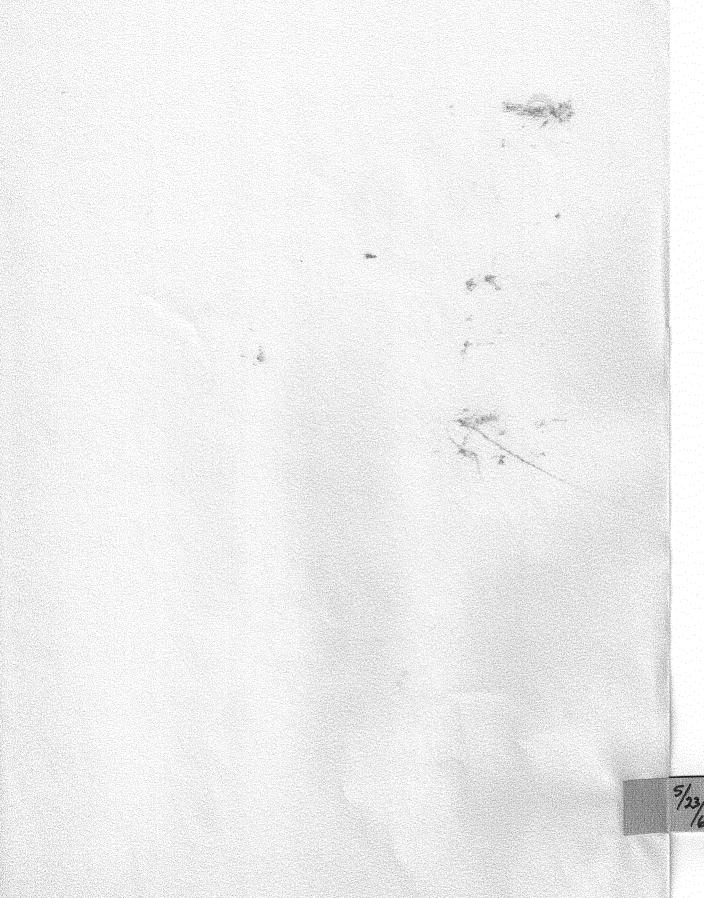
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Political Reporter of The Washingth Post, and CBS News
Correspondent George Herman. Next week, Michael Klonsky, wie
National Secretary of Students for a Democratic Society, will
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# NO GREATER INVESTMENT IN FREEDOM

Hon. Ronald Reagan Governor of California



INDEPENDENT COLLEGES OF SOUTHERN CALIFORNIA

Governor Reagan addressed a luncheon at the Los Angeles Music Center, May 23, 1969, sponsored by Independent Colleges of Southern California, Inc. and attended by 300 leaders of the business community.

#### HIGHLIGHTS

It is absolutely essential to the total education system of this nation that we have independent colleges. They serve as an educational whetstone, helping to hone the educational process, helping to add to the public system, keeping them competitive in the endeavor for excellence. Indeed, by way of competition, they help preserve the public institutions from political influence, and they guarantee a measure of academic freedom that the public university or college could not attain without these schools that are represented here.

The independent colleges and universities educate about 25 per cent of all the graduates and four-year undergraduate students in California. . . . The small colleges produce leadership for America that is out of all proportion to their size.

I commend all of you who are here as friends of independent colleges. The private sector and the business community can make no greater investment in freedom than their contributions to independent colleges and schools in this country.

If we are to win the battle which is being fought today at so many of our public institutions within this state, I pray that you keep alive this very viable force—an independent college and university system—that will be competitive and that will ensure true academic freedom and the true preservation of our culture and our heritage.

# NO GREATER INVESTMENT IN FREEDOM

Hon. Ronald Reagan Governor of California

You have done me a very great honor to allow me the privilege of being here with you. I don't know of anything that would make me feel more grateful unless it might be receiving an honorary degree at Berkeley.

I'm so old that I can remember when folks used to brag about living "a stone's throw" from the campus. Now they board up the windows. I am quite cognizant of the image that some have tried to give me of having an anti-intellectual posture. But it just ain't true that I don't set no store by book learnin'. As a matter of fact, I am so interested in the intellectual pursuits of higher education that in my capacity as Governor I am willing to engage in a student exchange program with anyone.

On the other hand, I have that same repugnance that all of you have for the pseudo-intellectual, the phony who wants to use a little bit of learning to make a false impression. Mark Twain wrote of an experience of that kind. He was on a cruise and someone was seeking to impress him at the table with his own intellectual ability. Finally he had another excuse when Mark asked him to pass the sugar. As he did so that man couldn't resist saying, "Mr. Twain, have you ever noticed in our language there are only two words in which the s-u sound has the sound of ShuSugar and Sumac." Twain said, "Are you sure?"

Role of the Independent Colleges

ut seriously, I say that it is absolutely essential to the total education system of this nation that we have independent colleges. They serve as an educational whetstone, helping to hone the educational process, helping to add to the public system, keeping them competitive in the drive for excellence. Indeed, by that very competition, they have helped preserve the public institution from political interference and they guarantee it a measure of academic freedom that the public university or college could not attain without schools such as those that are represented here. The independent colleges and universities educate about 25% of all the graduate and four-year undergraduate students in California.

#### Tax Credits

Small colleges produce leadership for America that is out of all proportion to their size. It is for this reason that I believe the Federal government should grant tax credit, not deductions, but tax credit for at least a portion he tuition fees that are paid by parents as they send their sons and daughters to college. I think we should seriously explore the possibility of extending Federal aid, not through more bureaucracy at the risk of violating our traditional separation of Church and State, but, again in the spirit of competition, by creating tax credits for contributions to schools and colleges within a prescribed limit as to the over-all amount.

This was suggested some years ago by a group of college presidents who were alarmed by the possible threat to academic freedom inherent in the beginning of large grants from the government to higher education. And so they took their concern to Washington and they spoke to the Commissioner of Education.

They set an amount, a theoretical amount, that could be a limit of the amount of the contribuiton, but said this would be up to the government, that their figures could be wrong, and that such a contribution within this limit should be a tax credit and would constitute federal aid with no risk to Church and State separation. The individual would choose the school that would receive the gift. They argued and argued, and over and over again in their arguments they kept asking, What is wrong with this? Why won't this work?" And finally the Commissioner of Education rebuffed them and repudiated their suggestion with these words, "You don't understand. Under such a plan we couldn't achieve our social objectives." And you wonder.

I doubt if anyone would interpret his refusal as anything but a declaration that the government's precise intention was to use those Federal grants to influence the course of higher education in this country. And that is an intolerable political interference with academic freedom.

#### Business' Investment in Freedom

I commend all of you who are here as friends of the independent colleges. The private sector and the business community can make no greater investment in freedom than their contributions to independent colleges and schools in this country. They might be able to curb the growth and expansion of some of the public institutions at a much lower cost to themselves as taxpayers. Right today, if the State had to assume the responsibility and burden of the independent colleges it would cost the taxpayers in California an additional \$200 million a year just in operating expenses, and the plant facilities — the capital outlay —

would take more than \$1½ billion. Indeed, if the independent colleges and universities of this country had the funds, they could accommodate today between a quarter and a half a million more students without adding so much as a chair to their present physical facilities. The real winner would be our way of life.

#### Parallels to Ancient Rome

I know it is kind of square and is a cliche subject, particularly in academic circles, to draw a parallel between the rise and fall of Rome and some of the threats that some of us see to our own nation and our civilization at this present time. And yet as it has been pointed out, to ignore history is to repeat it. Dr. Robert Straus-Hauppe has recently published a series of articles. He collected observations from such historians as Spengler, De Riencourt, Ferraro, and Gibbons. And all of them, as he put them together in a series of articles, confirmed the great similarity between the history and the background of the course followed by Rome and the course followed by this nation for two centuries. Indeed the parallel is so accurate that it is frightening. It is so eerie.

The history of Rome is better documented than any history of any civilization that had ever preceded them or many since. We know more about it than the great civilizations of the past. We know that it started with a kind of pioneer heritage similar to our own beginnings. Then it entered into its two centuries of greatness, reaching its height in the second of those two centuries and it then went into its decline and collapse in the third century. But the signs of decay as we look back in history were becoming apparent in that second century.

Our nation is today in the latter years of its second century. It is said that in that period of time there were vast increases in the numbers of idle rich and idle poor in Rome with the latter being put on a permanent dole, a kind of welfare system. As time went on they organized into a political bloc with sizable political power so that would-be emperors catered to them as a cheering section outside the Senate and as a voting bloc. The government continually rewarded them with extra benefits and with ever increasing frequency. They weren't hesitant about making their demands known.

#### Middle Class

The great solid middle class of Rome, Rome's strength, was taxed more and more to support the bureaucracy that kept growing larger and more powerful as they took care of this idle bloc. Surtaxes were imposed on incomes to meet emergency situations. The government engaged in deficit spending and the denarius, a silver coin which was similar to our half dollar, basically the most valuable currency in the then known world, began to lose its silvery hue and it took on a kind of coppery glow as the government increased the copper content and reduced the silver. The real silver coins went into hiding and soon disappeared entirely.

Military service was an obligation that had been highly honored by the Romans. Indeed, a foreigner could obtain citizenship in Rome simply by voluntarily serving with Rome's legions. But with increasing affluence the young men of Rome began avoiding military service. They found excuses to remain in the soft and sordid life of the city. They took to the use of cosmetics, the wearing of feminine-like hairdo and garments until it became difficult to tell men from women. Among the teachers and the scholars there was a group called the Cynics who let their hair and their

beards grow and wore ragged and old clothing. They professed indifference to worldly cods and heaped scorn on what they called culture of middle class values. (Now, I'm still talking about Rome.)

The morals declined. It became unsafe to walk in the countryside or on the city streets. Rioting was commonplace and sometimes whole sections of towns and cities were burned. And all the time waiting to deliver the death blow were the twin diseases of confiscatory taxation and creeping inflation. They finally overcame the energy and ambition and the efforts of the middle class of Rome.

## Decay in America

And now we come to the end of our second century, jingling our copper coins in what we are told is a time of affluence, while each year the number of people on welfare increases out of all proportion to our growth, and taxes and inflation more than eat up our ability to increase our earnings.

Last year in California we created 207,000 new jobs. We reduced the number of unemployed, reducing unemployment to a low

ce 1957, and we reduced the number of people at the beginning of the year on welfare by putting them to work and then totaled up at the end of the year and found that we had added 108,000 new people to welfare. Last year the average personal income of workers in California increased 4.9% Increases in taxes and inflation increased to take 5.1%, and the workers were worse off than before the year began.

It has been pointed out that the days of democracy are numbered once the belly takes command of the head. When the less affluent feel the urge to break a commandment and begin to covet that which their more affluent neighbors possess, they are tempted to use their votes to obtain instant satisfaction. Then equal opportunity at the starting line becomes an extended guarantee of a tie at the end of the race. Under the euphemism "the greatest good for the greatest number" we move toward the managed economy and away from freedom and we mortgage the future earnings of generations yet unborn.

We've known rioting in our streets. We know that streets are unsafe for an evening stroll in almost every city. While we are gathered here just in this brief period this noon, several people will have been murdered in America. Scores of robberies, muggings, assaults and thefts will have occurred. At this very moment as I am saying this, some place someone in the United States is being the victim of a crime of violence. Half of this runaway crime in our land is committed by youngsters under the age of 18 and a fourth of it by those under 15, and more than half of the crime in this country is committed by narcotic addicts in an attempt to finance their habit.

#### Youth Crime

French journalist Suzanne Laban writes of a Saturday night she spent here in Los Angeles in one of our police stations, watching the weekend round-up, particularly those who were brought in from the Sunset Strip. She was amazed and horrified as she saw some of them, mere children, boys and girls, and so many of them brought in possessing narcotics. Then she talked to a young man through the bars of a cell. He was almost in tears at the thought that he might have to spend the night in jail. He told her he was just someone from a good family who had left home to wander around and see what was going on. Then the police brought in the personal possessions they had taken from him at the time of arrest including his notebook. In the notebook were

the pages and pages of the list of his customers, and the pages of the list of his new prospects and the list of the wholesalers and the price list for LSD and marijuana and methadrine. Also was a personal notation in the book that he was going to have \$75 less in profit this particular month because he had eaten up some of the profit himself. He had taken 15 LSD trips on his own stock in a four week period. And the police led him away. He was 15 years of age.

The jungle is closing in again on this tiny plot we have been civilizing for 6,000 years. Those of you in higher education know that Dr. Spock's babies have grown up. I'll confess I liked the Doctor better when he was talking about pablum and potty training..

We see parades held in the name of peace but the banners they carry are the flags of nations that are now killing and have killed 35,000 of our young men. We have campus demonstrations to force the college to divorce itself from any partcipation in the defense of the country. Organized sabotage teams make open boast of their purpose. Anti-war coffee houses are opened adjacent to our military bases. The purpose: spreading mutiny among the other young men who are serving this country. In their convention at Michigan State a little over a year ago, the SDS urged its members to continue to persuade other young people to avoid the draft but that they themselves should accept military service so they could subvert the military from within.

# Encourage Legitimate Dissent

Now let us recognize and agree that legitimate dissent and ferment, some of it natural and often beneficial, is the yeast of change and improvement. It exists among our youth not only on the campus but in general. And many of their complaints and many of their

challenges are worthy. So by all means let's get on with the business of hearing the complaints and implementing answers to the causes of those complaints. Let's try to find a way to get at the real problem of students who today are complaining because of a lack of personal contact on the campus with those above them and with their teachers. There is a lack of communication through the clogged channels of the universities that have grown all too fast.

# Leaders of Violence

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But at the same time, let's not be naive. Let's squarely look at those others who hide behind the legitimate dissent while they plan riots and orgies of destruction. Who are they? What is their purpose? Well, there is one called Peter Camayo. He has been involved in every large scale demonstration for the last four years. He is 29 years old. He is the leader of the Socialist Workers' Party, a non-student listed by the police as a Trotskyite Communist professional agitator. He does most of his virulent writing calling for revolution in this country when he is a guest out of the country in Castro's Cuba.

Tom Haydn is another. He is founder of the Students for a Democratic Society. He is a visitor to Moscow, Peking, and Havana. He was involved in riots at Columbia University, the violence last summer in Chicago, the riots at the University of Wisconsin, which caused the governor to call out the National Guard. We are very well acquainted with him at San Francisco State and at Berkeley. Yet with all of this record, we are acquainted with him at Berkeley because in this present school year he has been on the campus as a guest lecturer being paid out of Associated Students funds.

Mike Myerson on a visit to Hanoi in 1967 was proclaimed an honorary nephew of Ho

Chi Minh. Perhaps while he was there he rewed that pledge that some of his cohorts and made about sending blood to the Viet Cong. You know that is a humanitarian undertaking and I never really objected to it provided they would send the blood in the original containers.

There is Terry Cannon, a young man who was in the forefront of the Stop the Draft Week out in Oakland. Subsequently he attended meetings of the Viet Cong and the National Liberation Front in Budapest right after the Chicago riots. He boasts that when this country goes down it will be through some massive combination of leaflets, sit-down strikes, and fighting in the streets.

Then there is George Murray, a teacher at San Francisco State College, who urged students to carry guns on the campus and called the American flag a piece of toilet paper to be flushed down the drain.

The list goes on. Mortimer Scheer—reported to be a member of the New York State Communist Party, later founded the Progressive

bor Movement and the west coast chapter in San Francisco. They talk about a generation gap—well, he's part of it. I doubt he will ever see 50 again.

#### Riot Training

These individuals are tied together in organizations popping up whenever there is trouble, infiltrating any group that really has a legitimate grievance. Their stock in trade: fires and bombings, the breakdown of authority, disparagement of the police. And then the cycle begins again a half a nation away on another campus, on another street corner outside a military base and we inch one step closer to total anarchy. There should be no doubt as to their objective. Craig Calvert, National Secretary of SDS, openly boasted, "We actively are or-

ganizing sedition." SDS publications say, "We are working toward a guerrilla force in an urban environment."

On the San Francisco State campus during the riots before Dr. Hayakawa came there, instructions were issued on how to make better Molotov cocktails and one leaflet was specifically entitled "The Need to Fight the Cops." One day, as a trustee of the State College System, I sat with the other trustees, and we heard a tape. A tape that had been taken in a so-called students meeting on the campus discussing their further plans for disruption. In the tape we heard explicit instructions given on the use of fire bombs on the campus and subsequently there were 50 fires in campus buildings in one day. And as we continued listening to the tape of a student meeting we heard a voice say, "If in this process it becomes necessary to kill, you will kill." One is gripped by an overwhelming sense of unreality-unreality that it is happening at all, but even more frightening, that we have almost come to the point that we accept this as a kind of normal way.

We have our barbarians waiting for the right stage of inner decay to render us helpless. Beloc said, "In the easy times of peace we are amused by the antics of the barbarian and we laugh. But while we laugh we are watched by large and awful faces from beyond. And on those faces there is no smile."

# Personal Moral Code

What do we do? How do we enforce the law? Perhaps we should go back beyond the easily dramatized man with the mask and the gun of the student rebels I have just described with their torch and club and their storm troop type tactics and ask ourselves, "Could any of them have come about if there hadn't been over recent years a gradual and quiet erosion

of our own moral code without which society cannot function?" Some time during each day each one of us has an opportunity to do something dishonest, to lie, to cheat, to steal, or even to do bodily harm. No government at any level could afford the police that would be necessary to assure our safety and freedom unless the overwhelming majority of us were guided by an inner personal code of morality.

Today too many, yes too many, in the academic community are challenging all the timetested standards. They are telling our young people to make their own rules, that jets and nuclear energy and electronics have scrapped all that man has learned in his journey from the swamp to the stars, that we swept aside the dead hand of the past with its constricting and confining tradition and morality. Discipline of the past no longer binds us.

# Education a Search for Meaning

To discuss freely all sides of all questions without values is to insure the creation of a generation of uninformed and talkative minds, a living demonstration of the decline of the intellect. I'm glad the Pope didn't do away with St. Thomas Aquinas. He warned the teachers that they must never dig a ditch in front of a student that they failed to fill in. St. Thomas knew that cleverly to raise doubts and to ever seek and never find was, when carried to the extremity, an enemy of education, intellect, and progress. The challenge is to search for meaning in a troubled world. Our obligation is to help our young people find truth and purpose, to find identity and a goal.

And yet today's system of higher education is expected to be all things to all people. Government subsidizes it to solve social problems, sometimes industry pays it to conduct research. It spreads itself too thin and more and more of the university's time and money and

talents and buildings and equipment are used for purposes that are not consonant with its proper function, which is teaching and learning. Those are easy words to say, but they are difficult to achieve. If a school is to transmit the intellectual and cultural heritage and develop in students a proper sense of morality it must be done by teaching them to think, not necessarily what to think, but how to think. Yet conversely it must give them a cultural and moral framework in which much of their intellectual capacities may be exercised. Subversives on the campuses will probably be much easier to handle if that great so-called silent majority has inner convictions and beliefs and a confidence in our society.

#### Youth and Society

A young man, one of our own young Californians on a campus, has said, "Our most retching problem is finding a place for ourselves in society. By all indices we should have no anxiety about the future. We are told we are the best prepared, the best educated, the most talented crop of students ever produced in the country. What we fear is not that society will reject us. We fear that we cannot accept society."

Well now I admit his view is not completely balanced. Citizen contributions to good works total about 250,000,000 work hours a week. Seventy percent of the people of our country in a public opinion poll a few weeks ago said they were willing to work a minimum of 4 hours a week in good works if someone would only show them how or tell them where they could go. But that decline of morality still has gone on. Last year the banks and financial institutions of this country lost \$117 million, not to robbers but to their own employees in just a kind of small time pilfering. Retail estab-

lishments it is estimated lost \$4 billion not to vieves but to employees who had a kind of self-declared fringe benefit.

Now, I'll venture to say that most of these people were basically good people who didn't really in their own minds consider what they were doing was stealing. So we look at ourselves. What do we say? What do you say to that young fellow in your house if he comes home from the practice field and tells how he learned that day how to hold on a block without getting caught by the referee? How many times, with the kids in the car, do we look over our shoulders to see if there is a policeman around and fudge on the light? As the country parson said, the fellow who left the gate open is only slightly more guilty than the one who saw it open and didn't close it.

## Each One of Us

How many of you know about a football game that was played several years ago down in Texas between one of Bud Wilkinson's great football teams, a national championship team, and TCU? TCU had had a pretty medicre season but they rose to the heights as a team will and in this final game of the season, in the closing minutes, a fellow dived into the end zone and caught a shoestring pass for what could have been the winning touchdown over the national champions. And with the stadium going wild he got up and walked over to the official and said, "No sir, it touched the ground before I caught it." Now what was your first reaction. Did you say, "Wait a minute. That is carrying things a little too far. He should have kept his mouth shut." Should he? Someday he may represent you in Congress, or in the White House, or even the State House. He might even be on the Supreme Court. What then? Do you want him then to keep his mouth shut? Do you want him then

to make a decision on the basis of political expediency, or do you want him to be guided by the same kind of inner moral conviction that made him approach the referee and tell the truth? Where does it start, how does it start? Well I think it starts with each one of us. Inside each one of us.

#### Plea for Guidelines

There is a ferment and rebellion on the campus. But is that ferment and rebellion really an inarticulate and anguished plea for guidelines? Are perhaps our young people pushing and pushing as they once did when they were only so high, asking some adult to tell them where are the limits and how far they can go?

I have a friend who was a school teacher. Marriage interrupted that but she still kept her interest in young people and she contacts young teen agers and tries to help them out. She wrote me the other day and told me of one who was on dope. She asked him what his parents thought about the way he had chosen to live. He said, "They don't give a damn and neither do I." He said, "Not once has my old man and my old lady said they would break my neck if they caught me smoking pot. They have never said to me what they think of my friends, that they think they are creeps although it is written all over their faces. I've never heard my old man say 'Son, this is what I expect you to be like, or this is how I expect you to act.' If he really cared, really loved me, he'd help me."

# Hunger for Leadership

Well, in our own state here, there are 250,000 people under the age of 25 that, they tell me, are so hooked on drugs now that they will probably never be salvaged. Isn't this a time for a resurgence of an old fashioned morality, and shouldn't it begin with us? The

world is hungry for it. It is searching, crying for leadership and integrity. And the cry the most poignant, because it isn't heard or understood, comes from our own children.

Have they lost faith in our old standards or have they lost faith in us? Do they doubt our willingness to practice what we preach? Where were we when God was expelled from the classroom?

In this state there are two young people lying on their beds of pain with mangled hands and sightless eyes. It was inevitable that this would happen. The only question was time and place and who. For one it was a 20 year old girl, picking up the mail delivery in a college administration building when the bomb went off. The other was a 19 year old boy in the dark of the early morning hours as he tried to plant a bomb, a symbol of his rage and his hate. How and when did this double tragedy start to happen? It started the first time someone old enough to know better declared that it was no crime to break the law in the name of social protest. It started with those who proclaimed in the name of academic freedom that the campus was a kind of sanctuary immune to the laws and the rules of behavior that govern the rest of us.

# Framework for Education

Personally, I am sick and tired of those who on our behalf would assume the collective guilt of man's inhumanity to man since the beginning of time. The breasts they are beating are not theirs, they're ours. It is time to say to all of our students, "Yes, we'll hear your suggestions, your complaints. If they are justified, we'll heed them, but in offering you an education we reserve the right to establish a framework of rules and regulations within which that education will be given, and those who find it impossible to live within that

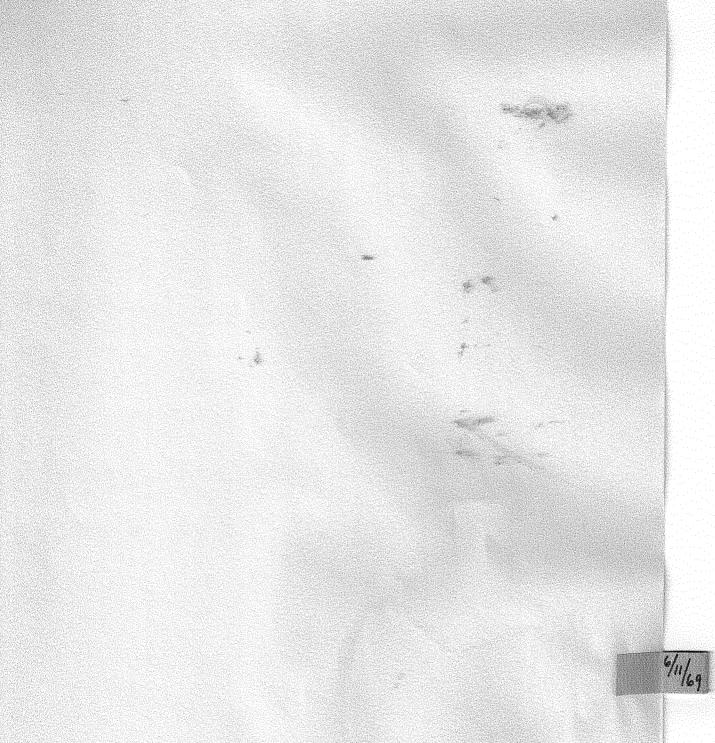
framework will have to get their education some place else. It is time to say to the revolutionaries, "one dose of Hitlerian storm troopery is more than enough for this century."

# Independent College System

Institutions like those represented here today are very much needed. I doubt if God is dead on your campus. And because of this, I think more and more of us will be leaning more and more on you in the troubled days to come.

On the deck of the tiny Arabella off the coast of Massachusetts in 1630, John Winthrop gathered the little band of pilgrims together off that hostile shore and said, "We shall be as a city upon a hill. The eyes of all the people are upon us, so that if we shall deal falsely with our God in this work we have undertaken and so cause Him to withdraw His present help from us we shall be made a story and a byword through all the world."

To you gentlemen from the business community here, who are considering what you can do in support of these institutions, I tell you without colleges of the kind represented here, that shining dream of John Winthrop's may well become the taste of ashes in our mouths. Many nations have exchanged their God for other gods, but no nation in the history of mankind has ever exchanged its God for no god at all and survived to write any additional pages in history. So for whatever value my words could have, I say to you, if we are to win the battle where it is being fought today in so many of our public institutions within this state, I pray that you keep alive this very viable force, an independent college and university system that will be competitive and that will ensure true academic freedom and the true preservation of our culture and our heritage.



# ROBERT TAYLOR EULOGY June 11, 1969

How to say farewell to a friend named Bob. He'd probably say, "Don't make any fuss. I wouldn't want to cause any trouble."

How to speak of Robert Taylor--one of the truly great and most enduring stars in the golden era of Hollywood. What can we say about a boy named--well, a boy from Nebraska with an un-Nebraska-like name of Spangler Arlington Bough.

Perhaps that's as good a starting point as any. A young man, son of a Nebraska doctor, coming to California--to Pomona--for his last years in college, and from there the story reads like a script from one of those early musicals. And it happens to the last person in the world who would have thought that great fame was in store for him.

There was the college play, the talent scout, and most improbable of all, the coincidence of timing that found him in an MGM casting office on the day that had been picked for the testing of a prospective actress. Who can we get to do the scene with her? What about that kid in the outer office? When the test was over, they didn't hire her, they hired him. And I suppose that would be first-act curtain.

And the second act followed the same pattern—was almost a repeat. A newly signed contract player getting a minor role in a picture. No one remembers who had the principal roles—most have forgotten even the title of the picture. But when it was previewed, everyone wanted to know who was Robert Taylor—a young man with the name that sounded like one the studio would think up and become instead Robert Taylor. a name with a kind of honest midwest sound.

MGM was a giant and the home of giants. It had the greatest stars in an era when Hollywood was a Mount Olympus peopled with god-like stars--Gable, Tracy, Grant, Montgomery, Coleman, Cooper, the Barrymores. And there were goddesses to match--Garbo, Shearer, Crawford, Irene Dunne. Bob Taylor became one of the all-time greats of motion picture stardom. Twenty-four years at that one studio, MGM, alone. Thirty-five years before the public. His face, instantly recognizable

in every corner of the world. His name, a new one -- a household word.

And all of this came to be in one sudden dazzling burst. To simply appear in public caused a traffic jam. There has never been anything like it before or since--possibly the only thing that can compare to it--Rudolph Valentino, and why not? Because on all of Mount Olympus, he was the most handsome.

Now there were those in our midst who worked very hard to bring him down with the label, "Pretty Boy". And, of course, there's that standard Hollywood rule that true talent must never be admitted as playing a part in success if the individual is too handsome or too beautiful.

It's only in the recent years of our friendship that I've been able to understand how painful all of this must have been to him--to a truly modest man--because he was modest to the point of being painfully shy. In all of the years of stardom, he never got quite over being genuinely embarrassed at the furor that his appearance created. He went a long way to avoid putting himself in a position where he could become the center of attention.

And in these later years I have learned—and not by any complaints from him—complaining wasn't a part of him—but I have learned of something else that must have been hard for him to bear: that idea that just a handsome face was responsible for his success—that he wasn't truly an actor. Because Bob had one intolerance—he had no patience with those who came into the business with the idea that they could short—cut hard work and substitute gimmicks for craftsmanship.

He respected his profession and he was a superb master of it. He took a quiet pride in his work. He was a pro, and the "pretty boy" tag couldn't begin to survive roles like Magnificent Obsession, Camille, Waterloo Bridge, Johnny Eager, Quo Vadis.

It takes a rare and unique actor to be believable, as he was believable, in costume epics like Ivanhoe, Knights of the Round Table, and, also, at the same time as a fighter in The Crowd Roars and the almost psychopathic Billy the Kid. Some of his pictures live on as

true classics, and, generally, the standard is so high that in retrospect it would appear his modesty caused this industry to underrate the calibre of this man who was truly a star among stars.

And yet, none of this is what brought us together here today.

Perhaps each one of us has his own different memory, but I'll bet that somehow they all add up to "nice man". Mervyn Leroy, who directed so many of his great pictures, speaks of his always showing consideration for everyone who worked with him. Artie Deutsch said he never worked in a company where he wasn't well-loved, well-liked, even beloved, by cast and crew.

His quiet and disciplined manner had a steadying effect on every company he was ever in, and at the same time, throughout this country, there are hundreds of men who remember him because he taught them to fly. He sought combat duty in World War II as a Navy flier and he wound up teaching others—and I'll bet he taught 'em good. There was no caste system in his love of humanity.

Today I am sure there is sorrow among the rugged men in the northwest who run the swift water of the Rogue River and who knew him as one of them. There are cowpokes up in a valley in Wyoming who remember him and mourn--mourn a man who rode and hunted with them. And millions and millions of people who only knew him by way of the silver screen, and they remember with gratitude that in the darkened theater he never embarrassed them in front of their children.

I know that some night on the late, late show I'm going to see him resplendent in white tie and tails dining at Delmonico's, and I am sure I'll smile--smile at Robert Spangler Arlington Bough Taylor, because I'll remember how a fellow named Bob really preferred blue jeans and boots. And I'll see him squinting through the smoke of a barbecue as I have seen him a hundred times.

He loved his home and everything that it meant. Above all, he loved his family and his beautiful Ursula--lovely Manuela, all grown up; little Tessa; Terry, his son, a young man in whom he had such great pride.

In a little while the hurt will be gone. Time will do that for you. Then you will find you can bring out your memories. You can look at them—take comfort from their warmth. As the years go by you will be very proud. Not so much of the things that we have talked about here—you are going to be proud of simple things. Things not so stylish in certain circles today, but that just makes them a little more rare and of greater value. Simple things he had like honor and honesty, responsibility to those he worked for and who worked for him, standing up for what he believed, and, yes, even a simple old-fashioned love for his country, and above all, an inner humility.

I think, too, that he'd want me to tell you how very much he loved your mother. What happiness she brought him and how wonderful she is. The papers say he was in the hospital seven times; actually he was out of the hospital seven times. He needed the strength that he could only get from being in that home so filled with her presence.

He spoke to me of this just a few days ago. It was uppermost in his mind, and I am sure he meant for me to tell you something that he wanted above all else. Ursula, there is just one last thing that only you can do for him-be happy. This was his last thought to me.

I don't pretend to know God's plan for each one of us, but I have faith in his infinite mercy. Bob had great success in the work he loved, and he returned each day from that work with the knowledge there were those who waited affectionately for the sound of his footsteps.



Commonwealth Club
Q4A

MR. TODD: Thank you, Governor. If you will return to the rostrum we just have an immense number of questions, and I'm sure that you people will realize that we can ask just very few of them, relatively speaking.

I've tried to select representative questions, and the Governor has indicated to me that he would like to have questions asked on all subjects in relation to the state. Many of the questions have been answered by his address.

First question, Governor, is this:

Q: In a Commonwealth speech in 1965 former Berkeley Chancellor, Edward Strong, warned of the dangers of politicizing the campus. Do you think former restrictions barring outside political speakers should be re-established?

A: Oh, I have a feeling that—I think perhaps we could use a little more common sense than we've used in some communication with the students, but I think this would be secondary to what I said in my remarks about meeting and finding out these real grievances—things that have created so much unrest among the students. I would think that right now a rule like that would be taken by that majority as, again, just evidence of tactics that were forced upon them by the violent dissidents and that still no one was aware of their discontent. I'd hesitate on that.

Q: The next question, Governor, concerns the policy of the regents on hiring Communists. What is your current regents' policy in this regard, and what is your feeling about it?

A: Well, of course the regents don't hire professors—that's been made very plain, and I, myself, have gone on record as saying that someone's political beliefs should not properly be a judge of educational qualifications. I don't think the issue is so much that. I think this is already happened—that political considerations have been taken into account by some department heads in hiring, and that there has been a

kind of a move over toward one way. I think what should be looked at is: Does the individual lack the capacity for teaching to the extent that he injects his own views and his philosophy into a kind of indoctrination in the classroom?

The answer is not so much to check in the future on the political qualifications of teachers as it is to rectify what I think is the problem on the campus because someone—or some several ones—on the campus have been hiring deliberately those who resort to indoctrination and make their political feelings known to the students in that way.

Q: Governor, a question on Congressional Acts: How do you feel about Congressman Green's proposed legislation to place tough sanctions on campuses that get out of hand? Wouldn't it tend to work against attempts being made by Lieutenant Governor Reinecke to moderate and solve California's campus problems?

A: Well, Lieutenant Governor and I are on the same side with this--in much the theme of my closing remarks here of: Let's balance up and start spending some more time trying to solve those other problems.

I don't know in detail just what it is that Edith Green has proped but I can understand her impatience. What she's talking about was the congressional intent that was written into some of the aid-to-student laws that said that a student receiving a federal grant to go to school, was expected to obey the rules, regulations and decisions of the chief administrative officer of the campus, and if he didn't, the grant would be taken away from him.

Now, I think that the government has a right, if it's subsidizing someone, to say that they're not subsidizing for the purpose of burning down the school. But I think that part of her impatience was due to the fact that some of the SDS officials refused her request that they appear before her committee in its hearing, and their refusal was based on this declaration: That to appear—for them to appear—would be to admostledge that they recognized the Congress of the United States as a logitimate part of government, and this they refused to do.

Q: Governor, there are a number of questions on tenure. Can anything be done to modify our tenure system to permit elimination of

the incompetent and the undesirable who are now untouchable because of it? I think this is representative of the questions asked.

A: Well, here I go, and I can see the headlines in the campus papers now. The regents did do something. The regents had taken back an authority they had for 97 years and gave up about three years ago—I think mistakenly they gave it up. The regents have taken back the right to veto individuals who are recommended for tenure, and I think this is sound. The regents, in the eyes of the people, by the constitution of the state—have that responsibility. Now, you can delegate authority, but you can't delegate your constitutional responsibility. So, as long as they are being held responsible, the University took it back.

Now, I am not an educator, as you know; and, therefore, it's always challenging when someone—a layman like myself—comments on some of the customs of education. So, I would rather see and say that with regard to the whole subject of tenure, I think it is time that those qualified in the field of higher education should do a study and a review of the whole subject of tenure. It is one of the only areas in our competitive society where after a few years you guarantee life security to an individual, and I think human beings are human beings, and there is a tendency when you remove the stick from behind and only leave the carrot out in front, for somebody to slow down when they feel they've had enough carrots.

Q: Governor, it's quite natural that we would have a large number of questions on finances and taxes. How can we afford to spend millions of dollars on new buildings for the Senate--and this may be assuming something not in evidence, I don't know--and the Legislature, when we don't have sufficient funds for schools and tax refunds for taxpayers?

A: Listen, I was as surprised when I read that story as you were.

I have been claiming for two-and-a-half years that there are no secrets
in Sacramento, and I just discovered one.

I don't have all the facts on that or the figures or the space requirements upon which they base that grand plan; and I intend to get them and to look into this because we're embarked in Sacromento on a

plan right now to reduce the amount of office space required by government over the next few years by 25 percent. This is by simply applying to government—we've started already—the floor space requirements. How many square feet of floor space do employees require who are doing similar kinds of work?

This was one of our Task Force recommendations. It had never been done in government, and by simply applying this private business standard—the same standard employed by banks and financial houses and insurance companies and businesses of that kind, we believe that we can make that much reduction. So, I would like to see how our figures, with what we're attempting to do, jive with the present supposed shortage of space.

Now, the return of money that the taxpayers—the eventual return of money to the taxpayers must come by not taking in the first place.

The tax reform cannot reduce taxes. Reduced taxes can only come from reducing the size and cost of government, and this we are trying, as hard as we can, to do. In the meantime, without any assurance as to how well or how effective our economies will be, we have had to resort to this other thing of when we find a one-time surplus such as the hundred million dollars that we've projected for this fiscal year, then I think we do just exactly what a private business concern does when it can cut up a melon or a bonus—that we cut that up and give it back to the people, and that's why I have been asking the legislature and have legislation in—so far is moving about a snail's pace—but that next year to give this hundred million dollars back by allowing the people of the state to simply take an across—the—board 10 percent reduction in their state income tax for that one year.

I think the people are intelligent enough to know-some over there don't believe this, some say if you do it one year and you don't do it the next, everybody will throw rocks at you. I think the people of this state are intelligent enough to know that if you say to them: This is one-time bonus, we've got some money left over, we're giving it back. If next year there isn't any money left over, you say there isn't any money left over. And until the day when enough of these happen that you can say now we do know here is the size of government--from here we can adjust our tax take accordingly to meet the expected demand.

I--you know the great problem is that the expenditure of public money--it seemingly belongs to no one and there's an overwhelming desire on the part of some to bestow it on someone.

Q: Governor, your opinion on the voting age. Do you believe that favorable evidence supports the conclusion that the judgment of youth on political matters has increased to such a degree that the voting age should be reduced?

A: Well, as I said in my remarks, I think it's probably the best informed generation—more knowledgeable, more aware of things that are going on than any other generation we've ever known. But I'd feel a lot more confident about them voting at 18 if they, on the campus, would vote now for their own campus officers.

One of my biggest questions about lowering the voting age doesn't have to do with the qualifications of the individual. I'm sure there are many at 18 who are qualified. I'm equally sure there are many—every parent knows that all children do not mature equally—I'm sure there are many who would be very susceptible to someone else's influence; but the main point is: Can you lower the age without running the risk that no political party—no candidate—can ever again afford to not go in and organize the campus? What then does happen to academic freedom? What about the professor, who in making a point in discussing current events in a class, wants to take on the government or a government policy or criticize the president or the governor or the legislature? Wouldn't he then find that the opposite party would be in there the next day saying we want equal time in that class? Wouldn't we lose the very thing we're talking about: The right to free discuss in the campus and then bring them out?

It's that fear of political -- and there's an election of some kind every year. This isn't a thing that just happens every four years.

There would be people in there for local elections, state elections, special elections, everything, all of the time, and I worry about that.

I can't say that I have my feet in concrete on it, but they're setting a little sticky.

G: Governor, would you explain briefly your stand on the Dos Rios Dom? A: You're masty sometimes. Well, you know that the Dos Rios
High Dom was not a part of the original water project. It was believed
in the beginning when the guarantees and assurances were made of water
to the valley and to the south that it could be obtained without that
high dam. That came along later, and was a brain child of the Corps of
Engineers. There were a number of factors involved in it. It's a long
period of time--I'm concerned about the possibilities--other possibilities
for water, but also aware of the knowledge that water could be provided
without flooding ground out, and I don't mind telling you if it was one
issue alone involved that's bothered me for a long time. I think that
people of fifty or a hundred years ago made promises to the Indians while
holding official title--must have made them in good faith believing that
those who followed and held that same title would honor their word, and I
just figured it's about time somebody started keeping that word that was
made to those indians up there and might as well start with us.

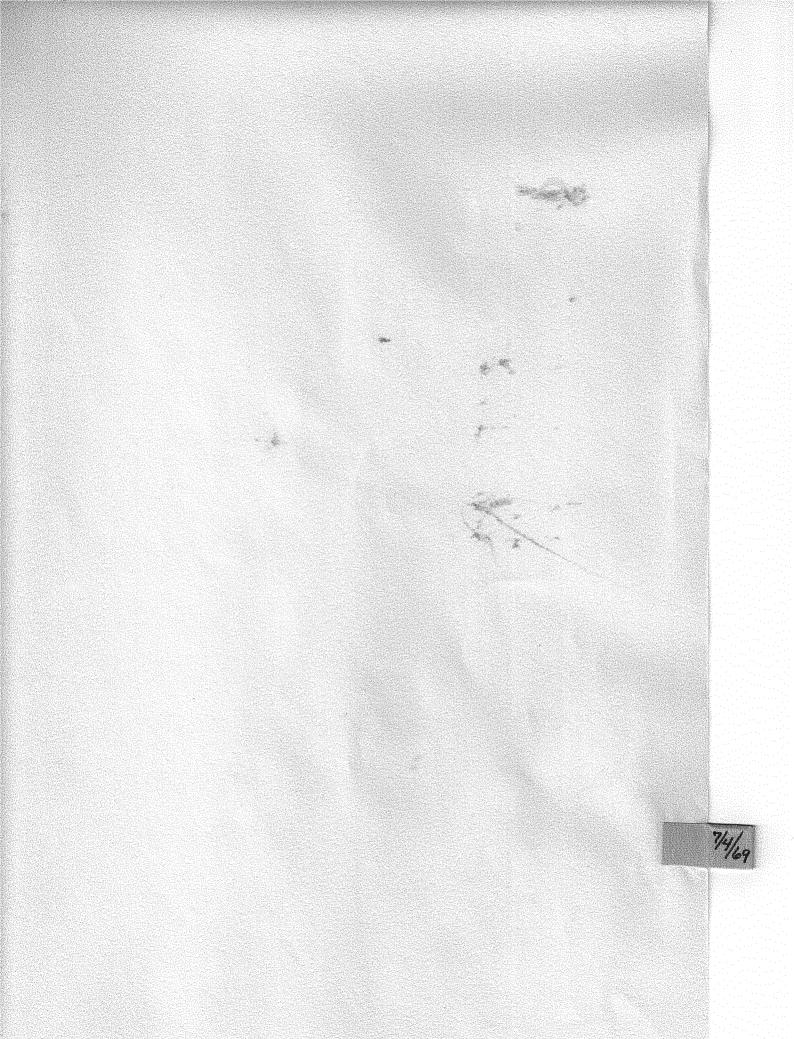
Q: And another rather difficult question, Governor. What is your opinion of the family-life education courses being placed in the public school system?

A: Well, I think there is an area there for education. Again, I'm not an educator—I speak as a layman. But I'd like to ask you if the real problem is that the teaching of sex for example, in a school—is that really the problem or isn't the problem compounded by the fact that first, a few years ago, as the result of a court decision, we took out of the schools the right and the ability to discuss things within a moral framework, and how in the world can you start teaching sex if you cannot discuss it within the framework of morality or any more rules of conduct?

MR. TODD: Governor Reagan, our time is just about up, and we just have all kinds of questions that I cannot ask. I'm sorry, but I want to express the appreciation of the Commonwealth Club of California and particularly those who are present here today at this special ladies-day luncheon in the Grand Ballroom of the Sheraton Palace Hotel in San Francisco.

We all understand the tremendous problems that California has, and we are most appreciated for your taking your time to come down here today.

and discuss these numerous questions and your generosity in meeting any and all questions on all subjects that were submitted to you, but there is one more final question, Governor, and I think this possibly—you should answer this with great care—it possibly could be the most difficult question I've asked you: Why didn't you bring Nancy?



## OPERATION PATRIOTISM

Remarks of

Governor Ronald Reagan

July 4, 1969

Independence Hall Knott's Berry Farm Buena Park

Dr. Teague, Reverend Father, our host, Walter Knott, fellow citizens:

Having some experience with the timing problems of television and knowing this program runs simultaneously with the one
in Philadelphia,\* I shall very carefully budget my words. Since
this is America's Birthday Party, the 193rd, it is fitting that
we look back in memory as we look forward with courage and anticipation. Now call it mysticism if you will (I have remarked before
to some of you on this), but it's my belief that there was some
divine plan that placed this nation between the two oceans to be
sought out and found only by those with a special kind of courage
and an overabundant love of freedom.

I have told before a story that is attributed to Thomas Jefferson. I cannot actually vouch by my own personal research for
this story, but one historian has told me that Jefferson has written
that on that day of our Nation's birth in that little hall in Philadelphia, a replica of which stands here, the debate had raged for

<sup>\*</sup> The ceremonies were sponsored by the AMERICAN REVIVAL COMMITTEE and coincided with the annual activities sponsored by the Sons of the Révolution at Independence Hall, Philadelphia, and by the Sacramento American Heritage Committee at the Liberty Bell replica in Capitol Park, Sacramento, California.

many hours and the issue hung in doubt. The men who gathered there were honorable men; they were hard-pressed by a king who had flouted the very laws they were willing and anxious to obey. And even so, to sign a declaration of independence was such an irretrievable act that the walls had resounded for hours with the words of "treason"; and the price for treason, the gallows—the headsman's axe. And as I say, the issue still remained in the balance.

And then, according to Jefferson, a man arose. Jefferson described him as not a young man, but one who had to summon all his energy for an impassioned plea. He cited the grievances that had brought them to this moment. And finally—and after speaking at great length, his voice failing, he said, "They may turn every tree into a gallows, every home into a grave, and yet the words of that parchment can never die. To the mechanic in the workshop, they will speak hope; to the slave in the mines, freedom. If this hall heard the sound in the next moment of the headsman's axe, if my hand were freezing in death, I would sign that parchment. Sign...Sign...if the next moment the noose is around your neck, for that parchment will be the textbook of freedom, the Bible of the rights of man forever."

He fell back, exhausted. Fifty-six delegates, swept up by his eloquence, rushed forward and signed the document destined to be as immortal as any work of man can ever be.

And then they turned to thank him for his timely oratory and he was not to be found. Nor could any be found who knew who he was or how he had come in or gone out through the locked and guarded doors.

Fifty-six men had pledged their lives, their fortunes, and their sacred honor. Sixteen gave their lives in the war that followed.

Most gave their fortunes...and all preserved their sacred honor. What manner of men were they? Not of royal birth; not statesmen. Twenty-four were lawyers and jurists; eleven were merchants; nine were farmers. They were soft-spoken men of means and education They were not an unwashed rabble. They had achieved security and prestige but they valued freedom more.

Their stories haven't been told individually enough. John Hart was drawn from the side of his desperately ill wife. For more than a year he lived in the forest, in caves. He returned to find his wife dead, his children vanished, his property destroyed. He died of a broken heart.

Carter Braxton lost all his ships and sold his home to pay his debts and died in rags. And so it was--Ellery, Clymer, Hall, Walton, Gwinnett, Rutledge, Morris, Livingston, and Middleton. Nelson personally urged Washington to fire on his home and destroy it when it became the headquarters for Cornwallis. Nelson died bankrupt.

This little band of men, so unique we have never seen their like since, sired a nation that grew from sea to shining sea. Five million square miles of forest, field, mountain, and desert. Two hundred million people with a pedigree which includes the blood lines of all the world. And just as our blood came from every corner of the world, so has it been spilled in every corner of the world.

As Don read, it's been bled into the field called Flanders, the sands of Africa on a place called Omaha Beach, splashed on a rock named Corregidor, on the bleak slopes of Pork Chop Hill, and now in the rice paddies of the jungles of Vietnam.

With the wisdom gained by hindsight, there have been cynics among us after each war able to explain how each war, once it was safely past

had been a fraud, perpetrated on the people by greedy interests and for selfish ends. And so saying, these cynical few have added to the burden of doubt -- to the grief of those who mourn for the fallen. But one thing they cannot do is tarnish or stain the motives of the men who actually did the fighting and dying. Men who did die, died to make the world safe for democracy, died to push back the evil darkness of a Nazi world without God, a world where man's morality was measured by the size of the club he could carry : nc. young men die today because an equally evil force threatens the freedom and dignity of man in every land. And yet I challenge those who would call us warlike, who say that war is your own choice and is solely of our doing, or that war would sease if we would simply will it to cease. Men who love freedom, who believe that man was created in God's image, endowed with a divine spark, know that government's highest purpose is to preserve, to build the preeminence of the individual. Such men know that whenever and wherever in the world the life and liberty of even the least among us is threatened there we must all go with our collective might or there can be no freedom at all.

Reverend, the Reverend Muhlenbery knew this 193 years ago. He was a man of God, a man of peace; and on a bright Sunday morning he was preaching a sermon when he was handed a note. He paused, read the brief message silently, and then took off his ministerial robes. His surprised congregation saw him standing there in the uniform of Washington's army. He said, "My friends, there is a time to preach and there is a time to fight. This is a time to fight." Now, if I've seemed to dwell too much on war, it's only because the birth

pains of our nation were the agony of conflict and several times since has been the price of freedom. The truth is the greatest fruit of our founding fathers' dreams is to be found in the harvest of our peacetime years.

The providing of plenty on a scale unmatched by any people in all man's history. And the sharing of that plenty on a wider scale than any society past or present. We're not perfect, but then we're not tolerant of our imperfections either. We tax ourselves heavily to care for the less fortunate, we grumble as we do so and complain, and then we go right out and contribute fourteen billion dollars voluntarily each year to good causes. We give 250 man hours a week in volunteer work for good causes.

It is fitting that this meeting should be held here before this replica of our Nation's birthplace. It's even more fitting that this replica should have been built in California. Article I, Section 1, of the Declaration of Rights of the original Constitution of the State of California says, "All men are by nature free and independent and have certain inalienable rights, among which are those of enjoying and defending life and liberty, acquiring, possessing, and protecting property." Californians are true sons of independence; and it's with pride and hope that we welcome this beautiful replica of Independence Hall to our friendly soil. California is and shall remain a strong branch of the Liberty Tree. The American Eagle doesn't fly on one wing. Liberty must be balanced with responsibility.

Walter Colton, builder of the Colton Hall where California's Constitution was drafted and signed, put the choice before us with these words, "It is for your faith and philantrophy to say what

California shall be when her swelling population shall burst the bounds of her domain. You can write her hope in ashes or in stars that shall never set.

"Every school book and Bible you throw among her hills will be a source of penetrating and pervading light when the torch of the caverned miner has gone out."

Well, let us resolve here today that no Californian shall remain ignorant of the spirit of this Nation, of its Declaration of Independence and to the cornerstone of our Republic. In home, in church, yes, and in the school, let this spirit and let these truths be taught and known. Those who call themselves radical militants today don't seem to understand the moral lessons of our history. Perhaps they haven't been properly taught or perhaps they haven't sought to learn or to grow and mature in understanding of the responsibilities that go with individual freedom.

In seven short years we shall mark two centuries of progress under the rights and freedoms for which the Declaration of Independence was proclaimed in 1776. How shall we prepare for this third century of freedom? Shall we greet it as a people divided by animosity and suspicion? Some would have it that way. They work diligently and tirelessly to erode the faith, the faith we have in ourselves, hoping that we'll forget our heritage and hoping we'll forget how truly great we are and can be.

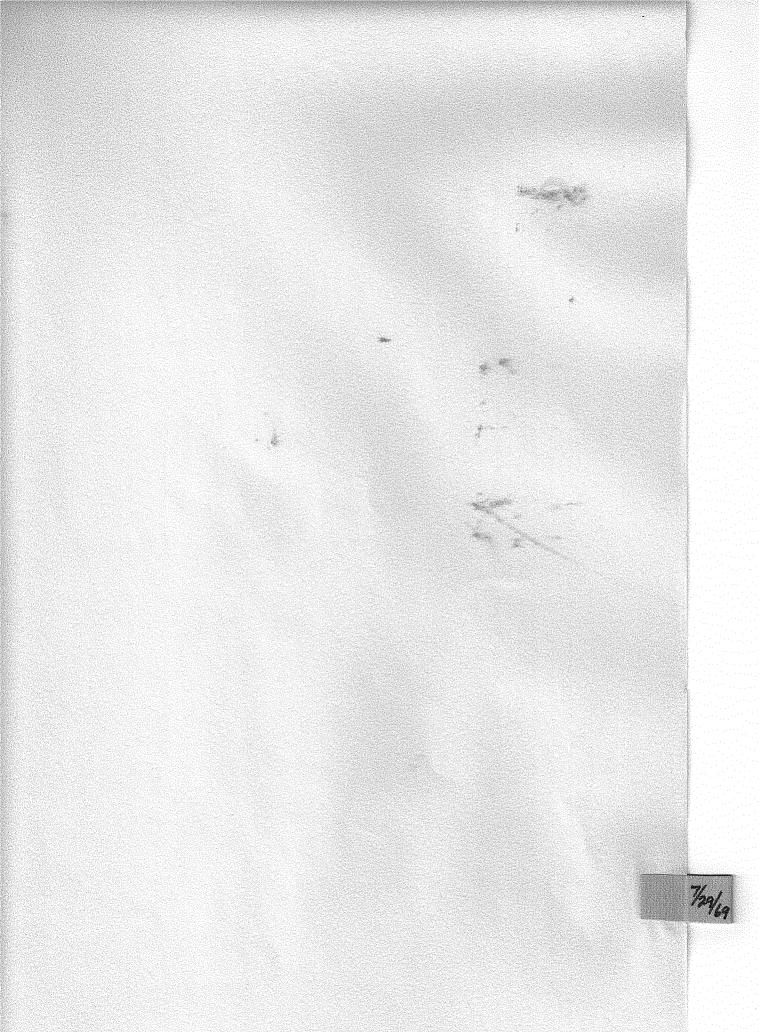
If they should succeed, then perhaps some day an epitaph would be written for our Nation. Frank R. Barnett, president of the National Strategy Information Center, a Rhodes Scholar, a former professor at Wabash College, has written his idea of what that epita for our Nation might be.

"Here lies the only civilization which perished at the peak of its power with its power unused. Here lies a decent people who wanted love--not empire--but got neither. Who tried to trade power for popularity, and lost both.

"Here lies a Nation of advertisers who knew how to change consumer taste in cigarettes but were themselves manipulated on all issues that really mattered to their salvation and survival.

"Here died a sort of Lancelot in the court of nations who, granted all his grievious flaws, was still somehow the noblest knight of all. Except this Lancelot, crippled with an undeserved guilt complex, let his weapons and his ideals fall unused and so condemned all mankind to a thousand-year night of the Russian Bear and the Chinese Dragon."

Well, whether or not that epitaph is ever written depends on us. We can be apathetic, we can listen to those today who would divide us, and by our lack of caring we can insure the engraving of that epitaph on our granite mountains. Or we can resolve here that this replica of our Nation's birthplace would be a symbol that America today will also be an exact replica of the dream that came into being 193 years ago. That this Lancelot among nations will hold back the thousand-year night and that on our granite mountains instead will be erected—not a tomb and not a tombstone—but a shining Camelot, an inspiration to all mankind.



RELEASE: 9:00 am

Tuesday July 29

Opening Remarks by Governor Ronald Reagan Seminar on Transportation and Public Safety Western Governors' Conference Seattle, Washington July 29, 1969

We are here today to discuss an imperative of our modern-day society -- Transportation and Public Safety.

At the outset, let me stress that if we are to receive maximum value from this seminar, it must be an open discussion with everyone taking part - with State and Federal representatives speaking freely and taking part in the search for solutions and accelerated efforts. We must also have follow through on the issues and ideas discussed here.

Permit me, quickly, to outline some of the dimensions of the problem - and the challenges - which face us. Perhaps they will serve as "thought starters" for our discussion here today.

First, there are questions regarding our highway systems: How they may serve our people efficiently in the face of mounting population pressures - while at the same time balancing construction and routes to take into consideration the increasing concern about human and environmental problems such as air pollution, aesthetics and noise control.

Very serious consideration and discussion also must be given to highway safety and the spiraling death and injury rate on our streets and freeways.

For example, should the National Highways Safety Bureau report directly to the Secretary of Transportation? Would this increase its importance and effectiveness? Would it accelerate efforts and accomplishments in this area? And how can we speed up approval of highway safety programs?

Just as we know there will be increased traffic on our highways - with attendant problems - so we also know there will be increased traffic in our airways - with equally as complex problems. It is the purpose of this seminar to seek the answers to those problems - now before they become unsolvable.

I suppose it is natural that the recent fantastic events of the Apollo moon flight color our thinking. One message I get from that tremendous achievement is that it shows what can be done when, first, a commitment is made, and, second, the brainpower, the time and the resources are spent to translate rhetoric and commitment into action...into reality.

Transportation - on the ground and in the air - is and will continue to be one of our major domestic problems. It, along with its various spin-off effects - both positive and negative - permeates virtually every aspect of our life.

Obviously, the entire question of Mass Rapid Transportation is one of major importance - in many cases it deals with nothing less than the survival of our central cities.

Recently, a California Task Force on Transportation reported after more than a year's study by experts representing all modes and all disciplines. Recommendation Number Five in their report stated:

"The State has a legitimate responsibility, and must accept a key role, in assuring the urban mass transportation needs of the several metropolitan urban regions in California."

What is the proper role of the Federal government in this? What responsibilities do the local entities have?

Here in the West, the problem of mass transportation seems especially difficult - at least it has its peculiar problems - because of our horizontal cities with their relatively low population density, but which nevertheless require some form of mass rapid transportation.

As with highways, mass transportation also has environmental ramification; too many systems have created artificial, long-term and injurious social boundaries in too many cities. We cannot affort to create anymore "wrong sides of the tracks: or alienate segments of society.

One of the most difficult problems to solve in mass transportation is the question of financing. How should mass transportaion be financed? Who should pay for it? At what level? How can we insure that mass transit systems are thoughtfully conceived - and designed - to serve practical market areas rather than political boundaries?

Here in the West, because of our distances and our mobility, we look into the sky for much of our intercity and interstate travel. We also are both the starting and ending points for national (and global) flights.

The question of reliable air transportation - and air safety - is one in which problems of growth must not only be solved but also anticipated.

What is the proper role of the States in this? How can we best work with Federal and municipal agencies to insure maximum safety and minimum congestion? What about the related problems of ground traffic congestion in and about, and to and from, airports? And, what of the increasing problem of noise pollution along the airport approaches and in the vicinity of the landing fields?

At this point, I would like to call upon some of our Federal friends to start the discussion by commenting and responding to the questions I have raised, as well as some of the issues which are outlined in the suggested agenda which has been distributed to each of you.



REMARKS BY GOVERNOR RONALD REAGAN WELCOMING THE REVEREND BILLY GRAHAM ANAHEIM, CALIFORNIA SEPTEMBER 28, 1969

I am sure there will be those who question my participation here tonight. We have become so conscious of the separation of church and state that sometimes it seems we have reinterpreted freedom of religion to be freedom from religion. If that be our course, then indeed we are in great danger as a nation.

On the deck of the tiny Arbella, off the Massachusetts coast in the year 1630, John Winthrop spoke to that little band of pilgrims of what their future could be in this new land; a land they had not yet seen. He said: "We shall be as a city upon a hill. They eyes of all people are upon us, so that if we shall deal falsely with our God in this work we have undertaken and so cause him to withdraw his present help from us, we shall be made a story and a byword throughout the world."

There is no need in our land today greater than the need to rediscover our spiritual heritage. Many nations in the past centuries have exchanged their gods for other gods, but no nation has ever exchanged its god for no god at all and lived to add further pages to its history.

Our young people cry out for a cause, a belief, in which they can invest their youthful strength and idealism. And too often the cause they find is tragically false.

Runaway young people have come to one of our cities in California-San Francisco. I don't know what exactly they were seeking, but I do
know what they found. In one year alone, 2056 of them were questioned in
narcotics investigations; 1731 were jailed; 4692 were treated in one
hospital alone for narcotics poisoning and bad trips; and 2613 were treated
for venereal disease. A total of 1861 girls mothered fatherless, unsupported children; 3280 underaged delinquents were arrested for involvement
in muggings, burglaries, shoplifting and so forth; 26 were murdered.

Why is a representative of government here? To welcome with humble pride a man whose mission in life has been to remind us that in all our seeking, in all our confusion, the answer to each and every problem is to be found in the simple words of Jesus of Nazareth who urged us to love one another. By word and example, the man we welcome can show even the most turned off of the turned off world, the most militant with their placards, their parades and their hatred, where the action really is. The action is here.

On behalf of my fellow Californians, I am happier than I can say to welcome to our State the Reverend Billy Graham. We are proud to have him here-we need to hear his word.



Sacramento, California Contact: Paul Beck 445-4571 11-20-69

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN
Eureka College Fundraising Luncheon
Chicago, Illinois
October 22, 1969

You have all done me a very great honor and there is no way to describe how I feel in this moment. The only thing I can think of—that might possibly top this moment—would be to receive an honorary degree from Berkeley.

But I am here, not only to more adequately express my thanks, but also to honor an institution, a college, Eureka College. You can see by the pennants how long it has been a part of Illinois and this country. I wouldn't be here had it not been for Eureka College. I don't know just exactly what course my life would have taken, but I know that this little institution, which down through the years has known what would have to be called, in educational circles, a genteel poverty, has still always been able to reach down and help those who know real poverty——to help them to move up a notch, and help those trying to raise themselves by their bootstraps. In my case I wasn't sure I had boots.

I am sorry that my brother could not be here with us. will be honored by erection of the building at Eureka which will bear our At the same time though, I can't help but feel a kind of a vindictive pleasure because I remember when he was a freshman and I was a sophomore we played in a football game. On the last play, he as a freshman was put in at end. I had been in the entire 60 minutes. Bud Cole, who you have met here, called a pass play in the huddle. My brother was supposed to go to the right and try to suck the secondary with him. An end, named Heinie Sand, was to go to the left and receive a pass down the side. Bud, the quarterback, made it very clear that the pass would be thrown down the left sideline. My brother, with truly charming originality, thought "what am I doing way over hereto the right If the ball is going to be thrown over there?" So he joined Heinie. It so happened that the ball was deflected by an opposing defensive back, bounced over Heinie's head, dropped in my brother's arms, and he went 65 yards for the winning touchdown. It was so unusual for a college freshman to be in on one play of a college game, and score the winning touchdown, that it made all the papers in the United States, regardless of Eureka's limited size. I remember they spelled my name wrong in the lineup.

Eureka College speech

There are so many of you friends with us today that it would be very easy for me to just stand here and reminisce. But, I know that time moves on, and I must speak some of the thoughts I have about this occasion, and the reason for it. I am not unaware of a certain amount of political image-making which portrays me as anti-educational and an opponent of intellectualism. And it just ain't true that I don't put no store by book learnin'.

As a matter of fact, as governor of California, I want you to know that my feelings about higher education are so deep that I am willing to engage in a student exchange program with anyone.

Seriously, I have been disturbed by a quotation that was attributed to Dr. James Conant of Harvard a few years ago. He was supposed to have said: "The greater proportion of our youth who attend private schools, the greater the threat to our democratic unity." I hope he was quoted out of context; that he had some other meaning than the one that seems so obvious from those words. Using "private" to mean all the independent schools, I say that it is absolutely essential to the total educational system of this nation that we have the independent colleges. The small colleges produce a leadership for America that is far out of proportion to their size.

It is for this reason that I have been supporting and advocating that the Federal Government grant tax credits---not deductions, but tax credits---for at least a portion of the tuition fees that are paid by parents sending their sons and daughters to college. I think that we should seriously explore the possibility of extending federal aid, not through additional bureaucracy at the risk of violating the traditional separation of church and state, but, in a spirit of competition between the independent and the public schools, by granting tax credits within a suitable limit, of course, as to amount, but tax credits for contributions that are made to the independent schools and colleges.

This was suggested some years ago by a group of college presidents who were alarmed by the possibility that academic freedom might be threatened by the large grants that were beginning to come to higher education from Washington. These college presidents journeyed to Washington to present their idea. For a matter of days they met with the Director of Education and the Department of Health, Education and Welfare.

Tureka corrade abaseu

But, they were having little success. Over and over they kept asking the question, rather than presenting arguments: "Why won't such a plan work?" They had suggested a limit of a hundred dollars for the contribution that would be a tax credit. They said the government should feel free, of course, to change that figure if it was unrealistic, either up or down. But finally, after days of discussion, the director rejected their suggestion with these words: "You don't understand. Under such a system the government couldn't achieve its social objectives."

Well, I doubt that anyone can interpret those words as anything other than a declaration that the government did intend to use those grants precisely for the purpose of influencing the course of higher education in this country, and to me that is an intelerable political interference with academic freedom.

To those of you in the commercial and industrial world who view undertakings from the standpoint of cost-effectiveness, the independent colleges are one of the nation's better investments. As is typical in almost any comparison between tax-supported projects and those in the private sector, you will find that there is a lower cost ratio per student in the independent colleges and universities. They also reduce the need for costly expansion by our public institutions. In my own state, if the government had to take over the education of those now being provided an education in California's independent colleges we would have to increase the state budget by 200 million dollars a year and the immediate capital outlay required would be one and a half billion dollars. Right now, the private colleges in this country, if they were provided with additional funds of a comparably small amount, would be able to take between a quarter and a half of a million additional students with no additional capital outlay. That's a good educational buy from the standpoint of economy alone.

Now I know that it's a kind of cliche, particularly in academic circles, to draw a parallel between the rise and fall of the Roman Empire and the course in recent history of our own republic. Yet the parallel is there in such detail that it's almost frightening, eerie. Dr. Robert Straus-Rauppe in a series of articles, in which he collected the observations of Spengler, Ferrago, DeReincourt, Gibbons and a number of other historians, told of how Rome had a few centuries of beginning as did our own country, a kind of pioneer heritage not unlike our own, then entered into the two centuries of greatness reaching the heights in the second of those centuries and going into the decline and the collapse in the third. Mowever, the signs of decay were becoming apparent in the latter years of that second century.

Eureka College speech

It is written that there were vast increases in the number of idle rich and the idle poor and the latter were put on a permanent dole---a kind of federal welfare system. And, as this system became permanent, and the recipients of public largess increased in number, they organized into a political bloc of sizeable power. They weren't hesitant about making their demands known and their government wasn't hesitant about meeting those demands with ever-increasing frequency. Would-be emperodatered to them. A great solid middle class---Rome's strength then as ours is today---was taxed more and more to support a bureaucracy that kept growing larger and more powerful. And oh how those of us in government know how bureaucracy can grow! You start out hiring a rat catcher and the first thing you know he has become a rodent control officer and he has no intention of getting rid of the rats.

Surtaxes in Rome were imposed on incomes to meet emergencies.

The government engaged in deficit spending and the denarius, a silver coin widely used throughout the known world and similar to our half dollar in size and value, began to lose its silvery hue, to take on a kind of copper glow as the government reduced the silver content.

Gresham's law was at work even before Gresham had propounded it. The real silver coins went into hiding and soon disappeared entirely.

Military service was highly honored by the Romans. A foreigner could attain Roman citizenship simply by serving for a term in the Roman legions. But with the increasing affluence and oppulence, young men of Rome began avoiding military service. They found excuses to remain in the soft and sordid life of the city. They took to using cosmetics, wearing feminine-like heirdos and garments until it became difficult to tell the sexes apart. Among the teachers and scholars was a group called cynics, who let their hair and beards grow, were slovenly in their dress, professed an indifference to worldly goods, and heaped scorn on what they called the middle class culture.

Now, I'm still talking about Rome.

The morals declined. It became unsafe to walk in the countrysic or the city streets. Rioting was commonplace. Sometimes whole sections of cities and towns were burned. And all the time the twin diseases of confiscatory taxation and creeping inflation were waiting to deliver the death blow. When they finally overcame the energy and ambition of Rome's middle class, Rome fell.

rureka correde speech

Well, we're approaching the end of our second century, jingling our copper coins in our pockets, knowing fear as we walk in the country-side or on our city streets. We've known rioting in those streets and on our campuses, where demands are made that colleges divorce themselves from participating in the defense of the nation. In the last eight years we've seen 45 social welfare programs become 435, expending one of every three of the tax dollars. In my own state——which is one of great growth, with an influx of western migration that is almost constant——in the last two years we've increased our population by 600,000. And in this great time of affluence and prosperity, in that same two-year period, to the rolls of those receiving direct cash grants from government we've added 400,000.

It's been pointed out that the days of democracy are numbered once the belly takes command of the head. When the less affluent feel the urge to break a commandment and begin to covet that which their more affluent neighbors possess, when they attempt to use their votes to attain instant satisfaction, and when an equal opportunity at the starting line becomes an extended guarantee of at least a tie at the finish of the race, under the euphemism of the greatest good for the greatest number, we destroy the very system which for two centuries has provided exactly that, the greatest good for the greatest number.

The jungle seems to be closing in on this little plot that we have been trying to civilize for six thousand years.

Yes, we have campus disturbances. All of us are disturbed at the virus that has infected the campus and no doubt, we could top each other with frightening and unbelievable stories. Fardly a day passes without my mail bringing new evidence. For instance, a leaflet, the other day entitled, "The Heed to Fight the Cops," was distributed on a college campus explaining how to make and throw fire bombs. One day we listened to a tape recording of a so-called student meeting that had been held on one of our state college campuses. They were discussing the plans for a campus disruption. Explicit directions were given as to how to start fires in the buildings and subsequently there were 50 fires started in the campus buildings and subsequently there were 50 fires started in the campus buildings and subsequently there were 50 fires started in the campus buildings in one day. Continuing to listen to the tape as the outlined whome they would march, where they would parade and picket, we heard a voice say, "and he in the process it becomes necessary to kill, you will built." One is gripped with an overwhelming sense of unraclity. Unrachity first, that it is happening at all. But even more trightening, as we sat there histening, was how close we've come to accepting this as normal. Let, spock's bables have grown up, which is probably more than when he was concerned with pablum and potty training.

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Last year on our California campuses there was a million dollars worth of damage done by arson and vandalism. There were three murders on our university campuses during the year.

Today, there are two young people in my state lying with mangled hands and sightless eyes. One of them, a 20-year-old girl, was picking up the mail delivery in a college administration office when a bomb exploded. The other, a 19-year-old boy in the dark hours of the early morning was planting a bomb in a campus building as a symbol of his rage and hatred when it exploded prematurely.

You wonder: how and when did all this begin? I can tell you. It began the first time that someone old enough to know better declared that it was no crime to break a law in the name of social protest. It started when those——who proclaim in the name of academic freedom——declared the campus a sanctuary immune to the laws and the rules that govern the rest of us. It began when some, who in the name of change and progress, decided that you can scrap all the time tested wisdom that man has accumulated in his climb from the swamp to the stars, by simply calling its constricting tradition and morality the dead hand of the past and wiping it out as a discipline that is no longer binding upon us.

St. Thomas Aquinas warned teachers they must never dig a ditch front of a student that they fail to fill in. To cleverly raise doubts and to ever seek and never find is to develop a generation that is extremely talkative but does very little thinking and accomplishes nothing

Yet sometimes, with these young people, we have to look beyond their words to hear what they are actually saying. Read between the lines and the placards demanding the right to choose their own curriculum, to not be degraded for more participation in the social turmoil of the off campus world.

Some decisions must remain with those in charge and those in charge must have the common sense and the courage to say that this will be so.

Now, I don't question the right of a person to say that he should be allowed to study and to investigate whatever he prefers. But, at the same time, there is no question about the educational institution's right to say that this person will not be granted a degree for pursuing such a course.

Eureka College speech

My alma mater is not ranked with the great universities of the Ivy League or even with the University of California. But, of course, it does have one distinction --- we are gathered here today because Eureka hopes to build a building, not tear one down. I have been reminded on certain occasions of the difference between our institutions by some irate educators with a hint of intellectual arrogance. But, in the area of common sense, my alma mater ranks with the best. Recently, when the controversy raging in the country had to do with the problems of discrimination and bigotry, Eureka President Dr. Langston said: "The black student is not admitted nor rejected, nor any other student, on the basis of complexion. Here at Eureka we believed and talked and practiced integration even before the law required it. The criteria for admission relates to the college's purposes, which are education. The college has no purposes and no programs which are to be evaluated on the basis of the college being a social or revolutionary agency, or a clinical institution of any kind. This college is an institution of higher learning. It expects the faculty and the students to examine and to debate many sides of great issues. It doesn't engage in commercia or social programs or politics or other such activities. Members of her faculty and student body are occasionally interested in such matters. And sometimes intensely interested and active. But the college works at education and expects to be judged solely as an educational institution."

I believe the thinking members of our minority communities would agree that this is exactly the thing that they have been talking about and hoping for. That they would be there, neither because of, nor in spite of, any differences in complexion. Now, this may not jibe with some of the current campus discussions in the land but I think it makes great good sense——the kind of common sense that all too often the intellectual community tends to forget.

I like the idea of common sense that was expressed by the farmer when some smart alecks were trying to get his goat and one of them asked him where he would like to be in the event of a nuclear explosion. The farmer said someplace where I could say, "What was that?"

Really, I think it is the kind of good sense that our young people truly want. They really would be happy to put down their placards and to invest their energy and idealism in causes that they could discuss freely---all sides of all questions within a framework of value judgment.

Eureka College speech

Our obligation is to help our young people find truth and purpose, to find identity and a goal. I already have talked of those who were in rebellion with a club and a torch. And admittedly there are only a few. But there is a ferment involving the great majority of our young men and women. They do have complaints and their complaints are legitimate. They are refusing to become numbers in a computer. They want more than a four-year ride on an assembly line in some kind of giant diploma mill. They want a reordering of the priorities.

The United States Department of Education recently conducted a survey on 68 university campuses involving 7500 professors, and a question was asked, "What is the objective of the university?" 7500 professors answered: "To protect the academic freedom of the faculty."

Whatever happened to teaching? I think it is time for all of us, but especially those in charge of our institutions of learning to review the bidding. Shouldn't the doctrine "publish or perish," or even research follow in order of importance the need to teach our young people. It is possible that even the protestors, those who are most radical among our young people, are in reality crying for help and their cry is all the more poignant because it has gone unheard and unheeded.

One day I participated in a lecture series in one of our large midwestern universities in Kansas. The meeting was held in a fieldhouse. There were 4000 adults on the ground floor because townspeople were admitted to the Alf Landon Lecture Series. There were 10,000 students or more in the tiers of seats rising up to the roof of that building. Then there was a question and answer period. I don't remember the details, but an adult from the floor asked me a question and in asking it stated his concern that our young people were turning against and rebelling against standards of morality——the principles which we, the adults, had tried to teach them.

In answering him, I said that I wondered whether that was what they were really rebelling against. Were they really turning away from those standards or principles, I asked. Or, were they rebelling because they don't believe that we are living up to those standards and principles ourselves? There was a second of silence and then 10,000 kids came to their feet with a roar that I shall never forget.

Have they lost faith in the rules, or have they lost faith in us?

Do they doubt our willingness to practice what we preach? Has there been a quiet drifting away and erosion of our moral commitment? Where were we when God was expelled from the classroom? How often do they see us dismiss wrong-doing in public life with an easy tolerande---such as:

"Well, that's just politics?"

The halls of government are the very temples of freedom and we should so consider them. What about us when that youngster comes home from the practice field, tells us how that afternoon he learned to get away with holding illegally on a block? What is our response? How many times have they sat in a car with us and seen us look over our shoulder and fudge a little at a stop sign if there was no policeman in sight? As the country parson said, the fellow who left the gate open is only slightly more guilty than the one who saw it open and didn't close it.

Is it possible that much of what frightens and disturbs us actually started with us, with a gradual and silent erosion of our own moral code. No government at any level and for any price can afford the police that are necessary to assure our safety and our freedom unless the overwhelming majority of us are guided by an inner personal code of morality—a code that makes us act when we're alone the same as we do when the eyes of the crowd are upon us.

There is a wonderfulstory about the potential of these young people. It was a few years ago when Bud Wilkinson had those great championship football teams out in Oklahoma. One year at the close of the season, his national championship team was playing Texas Christian. TCU had had a mediocre season, but on this day they rose to the heights as sometimes a team will, and they were giving that Oklahoma team a battle right down to the closing seconds. Then, in these closing seconds a receiver dived into the end zone for a shoestring catch of a pass that meant victory over the national champions. The crowd in the stadium was going wild. But, the young fellow who caught the pass walked over to the referee and said, "No, sir, it touched the ground before I caught it."

Now, what was your first reaction? Should have kept his mouth shut. The referee didn't see it. Why didn't he just get away with it?

Well, should he have kept his mouth shut?

Eureka College speech

Some day he may be in your State House, or in the Congress of the United States, or in the White House or on a Supreme Court bench, and what then? Will you want him to keep his mouth shut them---or make decisions on the basis of political expediency because no one is looking? Or, on the other hand, do you want him to base his decisions on the same strong moral conviction that made him walk over to the referee and tell him the ball had touched the ground before he caught it?

And who will teach them by word and deed this kind of morality if it isn't us?

On the tiny deck of the Arbella off the coast of Massachusetts in 1630, John Winthrep gathered that little band of pilgrims together. He spoke to them of the life they would have in this land, which as yet they had not seen. He said, "We shall be as a city upon a hill. The eyes of all people are upon us so that if we shall deal falsely with our God in this work that we have undertaken and so cause him to withdraw his present help from us we shall be made a story and a by-word to all the world."

To you who are considering, what can I do, may I suggest supporting Eureka College. Without such schools this shining dream of John Winthrop may well become as he prophesied, the taste of ashes in our mouth within our lifetime.

Schools like Eureka College are an educational whetstone serving to home the educational process, helping to improve the public tax supported system and keeping it competitive in the drive for excellence.

By their very competition these private schools help preserve the public institutions from political interference, guaranteeing a measure of academic freedom that the public system could never attain by itself.

Institutions such as Eureka College are essential to America.

They provide leadership out of all proportion to their size, as I said before. America will be needing them more and more in the days ahead.

You ladies and gentlemen who are in the world of industry and business and the professions, can make no greater investment in freedo-

than your contributions to independent schools and colleges in this country. If we are to win the battle where it is being fought today, in the hearts and minds of young people, I pray that you will keep alive the dreams of so many in our pioneer background who left us their heritage of this kind of institution.

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Recently, I was privileged to speak to a group gathered on Dwight Eisenhower's birthday. Dwight Eisenhower said that we believe that individual liberty rooted in human dignity is man's greatest treasure——that men given free expression of their will, prefer freedom and self-dependence to dictatorship and collectivism.

And then he left us these words: "Freedom from fear and injustice and depression will be ours only in the measure that men who value such freedom are ready to sustain its possession defended against every thrust from within and from without."

The poet Belloc said, "In the easy times of peace we look at the barbarian and we are amused at his antics and we laugh. But while we laugh we are watched by large and awful faces from beyond. And on those faces there is no smile."

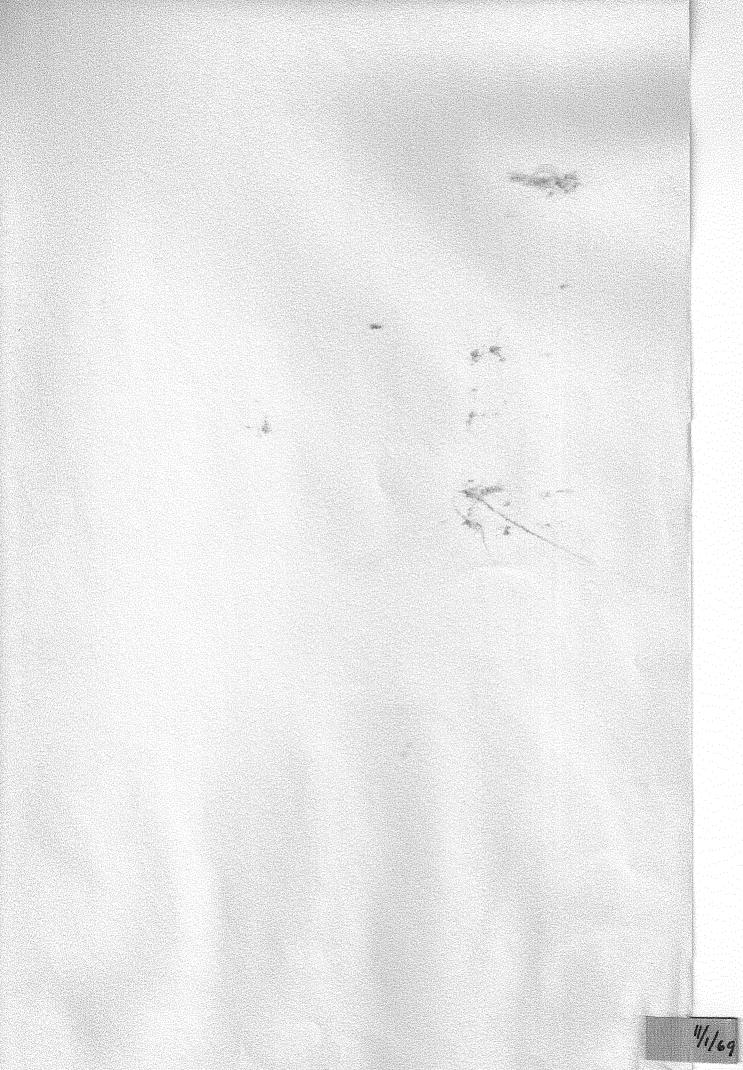
God is not dead on the campus of Eureka. Many nations have exchanged wheir gods for other gods and gone on to write pages of history. But no nation in all history has ever exchanged its god for no god at all and continued to leave a mark on the world.

It is a great challenge that faces us---to see if we can make institutions of this kind as a shining city upon a hill.

Again, I want to tell you how proud I am to have been a part of this and to say that to those who have expressed some thanks for my being here that thanks is the other way around. This has been just a half hour or so in which I could at least, in a small measure, pay back a debt I owe.

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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.)



"IN LESS THAN THREE YEARS .... "

Remarks by Governor Ronald Reagan REPUBLICAN STATE CENTRAL COMMITTEE Anaheim, California November 1, 1969

The last time we met under these circumstances, we were preparing for a campaign and our efforts culminated in the national victory and the inauguration of Richard Nixon in Washington on January 20th.

Well, thanks to all of you, we also have had some other victories to celebrate, only we got ours on the installment plan; four special elections, plus that big win last November. The best way to thank you, I think, is just to tell you a few of the things those victories — and the Republican majorities in Sacramento — have made possible.

### FIGHTING CRIME

We passed some of the most significant crime legislation in more than a decade. Many of the measures passed are the same ones that we have been trying to pass every year, only to have them buried in committee or defeated on the floor; thanks to you and that Republican majority, there have been some changes made in the committees.

We passed the presumptive limits law. This, of course, is a help to local law enforcement; we have established a level by which it can be assumed that a driver is under the influence of alcohol.

We passed the first anti-pornography laws that have been enacted in eight years. You know, it is a funny thing: through the years that Republicans have been trying to get these laws everyone was in favor of anti-pornography laws...if you could get them out of committee where everyone then has to vote in the light of day. Well, under the leadership of the former Speaker, it was pretty difficult -- if not impossible -- to get such laws out of committee. Once Republicans got a majority in the Assembly, we changed Speakers and started passing these laws.

### Drugs and Narcotics

We sought and supported tougher laws to crack down on the dope peddler and the narcotics pusher. Working with Republican leadership, Howard Way and Bob Monagan, we passed laws increasing the penalties for the possession and sale of dangerous drugs and narcotics; laws that permit the school principal to expel or suspend students who are caught selling narcotics on the school grounds, and laws which prohibit juveniles under 18 from going to Mexico without the written consent of their parents or guardians.

We established an Interagency Council on Drug Abuse. In a major creative society program, we organized a public education program of drug abuse which would have cost us two million dollars, except that the private sector donated their talent and their money to prépare the advertisements and publish the pamphlets. Now, radio

and TV stations and newspapers are running the ads on a public service basis -- without charge.

After we managed to gain a one vote Republican majority in both houses, we were able to pass some laws to curb campus violence. Laws that make it illegal for anyone disturbing the peace to return within 72 hours if he has been thrown off a campus. Laws that withhold state school and other tax financial aid from students convicted of illegal campus disturbances. Laws that make it first degree murder to plant a bomb that results in someone's death.

We have tightened the states' statutes against unlawful assembly; passed laws giving local authorities the power to control topless and bottomless entertainment and laws to protect those witnesses who are willing to testify on the activities of organized crime such as the "Mafia".

We have added 5 to 25 years to the prison sentence if the criminal was carrying a gun at the time of the commission of the crime. We have also increased the penalties for rape, robbery and burglary if the victim suffers bodily harm in the commission of the crime. And, we passed laws making it illegal for unauthorized persons to carry a loaded firearm into schools and other public places. (I hope the Sierra Club will take note that the teachers have now been added to the list of the protected species.)

The opposition — whose veracity decreases as its volume increases — cites crime statistics and charges that in the 1966 campaign, we boasted that we would wipe out crime. Well, just for the record, we said we would do something about crime — instead of wringing our hands and blaming society for every crime that was committed. And in less than three years we have passed more effective anticrime legislation than they did in all the eight that they were there. As a matter of fact, the record will show that they made no real effort to pass such legislation in those eight years; to the contrary, they devoted their efforts to reducing the penalties for crime.

#### Administrative Action

Not all of our efforts in fighting crime have been confined to passing laws. We have also acted administratively — and are working closely with the private sector and local government agencies. We established a California Council on Crime, bringing together for the first time in this nation every element of law enforcement to develop a master plan for preventing and detecting and fighting crime. We established the nation's first computer—to—computer crime information hookup. This is the first time this has ever been done——linking our state crime computer with the leading cities in our state and with the Federal crime computer in Washington. Now, we have one system with an almost instantaneous exchange of knowledge on criminal activities and criminal records.

Representatives of law enforcement have been assigned to the Adult Authority to lend their experience and their expertise so they could help shape the policies and the probation policies with regard to parole.

None of this was possible without all of you. All of you who worked and contributed. Those of you who lived in motels and walked precincts in strange towns in special elections. You can be very proud. You made this and more possible.

# CUTTING THE COST OF GOVERNMENT

Not too long ago I was on my way into a luncheon to make a speech and Mike Deaver, of my office, overheard somebody say, "I hope he isn't going to talk about how much money they saved on typewriter ribbons". Well, I won't do that, although we did save money on typewriter ribbons.

The cost of government continues to be the biggest thing on the peoples' minds. So let me just make a passing reference to the progress we have made in government economy and you will realize that we haven't retreated or weakened in our determination to make government more efficient and as economic as it can possibly be.

You have often heard me say in the past that no government has ever voluntarily reduced itself in size. Well, we may just be the first to do it. If we had continued the rate of increase in the size of government in our state that we found when we took office, there would now be 15 thousand more employees than when we started. But, on July 1, the start of this fiscal year, there were just (57 more employees than when we started 2% years ago. And I believe that on next July 1 there will be fewer and certainly no more employees than when we started.

In one of our largest departments, the Department of Public Works, the workload in 2½ years has increased by 25 percent; the number of employees has increased just one percent.

In the Department of Motor Vehicles, the workload has gone up 30 percent. At the same time the number of employees has remained the same and at the same time we have reached a goal that I outlined to you some time ago: we are now processing the applications for drivers licenses in ten days; it used to take 39.

More than \$382 million in new highway projects are now being built, over and above the scheduled construction, with money that has been saved in Jim Moe's Public Works shop through economies and efficiencies. To have achieved this same result — to do this much more highway building without those economies — would have required a 2 cent increase in the gasoline tax.

### Task Force on Efficiency

The number of citizens task forces recommendations that we have now implemented has more than doubled what it was the last time we met. The figure now is 876.

We have reduced the amount of office space the state government occupies by 22 percent.

A few weeks ago, the Controller General of the United States government told the Congress that California was buying many of the same supplies the federal government was buying and we were doing it for from 36 to 42 percent less. The items ranged from \$250 less for an automobile, to \$30 less for two-way radios. (You will notice I didn't even mention typewriter ribbons!)

We have moved from 9th lowest among the states in the cost of government proportionate to population, to the 5th lowest and we intend to be the lowest. We do not subscribe to the philosophy of those who would rate government's quality on the basis of how much it spends instead of how much it achieves.

In that part of government that we can control administratively, by way of our own appointees, a total of only 13 percent. But if you adjust for inflation, and if you compute that in adjusted dollars, you will find that actually represents a decrease of 3.4 percent.

Let me give you some basis for comparison. The budget for higher education in the same period has increased 54 percent. If you adjust that to constant dollars you will find that is a 38 percent increase.

## TAX RELIEF

We were forced to increase taxes, as all of us know to our pain and sorrow, almost before we unpacked -- simply to pay our predecessors profligacy. Well, let's bring the record up-to-date in this department. While we are reminded of that tax increase, little is being said about some steps we have taken in the direction of tax relief.

In these almost three years, we have provided the taxpayers cash refunds on property tax (those famous \$70 checks), provided a \$750 property tax exemption, a double standard of state income deduction to provide property tax relief for renters, a special property tax relief for the low-income senior citizens, reduced rates in the lowest bracket of the state income tax, abolished personal property tax on household furnishings and reduced business inventory tax of 30 percent. And, in April, you will receive an \$87 million tax rebate on your state income tax.

All of this adds up in two years to \$633 million in <u>direct</u> tax relief. If this comes as a surprise, it is because much of this must appear in the budget <u>as an expense</u>. (Since we collect the money and give it back, correct bookkeeping requires that we show it as an outgoing item.)

Now, if you add to the \$633 million, another \$651 million of indirect tax relief by way of increased school aid and so forth — which otherwise would have been added to the local tax burden, the property tax burden, and the \$600 million that we simply collect on behalf of local government, such as in the sales tax and cigarette tax and so forth — you can see that overall budget is hardly an accurate reflection of the cost of state government. In this year's budget, for example, \$225 million of the \$6.2

billion budget is actually money that is being given back to the individual taxpayers. If we could have found some way to do this similar to next April's rebate on the income tax — not collect the money in the first place — the budget would have been under \$6 billion. Incidentally, even at \$6.2 billion, it is less than the budget for New York City. I said "city", not state. (It is also less than the state budget of New York, too.)

Incidentally, that tax rebate on your income tax next April which has a \$100 maximum for the individual taxpayer; that is the most that anyone can get back regardless of the amount of tax they paid. That ceiling was not our idea. The money was originally taken on a proportionate basis and frankly, I believe it should have been given back on the same basis, ten percent across the board. Next January, I would like to see the legislature amend that bill so as to remove the \$100 ceiling.

### New Form for Budget

I have long felt that the people have difficulty understanding a state budget and thus they are not so well able to show their displeasure when excessive spending takes place. We are trying to find some method of breaking up the budget to show the actual cost of state government. For example, one budgetwould show you exactly how much it costs to run the shop. How much does it take for all the legitimate functions of state government? Then, a second budget would show those funds that we were collecting and returning to local governments and counties and school districts. And, when we could do it, a third budget would show the amount of money we returned directly to the taxpayers. Thus, the taxpayer could take a look at these three figures: he could be happy if that first one -- the cost of government -- was going down, and, likewise, he could be happy if he saw that third one -- the rebate to the taxpayers -- was going up. In fact, the citizens could ask some pretty sharp questions when our opponents start offering those expensive goodies they like to dream up and hold out to the people as a gift from Sacramento. They could question how much it might add to that first budget and how much it might reduce that third budget.

While I am on this subject, you might as well be prepared for some screams of anguish you are going to hear in the months ahead. There will be no area of government that will not feel the pain of the pruning knife. Those costs over which we have so little control or no control at all -- particularly in the area of social reform -- continue to rise at such an extent that here and there, particularly among our opponents, we are beginning to hear some little murmurs and some talk about additional revenue and the need to find some new areas to tax. Well, I, for one, refuse to be a party to that; I intend to go in the opposite direction.

Our new budget procedure, started this year, is designed to make tax reduction a priority item as soon as possible. In other words, as soon as we can, we intend to put into the budget a figure for tax reduction; then we will require every single government program to match its priority and its necessity against the desire

of the people for tax reduction. In this way we shall see whether some of those programs are not less important indeed than giving back to the people some of their own money.

## TAX REFORM

In January, we intend to introduce a program of tax reform: one which will once-and-for-all give real and lasting property tax relief; one which will give the public schools a source of revenue other than the residential property tax. What we will propose is a cut in the residential property tax of 50 percent, and we will replace this — or suggest replacing it — with an increase in the sales tax which will be completely earmarked and go directly for support of public schools. Thus, schools will have a source of income that expands with the economy, that grows so that each year they can count on revenues that come from the economic growth of our state.

#### Supporting Education

If we secure passage of this measure, we will be able to equalize state support for every school district and provide \$500 for every child in kindergarten and progressively up to \$725 for every student in junior college. And, that would be a force reduction of the property tax; the only way that the property tax for schools could be increased would be if the people in the district vote to increase their own taxes.

The measure to do this will require legislation and they will also require constitutional amendment. Hopefully, this would be on the ballot next June -- or, if not in June, then in November -- and it will then be for the people to decide. It is also our hope that we can construct this program so that even when the legislation is passed, all of the tax reform programs will be tied to the constitutional amendments in such a way that, for the first time, the people of California -- by the ballot -- will make the decision as to whether this tax reform program is to go into effect or whether we are to look for something else.

#### COMPASSION IN GOVERNMENT

There are those who are concerned that perhaps our energies and our diligence have been in one direction only: dollars and cents, costs and economies. Well, the record would indicate otherwise.

Last year, for example, we moved from 11th to 2nd among the states in the rehabilitation of the physically handicapped. In that one year, we trained, rehabilitated and put into self-supporting jobs 14,450 of the physically handicapped. This is an increase of 10,000 over what had been the annual total in this area. (I must admit that even this has a practical side: in seven years, the increase in income tax will pay back the entire cost of rehabilitation.)

#### Mental Hygiene Reforms

Probably the best hatchet job that our opponents have been able to do on us is in the area of mental hygiene. Even our friends aren't so sure of us in this department. Now what makes it unusual is that the truth is completely contrary — directly the opposite — to what the opposition would have you believe. We are spending more per patient than any other major state, but we are getting our money's worth because we are number one in achievement in this field.

We not only are a model for other states but even world-wide -nations such as Japan, Switzerland, England and others have sent
delegations to California to study our system of mental hygiene,
to learn the reasons behind the progress we've made.

When we took office, the staffing standards — the ratio of patients to staff — were based on 1952 staffing standards. In all the years since 1952, the State of California had never even achieved 100 percent of those staffing standards, even though all the while medical personnel throughout the nation and throughout our state were admonishing that those standards had long been obsolete. In February of 1968, we adopted standards recommended in 1967 by the medical association. We set out on a five-year program. Our target: full implementation of those 1967 standards within five years. We are already at 93 percent of that implementation in our state hospitals for the mentally ill. And, the day before yesterday, I was able to announce publicly that next June we will reach 100 percent of the full 1967 staffing standards — four years ahead of schedule:

In the hundred-year-old history of mental hygiene in California, there has been a basic standard for space allotted per patient in our hospitals: 55 square feet. That's not very much when you figure that the bed itself takes up 35 square feet. The American Hospital Association recommends 70 square feet. As of right now, that is the allotment in every state hospital for the mentally ill in California -- 70 square feet per patient. It is in full effect.

When we took office, the budget for mental hygiene was \$213 million; in 1969-70, it rose to \$275 million.

We have increased the number of county mental health care centers from 41 to 53 and increased the state's share in this program 300 percent -- from \$15 to \$3 million. The state is now paying 90 percent of the costs instead of the 50, and sometimes 75 percent that was being paid  $2\frac{1}{2}$  years ago.

By June, 1970, we will be able to close down the Modesto State Hospital which has been occupying temporary wooden army barracks from World War II. To ease the economic impact on the Modesto area, we are turning over to the county all those facilities and the 253 acres of land for whatever public use they can make that might help ease the transition as they lose this state function in their area.

Our emphasis on local treatment plus faster and more effective treatment in the hospitals has reduced the patient population from 22,000 to 16,000. By next June, it will be down to 12,300. To give you some frame of reference, the next state to us in size is New York and they had 66,000 hospitalized mentally ill patients.

We have reduced the waiting list on our hospitals for the mentally retarded from more than 800 in 1967 to a little over 200. Two weeks ago, at UCLA, we dedicated a medical research center in the field of mental retardation to see if we can find the answer to this tragic illness.

Now, this isn't exactly the picture that you have been getting, is it? It would seem that someone has been very busy hiding our light under their bushel.

#### PARKS FOR PEOPLE

Well, again in contrast to what some would have you believe, we have added 25,000 new acres to our state system. (You will recall those charges about someone going to Sacramento to sell all the state parks?) Three offshore areas have been designated to become underwater marine parks. We have reorganized the system and developed a 20-year plan that will make sure there will be a state park within easy driving distance of every citizen. We have already started to contract with the private enterprise sector for the development of resort facilities and recreational facilities on state lands -- particularly around some of the lakes that have been created in the water program.

Even the national park system has sent people out to study one of the things we started two years ago; a park reservation system. You remember those terrible stories you used to read every summer weekend about the thousands of people, with their campers and their trailers, who tried to get into state parks but there was no more camping space so they spent the weekend roaming around on the highways? Well, we set up what any citizen should be able to expect on a vacation: the ability to make reservations in advance and to know the space would be there. For two years, we have been taking reservations all through the winter months; a person receives a ticket that tells him he has "x" number of days at such-and-such a time in a certain state park.

And, now we have gone a step farther. We have computerized the system. Shortly you will find computers set up in banks, and savings and loans, and department stores throughout the state where you can go in, pay your money, punch the button and take out a ticket that tells you you have your reservations in a state park for whatever date that you have selected.

You know the federal government is not only stealing so much of our staff, but copying so many of our programs. I wanted to suggest to the President the other day that he just leave our people here and contract out with us!

#### QUALITY OF ENVIRONMENT

Next to the cost of government, the people are most concerned about the preservation of our environment and we have been doing something about that.

### Air Pollution Controls

We have created the nation's first statewide Air Pollution Board. It includes some of the top men in this field in the nation. It has broad powers to enforce the toughest air pollution regulations in the country. I know it is hard to think that something is really happening in this field when you go out and breathe the air on a bad smoggy day. But a couple of years ago we turned the corner and, actually, smog is decreasing in California. But you must remember we have to run just to keep up with the great increase in population and the number of cars.

Even so, there is much more to be done. You will recall that Senator George Murphy led the fight in Washington to get us a waiver — we had to fight, a year or two ago, to get the federal government to let California have tougher regulations than the federal government wanted us to impose. The result has been that Detroit literally has to manufacture its cars to meet the regulations and requirements for the State of California. Periodically, every year or two, we raise those standards and they get tougher because we are going to clean the air of California.

Our California Highway Patrol is now experimenting with vehicles that are powered with steam engines and liquid propane gas; perhaps the answer lies in another form of propulsion.

California is the first state to set out to control pollution by jet air craft.

### Water Quality Control

In 1967 we signed into law the first complete revision of the state's water quality control laws in 20 years. The Los Angeles Times called it "the strongest state water pollution control act in the United States". It established fines of up to \$6,000 a day for violators and it makes the violators pay for cleaning up the pollution they cause.

### Ecological Values

Within government, we have formed a Joint Transportation-Resources Agency Commission to protect the aesthetic and ecological values in the planning of all types of public works -- from highways to reservoirs. Today, routes for highways and freeways are not chosen on the basis of the shortest distance between two points. The joint committee of the Parks and Recreation people and the Highway Commission sits down and plans so as to preserve and not destroy any ecological features or beautiful areas.

We cancelled the bridge that was planned across Emerald Bay at Lake Tahoe and we cancelled out a highway that was to go through one of our bird sanctuaries in the North. We created an Environmental Quality Study Council to find ways to protect the natural environment and we established a bi-state agency to protect Lake Tahoe.

We were one of the first to call for passage of the bill to extend protection and preservation of San Francisco Bay (the BCDC). And, I think we shocked the United States Corps of Army Engineers when we refused to go along with their Dos Rios Dam which would flood Round Valley. Let me assure you this does not mean that we are going to renege our contractural obligations in the state water system to provide the water that southern California needs. But, we intend to preserve for our children this way of life we call California with all its natural wonder and beauty.

### Consumer Protection

I could go on listing our positive achievements through a dozen pieces of legislation passed in the last session for consumer protection -- protect you if your credit cards are lost or stolen, to protect you from the flood of nuisance mail that you get and to reorganize the executive branch, and eliminate dozens of Boards and Commissions.

We have started a prairie fire. One of the first Governors to come to me and ask about our citizens' task forces was the Governor of Maryland, Ted Agnew. Now he has become Vice President.

Let me just tell you something about Ted. He launched a task force like ours, he got it underway in the State of Maryland before he became Vice President. He was succeeded by a Democratic Governor who is now running up and down the state telling everybody about the wonderful economies they are making under his administration.

At the last Governors' Conference, in Colorado Springs, two governors came up to me. They are doing better than we are about economies, but then they are in two states that don't have our growth problems. But they came to me on their own, stuck out their hands and said "We just want to thank you".

One of them is on his way to a 10 percent reduction in the size of his state's government. The other is half way to a 20 percent reduction and he said, "All we have done is copy what is going on in California and we just want to thank you for getting the ball rolling and tell you what it has meant to us and our states."

The federal government has just announced a plan for a Human Resources Development Agency. This was an idea started by us; the Legislature approved it. It was to go into effect next January but it will start ahead of time -- on November 1.

Human Resources Development; this is bringing together finally all those multitudinous agencies of welfare and job training and state employment into one department. It is designed to take people off welfare by the way of job training and to put them into self-sustaining work.

We are getting a lot of interest in our highway safety program. It has attracted national attention. The traffic fatalities in the nation have been going up 5 percent a year; ours have gone down. We have developed such things as soft hardware, as we call it; signs, pillars and posts that have to be erected along our highway. We have made them, as they do in Hollywood, into breakaway fixtures so that when someone hits them, they give way instead of the driver.

### EDUCATION & YOUR MONEY

Now, despite what you may have heard, under this Republican administration, we are spending more money for education in California than ever before.

This year in state subventions and other programs, we are spending almost \$1.6 million for local schools -- K through 14. This includes the increase of \$120 million which we voluntarily included in the budgets we presented to the legislature. This was the first time a Governor had ever done such a thing. And, it includes about \$30 million which will be added because of unanticipated revenues and economies made in other state operations. Ours is an all-time record increase in state support of elementary and high schools and junior colleges in one year.

### Higher Education

And what about higher education -- the taxpayer supported state university and colleges?

Three years ago the tampayer's total general fund support for the University of California campuses and the state colleges was \$414 million. Today, it is \$630 million.

The current budget includes \$329.8 million in general fund support for the University of California -- an increase of 13 percent over the previous year for an estimated increase in enrollment of 6 percent. The budget for the state colleges was increased \$46 million this year -- up 24 percent over last year for an anticipated increase in enrollment of 12 percent. And, the budget also includes \$12.9 million for college scholarships and loans -- 57 percent more than the previous year.

Higher education has received an overall 54 percent increase budget support during the past three years — while all other state agencies have increased 18 percent. Incidentally, those agencies administered by my appointees had an increase during this three year period of 13 percent. And, when these dollars are adjusted for population and inflation growth, our state operations have actually decreased by 3.4 percent during this same period of time.

Still there are those who claim that we have cut their budgets for higher education. Well, if your household budget were cut the same way, you'd be on easy street.

I know what some of you are thinking -- you're asking why we have increased state support of higher education in face of the problems on certain campuses. Well, we do just not believe that it would be fair to penalize the thousands upon thousands of industrious, sincere, students because of the anarchy and the vandalism of those few teachers and students -- and non-students -- who seem intent upon wrecking a system which it has taken the taxpayers of this state years of sacrifice and billions of dollars to build.

Our record is clear: we will not put up with violence, or destruction, or anarchy on our campuses; we will protect the rights and provide the support for those who go to college to learn, and those who are there to teach.

At the same time, we expect the administrators on those campuses — the chancellors and the presidents and their staffs — to see that the maximum education is provided for the dollars spent, just as we expect from every other agency of government. The students should be their first priority, not their last.

### Financing Education

Now let me just conclude with something that has just come to my attention. I have been informed the teacher and school organizations are seriously considering endorsing a proposed initiative measure designed to shift 50 percent of the cost of school financing to the state. This would be presented to the voters as a massive tax reduction. That would be a fraud. It would instead be a massive tax increase.

The measure calls for the state to pay more than one-half billion dollars, in addition to the present \$1.5 billion that we are now subventing to the schools. This would go up at the rate of about \$150 million each year.

Undoubtedly this will be presented to the people, if this initiative goes on the ballot, as a property tax reduction. Well, this was how the original sales tax was presented to the people back in 1933; that if the voters would pass the sales tax, somehow property tax would decline. But there was no provision to clamp a lid on the property tax; so, the new tax was added and the old property tax kept right on going up.

Let's look again at the tax reform proposal that we are suggesting. It won't be 50-50; the state will be putting up 80 percent of school financing and we will actually be cutting the property tax 50 percent not just hoping that it will go down by itself. And we are putting the power to increase the property tax in the people's hand. Unless you put such a restriction on future increases, you're deluding the people. The property tax must be forced down, and it will not go down simply because you find some additional money someplace else.

Now what this other initiative really will mean, if it is passed, is an unwarranted and intolerable addition to the crushing burden the taxpayers are now carrying. Even worse, it will mean the job producing industries here or about to come to California will look to locate elsewhere with disastrous results to our economy.

It is most unfortunate and significant that the California Teachers Association, which may decide to support this guaranteed tax increase initiative, will also be considering next week a proposal that the association condone teacher strikes. The people of California can hardly be expected to look with favor upon a proposal guaranteeing a massive tax increase in the schools when it is linked with the open threat of a teachers' strike.

I hope that we can have confidence in the tens of thousands of dedicated teachers throughout this state who have been doing such a good job in our schools. I hope that reason will prevail in their meeting next week.

#### The Right to Strike?

I spent 25 years, as you know, as an officer in organized labor. I led my union in the only strike that it ever had. I recognize the right of a working man to withhold his services by way of a strike. And yet, I cannot agree that public employees can have that same right.

If, in each one of your districts, they don't have the proper machinery to sit down at the table and hear the grievances and work out with the representatives of education — or whatever group of public employees it is ... work out a solution to their problems, that machinery should be set up. That is what we are trying to set up in the State of California right now. That is an obligation we have. But there can be no justification for a strike against the public and it is time for us to think this through.

First of all, the leadership of our own State Employees Association recently voted to rescind the no strike pledge they have had these many years. We have to face this fact: government cannot close up shop. It is not like a private business which can shut the doors until the matter is resolved. It has to keep on providing the services.

Beyond that, in any strike in the private sector, the idea is inherent that if the dispute once imposes too unfairly on the general public, there are higher levels by way of government and the public that the adversaries in the disagreement can go to for arbitration.

There is no higher authority than the people. The people are the source of all authority in this land. And, therefore, when employees of the people have a grievance, there is no arbitration board to which government can turn. Government is the representative of the people and of their authority and if a strike takes

place, government has no recourse but to replace the strikers and continue on with the duties.

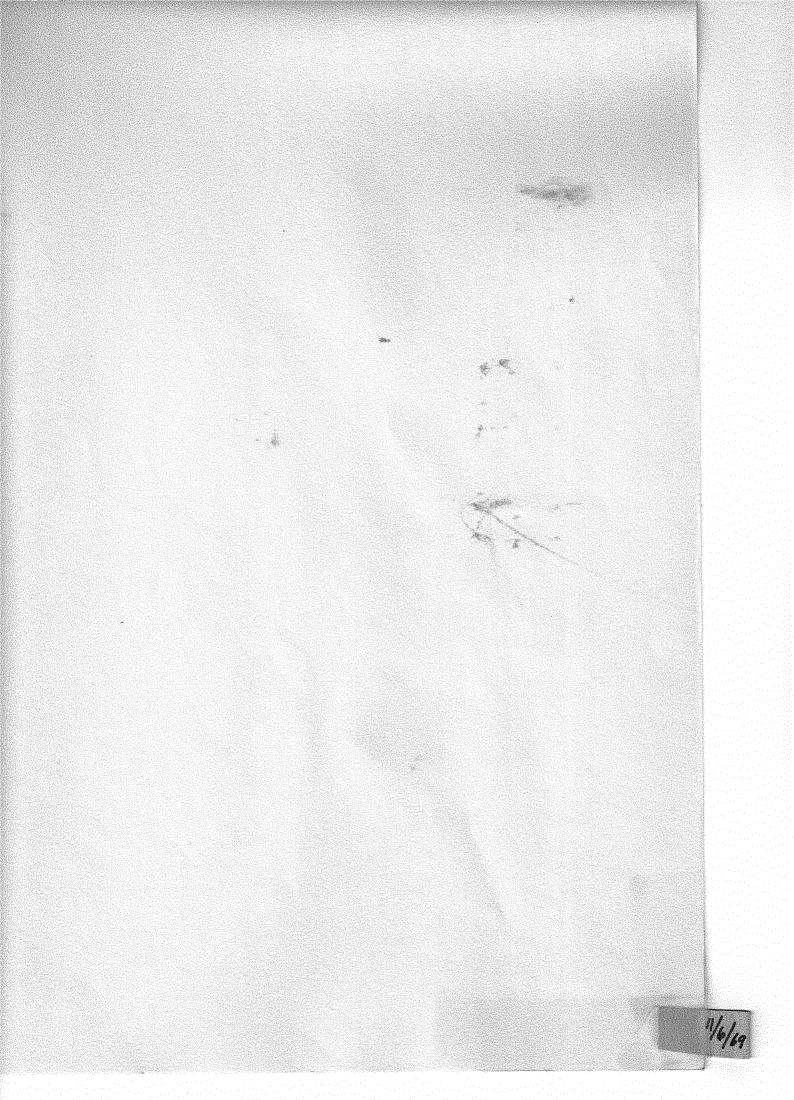
In connection with that, there is one bright spot. The next time you see a California Highway Patrolman take a second look -- you might even give him a friendly wave. Their association has just notified me that the California Highway Patrol is pledged to protect the people of California and nothing will prevent them from fulfilling that pledge.

I hope that I have been able to give you a few of the things that make all that you have done worthwhile -- all of your service, all that you have contributed and sacrificed.

Just one last thing in closing. I told you about some of the governors coming up to me at the Governors Conference and talking about some of the things I mentioned. Well, you will remember how torn with dissention our party was just a few years ago... here in this State. One of the most frequent questions my fellow Republican governors ask of me is "How can we get the party in our state to work together and to be as unified as the Republican Party seems to be in California?"

You just keep them asking that question because I don't mind answering that question one bit.

Thank you.



Thursday, November 6th, 1969

#### SPEECH BY GOVERNOR RONALD REAGAN

to

THE INSTITUTE OF DIRECTORS
"The New Noblesse Oblige"

Your Excellency, My Lords, Ladies and Gentlemen, you honor me and that honor is only increased by the sober realization that today marks the first time an American has addressed this most prestigious forum. My pleasure is not lessened in the slightest by the suspicion that your invitation was prompted at least in part by curiosity. It isn't every day that someone who has been riding off into the sunset for 25 years with "the end" superimposed on his back, turns up on the State House steps with something he calls a "Creative Society".

For a number of years I have been speaking out against what has seemed to me to be an inexorable march by government, an encroachment on, usurpation of, rights traditionally held to be the proper possession of the people.

Now I am a part of government and I am even more concerned.

Let it be made perfectly clear that I am discussing government as an institution -not any particular government -- and as an institution government has never voluntarily
reduced itself in size. A government agency or bureau is the nearest thing to eternal
life we will ever see on this earth. Some who have been in government a long time as
part of the permanent structure seem to develop what Cicero called "the arrogance of
officialdom".

In almost three years in government I have learned at first-hand how savage can be cheir resistance to any attempt to reduce the size and power of government. But, as Sir Winston Churchill once said, "Nothing in life is so exhilarating as to be shot at without result". I have also learned that the size and power of government can be

reduced -- and the reduction will be hailed by the people, for men want to be free. They do not wear comfortably the feeling that their voices echo unheard and unheeded in the vast and multitudinous halls of government.

The prophecies of your Lord Thomas Macaulay 100 years ago have been widely quoted by countless after-dinner speakers. Less quoted is his excellent advice to governments everywhere:

"Our rulers will best promote the improvement of the people by confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by diminishing the price of law, by maintaining peace, by defending property and by observing strict economy in every department of the state. Let government do this and the people will assuredly do the rest".

History is filled with the stories of men who lusted after power, and yet government can be most menacing when its purposes are beneficient. Often with the noblest of intentions the public servant sincerely seeking to better service the citizenry says, "Oh, how much more I could do for the people if only I had a little more money and a little more authority to do what I can see needs doing". What he does not comprehend is that the price for each pound of blessing he would provide is an ounce of freedom from each one of us.

In some dim beginning man created government for his own convenience and it has been doing its best to become an inconvenience ever since.

One of the legal functions of government is to protect us from each other. We cannot possibly afford the amount of government it would take to protect us from ourselves

For too long a time now, outside of an occasional campaign contribution, business\_\_\_\_\_\_has held itself aloof from politics. Unfortunately, politics has not held itself aloof from business. Businessmen work to reduce overhead or speed up production, hoping to increase the margin of profit by a fraction of a penny. But one adverse decision by

government, one slight alteration in the tax laws, can wipe out the gains and cause changes in management policy and practise.

When in spite of this, business prospers, government claims credit for its handling of the economy and announces success is due to its wise regulations.

Actually the fact that business has been able to survive the harassment and nitpicking down through the decades is simply proof of the virility of the free enterprise system.

But there is a limit. Even the giant Gulliver was rendered helpless, bound not by chains but by tiny threads until at last the fine threads proved too much for him. Politics is too important to be left to politicians. Some years ago business in my country was under attack by the Bureau of Internal Revenue. Specifically the Bureau was issuing new regulations regarding tax deductibility for such legitimate expenses as travel, entertainment for business purposes as well as gifts to employees.

Business leaders sat down with government as if at a bargaining table negotiating a contract. Should an expense account provide for filet mignon or only the "blue plate special"? Should an employee receive a \$25 or \$35 gift? Actually the issue was one of fundamental principle. Government was usurping the privilege of management while assuming none of the responsibility. In my opinion there should have been no bargaining. Business should have said to government, "As long as we are spending the money in the legitimate expectation of making a profit, how much we spend is none of the government's business".

Ludwig Van Mises, the economist, listening to the directors of several major corporations argue whether the ceiling on the corporation tax should be 35 or 52% said, "they were like a group of Frenchmen during the revolution arguing who should be first at the guillotine".

I have no way of knowing at this moment, or of rapidly computing, the power, the amount of capital, the number of employees -- or the social and economic impact -- of all the companies represented here in this great hall today. But I do know that

many of your firms bear pround names and produce products which were known in my country to my father and to his father and they are now known to my son. Your firm may have the word "Limited" after its name instead of "Incorporated", but that does not alter the fact that you as businessmen must take an active part in the affairs of state. To sit back hoping that some day, some way, someone will make things right is to go on feeding the crocodile hoping he will eat you last -- but eat you he will. The time has come for a new noblesse oblige. A putting into action and deed is the philosophy that has caused us to meet here. Do we believe in capital finding its most lucrative course, commodities their fair price, industry and intelligence their neward? Do we truly believe that outside of its legitimate functions government can do nothing as well or as efficiently as the private sector? Mark well, I said -- outside of its legitimate functions which are its proper province.

But for many years it has been my belief that government could benefit by the common sense practises of business -- that a society can only be as great as its people are willing to make it. No government can possibly afford the personnel to even approach the genius and power of the private sector. If government had men capable of running your businesses you would hire them away.

It is time for business to recognize its obligation to participate in public affairs. This means more than just campaign contributions and attendance at political rallies. It means offering government the expertise and management skill of the private sector. It means lending your best manpower to government, not your cast-offs. Government by second rate men will be second rate government.

California has been called a microcosm of our nation, its 20 million population matching the diversity in ethnic and racial groups as well as the economic variations.

As an economic entity it ranks sixth among the nations of the world.

For eight years prior to our Administration, the government of California had been

a little brother to big brother in Washington. When Washington sneezed the "Gesundheit" was heard in Sacramento. The number of government employees had been increasing more than twice as fast as the increase in population -- which is considerable as the trend of western migration continues.

The state was spending more than a million dollars a day over and above revenues and in those first few months after taking office it seemed that each new day brought new and horrifying discoveries.

Among my campaign promises was one to turn to the people for help instead of building a government in the time honoured tradition of rewarding party hacks and political hangers on. There are those opponents today who charge my administration is business oriented. If they mean that special privilege is granted to some segment of our society, they are of course wrong. But if they mean we have turned to the people and to the business community for help in bringing common sense practises of business into government, they are absolutely right.

In the weeks preceeding my inauguration I asked the leading citizens in business, industry and the professions to form a committee -- not to screen applicants for jobs but to recruit, to find the kind of men who were not seeking government careers, men who would give a pound out of their lives in public service and who would not build a civil service empire, men who would be the first to tell us if a government agency or functions was unnecessary. Indeed that is just what one bright young executive from the aero-space industry did. He dismantled the commission he had taken over and in four months resigned. No one has missed the commission or even noticed its demise.

But I am getting ahead of my story. This committee was knowledgeable, as I know you are knowledgeable, about where to find talent in the world of commerce. They twisted employers' arms to obtain release of promising young men even if it was only for a year or two. In some cases they delivered prematurely retired men who were

not resigned to going on the shelf. Some took jobs in our administration at salaries a third or half of their regular incomes.

They approached their jobs much as if they were involved in a merger or take-over of a newly acquired business -- in this case a nearly bankrupt business.

We put a freeze on hiring replacements for those who left government service or retired. It is now about three years later and our Department of Public Works is handling a 25% work-load increase with only a 1% increase in employees. In our Department of Motor Vehicles, the work-load has gone up 30% with no increase in workers and drivers licenses are being processed in 10 days instead of the 39 which had been standard procedure. By the previous growth rate we should now have added 15,000 employees -- we actually have increased only 657, yet our population has increased more than a million.

In those first few months we invited the leadership of California's business community to lunch one day -- several hundred of them. We asked them to lend us their expertise for a period of several months. They volunteered without reservation. Some 250 men and women, the best in their fields, were organized into task forces based on their specialities. They went into every department and agency of government to see where modern business practices could be put to work for government. For example, the heads of our hotel chains went into our prisons and state institutions -- not to tell wardens how to run a prison but to see how the kitchens were being run and how supplies were being purchased.

All in all these citizens gave about six months full time away from their own areas and finally handed us 1560 specific recommendations. We have implemented \$75 and are proceeding with the rest as fast as possible.

One recommendation revealed that government had never applied the common practise of allocating floor space on a basis of how many square feet are required per employee for those doing similar kinds of work. We applied this standard to

state government and discovered we were able to tear up the contracts for a 10-story  $$4\frac{1}{2}$$  million building slated for immediate construction. We have now reduced the total office space required for government by 22%.

The task forces found our employees had a streak of tourist in them, travelling out of state constantly and at great expense, always on business. We did not exactly put a freeze on that -- we just told them they would have to come in and tell us where they were going and why. That reduced the out of state travel budget 78%.

Things that were routine and common sense practises in the business world were startling and revolutionary to government. In fact just the application of common sense to government caused traumatic shocks. We sent out notices of automobile license renewals a month ahead of time. That was not really a discovery of some new efficiency -- we had learned that Washington was increasing the postage rates and we saved \$100,000 on stamps by mailing early.

Being totally inexperienced, I did not know all the things government could not do so we went ahead consolidating files, centralizing purchasing functions and instituting competitive bidding instead of negotiating contracts. A few weeks ago the Comptroller General of the United States told Congress that California was buying identical items Washington was buying and California was paying from 36 to 42% less. These ranged from automobiles to typewriter ribbons. We save \$250 on each auto purchased. Not all of the savings were in the million dollar class. My office was stacked with stationery bearing the State Seal and my predecessor's name. One day workmen came in to cart it off for burning. It seemed to me there must be a certain amount of inter-office correspondence where we could ignore formality and use this writing paper. So the girls simply started crossing out his name and typing in mine. You know, I got a certain degree of pleasure out of that.

In our state the heavy population is centered in the southern half which is largelý desert. California's water is in the north in rivers and rushing mountain torrents. A gigantic water moving project was started some years ago building lakes

and canals to carry water from north to south. In one area where a canal was to be built the state was out buying land on which to dump the millions of tons of excavated dirt. In the same area our highway builders were seeking land from which they could take millions of tons of earth fill for a major highway. It did not take a genius to figure out that if the highway paralleled the canal and went first it could excavate the canal and get its dirt at the same time. From this came additional benefits -- as they progressed south they shared repair and storage facilities and even office space could be shared for a savings to both projects.

The lakes we are creating are multiple purpose and provide recreation as well as water storage. Not believing the state should be in competition with the resort business we are contracting the private developers on a lease basis to construct and run resort hotels, camp grounds and recreational facilities.

Many of our citizens are given to camping and each summer arrive at our state parks with tents and trailers anticipating a few days or weeks in the wilderness. For years the newspapers have carried stories of those who arrive late and spend their holidays on the highways in a fruitless search for a park that is not packed to capacity. Two years ago we instituted a system of taking advance reservations through the winter months. Now this has been computerized and people can go into department stores or banks and make reservations in a matter of seconds for the park of their choice. Our highway construction is totally financed by a tax on motor fuel. Today we are building \$382 million worth of highways over and above scheduled construction, all with money that was formerly spent on administrative overhead. Task force recommendations, and the skill of our own appointees, did this by cutting through bureaucracy and red tape.

I could go on enumerating all the areas where modern technology and management skill have brought savings and efficiencies -- but not in the allotted time. Let me just say that the task force recommendations alone have reduced the cost of state government \$187 million a year. Another \$24 million has been saved in the elimination

of buildings and facilities we do not have to build. We have not quite reached the point where we can offer our people a permanent tax reduction, but this year we are returning \$225 million directly to the taxpayers as a one-time rebate -- a kind of bonus.

There was some opposition to this on the part of spendthrift legislators who had ideas for using the money. Buttpeople have ideas too. Other than necessary working capital, government has no right to build or keep a surplus. For too long a time governments have not taxed to get the money they need, they have always needed the money they get. In two years, California has moved from ninth lowest among the states in cost of government in proportion of population to fifth lowest and our goal is number one. We have started a prairie fire. More than a dozen states are now calling on citizen task forces and the new administration in Washington has taken a score of our people for assignments there.

So far I have talked only of saving and economies. Government does have legitimate functions and in our case these too have benefited from the application of common sense and business techniques.

You will perhaps recall the catalytic upheaval a few years ago in an area of Los Angeles known as Watts, a community marked by poverty and unemployment. A businessman practising what must be recognized as "noblesse oblige" organised his fellow industrialists in a programme of jobs and job training. After the election I asked him to do this on a state-wide basis. There are now over 20,000 employees engaged in this programme and unemployment in California dropped to its lowest point in fifteen years.

Last year we went from eleventh among the states to second in the rehabilitation and employment of the physically handicapped.

In a partnership between government and the private sector we have a state-wide anti-drug programme financed, incidentally, by voluntary contributions.

Highway fatalities in the United States are increasing at an annual rate of 5% -in California they are decreasing. We have pioneered in highway design and the
development of "soft hardware" -- our term for road signs, posts and pillars that give
way on impact. It is easier to replace a post than a driver.

Our state crime information computer has been linked to Washington and to our principle cities -- the first such hook-up in our nation's history.

In the coming year we will offer to the people a revolutionary overhaul of our entire state tax system. A reform which will seek to tie taxes to our free enterprise system so they will expand as our economy expands without having to come back every other year for a change in rates. Here too we enlisted the aid of our people because much of what we will propose came from the findings of two separate citizen task forces.

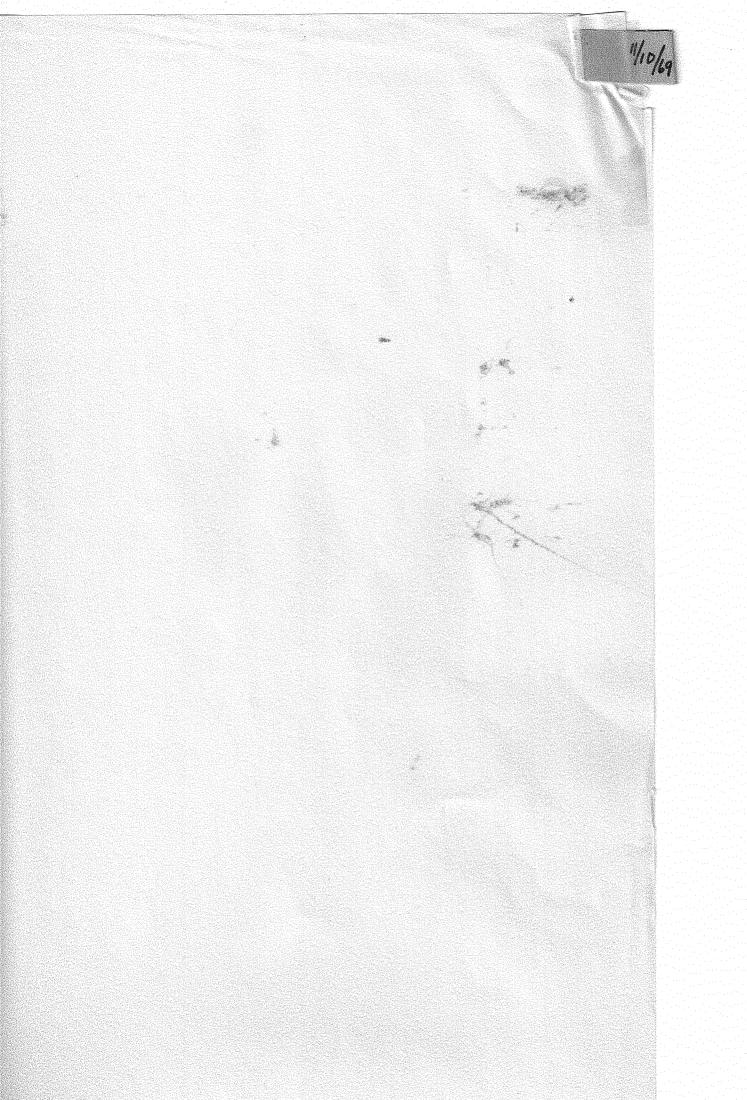
Many of our young men have returned to their careers in business and the professions more valuable to themselves and to their employers. They have been replaced by others, for industry in California has learned the value of this new noblesse oblige.

Gentlemen, it is as simple as this: If we will not share our best with government, then government will be staffed by our worst. If we will not energetically seek to people government with those who believe in the freedom of the market place, we run the risk of being governed by those lacking both knowledge and confidence in free institutions. They do not fear government or government power -- they are government.

We can no longer afford to say to the young men in business do not seek public office, do not get involved in community affairs. Rather, we must urge them to do so and assure them they will lose no seniority or opportunity when they return to the company just as we have said this in the past to those who have fought on our behalf in our wars.

It has been said that if we lose this way of ours, this way of freedom, history will record with the greatest astonishment that those who had the most to lose did the least to prevent its happening.

There is concern world-wide over the seeming rebellion of youth. They are irreverent to say the least with regard to our traditions and our values. Yet if one listens there is a cry for help in their angry protest for they are idealistic. They want to help build a better world and they look for their reward not just in a pay check but in terms of self-accomplishment, service and dignity. What a driving power for free enterprise if we will provide the springboard for the future they are seeking. If we do not they may one day ask "Where were we when freedom was lost? What had we found that seemed more important to us than freedom?"



OFFICE OF THE GOVERNOR RELEASE: NOON, MONDAY
Sacramento, California November 10, 1969
Contact: Paul Beck
445-4571

EXCERPTS OF REMARKS BY GOVERNOR RONALD REAGAN BRITISH NATIONAL EXPORT COUNCIL November 10, 1969, London, England

We welcome the British Trade Drive which starts in California next year. May I cite some statistics about our state--not in a Madison Avenue manner or to sound boastful but because they have a bearing on the subject that brings us together.

Californians, as an average, have the highest purchasing power in the world; the market is one of the most dynamic in the United States. Our people look for the new, the innovative, the stylish and even the bold.

We are, basically, a consumer-state which should be important to your trade ambitions; in 1966, import valued at \$2.2 billion came through our California Customs Districts.

As an economic entity California ranks <u>sixth</u> in the world.

Out ranked only by your country, our own, West Germany, France and

Japan. Our export-import trade is greater than that of 118 nations in the world.

Your British products have had an excellent reception in California--because our people are appreciative of quality, and delivery dates, excellence of design and fabrication and lasting value.

The success of your Trade Drive should be proportionate to the deep reservoir of goodwill our people hold for you and your nation. There is no reticence at all in buying products "Made in Britain." As a matter of fact, there is a desire to buy British goods and in this regard, you have an advantage over the other nations of the free world.

We have discussed all of these facets of the 1970 Trade Drive with Lord Mancroft and his staff and they are fully aware of the potentials and the requirements for success.

Obviously, we in California realize that trade is a two-way buy street and that the British can hardly be expected to/ products made in California unless our people purchase products made in Great Britain. The value of foreign trade is not to be underestimated in California; more than 100,000 manufacturing jobs (four percent of our total labor force) result from our export trade. We are eager to strengthen—and broaden—that two way street.

A relatively new phenomenon—on the world trade scene is the <u>international corporation</u>. Many with their home base in California, have been able to increase productive capacity, provide employment, and—in some cases—raise the standard of living for the residents in those countries where they are doing business.

Of course there are those who would picture these international corporations as tools of imperialism, exploiting the underdeveloped countries. These are people who can not see a fat man standing beside a thin one without assuming the fat man got that way by taking advantage of the thin man. However, they have been foremost in making more effective use of the world's economic resources and in meeting the ever increasing demands of the developing countries for minerals and other raw materials to feed their manufacturing plants.

In international economics it has been demonstrated that one nation can raise its own standard of living by helping to raise the standard of living of the trading partner. This common sense is often denied, or decried, by those who are not capable of competing in the world markets, or who have other designs.

In the world of economics, we must distinguish between growth, and development. Growth without parallel—or even anticipatory—development can lead to serious problems, even chaos. A 50 percent increase in the gross national product of a country is not very much if the population has more than doubled during the same period.

California is a prime example. Since 1945—the end of World War II—our population has increased from 9,344,000 to 19,782,000—more than 111 percent. If our gross state product had simply grown by the same percentage, we would not have had an increase in our standard of living. As it is, our gross state product increased from just under \$20 billion to \$94.6 billion or 376 percent during the same period. This has been brought about by surging economic development—new products, new demands, new techniques—many of which have not only met, but created, new markets and new jobs and new directions for ever—new jobs and products.

This recognition of, and ability to create, economic development through corporate enterprise can play a very constructive role in the ascendany of industrially backward countries—because of capital investment, and most importantly because of technical and managerial expertise. And, the development of those nations would be of benefit to all concerned—to the emerging nation and to the rest of the free world community.

Many of the emerging countries fail to realize that the developed country-whether it is Great Britain or the United States, whether it is European, American or Asian, once had to go through the developmental stage. And, what it is offering in essence, is an economic and social <u>leap</u> through time. This <u>leap</u> symbiotic in its benefits—is essential if we are to maintain some semblance of tranquility and progress on the world fronts.

As citizens of an international business community, it is our task to help our counterparts in the developing nations comprehend the mutuality of benefits and to create an atmosphere conductive to economic vitality at the same time that an understandable and desirable measure of nationalism prevails for each of the parties concerned.

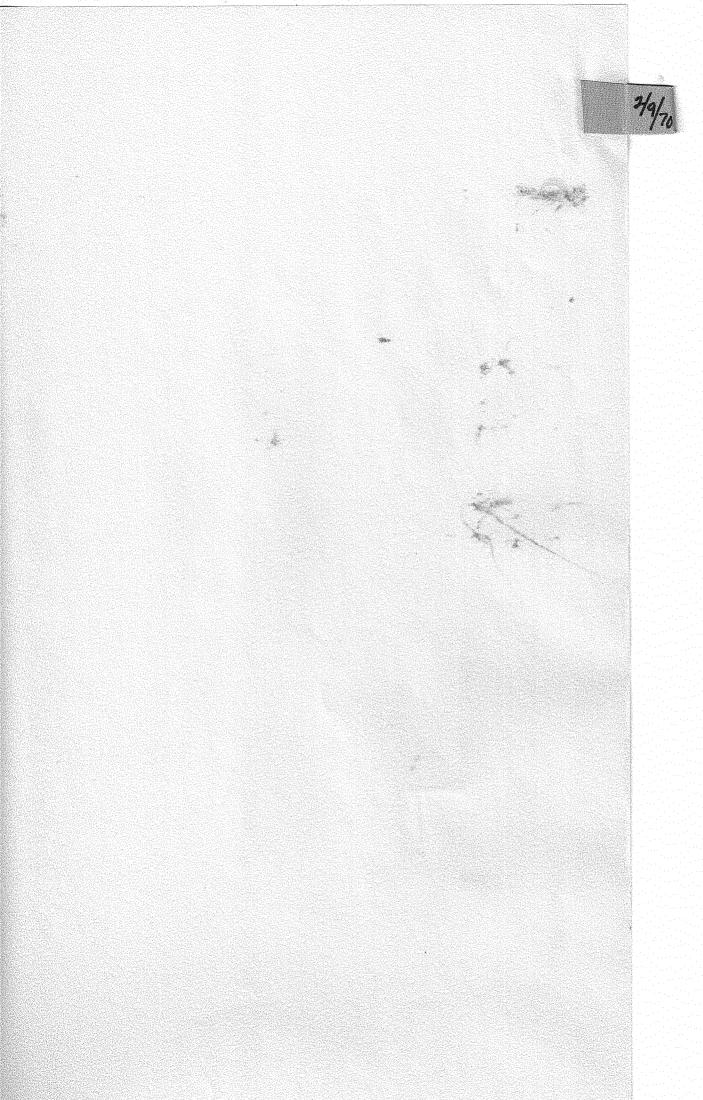
I believe that free enterprise and free trade between nations of free men is vital to the onward march of the world in which we believe. Next year you will be involved in the British Trade Drive in California. We have met with Lord Mancroft, the British Consul General in San Francisco, as I said a few minutes ago, and we are delighted with the plans and intend to cooperate in every proper way.

The basic goodwill which exists in California for the British and Britain should provide the potential of a successful drive. I need not tell you that for years California has been one of your best American markets—although I am surprised that you have not retaliated for some of the films we have sent your way over the years. But then I listen to some records our young people play on their phonograph and it is possible you have gotten even.

But this trade between free men--and the hoped for expansion of trade both ways in the years to come--will persist only if we first have free men, in a free world. We hold in common more than blood lines, more than a language. We hold a mutual belief in the divine nature of man and we are, as your John Donne once wrote, involved in mankind--as nations, and as individuals. We have much in common-not least is our heritage of freedom.

"The British Empire and the United States will have to be somewhat mixed up together in some of their affairs for mutual and general advantage. For my own part, looking out upon the future, I do not view the process with any misgivings. I could not stop it if I wished; no one can stop it. Like the Mississippi it just keeps rolling along. Let it roll. Let it roll on full flood...inexorable, irresistible, benignant, to broader lands and better days."





Excerpt of Remarks by GOVERNOR RONALD REAGAN

Pepperdine College Los Angeles, California February 9, 1970

I have been deeply disturbed by a quotation by Dr. James Conant of Harvard. He is quoted as saying that the greater the proportion of our youth who attend private schools, the greater the threat to our democratic unity. I hope that he was quoted out of context and that he had some other meaning than the one that seemed so obvious in these words, using the term "private" to mean all the independent schools. I say that it is absolutely essential to the total education system of this nation that we have the independent colleges: they serve as an educational whetstone; they help to home the educational process; they force the public system to compete in a drive for excellence. Indeed, by that very competition, they help preserve the public institution from political interference and guarantee to it a measure of academic freedom the public university or college could not attain without a school such as this. The independent colleges and universities educate about 25 percent of all the graduate and four-year undergraduate students in California. The small colleges produce leadership for America out of proportion to their size.

It is for this reason that I believe the federal government should grant tax credit, not deductions, but credits, for at least a portion of the tuition fees that are paid by parents as they send their sons and daughters to college.

I think we should seriously explore the possibility of extending federal aid—not through bureaucracy at the risk of violating our traditional separation of church and state—but again in the spirit of competition by granting tax credits for contributions to schools and colleges within a prescribed limit as to the overall amount.

This was suggested some years ago by a group of college presidents. They were disturbed and alarmed by the threat to academic freedom inherent in the large federal grants that were beginning to be doled out so regularly to many of our public schools. They journeyed to Washington, these sincere men. They presented their case and for days they argued with the Director of Education and the Department of Health, Education and Welfare. Over and over again they asked "Why wouldn't this system work?" And finally, the Director of Education repudiated their suggestion with these words: "You don't understand: under such a plan, we couldn't achieve our social objectives." And, you wonder.

I doubt if anyone would interpret his refusal as anything but a declaration that the government intended to use those federal grants precisely to influence the course of higher education in this country. That is intolerable political interference with academic freedom.

The private sector and the business community can make no greater investment in freedom than their contributions to the independent colleges and schools of this country. They might be able to curb the growth and expansion of some of the public institutions at much lower cost to themselves as taxpayers.

Right today, if California had to assume the responsibility and the burden carried by the independent colleges, it would cost the taxpayers an additional \$200 million a year, just in operating expenses—over and above the \$677 million we spend now. And the plant facilities—the capital outlay—would take \$1.5 billion.

Right today, if given adequate funds, the independent colleges of this country could take between a quarter and a half million more students without adding a single classroom or enlarging their physical facilities by even so much as a chair. The real winner would be our way of life.

I know it is something of a cliche to draw a parallel between the rise and fall of Rome and the course of our own Republic. Certainly this is true in academic circles. And yet, the parallel is there in such detail that it is frightening...almost eerie.

It has been pointed out that the days of a democracy are numbered once the belly takes command of the head. When the less affluent feel the urge to break a commandment and begin to covet that which their more affluent neighbors possess, they are tempted to use their votes to obtain instant satisfaction. Then equal opportunity at the starting line becomes an extended guarantee of a tie at the end of the race and under the euphemism "the greatest good for the greatest number" we move toward a managed economy and we mortgage the earnings of generations yet unborn.

Demonstrations to force colleges to divorce themselves from participating in the defense of the nation take place. We've known riots in our streets. We no longer walk the countryside or the city streets without fear.

The jungle seems to be closing in on this little plot we have been trying to civilize for 5,000 years and all of us, I know, are disturbed at the virus that infected the campus during recent years.

No doubt we could all top each other with frightening and unbelievable stories. One day on one of our campuses, I listened to a tape recording of a so-called student meeting where they were planning a campus disruption. Explicit directions were given on how to start fires in college buildings. Subsequently, there were 50 fires started in those buildings in one day.

Continuing to listen, they outlined where the pickets would go and how they would parade and what they would do and how they would take over the college. We actually heard a voice say: "If, in the process, it becomes necessary to kill, you will kill."

We were gripped with an overwhelming sense of unreality.

Unreality that it is happening at all. But, even more frightening is how close we have come to accepting it as a normal way of life.

Dr. Spock's babies have grown up, which is probably more than we can say for the doctor.

Just about one month ago, in my annual State of the State message to the California Legislature, I noted that our young people are also critical of what they call "the establishment."

Frankly, here too, I think, they have much to be critical about. There is a certain validity to many of the points they raise.

But, in their 'exuberance and their impatience to build a better world, they have at times allowed themselves to be misled into excessive and premature actions by those who have taken advantage of their concern.

Now, I believe, they are wiser to the ways of the zealots, including some of their own teachers, who have used them for non-constructive, alien purposes.

Many of/young people talk about greater participation in our American democracy. When asked about their plans for the future, they say they want to serve—--to become, as they put it, "meaningfully involved."

Well, meaningful involvement is the very heart of the Creative Society. It's exactly what we mean when we say that government should be of and by as well as for the people; that no government and no government program can ever do away with the need for individual participation.

If young people are looking for action—constructive action which can give spirit and uplift to the decade of the seventies—and make it a benchmark in man's search for a better world—they can find it by working within the system...reforming it, improving it, making it more responsive to the citizens and the needs of the future.

Part of this preparation and participation must begin on the campus and in the mind. Meaningful participation, by its very nature, must have a modicum of wisdom as well as idealism and enthusiasm.

Is it possible that even among student radicals, their protests are in reality a cry for help?

I've told some of you, I'm sure, about an experience I had participating in a lecture series at a large Midwestern university. It was held in the fieldhouse with 4,000 adults and 10,000 students in attendance.

Most of the adults expressed concern that our young people were rebelling against the moral standards and the principles we have tried to teach them all of their lives.

In my answer, I expressed a belief that they weren't so much rebelling against the standards and the principles. They were rebelling because they don't believe that we are living up to those standards and principles.

There was a second of silence, and then 10,000 young people came to their feet with a roar I shall never forget.

Have they lost faith in the rules, or have they lost faith in us?

Where were we when God was expelled from the classroom? If we believed, why didn't we fight back?

As the country parson once said, "The fellow who left the gate open is only slightly more guilty than the one who saw it open and didn't close it."

I suppose what I am really calling for is the old-fashioned custom of bearing witness. It is so much more powerful than mere sermonizing. It is time to bear witness not alone as individuals, but also for our institutions.

The U.S. Department of Education did a survey of 68 campuses involving 7,500 faculty....the question—what is the obligation of the university?...the answer—to protect academic freedom of the faculty. What about teaching? Where is our obligation to our students? In our quest for academic excellence, have we lost sight of its primary purpose?

It is time perhaps to reorder our priorities. The doctrine of publish or perish should give way to prestige based on the ability to teach.

We should reward qualified young men and women we send out into the world as the end product of our educational effort. No one at all and certainly no one in my present position would deny the great value of our public universities and colleges. But let no one carelessly dismiss the obligation to independent colleges and universities which are so much a part of the educational tapestry of America. Without them, that tapestry would soon become a fabric of great monotony and little color.

You have done me a gfeat honor. I doubt that you have added luster to your own scholastic prestige. You may even find your-selves looking forward to the time when the mantle of old age will make you more acceptable among your peers. Take heart, one ages faster in Sacramento.



Pre

Excerpts of Remarks by Governor Ronald Reagan LINCOLN DAY FUND RAISER Sacramento, California

February 12, 1970

This being an election year, there are those who will say that we should play it cozy...that things are going along fine and that we shouldn't do anything to rock the boat...that politics being what it is, we should go along with the game -- pick up votes where we have to with pork barrels and gimmicks.

Well, that's not what the Republican effort is all about ... it's not what the people want ... and, it's not why I ran for office.

We work in the precincts, we work to build our party and our State, and we work for our ideals and our principles, because we want to make a difference and to get things done.

With your help, I came to Sacramento to do a job. We've been working at the job for just a little over three years. And, just because this is an election year is no reason for slowing down. There are too many things that need doing -- this is no time for politics as usual.

Just about one month ago, I addressed a joint session of the Legislature. I'd like to repeat to you what I think were the most important words in that talk:

"Now and then people in a particular moment of time are called on to rise above the norm. Their chosen representatives, elevated from politics to statesmanship, make land-mark decisions -- and men, for decades to come, hark back to those decisions and are guided in their deliberations.

"I believe we are met in such a moment of time -- a moment when we should be more concerned with the next generation than the next

## election."

We are met in such a moment in Sacramento.

4600

Paraphrasing Mr. Lincoln -- the dogmas of the recent past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion.

"We -- even we here -- hold the power and bear the responsibility .
We shall nobly save or meanly lose the last, best hope of earth."

We will not do this by being cozy, or by engaging in politics as usual.

It would have been a lot more cozy for us not to tackle tax reform this year. It's a controversial matter and strictly political observers always say that you never get into tough battles in an election year; that you wait until just after an election so that the sound and the fury can die down and there is time to smooth the ruffled feathers on the goose that lays the taxable eggs.

Well, maybe that is what the politicians would do -- but, we've all worked hard to keep from being politicians in the past three years, and ... the people of California can't wait on politics. They need tax reform -- and they need it this year.

The tax reform package we presented last week is a good package. It will be the first real tax reform this State has had in more than 30 years. And, any individual -- any politician -- who tries to stymie this reform in an attempt to serve partisan interests or personal advantage does so at his peril and, I believe, to his eventual regret. The taxpayer is no longer so inclined to grin and bear such peccadillos; they expect more from their representatives.

For the vast majority of homeowners, the reform we propose will mean a cut in their property taxes of anywhere from 20 to 40 percent. For many in the lower and lower-middle income groups, it can mean the difference between keeping or selling their home, buying or not buying

a home. For every renter who files a state income tax return, it will mean a \$50 credit against those taxes. If his state income tax is less than \$50 -- the entire tax will be forgiven.

And, this tax reform program includes a special school equalization program which will produce additional funds for about 80 percent of the school districts. It will take the first \$2.05 in the existing school tax and place it equally behind all the school children in California. This is a redirection of existing revenues into an equal educational opportunity program for all of our children...a reform that has long been called for, a reform that has been a long time in coming. Now, the opportunity is here to break the chains of the antiquated and inadequate school financing system which for many years has been tied to the property taxpayer in such a way that both have suffered.

The tax reform program will also help the counties get a better handle on the rising costs of welfare -- and, at the same time, provide some relief on that part of the property tax used to pay the costs of those welfare programs.

We are also calling for a permanent reduction to 50 percent of the business inventory tax which, for years, has been putting California business at a disadvantage -- and working an especial hardship on the smaller businessman. At this time, as we phase into a more diversified and balanced industrial base, it is essential to provide this tax relief for both the free enterprise private sector and the thousands upon thousands of men and women who will be looking for a good job.

To pay for these tax cuts, we have proposed some tax shifts which, we feel, will make our tax system more equitable and more elastic:

- an increase of one cent on the state sales tax,
- a new rate bracket on the personal income tax for those filing joint returns of \$32,000 taxable income.

- an equitable adjustment of the capital gains tax,
- an increase of one-half of one percent on the bank and corporations tax, and
- a minimum income tax to close the loopholes on those, at the higher income levels, who now pay no income tax at all.

Now, I'm sure you're waiting for me to mention that one other source of revenue we needed to help finance property tax relief. And, I'm sure that many of you are unhappy about the decision I made.

Well, turn yourselves inside out -- put yourselves through a wringer, walk barefoot on hot coals -- and you'll feel almost half as bad as I do.

That sound you hear is the concrete still breaking away from my feet and my situation is just about the same as that of General Armstro Custer at the battle of the Little Big Horn when he uttered those immortal words, "take no prisoners".

I am still philosophically opposed to withholding -- as I've always been.

I could say to you that the public opinion polls show that the majority who last year opposed withholding have become a minority and that I was bowing to the will of the people; but, to use that as a justification for my decision would just be rationalizing.

The cold, hard truth is that the financial facts and my fiscal responsibility to the people of this State forced me to give in.

Very simply, because of California's increasing reliance on the income tax as a source of revenue, there is a greater and greater "cash-gap" -- a cash-flow shortage -- during the months of January and April. During this four-month period the State runs short of cash and has to borrow to keep up with the bills. This situation will become even tighter during the years ahead, and our need to borrow would be even greater -- greater than the amount of borrowable

money from special funds unless we liquidated our permanent investments

As a matter of fact, the way things are, in three years, the cash

flow shortage would exceed our borrowing capacity -- including the

revenue from those liquid investments.

A 10 percent income tax increase, across the board, would give us the revenue we needed to make up for the reductions in the property tax -- but, it would do nothing to even out the State's monthly income and solve the cash flow problem. Withholding will not only help to fund the cut in property taxes -- it will help solve our cash flow problem.

I could not, in clear conscience, choose my personal philosophy over my clear and constitutional obligation to preserve the fiscal integrity of the State. That is why I made my decision.

If our proposal is approved by the Legislature, there will be a one-time "windfall" in the year of transition -- of about \$450 million. That entire windfall will be returned to the taxpayers. In April of 1971, each taxpayer would deduct somewhere in the neighborhood of 40 percent of his income tax to receive his share of that windfall.

There are two major, <u>all-important differences</u> between my reluctan endorsement of withholding -- and the eager calculations of those who have drooted over the prospects of withholding in past years.

They would have kept the windfall and used it to increase state spending; this would have been, in fact, a back-door tax increase. We have committed ourselves to returning that windfall to the taxpayer -- and that, in effect, is a tax rebate.

An essential part of the tax reform proposal is our request for accompanying legislation to require a two-thirds majority vote in the legislature for any future tax increase. This would protect us from any subtle and insidious tax increase once withholding was in effect.

Now, it is irresponsible to talk about taxes, and tax reform, unless we also concern ourselves with ways to reduce government spending. As I have said, repeatedly, nothing is more important right nothing the cost of government wherever possible.

In those departments directly administered by my appointees, and on the basis of per capita costs in constant dollars, we have managed to <u>reduce</u> expenditures by 4.7 percent since 1967.

This year we have managed to come up with a "hold-the-line" budget for fiscal 1970-71. It is the tightest California budget in many years and, it includes \$316 million for tax relief ... an increase of \$75 million over the amount budgeted for this past year.

Overall, the budget is about one percent less than what we expect to spend this year.

To keep the expenditures within the anticipated revenues we have had to cut back on some programs and we have had to delay others.

There is no question that in some of those areas we would have preferred to maintain or expand certain programs. But, we had no choice — there is just so much money and it can only be spent once. It was either cut spending or increase taxes — and that's no choice at all.

It is almost humorous to watch the tortures and the torments of those who -- on the one hand -- complain because the budget is so high and -- on the other hand -- cry because it does not allocate all the money they want for their pet programs. They have not yet learned or refuse to accept -- that government's money is the taxpayer's money once removed ... and that there just ain't no free lunch.

One of the largest items -- and one of the largest cost increases in the budget is the total amount spent for social welfare and health care services (Medi-Cal). Together, these two items demand more the \$1' billion of your tax money. And, that does not include your money which is spent on these programs at the federal and local levels.

The cost of welfare to the California state taxpayer has increased 59 percent in the past three years; Medi-Cal has gone up 90 percent. These costs are rising at three times the increase in annual revenues. If we had increased taxes to keep up with the increase in these costs, we would have had to ask you for \$466 million more. Instead, we have managed to pay these increased costs through savings in various areas and through some increase in revenues due to an expanded and inflated economy. This year alone we have cut the costs in the administration of these programs — those parts of welfare and Medi-Cal over which the executive branch has control — by \$56 million. But, we cannot make the cuts and make the progress which must be made here unless and until the laws — both federal and state — are changed.

Here in Sacramento County, the chief administrator has been forced to halt construction projects, stop hiring, and to fire personnel, because of an unanticipated rise in welfare costs. He said that unless the spiralling costs were controlled, the county would be in the red by next June and he blamed the recent Supreme Court decision on striking down the one-year residency requirements as one reason for the increased costs. He emphasized that his actions were taken only after it became apparent that other departments could not come up with enough cuts to pay for the increased welfare costs.

If we are to meet the pressing demands in such areas as education, the attack against air and water pollution, the modernization of our correctional institutions, the creation of additional parks and recreational facilities, the fight against crime and narcotics — we must have a complete reform of our welfare system. Not just a tightening of administrative procedures, we're doing that; but, a real reform of the basic approach and basic philosophy involved.

Government has been fighting the war against poverty for years and years -- and poverty is winning. For years -- decades -- government has

been increasing the money and the programs, and increasing the problem.

Some months ago the Santa Barbara County Board of Supervisors voted -- five to one -- to stop welfare benefits to five recipients who were living abroad, in foreign countries. Three in England, one in Canada, and one in the Philippines. The county welfare director reported that the monthly welfare checks -- paid for by California taxpayers -- were being delivered to the recipients through international social agencies.

The county counsel told the supervisors there was some question as to whether they could cut off the welfare payments because

United States Supreme Court had held that we cannot withhold welfare just because the recipient wants to travel.

Recently Representative Edith Green, of Oregon, asked the Library of Congress to compile a list of the total funds a family could receive if it took advantage of all the welfare and assistance programs available.

The Library took two hypothetical cases of mothers receiving aid to families with dependent children: one with four children and one with eight children, ranging in age from pre-school to college.

The smaller family -- with the four children -- could receive an annual tax free income of \$11,513. The larger family -- with eight children -- could receive \$21,093, tax free.

There is something wrong when hundreds of thousands of men and women with families to support toil eight hours a day, five days a week, 12 months a year, and earn less than \$11,000 -- and pay taxes -- while some on welfare can receive the same amount, or more, without having to work a single day.

Bastiat said: "The State is the great fictitious entity by which each one is led to believe that he can exist at the expense of someone else." It's time to recognize that we are all that "someone els

There comes a time when we have to take a stand and say we're not going down the wrong road anymore; when we have to face up to the fact that the whole approach is wrong -- that just because a law has

been on the books for years doesn't make it right ... and that we will no longer put up with the mistakes of the past -- regardless of how well-intentioned they may have been.

During the past three years, we have introduced -- and re-introduced -- legislation to halt some of the abuses, and legislation to relieve the taxpayer of some of these burdens. Time and time these bills have been killed.

It was only after June of last year -- when Bob Wood of Greenfield was elected in a special election -- that we Republicans finally had a slim majority in both houses of the Legislature. By then it was too late to do much in that session about these reforms.

This year we have re-introduced bills that could bring about reforms in welfare and could mean a reduction of some \$130 million. We expect to see some substantive changes made, now that Republicans are finally running the show.

(This, of course, will not protect the taxpayer from the court decisions which, in the past three years, have forced us to spend another \$86 million ... over and above the amounts we had budgeted. Right now there are six cases pending before various courts. If the courts rule as they did in the first six, still another \$316 million a year will be added to the taxpayer's burden.)

The fact that we call for reforms in welfare does not mean that we mean to ignore the needy or the indigent. There is every desire to help the unfortunate, and to care for the aged and the disabled.

The question is not whether the unfortunate should be cared for: the real proper question is "How can we best care for them? How can we best help those who can to help themselves? How can we make sure that those who should get off the welfare rolls and onto payrolls?"

There are great reforms necessary in government today -- those in welfare and health care services are but an example of what must

be done to break through the crust of the bureaucratic status quo ... and we have been chipping away at it for just over three years, now

Everything that we have been working for since the Republican debacle of 1958 is just now coming to be. For the first time this year we started with a Republican team in control of the executive and the legislative branches ... as slim as the legislative majorities may be.

All of the work, sweat and volunteers of all those years is now starting to produce results. And it is up to all of us -- you and me, all of us working together -- to make sure that this prairie fire we started in 1966 spread and keeps growing this year, so that we can continue next year and in the years ahead, the job we started years ago.

more than ever This year, and at the start of this decade, the question/rests with us. For, as Mr. Lincoln pointed out:

"Not with politicians, not with presidents, not with office holders -- <u>but with us</u> -- rests the question: shall this Republic and shall its liberties be preserved to this latest generation?"