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THE ORME SCHOOL
COMMENCEMENT ADDRESS

(GRADUATION OF
PATRICIA REAGAN)

BY

GOVERNOR RONALD REAGAN

JUNE 5 1970

Having a personal involvement in this ceremony, I shall, with hope in my heart, reject the cynical definition that educational institutions are storehouses of knowledge because the freshmen bring so much in and the seniors take so little out. The world has undergone many changes, most for the good, not the least of which is the abandonment of some of the standard clichés which by custom and tradition are a part of every commencement address.

There was a time when the speaker was expected to tell the graduates on this day that they knew more than they had ever known before or than they would ever know again. The next light hearted pearl was to pronounce: "When I was fourteen I thought my father didn't know anything, but by the time I had reached twenty-one I was amazed at how much the old gentleman had learned in seven years."

With all the change, however, some things remain the same. You have taken almost an entire lifetime to achieve this moment and, as you look back from this day, the journey seems very long. But to some of us here, it seems the journey started only yesterday.

This is a day for mixed emotions, for looking back with nostalgia, and looking ahead, seeking a clue as to what the future holds. I suppose this explains the paradox of calling this day "graduation" at the same time we call it a "commencement". But it's a special kind of day when it's appropriate that you should take inventory of your inheritance, the world, and the social structure you'll be taking over in such a very short time.

Almost all of you are going on with your education to colleges and universities throughout the land, and this brings me to one of the changes in this day---a new kind of worry that many of us feel.

There was a time when our worries had only to do with how you'd fare in college--whether you'd make good, and whether we could afford it. Now we're concerned as to whether we've given you a foundation which will stand up under an assault by some who interpret their right to teach as an obligation to shape your thinking so as to reflect their own beliefs. This, too, is part of the changing world. There was a time when to do this would be

a violation of the highest canons of the teaching profession, when teachers rejected the idea of indoctrinating students with a particular viewpoint. Their aim then, and I'm sure for many professors now, was and is to teach you how to think, rather than what to think.

I recall the professor who shepherded me through four years to a degree in Economics and, as I look back now, I discover I haven't a single clue as to which of the major political parties he belonged to, or what his personal views were on partisan matters.

Now this isn't to say that we should impose such a blanket restriction on teachers that they should hide their viewpoint to the extent of not even wearing a campaign button for the candidate of their choice. As a matter of fact, right at the moment, I feel rather kindly toward people who wear campaign buttons, and will even send them a button upon request.

But there is a "time, place, and manner," requiring exercise of judgment. Suppose for example a student in a class in mathematics should ask the professor for his opinion on some current national policy or some political dispute. It is possible the professor, under certain circumstances, could answer that question in class without risk of unduly influencing his students. But it would be better if he suggested that those interested in his viewpoint remain after class or meet him on the campus. Then he could give his opinion and give his reasons for taking that position. At the same time, however, if he was a really good professor, he would advise them to find someone of a different view and seek to learn that person's reasons for thinking as he did. Having urged them to inquire as to differing viewpoints, the good professor would then suggest they make up their own minds on the basis of all they had heard and all they had learned.

I'm sure there are still many professors like that. But as a Regent of one of the great university systems in this land, I have come to know from first hand experience that the "now" generation which prides itself on telling it "like it is" is being told in too many Social Science classes the way it is not. The American system is portrayed in those classes as being so unjust and inadequate as to be beyond repair. Advocates of change and revolution assail something they call "The Establishment," and suddenly many of us who thought of ourselves just as parents to be tolerated discover that we are "The Establishment," motivated by greed and only poorly concealed by hypocrisy. The result has been a bitter polarization--a separation of the generations, with young people particularly complaining of an inability to communicate. However, it is possible you have communicated better than you know. We do understand your complaints, and we agree with their legitimacy.

The world you will inherit in a few more years is less than perfect. Poverty hasn't been eliminated, prejudice and inequality of opportunity still exist. War, man's greatest stupidity, still takes place. This we freely admit, but let me make this plain: I have no intention of apologizing for our generation.

In our lifetime we have fought harder and paid a higher price for freedom than any people who ever lived. At the same time, we have done more to advance the dignity of man than any people in any similar period of time.

The cry "revolution now" is heard on many of our campuses. Frankly, it has little meaning for us--indeed it sounds somewhat foolish--for we presided over the greatest economic and social revolution the world has ever known. We were born with a life expectancy ten years less than I have already lived. Diseases which had plagued mankind for centuries past, diseases that killed and maimed, have been so totally eliminated by our efforts and research that it is difficult to even remember their names. We were born at a time when two-thirds of us lived in sub-standard housing and ninety percent of us lived below what is called the poverty line. In our lifetime we have reduced the number of people living in sub-standard housing to less than ten percent, and less than eleven percent are today considered poor.

A student challenged the other day that we are unable to understand you--our sons and daughters--because in our youth we didn't have the miracles of instant electronic communication, nuclear power, space exploration, and jet travel. That's right, we didn't have those things--we invented them!

With regard to another sickness plaguing our world, we took up where the ~~second world~~ war left off. We met head on, a racial problem no people had ever dared tackle before. In my first year out of college, I broadcasted major league baseball. But there were no Willie Mays or Hank Arrans to thrill us with their great ability. The opening line of the official guide read: "Baseball is a game for caucasian gentlemen." Many of us covering sports editorialized and fought to change that. We haven't erased prejudice and bigotry from every heart, but we've opened doors that had been closed and barred for a hundred years. From an almost zero start we can point today to thirty percent of all the employed Negroes holding jobs that are classified high status. In the last decade alone, their employment in white collar jobs has increased fifty percent, and almost the same is the case in of skilled craftsmen or foreman type positions--jobs which were once

denied them at the time of our birth and later. Today, a higher percentage of our young Negro men and women go to college in the United States than the percentage of Whites in any other country in the world.

It surprises us that anyone can honestly believe that parading pickets and demonstrations are necessary to remind us of our responsibility to our fellow man. Now there is an ugly war, and part of our failure to communicate seems to be an assumption that we don't find the war repugnant or that somehow our love of peace lacks fervor. We have looked upon war four times in the course of our lives and have learned to hate it. At the same time, however, we had to learn an age old truth. There are things of lasting value for which men must be willing to die. Have you ever wondered what this world would be like if young men had not been willing to bleed their dreams and hopes and lives into the sand of Omaha Beach, the mud of Normandy, or a thousand atolls and jungle islands in the Pacific a quarter of a century ago? No one has ever been able to visualize his parents as they were when they were young and, somehow, that's too bad. I wish you could have known those older men in our life, who are getting a little thin on top and thick in the middle, as they were in World War II when General Marshall called them, "Our secret weapon--the best damned kids in the world". Winston Churchill said they were the only soldiers he'd ever seen who were able to laugh and fight at the same time. Perhaps it's difficult for you, seeing them now, to realize how deeply they could feel and how great was their sorrow when they said last farewells. They didn't take war lightly.

I remember reading a citation in the general orders of the Eighth Air Force--an award for heroism above and beyond the call of duty. A B-17 bomber, one of our flying fortresses, had been badly damaged by antiaircraft fire on a raid over Europe. The ball turret beneath the belly of the plane had taken a direct hit and was jammed in such a way it was impossible to get the wounded gunner out and back into the plane. As the crippled bomber headed out over the channel on its return to England, it began to lose altitude until finally the captain had to order abandon ship. As the crew began to bail out, the kid in the ball turret seeing this realized he was being left to go down with the plane--understandably he cried out in terror. The last man to leave the ship saw the pilot sit down on the floor, take the boy's hand and heard him say, "Never mind, son, we'll ride it down together." Congressional Medal of Honor posthumously awarded. Somehow it doesn't seem that a nation ~~so~~ selfish and materialistic could produce such young men, or that such a nation, fighting for its very existence in a savage war, would give its highest and most distinguished award not for killing the enemy in heroic combat but for such an act of unselfish sacrifice.

There are some things which belong to youth but not necessarily to one generation of youth. A scholar has written: "The young of any generation have felt the same impulse to grow, to reach out to touch stars, to live freely, and to let their minds loose upon unexplored corridors. Young men and women have always stood on some hill and felt the same sudden and complete expansion of the mind, to final fulfillment. It is one of the oldest, sweetest, and most bitter experiences of mankind."

I wonder if you know how easy it is for us to understand that you want more out of life than just more horsepower in the garage, and color TV in the bedroom? Did you know that we share your idealism and from time to time renew our own from yours? But without sacrificing our ideals, idealism must still go hand in hand with the commonplace and the practical. Water must flow, the sick be healed, and all the intricate meshing of harvest and manufacture, and transportation must take place so that we are not ill-housed, ill-fed and ill-clothed. To have the dream or the practical, either one without the other could become very dreary. Many young people on a number of campuses want to feel as if they are making a contribution to society--and why not? The opportunities for that are limitless. You don't have to join the Peace Corps or ^{become a} join the Missionary--admirable as that is. Even the world of business, maligned so much these days as a mere process of money grubbing, offers a multitude of opportunity for those who want to serve.

Last year American business found a quarter of a million unemployables--individuals who had never in their lifetime held a steady job. Many of these individuals had jail and prison records but they were trained and put to work in jobs paying more money in many instances than they had ever dreamed of having. Last year, American business spent \$350 million dollars to send poor kids from the ghettos to college. They gave \$800 million dollars to non-profit organizations for medical research.

Many young people are properly concerned about pollution, the environment, the world you're going to live in, and whether the beauty of that world is going to be preserved. Well, last year, businessmen gave over and above taxes two and one half billion dollars to fight pollution and desecration of the environment, and have earmarked four billion dollars for the coming years. This meant more than just an individual sitting at a desk writing a check. It meant staffing and organization to see that these worthwhile projects were carried out, and this meant opportunities for young people who can earn a living and serve at the same time. Ours is not a sick society.

A few years ago the Australian Prime Minister, John Gorton, said: "I wonder if anybody has ever thought what the situation of the comparatively small nations in the world would be if there were not in existence the United States--if there were not this giant country prepared to make so many sacrifices." Was he talking about the 190 billion dollars we've given to more than a hundred other countries since World War II, including our erstwhile enemies? Or was he referring to an earlier period, the Belgium Relief Program after World War I in which we saved millions of people from starvation? The list of those we've helped is extensive. We headed off famine in India, went to the aid of earthquake victims in Japan, Turkey and Iran, and now Peru. This is all very much a part of the history of this country of ours.

Now of course you could protest that I'm putting you off talking about things you can do when you have finished your education, and you want action and involvement now. Well, again, why not? Mozart wrote his first sonata at age seven; Michaelangelo sculptured the Battle of the Centaur at sixteen; and Thomas Edison patented the electric voice recorder when he was nineteen. You will have an almost instant opportunity for involvement when you get to college. You can burn down the library or stone the Dean. Or if you really have a yen for exploration you can, if you search diligently, find that vast majority of your fellow students who are doing any of a number of things that are little publicized but greatly rewarding to them and to society. On a number of campuses there are students who take their own time to go into the ghettos and tutor disadvantaged children. In my own state, thousands of young college students volunteer every summer to go into our mental hospitals to participate in the great experimental work that is being done in an attempt to make them truly hospitals, places of healing where patients are restored to a useful life instead of being warehoused in institutions for the rest of their lives. There is a widespread program for students who spend at least one afternoon a week driving shut-ins to libraries and markets. On one campus the students took their whole summer vacation to build a school for underprivileged children in Mexico.

Today, with all the noise and furor and concern over what seems to be the more dramatic but often the less productive, we tend to forget that there are millions of splendid, concerned Americans, quietly going about the business of being good neighbors, building themselves and America by helping others. Because of them and in spite of the merchants of doom and gloom, America towers over the world. Our system, tried and tempered through years of both peace and war, adversity and achievement, has been preserved by men and women of uncommon stature and uncommon devotion to a dream. Call it a dream of Camelot if you will--that mythical place of truth and justice and brotherhood.

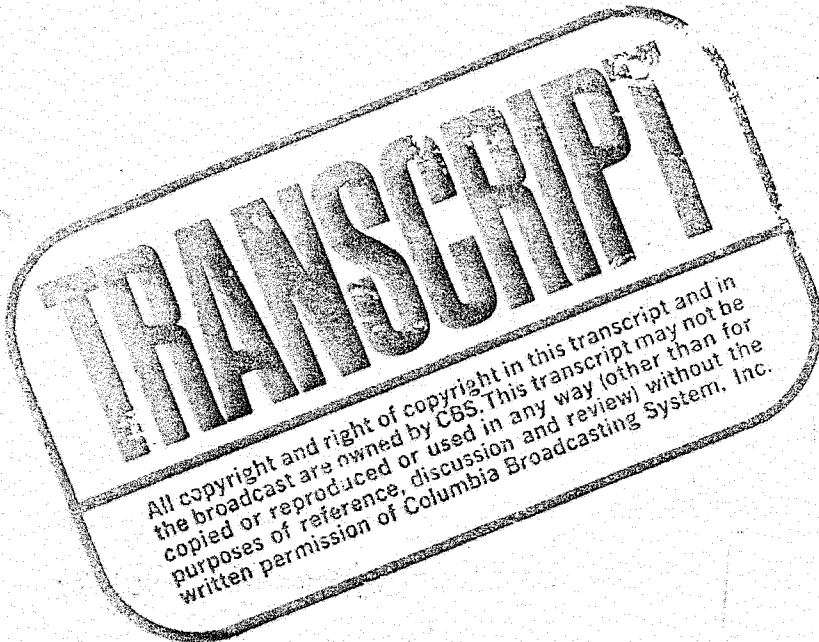
On the deck of the tiny Arbella, off the Massachusetts coast in 1630, John Winthrop said to a little band of pilgrims: "We shall be as a city upon a hill, the eyes of all people are upon us. If we fail, we shall be made a story and a byword through all the world." Camelot didn't die on a street in Dallas, Texas, nor can it be killed in the jungles of Vietnam. Camelot is here. We have come closer to the realization of that dream than any people, at anytime, in any other place.

From time to time we have failed the dream, but the dream has never failed us. Camelot isn't built by shouting slogans through a bullhorn or holding sit-ins, or locking the dean in his office. You can't get it from a bottle or a syringe. Camelot is built by people doing mundane, work-a-day things but still having time for common courtesy as well as compassion for each other. Camelot is not built by one generation with the deed to the property and the key delivered to those who follow after. Camelot is never finished. The tools for building are handed by the old to the young on days like this for the joy is in the building. That shining "city upon a hill" will soon be yours. We're proud of the towers and ~~the~~ spires that we have added. We hope with all our hearts you'll do even better.

If at times you've gotten a little impatient with us, found us overly possessive, perhaps that's because whether you know it or not, we have been possessed by you, and you did it so very easily with one hand, when that hand was so tiny it could barely encircle a single finger. But it did that with such a grip we'll go through the rest of our lives feeling the imprint.

Congratulations and God bless you.

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FACE THE NATION
as broadcast over the
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GUESTS: CALIFORNIA GUBERNATORIAL CANDIDATES

RONALD REAGAN
Republican Governor of California

JESSE UNRUH
Former Speaker, California State Assembly

REPORTERS:

George Herman, CBS News

Donald Neff, Time Magazine

Bill Stout, CBS News

PRODUCERS: Sylvia Westerman and Prestiss Childs

"NOTE TO EDITORS: Please credit CBS News' "Face the Nation."

ANNOUNCER: In Los Angeles, California, in color, FACE THE NATION, a spontaneous and unrehearsed news interview with the major party candidates for governor of California, Republican Governor Ronald Reagan, who is seeking to win a second four-year term, and the former Speaker of the California Assembly, Democrat Jesse Unruh. The candidates will be questioned by CBS News Correspondent Bill Stout, Donald Neff, Los Angeles Bureau Chief of Time Magazine, and CBS News Correspondent George Herman.

GEORGE HERMAN: For today's interview, it was decided by lot that Governor Reagan would be questioned first, and also, by prior agreement, Mr. Unruh will not have heard the interview with Governor Reagan when he's questioned in the second half of this program. Governor, when you campaigned four years ago, you campaigned on a promise of cracking down on crime, on campus violence, and high taxes. Over the past three and a half years, in which of these areas do you think you've really made a dent?

GOV. REAGAN: I would think in the area of crime, and let me take advantage of your question there to point out that it is not true that I campaigned on the basis that I would solve all those problems. My criticism, and I think it was well-founded, was that under the previous administration, nothing was being done to cope with campus violence or with crime. And we did stop appeasing and started opposing in the area of campus violence, and perhaps this has contributed to some. For example, there would have been no people's park episode if we had given in to the street people who demanded \$1,300,000 worth of property that belonged to the

university. Because we wouldn't give them the property, we had a riot.

In the area of crime, however, for two years we were unable to get many of our proposals for anti-crime legislation out of committee, and last year we did and we passed 20 bills that went into effect in January. Three of the leading mayors in California, Los Angeles, San Francisco and Oakland, have in just recent days testified that crime in these major cities in California--crimes of violence--are going down, while they are going up in the rest of the country. I think part of this is due to those bills we passed.

NEFF: Campus violence and taxes are both higher since you became governor. Do you think you could do any better in four years what you haven't already done in three and a half?

GOV. REAGAN: Yes, because when you say the taxes are higher, I don't think there's any question about the fact that when we inherited a nearly bankrupt state, a state that was on the brink of insolvency, there was no question but that the taxes were needed that had been stalled off for eight years by gimmicks and various bookkeeping devices, and there was no opposition from the other party--there was great support for the tax program. But I would like to point out to you that after having passed that tax increase, we have returned to the people by way of direct property tax relief in the main over a billion dollars. Now this appears in our budget as an expense. In this year's budget, there's \$318 million expense that is actually money we are collecting through statewide taxes and returning to local government to make up for exemptions that are granted against the property tax. We failed in our big tax

reform program by one vote, this time.

In the area of campus violence, I think today, finally, many people who poohpoohed and said that everyone was trying to find something under the bed has discovered that this is a world-wide phenomenon, a national phenomenon, and it is linked to a direct revolution against our system and our way of life.

STOUT: Governor, at the meeting of the University of California Board of Regents, did you really call a fellow member of the Board a lying son of a bitch?

GOV. REAGAN: Well, let me say that episode has been highly colored, but I can't kick, I opened the box of crayons, and if they wanted to highly color it, there was a certain amount of creative writing that has gone on about the incident. There was no shoving or shouting at all, but very quietly, and if this comes as sort of taking the Fifth on the -- very quietly I expressed a long-held opinion quite forcefully to the individual.

STOUT: Do you think, sir, that's setting some kind of tone as the chief executive of the nation's most populous state?

GOV. REAGAN: It was between him and me. There happened to be an eavesdopper. There was no shouting or out in public. I waited until the meeting was over, and he was the one who had injected a political note into the meeting. He has done it repeatedly. There were two individuals involved.

NEFF: Was this Fred Dutton or Norton Simon?

GOV. REAGAN: Both of them had injected the political note, Norton to my complete surprise, because up until now there has been complete--

NEFF: He's a Republic--

GOV. REAGAN: Well, no, there has been a complete communication between us, and we've talked over many things, and when he said what he did I was quite shocked, and I tried to signal him that I would like to see him after the meeting, and he immediately started scooping up his possessions to run for cover, and I hurried around the table to intercept him and ask him if we couldn't go into one of the adjacent rooms and find out what's on his mind. But on the way around Mr. Dutton had already taken the microphone and had joined the fray, and so I just dismissed him with a quiet remark as to his antecedents, and then turned to Mr. Simon, but Simon wasn't--

NEFF: There was a charge that you also lightly pushed, I think, Norton Simon.

GOV. REAGAN: No, not at all.

STOUT: There is something involved in all this, Governor, that I think goes to the heart of contemporary political rhetoric, I suppose we might call it. The other day at the highway patrol meeting, you said something to the officers and their wives and the delegates about how they are the people who are holding back the jungle, and the jungle creatures.

GOV. REAGAN: Yes.

STOUT: What did you mean, and what is that supposed to appeal to?

GOV. REAGAN: Well, I think law enforcement is in reality -- I've described -- and whether you like my picture of it or not -- I have described on previous occasions that civilization is in

reality a clearing in a jungle, and that the law of the jungle is always there, that there are the baser instincts, there is a tendency for violence to come back in. We see it when war breaks out, and we see the rules break down and the moral standards begin to decline. And I believe that law enforcement, basically the policeman, is in the thin line, that that basically is what they do. Belloc, the poet, put it when he said we laugh at the barbarian and the easy times of peace, but while we laugh we are watched by large and awful faces from beyond and on those faces there is no smile. Now I'm sure what he was referring to was this element that is always ready to turn to violence, even the legal type of violence, when a Hitler or a Stalin seizes power.

And when your society begins to crumble, these men, all of this assault that they want to make against the forces of law and order, these men stand between us. They go to work each day with the knowledge that they may not return, that they are duty-bound to put themselves between the citizen and those who would wreak violent harm upon them. This is why, I suppose, that there is such a terrible blow when one of those men that we find in law enforcement, they themselves succumb and give in--the so-called bad cop. It's a terrible blow to us because it strikes at the very heart of our protection.

HERMAN: Let me take you back to the campuses for just a moment. You said, I believe, in one of your statements that college administrators and student leaders are going to maintain order on the campus or we will do it for them. What I want to know, and I suspect a lot of college administrators around the

country would like to know, how can you do it for them?

GOV. REAGAN: When I say we, make this plain that we refers to the Board of Regents. Now, in a couple of instances lately, as you know, the Regents have had to interject themselves a little more into actual administration of the campus than a governing body of that kind is normally expected to do. The responsibility is with the Regents. The constitution says the Regents are totally responsible for everyone on that campus, for everything that campus does for its policy and so forth. Down through the years, bodies like that delegate authority. They let the faculty, because that is their profession, name their department heads and so forth. They let the administration of each campus, as far as possible, exercise the policy that has been determined by the Regents. But when you have a breakdown, when you have the kind of problems we are having, there comes a moment in which the governing board, having the responsibility, must take back the authority. And what the Regents in recent months have said to the administration, after meeting after meeting and months and even these few years of trying to persuade them to the danger that is inherent in appeasing these violent factions on the campus, the Regents finally have said, and this isn't a harsh kind of a gloating thing -- it is a statement in which the Regents have had to make it plain that either these administrators will bring this order and take this firm stand that is necessary in protection of the majority who want to get an education, the majority of faculty who want to teach -- or the Regents will have to do it for them, and that isn't good administration and we don't want to have to do that.

NEFF: Governor, aren't you getting into the threat, such as Nazi Germany, of legalizing the jungle? Now recently you've come out suggesting that you'd like to see tenure abolished for teachers, and if you continue these repressive acts toward the campus, aren't you in effect going to be imposing a repression on a majority of our society?

GOV. REAGAN: No, and I think this charge all the time that any time you try to restore law and order, which is all that's ever been done, that it is repression in some way -- you go on to a campus where the buildings are burning and the students are throwing rocks, and they are beating up on their own kind -- bombings and so forth -- finally law enforcement is brought in. How is this repressive? The repression would be if you lined up the law enforcement in advance and everyone went around under an armed guard and there was someone assigned to, in the classroom, watching the professor and telling him what to say. This might be the thing we saw in Hitler's Germany. No one wants that.

But I would think that if there is a Nazi influence, it is coming from the rebels, because they are not advocating freedom of speech. William Kunstler, one of their boys, can go on the campus that the President of the United States can't go on. And so this -- when you say tenure, this is a subject which has come up all over the United States, and many states have a much less generous tenure than California. What I'm suggesting was a study of tenure, and whether perhaps we should hold out longer before it is given, and whether there should be a period at which you review whether you should continue it on an individual, instead of giving a man lifetime

tenure and forever after being helpless to remove him if he turns out to be incompetent.

(MORE)

HERMAN: Let me take you back to the clearing in the jungle analogy for a moment. Is there--because this clearing finds itself beleaguered now--is there a conservative tide running in the nation, or more specifically, in California?

GOV. REAGAN: Well, I happen to be one who's felt that the American people are always, in the sense that conservative is used these days, have always been conservative and have not been quite aware of some of the threats against individual liberty.

HERMAN: Well, my question really is partly aimed at--to why is it that from what I read and find in California, you are doing so well and, for example, Senator Murphy is not doing so well. This doesn't seem to reflect what we normally would consider to be a conservative tide. We have about one minute left.

GOV. REAGAN: Well, you have a congressman, an incumbent congressman, a well-known and popular name running against an incumbent senator in the state. You have the congressman representing what is a majority party, as against a candidate from a minority party. You had a somewhat bitter primary on the Republican side in this, and some division in the ranks that we've tried to hold down over the years. And I'm confident that Senator Murphy is going to win; but he does have a tougher race.

HERMAN: I have one last quick question. You said four years ago that you were not a politician. Are you now?

GOV. REAGAN: Well, I keep thinking of myself as a citizen. I've--guard very much against--and I had little temptation to join the empire builders and try to bring government up to a bigger level. I'm still trying to reduce the power of government.

HERMAN: Thank you very much, Governor Reagan. I'm sorry, but we've run out of time, and we'll be on to our next guest in a moment.

* * * * *

ANNOUNCER: We resume now with Democratic candidate Jesse Unruh.

HERMAN: Mr. Unruh, California's voters are almost 55 per cent registered Democrats, I note, and yet all of the polls that I've seen and all of the experts that I've read show you apparently well behind Governor Reagan. What's happened?

MR. UNRUH: Well, first of all, I don't put much faith in the polls, although I guess almost everyone else does. Goodman Ace once said that every American believes the polls, from the smallest farmer in Iowa right on up to President Thomas E. Dewey. I think beyond that that people do not vote their registration nowadays very much anywhere. California hasn't for a long time, and I think that's the pacesetter as far as the nation is concerned.

NEFF: Governor--Mr. Unruh--

MR. UNRUH: I'll accept that.

NEFF: --A number of traditional Democratic supporters, such as former National Committeeman Eugene Wyman, singer Frank Sinatra and others, are not supporting you. Why?

MR. UNRUH: Well, I suppose you'd have to ask them. But I think that's principally--I mean most of those people are people who came in when the Democratic Party was in power, when we had a governor and a president with whom they could--they could expect something from. And we don't have that now, so they're following

the--where the power is.

STOUT: What do you mean, expect something from? You mean money?

MR. UNRUH: Well, not necessarily money, but there are charters to be given, there are law cases to be referred, there are other favors or prestige--

STOUT: That sounds like money to me.

MR. UNRUH: Well--

STOUT: Is that what you mean, that these people came in?

MR. UNRUH: Most of the people that have now--are supposedly Democratic stalwarts and have gone over to the governor, most of them I never heard of back in the 1950's, before we had a Democratic governor in California and a Democratic president.

HERMAN: You, sir, in your sort of afterthought to your answer to my first question, you said that in California people don't vote their registration anyhow, and that sounded to me like sort of a pessimistic note, that you do not expect a very good Democratic turnout for you.

MR. UNRUH: You know, I just simply meant that there's going to be a wild crossover on both respects. I think I'm going to get a good, strong Republican vote. Many of the people who voted for Tom Kuchel, who's now been exorcised by the Republican leadership in this state, along with the other--most of the other liberal Republican leadership--I think we're going to get a good Republican vote. Conversely, I expect some Democrats to vote for the incumbent.

HERMAN: Why do you appear to be--or maybe I should ask if it is true first--but let me ask you why do you appear to be running

so far behind some of the other Democrats on the ticket here, for example, Mr. Tunney?

MR. UNRUH: Well, I really can't answer that. You're basing all of that on the polls.

HERMAN: Yes, sir.

MR. UNRUH: And as I told you before, I simply do not believe the polls. I don't think the people are really looking at the election yet. I don't think that the polls are accurate. That's the best I can say.

NEFF: You haven't had any TV advertising at all in this race and your opponent has had quite a bit. Is that a factor?

MR. UNRUH: Well, it may well be, may well be that we have not gotten our message over as well as we would like to, because we've not sold out to the special interests and therefore have not collected the three or four or five or ten million dollars. And I have no idea what he's going to spend -- clearly, he has not filed a total report, so that the people know either. It may be that that's one of the reasons we're having some problems there.

STOUT: What will you spend in this race?

MR. UNRUH: I really don't know at this point, but it'll probably be somewhere between 15 per cent and 20 per cent of what the governor spends.

STOUT: But Mr. Unruh, realistically, in this state, a state this size, the largest and all that sort of thing; and in the age of television and against a candidate like Ronald Reagan, can you possibly beat him or come close without television?

MR. UNRUH: Well, I could if you would start asking me questions

about what is the condition of welfare in this state.

STOUT: All right, I'll ask that.

MR. UNRUH: There are 663,000 more people on welfare than there were when Governor Reagan came in, despite the fact that he keeps talking about the welfare mess. If we could talk about taxes, for example, and understand that under four years of Ronald Reagan taxes have gone up 87 per cent in this state. If we could talk about unemployment, and know that in the last year alone, under the Nixon-Reagan administration, unemployment has almost doubled in the state. Now if you talk to me about the issues and what's important to the people, instead of the polls, or instead of Governor Reagan's great technique on television, it--that's not important; it's not important what Mervin Field thinks about this election. What is important is whether someone is going to give us decent property tax relief. The governor can't do that because he's attached to the oil interests, the insurance interests, all of the other people who crawl through the loopholes on taxes because they finance his campaigns.

STOUT: But--but to use that same word--realistically. What Mervin Field and the pollsters think, and what reporters think, none of that is important. What's important is what the voters think of Ronald Reagan as he comes across.

MR. UNRUH: You see, what we get into here is the minute we get on a television program--and I don't get on too many of them because we don't have the money to buy--but the minute we get on one, the first question I get asked is how in the world are you going to beat this invincible fellow? How in the world are you

going to match his great technique? I can't match his technique on television. I'm willing to stipulate that he's a better actor than I am, that if the people want a performance on television that they should vote for him.

But if they want to understand that in every situation that he said was bad in '66--welfare, taxes, unrest on the campuses--it's gotten twice or three times as bad. Our crime rate has gone up 20 per cent a year under Reagan, twice as fast as it was going up before--that he's been a total and abject failure. Now if we could get that kind of talk instead of talking about what pollsters say or what someone else thinks is the situation on the tube here.

NEFF: Well, just--what do you think you could do about crime in the streets or campus unrest that he hasn't done?

MR. UNRUH: Well, I think it's very simple what you can do about the crime. You're going to have to pay for it. You're going to have to admit that the greatest deterrent to crime is to get more policemen on the beat in the high crime areas. They did that in New York in 1968 and they managed to reduce violent crime in those areas by 50 per cent. That means we're going to have to pay for it. This administration is spending less than one per cent on police officer training or on crime research. That's not enough. We're going to have to pay for it, and I think the people are willing to pay for protection.

(MORE)

NEFF: Well, but on the one hand you are criticizing the Governor for raising taxes, and now you're suggesting that you are going to have to raise taxes?

MR. UNRUH: No, I'm not. I'm suggesting that if we made the oil companies give up their depletion allowance, which is the greatest tax gimmick since disappearing ink, that if we said to the insurance companies, you're going to pay taxes on your home, which they don't now, just like everybody else in California has to pay taxes on their home, and if we had a withholding tax where we lose \$150 to \$175 million every year, and if we treated the capital gains thing differently, that we could pick up a half billion dollars every year or more.

And secondly, if we did one thing more, which we ought to do, if we said let's stop having two classes of taxpayers where one guy can charge off a luxury yacht, a night out on the town, or his martinis or whatever else he might want to charge off -- you name it and some people charge it off -- whereas the guy who goes down here and works in a plant can't even charge off the cost of his gasoline -- that's what ought to be done, and we could have the money for decent law enforcement, we could have the money for schools, we could have the money for some property tax relief for small and moderate home owners.

HERMAN: Have you done studies that show that these things will in fact provide that much money?

MR. UNRUH: Yes, I have, I have. We could reduce the property tax on small and moderate homes--

HERMAN: How much money does that involve?

MR. UNRUH: Well, we're talking probably about a half billion dollars, and that's about what these loopholes would raise the first year. Now after that we're going to have to raise bank and corporation taxes to offset the relief we give to small and moderate priced home owners, but we're driving people out of their homes in this state, and we're not going to provide relief by simply passing it on in the sales tax or other consumer taxes, because then you take it out of the pockets of the renters; and that's what the governor's last bill was doing.

NEFF: You've been complaining this past week that you've been mislabeled as a liberal, but your program sounds very liberal indeed.

MR. UNRUH: Well, I think the old concept of liberal and conservative is absolutely meaningless today, and in turn I think that's another help to the Governor because clearly if you are going to tie the liberal tag around me and paint him as a conservative or something other than a liberal, you've given me a pretty big millstone to carry around my neck. The fact of the matter is I don't think I am either liberal or conservative, I'm not tied to any ideology. On the mental health program a few years back we took solutions from both sides, both ^{the} conservatives who said people were being committed to mental hospitals without protecting their civil rights, and we revised that--we found they were right. So that's just a meaningless term nowadays.

STOUT: Do you think it is meaningless to the majority of voters, Mr. Unruh? Don't they still respond in almost basic animal terms to labels like liberal and conservative?

MR. UNRUH: Well, I hope that's not true. I don't think the voters respond in animal terms to dirty language or anything else that's used.

HERMAN: Which is the dirty word, liberal or conservative?

MR. UNRUH: Well, the words that some of the politicians use is what I was referring to.

HERMAN: I was interested in your saying that -- I'm not sure I understood you exactly correctly -- but you seemed to me to be saying that to call you a liberal was to hang a big millstone around your neck. Are you talking about a big conservative swing in the country?

MR. UNRUH: No, I'm not talking about a big conservative swing. I'm talking about what I say is -- continues to seem to me to be the conventional wisdom of the press. When they want to label anything simply and without any concept of what the real issues are. Now, for example, I think I'm more of a tough-liner, hard-liner, on campus dissent than the Governor was. I was supporting throwing these people off campus before he was even elected, before he was even thinking about it, as a matter of fact. I guess while he was still making speeches for governor--for Barry Goldwater. And yet that doesn't come through because people insist on talking about conservatives and liberals. It's absolutely meaningless now.

STOUT: Well, let's put the labels aside, then, Mr. Unruh. What would you do about the campus problem, if we can call it that?

MR. UNRUH: Well, I think the first thing you have to do is to have a flat rule that you're going to expel any student or any faculty member who is guilty of violence or continued disruption

of the educational process, but I think the faculty and the administration have to take the authority and the responsibility for doing that, and then if they won't take it, we're going to have to fire them and get others that will. Now beyond that, you can't contain the campus thing by the kind of constant criticism in other fields that this Governor has gone through. He has cut the budget, he has increased tuition, he has constantly derogated and downgraded it, and now the Board of Regents, I think, is being used to further enrich one of the big land companies in this state.

HERMAN: We have about a minute and a half left. Have you had problems because of your past differences with some Democratic leaders, both in the State and in the nation; for example, you are saying about President Johnson's domestic policies, that they were as great a failure as his foreign policies -- has that cost you support?

MR. UNRUH: I don't really think so. I think people are prepared to let politicians deviate somewhat from their party platform--

HERMAN: We have just one minute.

MR. UNRUH: And I don't think its realistic any more to say that you have to go right straight down the line, and that every Democrat -- for me to say that every Democrat is better than every Republican is just hogwash, and to try to get the people to believe that is a case. Now I don't think that's a case. Some people have used that, but the reason they've used it is to absolve themselves when they really were going with the power.

STOUT: Very briefly, Mr. Unruh, because we are running out of time, do you think that the voters in this state respond to the

issues, as you speak out on them? Unemployment, welfare and so forth?

MR. UNRUH: I think they would if the issues were out here, if they understand that everything is worse today than it was four years ago, and that Ronald Reagan has been governor and is responsible for it, I think they would respond.

HERMAN: Okay, on that note we've just about run out of time, and I want to thank you very much, Mr. Unruh, and thank you also to Governor Reagan, for being here to Face the Nation, and we'll have a word about next week's guests in a moment.

ANNOUNCER: Today on FACE THE NATION, the major party candidates for Governor of California, former Speaker of the California Assembly, Jesse Unruh, and Republican Governor Ronald Reagan were interviewed by CBS Correspondent Bill Stout, Donald Neff, Los Angeles Bureau Chief of Time Magazine, and CBS News Correspondent George Herman. Next week, the three major party candidates for the United States Senate from New York, incumbent Republican Senator Charles Goodell, Democratic Representative Richard Ottinger, and conservative candidate James Buckley will FACE THE NATION.

11/30/70

REMARKS BY GOVERNOR RONALD REAGAN
FILM INDUSTRY RALLY
LOS ANGELES
November 30, 1970

(Transcript)

I suppose it is unnecessary in a gathering of this kind for us to recount step by step the history that brought about the necessity for such a gathering. However, a few words about the golden era of Hollywood are not only appropriate but essential, if our fellow citizens are to understand their stake in the continuation of a healthy American film industry.

Almost forgotten is the skyrocketing rise from the 5 cent novelty to the great motion picture palaces of the '20s and the '30s. We once called movies "chasers" and they were just exactly that. They were used in the beginning--about 5 minutes in length--to chase the audience out of the vaudeville houses and to get a turn over in audience for the next show. Of course, some of us have had the very unhappy experience of making chasers long after vaudeville was dead!

From silents to the talkies this industry became a major industry, with billions of dollars invested in production and theatre facilities... more than two hundred thousand people employed nationwide, and heaven only knows how many were employed in the associated industries, because this industry was a great consumer, a great customer for thousands of different services and supplies. During the depth of the depression it remained one of the only billion dollar industries in the entire nation. And in these recent years when we have watched with alarm the flow of gold from our own shores because of an unfavorable balance of trade, I think that we are entitled to remind the United States Government that back through history the motion picture industry has been without equal one of the greatest earners of foreign exchange in our economy.

But unfortunately, over the years government began to look upon our industry as a golden goose. A source of revenue for itself. I well recall an incident back during the war years when a delegation from Hollywood went to the Treasury Department to talk about a phase of the tax laws that were particularly discriminatory against our industry. They met with an assistant secretary of the Treasury and when they met him, virtually as he said hello, just as jovially...he said "now what is it you want to see me about, and if it doesn't mean more money for the government, I'm not interested." That was their reception. That this industry sold America...not just the freedom and an idea of the American way...but we sold American products. Stores throughout the world stocked clothing and wardrobe and home furnishings and devices they saw on American screens. We set styles throughout the world. And the result was we gave millions of jobs to other Americans not even remotely associated with our industry. In the post war years of the '40s, we sold something else. Audiences looked beyond our boy meets girl plot. They looked beyond, and a hungry world saw our streets filled with shining automobiles, saw our store windows filled with products that were for sale and available to our citizens. Even in the family type picture, they saw dinner scenes and food on the table that they, in their land, thought could only be enjoyed by royalty or those of higher station.

Sometimes the things they saw were so startling they were hard to believe. Eric Johnson, when he represented this industry told of a time before the Iron Curtain had come down quite so tightly. He went behind the Iron Curtain into War'saw, Poland. He was running some movies for the education minister of Poland. Among them was a light romantic comedy starring Dennis Morgan and the late Ann Sheridan. They were employed in an aircraft plant and they made the film on location at Lockheed there in Burbank.

One of the scenes took place out on a parking lot, and at that point the minister of Education grabbed Eric's arm and said, "Mr. Johnson, that's what we mean. How stupid do you think we poor Poles are to fall for this type of propaganda? Eric didn't know what he meant. The minister said "Those thousands of automobiles in the background...are you trying to convince us that American working people drive automobiles like that to work in a factory? Well, this is the type of thing that we were selling.

Those were not props.. they belonged to the people who worked at Lockheed. Well, it is easy to understand why the people of other countries wanted a chunk of this for themselves. Wanted this great salesman of their products for themselves.

Hollywood made movies were a world product, and soon, in order to play on foreign screens, we were paying levys and special taxes in every country of the world. There were quotas adopted that limited the number of American pictures that could be imported, and the playing time that would be allotted on the screens for each of those films. And America soon remained the only nation in the world where the pictures of all the world were free to play in competition with our own, with no discriminatory taxes or restrictions on playing time. And we were still big enough and good enough that we could hold our own in the face of this kind of discrimination.

At that point, never once had this industry asked government to join it when it sat down to negotiate, because in all the discriminatory measures taken against us, these were negotiated with private picture people on our side of the table and government representatives on their side of the table.

We never asked for help. It was an unequal contest. Still, and in spite of the unequal balance of power, Hollywood continued to dominate world market. Hollywood--the name itself became a trademark! And it was a trademark precisely because here in Hollywood we had gathered together in one place the greatest pool of skill and theatrical talent that has ever been assembled in the whole world.

Our friends abroad found there were other things they had to do. Other weapons that hadn't been used. In the days following World War II when this country embarked on a program to rebuild the war-torn and the war-weary--friend and former foe alike--a new 3-word term became a part of the Hollywood vocabulary. "Run away production" First, foreign government froze our revenue. We could play our pictures there, but we couldn't bring the money home.

We became pretty ingenious at trying to get that money out of there. I remember one instance where the Hollywood motion picture business with its money in one country, had them build a ship. We sailed the ship to another country, bought products from that country with our impounded funds and loaded them on the ship. We brought the products over here, sold the products, sailed the ship to another country and sold the ship, in an effort to get our money.

But, the easiest and most obvious way, and what they had in mind all the time, was to use the money to produce pictures. First, it was fairly legitimate--the pictures that went abroad were pictures and stories designed for a foreign locale. Pretty soon they began to fudge a little bit. You bought a book called "In Old Chicago" and decided to make it "In Old Copenhagen". Pretty soon American cowboys and Indians were "going thataway" over the hills of Spain or any one of a dozen other countries.

You will pardon a personal reference, but I made a picture in 1949, in the winter in studios just outside London. The locale was supposed to be a military hospital compound in the steaming jungles of Burma. Fortunately, it was in black and white, so you couldn't see that our noses were blue. They put glycerine on us to be perspiration, and that covered up the goose bumps.

When I came back I made a pledge that except for legitimate location travel, I would make no more foreign pictures. It wasn't easy to keep that pledge. If it hadn't been for television, I would have set a world's record for liberty between engagements.

But while I was returning, I received a radiogram on shipboard that invited me to what I suppose was the first meeting of the first appeal that Hollywood had ever made to its own government for help.

And, it had to do with 'run away production'. I met with several...some of whom are perhaps in this room tonight...in Washington we met with the President of the United States. We told him the problem--we told him of the rising unemployment in Hollywood, and at that time--I have to say--the President of the United States after finally hearing our plea said, "Oh but think of their problems overseas!" And we tried to point out to him that an American technician in Hollywood, unemployed, got just as hungry as a foreign unemployed technician in a foreign country.

When we made that appeal, 20 percent of the pictures showing on American screens--20 percent of the playing time--was taken up by either foreign made pictures or American pictures made abroad. Today, 70 percent of the playing time is taken up by that kind of picture.

Because, since that first appeal to government, our friends across the sea discovered new weapons against which we have been unable to prevail. To all the discriminatory taxes, the quotas, the frozen funds, they added an outright subsidy to American pictures...if those pictures would be produced in their countries. The methods ranged from low or no-interest loans to advance partial production costs. From admission tax rebates to cash prizes. Some American pictures can obtain as much as 80 percent of their production costs if they produce them abroad. And, a lot of American motion picture workers can obtain their unemployment while they are doing that!

The times when I think about government's ignoring our appeals, because by now there have been several appeals, is like that old story that you all know---

The fighter who was backpeddling around the ring trying to keep away from his opponent and about the fourth time around, his second said "Stay in there, he can't hurt you"! On the fifth time around, the fighter said "Well, if he can't, take a look at the referee.....somebody's kicking my brains out."

Well, it's time for us to have a few words with someone who should be in our corner. Ironically, the American picture business has not only been without government help, but it was a government act that contributed to the present situation.

When the anti-trust action divorced the ownership of theatres and studios, they destroyed the economic stability of the motion picture business in Hollywood. I personally have always felt there was no logic in that decision. Our industry was like a candy store--properly, we should make it in the back and sell it in the front.

As a result of that act, the economics of our business now are such that if you follow where the money is, it is in distribution. And that is why it has been so difficult to get a concerted approach to this particular problem. It means that those who actually work in the making of pictures are the principal sufferers from 'run away production'. We have every right to ask government to pay heed to the plight of the people in this industry. I know that some of you know that I am not one who automatically turns to government for the answer to every (Continued next page)

problem. As a matter of fact, I have always believed that when you ask government for help, you usually wind up with a partner...a senior partner.

The governments are already in this game on the other side, and it seems to me that it's time we allowed a few ringers of our own. The AFL Film Council has made a number of suggestions as to how our government can help---with less than sensational results. One such suggestion was made to state government two years ago, and although this problem that we're discussing belongs mainly in the federal province, I am proud that we were able to help in a small way. There was an inventory tax as you know on all the finished films in the vaults...and all of you who are veterans in this industry know this business ground to a halt in January until after the March tax date. Then it began to rev up again and we were a seasonal industry. When the film council proposed that perhaps one of the things that might help was the removal of that particular tax--and secured the legislation --there were a great many people that urged me to veto that bill because they said it was favoritism. Well, I signed the bill into law and I was very proud to do so, because that tax was punitive and discriminatory and should have never been applied to the film industry in the first place.

Now it's not my intention to spell out here specific proposals. Others here are better informed and better able to do that. But I hope that we will explore ways by which our government can prevail upon their counterparts to give up the unfair and discriminatory practices rather than for us to simply ask for retaliatory measures. Now, many countries now insist that pictures made here, before they can be shown abroad, prints to be distributed abroad must be made in those countries. I say, in spite of my objection to retaliatory measures, that we should be prepared to demand a tariff if they should start exporting back to this country, those foreign made prints of American made movies.

Television, which for a time helped maintain American production, is now being rated by some countries which are offering prime time in their countries, to American series that will be made in those countries. This, I think, is a matter for negotiation between governments, and we should ask for that. But the type of help which has always seemed to be the safest and the most practical kind that government can give to private industry is the kind that former Senator Kuchel has recommended to the treasury department on behalf of the labor-management domestic committee for the motion picture industry. This committee consists, as you know, of every segment of this industry. Very simply, it is to change the revenue laws to give an exemption of 20 percent of the gross profits--make those 20 percent exempt from our income taxation. I realize this is a unique idea for government to swallow, but I for one have always believed and been captivated by the common sense idea of leaving money where it's needed rather than running it through those puzzle palaces on the Potomac only to get it back minus an agent's fee. As I said before, this is a federal matter, but anything that my administration can do and that I can do personally, to help in persuading and selling this idea to Washington, I tell you now I will do that... and I will do everything that is asked and everything that can be done to see if we can bring this about.

So far, I have spoken of government shortcomings, and what government can do. Now, what will the industry do? We have a proud record. There are those--a few--of you still active who pioneered this business. World War II, ours was the only major industry in the United States that voluntarily refused to ask for military deferment for its essential personnel. We sold the nation's bonds and we provided our product to the armed forces and again, we were the only ones who did not provide it cost plus ten percent or even at cost. We gave away the only thing we had to sell and provided it free of charge.

We didn't ask favors in the old days---we did them. For everyone who asked. Those who have looked and look now on this industry as the source of a good life, owe that industry something. They have an obligation to put a little back, as well as take a lot out. And, I think they had better think ahead. In spite of all the subsidies and all the goodies that are being offered only because Hollywood still remains a threat to the world motion picture industries. And if the world and those foreign countries, with their dangling goodies, manage to bring an end to this trademark Hollywood, and make us no longer a threat, then I assure you the goodies will disappear.

Then they will have what they started out to get. It will be totally a foreign industry, and we will have no part of it.

I am going to take a chance because I cannot conclude my remarks without touching on one other problem, which I believe concerns the industry and the people who support this industry with their patronage.

Many years ago, motion pictures went through a period of dis-favor with the people in this country. Governmental censorship was threatened. The people, their sense of taste offended, were seemingly ready to accept this violation of our traditional freedoms. Indeed 1/4 of the states and several hundred towns and cities did impose censorship. The industry fought back--not by protest and complaint--but by accepting the responsibility for voluntary censorship. There were times when many of us making motion pictures found that voluntary censorship code unduly restrictive. We chafed under the restrictions.

Nevertheless, it held off the threat of political censorship and more important, it built a trust on the part of our audiences. The people of America learned that they could take their children to the movies without fear of embarrassment. That is no longer true. As a matter of fact, you can leave the kids at home and it's pretty hard to go to the movies without being embarrassed.

Many pictures today falsely claim free expression to justify what is nothing more than bad theater in even worse taste.

I know the men and women of this industry. And I know many of you who must be deeply disturbed by this violation of the audiences trust and resentful when economic necessity forces you to accept employment in pictures which are offensive to your own sense of decency. And the industry turns now to government for help---I hope that the people of this industry now make it known that they are willing once again to accept responsibility for ridding American films of vulgarity and outright pornography.

We once had not only the patronage of the American public, we once had their honest and sincere affection. It is not too late to have that again.

Thank you.

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124/70

Transcript

Gov. Comments - Page 8

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THE ADVOCATES

9:00 - 10:00 p.m. December 1, 1970

Topic:

"Should the federal government guarantee a minimum income to every American?"

Participants:

Advocate Howard Miller (pro)

Ted Marmor, Ph.D.
Associate Director of the School of
Public Affairs
University of Minnesota

Barbara Jordan
State Senator from Texas
Member President's Commission on
Income Maintenance

Advocate William Rusher (con)

Ronald Reagan
Governor of California

Roger Freeman, Ph.D.
Senior Fellow of the Hoover
Institute at Stanford University

Moderator:

Victor Palmieri

Origination:

K C E T, Los Angeles

"The Advocates" is a public television network presentation of K C E T, Los Angeles and W G B H, Boston made possible by grants from the Corporation for Public Broadcasting and the Ford Foundation.

ANNOUNCER: Tonight. . .from Los Angeles. . .The Advocates. . . Howard Miller. . .William Rusher. . .and the moderator, Victor Palmieri.

PALMIERI: Good evening. Every week at this time The Advocates looks at an important public problem and for you, a practical choice. Tonight we discuss the problem of 25 million Americans living in poverty. The House of Representatives has passed President Nixon's Family Assistance Plan, which may be the most important welfare reform bill offered in a decade; however it faces uncertain future in the Senate. Tonight we consider not the Nixon Family Assistance Plan, but a proposal that is broader in its implications for the country. And specifically our question is this: "Should the federal government guarantee a minimum income to every American? Advocate Howard Miller says yes.

MILLER: We propose an end to the welfare system. That system is cruel, is paid for by the wrong people, breaks up families and positively penalizes work. We propose instead a minimum income supplement paid through the Internal Revenue Service. That supplement would stabilize families; would reward work and would break the welfare cycle. The system we propose has been put forth by the President's Commission on Income Maintenance, the distinguished panel of businessmen and public officials throughout the United States. Of course it is not cheap. It would cost about \$6 billion, but that is less than 1% of our gross national product and is the test of our willingness to break up the welfare bureaucracy, end the welfare cycle and deal justly and humanely with our poor. With me tonight to support this proposal are Ted Marmor, Professor of Political Science and Associate Director of the School of Public Affairs at the University of Minnesota, and Senator Barbara Jordan, State Senator from the state of Texas and a member of that President's Commission on Income Maintenance.

PALMIERI: Advocate William Rusher says no.

RUSHER: America has long recognized the national obligation to give adequate help to every man, woman and child who is truly in need and is unable to help himself. Tonight's proposal is something else again. For the first time in American history, under this plan we would be guaranteeing an annual cash payment to any individual who desired it without any serious test as to whether or not he needed it, without the slightest control over how he spent it. Without requiring of him either job training, let alone a job, if he didn't want to take it. This proposal would add 26 million people to the welfare rolls instead of eliminating the welfare state. It would cost the American taxpayers an additional \$6 billion every year over and above what they now spend on welfare payments. To oppose this plan we have with us tonight Dr. Roger Freeman, Senior Fellow of the Hoover Institute at Stanford University, and the Honorable Ronald Reagan, Governor of the State of California.

PALMIERI: Gentlemen, I detect some major areas of disagreement. Let's go to cases. Mr. Miller, will you begin.

MINIMUM INCOME/ 2

MILLER: You detect them correctly, but one thing we should understand is that the idea of a guaranteed income is not new to the United States or to the American people. Countless people in our country, in fact, receive guaranteed incomes. There are thousands of farmers in the state of California, for example, who receive farm subsidies for growing no crops and doing no work, and who average subsidies of over \$30,000 a year. Numerous other industries, regulated industries, utilities, banks, airlines, other transportation companies, all receive, directly or indirectly, government subsidies that keep them alive in the free enterprise economy. In fact, our system of guaranteed income can best be described as socialism for the rich and free enterprise for the poor. But at least the benefits to the wealthy come disguised and with dignity. No one ever accused the welfare system of operating with dignity. Two things we can say about it. It's enormously cruel and despite its cruelty it is growing beyond all bounds. Eleven million people now in the United States, 8% of all the children in the United States on welfare. Costs skyrocketing under the existing system. Why has this taken place? Those figures are impressive, but let's look at one specific example. Suppose a man with a wife and two children is earning \$2400 a year. Hardly enough to support his family, substantially below the poverty level of \$3600 a year. What are his options? So long as he continues to work he can receive no government aid at all. On the other hand, if he leaves his family, if he deserts his family, his wife and children under the existing welfare system will in many states get more than he previously earned. That is the system we must break. And that is the system we propose to break through the guaranteed minimum income plan, or as it's sometimes called, as this is administered through the Internal Revenue Service, the negative income tax. How does it work? First of all, every individual, the working head of the family, receives \$2400 a year if it's a family with two children. Second of all, he receives that even if he works. He receives it simply by filing a tax return with the Internal Revenue Service indicating his income. If there is no income, the base minimum of \$2400 is paid. What about our father who is earning \$2400 a year, however? What happens to him? He keeps his \$2400 a year, but half of that is credited against the subsidy and he receives \$1200 a year, still in subsidy, though he continues to work. The figures may change. If he earns as much as \$3600 the subsidy goes down. But the basic principle is what's important. The basic principle is to preserve the family and to provide incentives to work, instead of our existing system which breaks up the family and provides positive dis-incentives to work. This is the plan that we are supporting tonight. And to speak in favor of it and to talk about the existing welfare system, I've asked to join us tonight Professor Ted Marmor from the University of Minnesota.

PALMIERI: Professor, welcome to The Advocates. (applause)

MILLER: Professor Marmor is Associate Director of the School of Public Affairs at the University of Minnesota. He also is a consultant to the President's Commission on Income Maintenance. Professor Marmor, how would you describe the existing welfare system?

MINIMUM INCOME/ 3

MARMOR: I think it's a system that in the first place is inadequate. It's an inequitable system. It's an inhumane one and it's one that is unfairly financed.

MILLER: Why is it inadequate?

MARMOR: It's inadequate for two reasons. For families that are poor and under the welfare system the benefits themselves are below anyone's conception of subsistence. For example, in the state of Alabama, the state defines need as \$189 per month for a family of four and yet pays \$89 a month. But it's inadequate in a second way in that it's inadequate to deal with the problem of poverty. In 1968, 25 million Americans were poor, but 15 million of them were completely unaided by the Public Assistance system.

MILLER: Why is the system inequitable?

MARMOR: The system is inequitable for a number of reasons. Partly the programs vary in the benefits they offer from state to state and county to county. And then within a state for particular programs, needs are defined differently. Let me illustrate on the state by state unfairness. A single aged woman living alone in the state of South Carolina has her need defined as \$82. When you move to the middle-west, to Nebraska, her need is defined as \$182. There's no change in the cost of living that justifies that much of a discrepancy.

MILLER: Why is this inhumane? The current welfare system?

MARMOR: I think the most powerful reason why it's inhumane is that it gives the most extraordinary and awful incentives for the fathers of intact families to leave those families in order to improve the circumstances of their family. As I said earlier, of the 25 million Americans poor in 1968, 15 million of those were unaided by public assistance and the overwhelming majority of those people are the heads of households in which the wage earner works full time throughout the year and is still poor.

MILLER: Professor Marmor, let's look specifically at that point. How does this proposal, the guaranteed minimum income, change that inhumanity? Does it provide a different set of incentives?

MARMOR: Well the first thing it does, it no longer says that you have to have an absent father, an incapacitated father, an unemployed father in order to qualify for public assistance. It says that you have to be in poverty and thereby it reduces the incentives to break up families.

MILLER: Tell me, Professor Marmor, who now pays for the cruel welfare system and how would that change under this proposal?

MARMOR: Well, the system as you know, is now shared between state, local and federal financing. The system we're suggesting would be a minimum floor completely paid for by the federal government. In 1971 it was estimated that a billion dollars in state savings would follow from this program.

MINIMUM INCOME/ 4

MILLER: Would that shift the tax base from one group of taxpayers to another?

MARMOR: I think it would.

PALMIERI: Professor, let's hear from Mr. Rusher.

RUSHER: Professor Marmor, just on the general philosophical principle, would it be fair to say that you believe every citizen has a right to the share of the national wealth?

MARMOR: Yes, I do.

RUSHER: Can you tell me what the national wealth is?

MARMOR: Eight hundred billion dollars.

RUSHER: How do you arrive at that? What constitutes. . . I didn't mean the amount. I mean, what is our national wealth to which everybody has a right?

MARMOR: We measure it, you know, Mr. Rusher, in all sorts of ways. But we usually apply a dollar figure to the total production of goods and services.

RUSHER: Total production of goods and services, so that what we're saying is that everybody whether or not they contribute to the total production of goods and services has a right to a share in the total production of goods and services. Is that correct?

MARMOR: I think we're saying that. What we're also saying that 15 million Americans are outside the present Public Assistance system and most of the poor are now working. That is they're in households in which someone is now contributing.

RUSHER: Precisely. You are arguing that if a person makes no contribution whatever to the total production of goods and services to the United States, he nevertheless should have, does have, a moral right and should have a legal right to a share in that production. Is that correct?

MARMOR: Yes. I'd put it the other way. I'd say the society. . .

RUSHER: Putting it that way, that would be correct, wouldn't it?

MARMOR: Yes.

RUSHER: Now tell me secondly, why wouldn't it be better to guarantee people a job rather than to guarantee them an unearned share of the national wealth?

MARMOR: Partly as I was suggesting. We now have people who are working full time and are still poor. Your guarantee of a job, it seems to me, would be a help and in no way does the Heineman Commission argue against the provision of jobs. What it says is that jobs are insufficient. They're desirable, but insufficient.

MINIMUM INCOME/ 5

RUSHER: But under the proposal that we're discussing tonight there would not even be a requirement that a person take training for a job, would there?

MARMOR: Well, there's not the requirement that people take training because we have a good reason to believe that if you are required to take training you will respond less favorably than if you're given incentives to take training. That's what the work incentive would do...

RUSHER: In this particular case there's no requirement to take either training or a job, right? If a person didn't want to he wouldn't have to. Is that right?

MARMOR: No, I think it would be fair to say there are incentives to take training.

RUSHER: I understand there are incentives, but if a person declines what you regard as an adequate incentive, he doesn't have to take it, does he?

MARMOR: That's right.

RUSHER: And he can have it without any countervailing contribution by him at all.

MARMOR: Without any what?

RUSHER: Without any contribution on his part at all. In other words, by asking for it, it's his.

MARMOR: I think there's a right to a guaranteed income.

RUSHER: That's right and I've now described the particular form and...

MARMOR: That's right.

RUSHER: And there's no requirement of a job involved. Guaranteed work you say would not be enough. Tell me, a great deal of stress has been laid by Mr. Miller, and secondly by you on this proposition of aid to families with dependent children. There is this tremendous motive for breaking up the family because the aid isn't given unless the father deserts. In my state of New York, however, and in many states, certainly in my state, there is a general assistance program which eliminates the incentive for the father to desert. And yet we have seen in the last six or seven years for which statistics are available in New York, the highest increase in desertions of all, we have a 335% increase. There has been, in point of fact, no lessening of the desertion percentage. Quite the contrary in New York. What makes you think that your incentive is going to be any better than that provided by the state of New York.

MARMOR: I think for a simple reason. If the family is going to be no better off by the father leaving, you reduce the incentive for him to leave.

MINIMUM INCOME/ 6

RUSHER: You reduce the incentives, but the fact is, Professor, that in New York the desertions have nonetheless increased with the incentive completely gone.

MARMOR: That may well be true, but. . .

RUSHER: But what is the idea -- What good is your plan?

MARMOR: If you'll let me answer I'll try to give you an answer.

RUSHER: Go ahead.

MARMOR: We have no way of saying, for example, that the rate of increase would not have been greater had the incentives been greater for the father to leave. . .

RUSHER: Greater than 335%?

MARMOR: It's certainly possible. We don't know the full causes of that rate of increase. All I'm saying is a reasonable man facing an income guarantee system that gave him no benefits to leave the family, would have no reason to leave the family. No financial reason.

RUSHER: You complained that state differences, differences in the compensation rates now available in various states were unjust. Isn't it entirely possible though that what would be an appropriate floor for one state would be highly inappropriate for another where the general standard of living was higher?

MARMOR: Mr. Rusher, I think that's absolutely right. However, I don't think that at all justifies the difference I suggested between Nebraska and South Carolina.

RUSHER: I'm not saying it does. If we establish that there is such a thing as a just difference, what provision does your plan make for it?

MARMOR: Well, the problem with that as it turns out is the variation within regions is as great as the variation between regions. You deal with a serious problem. However, I suggest. . .

RUSHER: I'm well aware it's a serious problem.

MARMOR: One benefit of this is giving a uniform guarantee level which would stem or at least provide some incentives for people to stay out of high cost areas including major urban centers.

RUSHER: It would if they nonetheless chose to go there, it would be only just, would it not, to have a higher floor there than say in Mississippi? Yet under your plan the floor would be the same in both Mississippi and New York, would it not?

MARMOR: You're faced with the dilemma. . .

MINIMUM INCOME/ 7

RUSHER: Indeed we are.

MARMOR: . . . and argument there. . .

RUSHER: Tell me this. Isn't it true that the payment for this plan will simply have to be in one of two forms in the long run? Either by taxation of by inflation, assuming we did not want to cut something else which the government and the people of the United States are currently spending money on? In other words, the additional \$6 billion that Mr. Miller estimates would be required is going to have to be provided not as you put it, at least not quite so generously by the federal government, but by the taxpayers of the United States and if they are not directly attacked through taxes, then through inflation.

MARMOR: Mr. Rusher, I can't think of any way that the federal government can pay for anything without taxing somebody.

RUSHER: Precisely.

PALMIERI: Professor, let me ask a question before Mr. Miller begins. You said that 15 million of 25 million people who are beneath the poverty level are working and working most of the time and simply not making enough money to subsist. Does that suggest that 10 million people who are beneath the poverty level are idle and might be available for work?

MARMOR: I think that's a totally unrealistic assumption. Most of the people who are now on public welfare are in no way likely candidates for full time work in the labor force.

PALMIERI: Who are they?

MARMOR: They comprise, for example, the aged. They comprise as well, beneficiaries of a program for the blind and the partially and totally disabled. In the largest group are composed of aid to families with dependent children. Now of that group you have at least a third who have children under six. So you're dealing in the first place with aged people, with disabled people, with blind people and families with children many of whom. . .

PALMIERI: Fine. I wanted to clarify the numbers. Mr. Miller, will you give us your close. Thank you very much, Professor. (applause)

MILLER: Of course all government expenditures are paid for by taxpayers but which taxpayers make a difference. One of the consequences of the federal floor is to shift the large part of the burden from property taxpayers in state and local areas who now bear the burden, through the income tax and the federal system and into a different kind of system. We can't ignore the fact that welfare rates now and the cost of welfare are rising at an unpredictable rate. They are rising because the system has no way to check itself. It makes no incentive for people to become self-sufficient. Only that kind of system can ultimately check the long run costs of welfare.

MINIMUM INCOME/ 8

PALMIERI: All right, thank you, Mr. Miller. We'll be back to you for rebuttal. Now, Mr. Miller has proposed that the federal government guarantee a minimum income to every American and Mr. Rusher proposes now to say why that should not be the case. Mr. Rusher, will you begin.

RUSHER: If I understand Mr. Miller's statistics he concedes that far from abolishing welfare, he said in that inspiring opening, this will actually add 26 million people to the welfare rolls in this country. Unless my arithmetic is wrong somewhere, it will result in 37 million altogether, or somewhere between 1 out of every 5 and 1 out of every 6 Americans. It will cost almost \$6 billion on top of the \$7.2 billion which America is now spending on welfare in the principal programs, and others have made much higher estimates, of course. But will even these things be the whole story? How long do you suppose it will take the politicians of this country to start raising that floor from \$2400? Senator Fred Harris, Democrat of Oklahoma, already has a bill before the United States Senate to make that floor \$3600. And the National Welfare Rights Organization already has demanded that the floor be \$5500. And what will then become of the incentive feature that Mr. Miller makes so much of, and what then will be done for money to pursue such programs as the fight against pollution, which is now attracting such justified attention in this country, or such total imperatives as the military defense of the United States? The original figure isn't really important, whether it's \$2400 or \$3600 or \$5500. Once the principle is established that there is a right to a cash payment from the government of the United States without any requirement for work whatever, then you can depend upon it that the stage is set for bleeding the taxpayers of America white. There will be a vast new class created, parasitical, self-indulgent and demanding, and it will be with us forever. To discuss this problem in some of its more general and philosophical implications, I have the honor and privilege to call first upon the Governor of the State of California, the Honorable Ronald Reagan. (applause)

PALMIERI: Governor Reagan, a very warm welcome from The Advocates.

RUSHER: May I start on a personal note sir? Congratulations upon your recent reelection.

REAGAN: Thank you.

RUSHER: What is the true purpose, Governor, of welfare, in your opinion?

REAGAN: Well at the moment I think that's one of the problems. I don't think anyone has really defined a true purpose for welfare in this country, and that's why I would classify it, the one place where I think we are all in agreement, it is a great colossal failure in the United States. No one quite knows what we're supposed to achieve with it. I think it should have a purpose and I think the proper purpose of welfare should be to eliminate the necessity for itself.

SHER: How about this proposition that there is a right to share in the national wealth?

MINIMUM INCOME/ 9

REAGAN: Well, I find national wealth one of those kind of glittering terms and generalities like the greatest good for the greatest number, and so forth, that don't bear too close an analysis. To call the national wealth the gross national product ignores the fact that the gross national product could go up every year without any of us getting any richer simply if you raise the prices of things. Inflation makes the gross national product increase. I think what we have to talk about, when we consider it in connection with welfare, we're talking about the earnings of the people who produce in the United States. And if you ask me is anyone morally entitled, has a right to a share of those earnings, harsh as it may sound, I have to say no. That what we're talking about is how far can you ask the producing citizens to give of their earnings to support those who do not produce? Now let me hasten and say that I think, I say this with safety because the American people over 200 years have proven they are extremely compassionate, and no one could conceive of the American people ever not wanting to take care of those who through no fault of their own cannot provide for themselves. And this we have done to a remarkable degree and greater than any other society ever known in the history of man. But you cannot get away from the fact that welfare is a sharing of earnings and at the moment by doing it by law it is a forced sharing of those earnings.

RUSHER: What would be the political effect in your opinion of the plan we have heard proposed this evening if we start out with a floor of \$2400?

REAGAN: We don't even have to speculate. History's been pretty plain about that. It will escalate. You were perfectly right about that. Every election year, you only have to look at a number of programs, social security, to find that there are men who will seek office on the basis of promising to what would constitute quite a sizeable voter's bloc. And history, we can take the obvious example of Rome, with what they called the mob, bread and circuses, they had a welfare that was very much like our own and it went on and on until economically Rome was strapped. We can come up even more recently and more particularly, England had a plan in 1795 called the Speenhamland System and this was one in which each parish had to guarantee to supplement the income of those below a certain earning level based on the price of bread and the number of dependents in the family. Very similar to what we're talking about in our own program. And this program in 1795 was almost immediately a failure and they said that first of all it began to constitute a subsidy for low paying employers, that they didn't have to come up to meet the market price for workers because the government subsidized their workers for them. It also eliminated the incentive, according to history, of the individual to improve his own earning capacity or ability to move on to better jobs, because it was taken care of for him. By 1834 even though it had fallen into disrepute and disuse before then, by 1834 in the poor laws it was totally eliminated.

PALMIERI: Governor, I can't give you a chance to bring that up to date. Mr. Miller now has a chance for cross examination.

REAGAN: Oh, 1834 was as far as I was going to go.

MINIMUM INCOME/10

MILLER: Governor, the problem is what to do about a welfare system that's in crisis and there are a lot of things about this plan that agree with some of the things you've been in favor of. For example, one of the things that it does, by substituting the Internal Revenue Service as a disbursing agent it completely ends the entire welfare bureaucracy. That's something you've wanted for a long time. Isn't that the kind of feature we should have in the plan?

REAGAN: Well, I wish I could think that would happen. But I've been dealing with it now for four years and I must tell you that from the inside looking out, nothing seems to go away. Things just seem to keep being added on top. I don't believe that really would happen. I think that you would find that the need to encourage, the need to follow through, would lead to a continuation of the bureaucracy.

MILLER: Let's look at something else you've been largely in favor of, which is shifting burdens from the property tax owner. By having the benefits come through the federal government and the Internal Revenue Service, in fact, the enormous burden on state and local property taxpayers would end, and the money would come through the progressive income tax instead of the very hard regressive property tax, which places a large burden on those who are close to poor themselves. Isn't that something we should try to do?

REAGAN: Well, it's a long way around to correct the inequity of the property taxpayer. Here in California he has a very great inequity and I tried to cure that and failed by one vote in the last session of the legislature. There's no question they need the burden taken off their backs. Part of our bill would have removed \$190 million from the California homeowners backs by way of the county tax that would have been taken over by the state and turned over to these other programs.

MILLER: Let's look at something else in this program that you've spoken in favor of getting people to work, providing them with a work incentive. Now, when there was a work incentive program in California, 80% funded by the federal government, in fact you took the initiative in holding people down who are on it in terms of numbers, the W.I.N. Work Incentive Program, and fought against that work incentive program. This also provides a work incentive. Is that the kind of incentive you're against?

REAGAN: No, and you're not quite right in your statement that I held it down. The truth of the matter is that California has actually gone so far into the WIN program, the Federal Work Incentive Program, that 16% of all the training slots are in California while we're only 10% of the population. And 32% of all the people who have ever gotten jobs in the whole United States under the program have gotten them in California. And 40% of the people who have gotten job training under the program have gotten it in California.

MILLER: Then you are in favor then of that kind of work incentive?

REAGAN: I am.

MINIMUM INCOME/11

MILLER: Here's a program that would in addition to those things cut down on the migration of people to California by raising levels across the country, affect the property taxpayer, cut the bureaucracy. It's been spoken for by Milton Friedman, a conservative economist, by a presidential commission that includes conservative businessmen. The only fair answer, Governor, is that if this program does not satisfy your needs for welfare, to change an old phrase around, what is it that you want?

REAGAN: Mr. Miller, I don't believe that the government--. I believe that the government of the United States is supposed to promote the general welfare. I don't think it's supposed to provide it. (applause) I think the obligation of government is to offer every citizen an opportunity to earn. It is not to offer him a livelihood. And I believe there is a humane way to do it. I agree with much that's been said about the inhumanity of the present program. I do not go along with some of the impression that is given, that welfare as it is now, that the people are more or less put in an embarrassing position. The type of thing that we're seeing, that I can foresee under your program, is the type of thing which shows a family with a gross income of \$35,000 in the state of California receiving a grant.

MILLER: And there are such families, aren't there? Three thousand farmers in the state of California.

REAGAN: Oh, no. I'm talking about welfare.

MILLER: But let's talk about farmers who are on a different kind of welfare. Over 3000 farmers in the state of California, who receive an average of \$30,000 a year. An average. There are some in the millions, but an average, for not growing crops. That's a program that you support.

REAGAN: Oh, Mr. Miller, wait a minute. You make some assumptions. If you'd like to go back over about 20 years of my public speaking, long before I ever anticipated public office, you will find that I can top you in spades about my criticism of the farm subsidy program, as well as any of the other subsidies. (applause)

MILLER: And of course that's also true of the other subsidies that we pay, over \$150 billion in subsidies to airlines through the mails, to banks through deposits, to railroads, to subsidized government programs, the whole range, the \$150 billion roughly of government support and subsidized programs for corporations and individuals you oppose.

REAGAN: I became, well no. You can't blanket oppose them. There are many subsidies in any country that are designed because of an industry that could be useful in time of emergency to a nation. The Merchant Marine was an example. The need for this country of ours which, because of high labor cost, cannot compete any longer with foreign shipping lines, we subsidized the Merchant Marine because we know that in the event of aggression, in the event of a war, we would have to have such a Merchant

MINIMUM INCOME/12

Marine. So we are willing as a people to pay a subsidy, just as we subsidized watch makers in the United States for years when we couldn't really economically compete with Switzerland, but because the watch-makers were also a source of technicians for us in the munitions industry in time of war. Now that kind of subsidy has to be weighed differently.

MILLER: You talked about ending the welfare system. Let's talk about the millions of people on welfare. What are they supposed to do? The women with dependent children? The blind? The aged? The disabled? The men who cannot work. Are they to be miraculously cured and brought off the welfare system? You seriously can't end that system of support, can you?

REAGAN: No. But I do believe that a program--. I believe there is a total reform of welfare needed.

MILLER: What is that reform?

REAGAN: And I believe that the form of that welfare, that we should explore the idea of no longer welfare, but employment. For jobs that should be done, that have to be done and that cannot normally be afforded in the labor market or by government employees.

PALMIERI: Governor, we've come to the end of the cross-examination. Can I ask you a question while you're on that? What about the people that Mr. Rusher or the previous witness I should say, the Professor referred to, who work and work all the time and just don't make enough money to support their families? How does that come out in your position?

REAGAN: I believe, and this is the most vexing problem of all. But what it comes down to is at what level can you reach the point at which they divorce themselves from this subsidy? You have to recognize that there is a factor of, and certain people who will weigh the benefits of not having to work excessively hard or long as long as they can get by without that work.

PALMIERI: Governor, will you forgive me for cutting you short? We're very grateful to you for coming on our show. Thank you very much.

REAGAN: All right. I had a great answer. (applause)

RUSHER: I must in respect to Professor Milton Friedman, who isn't here tonight, take exception to Mr. Miller's statement that he approves of this particular plan. I have every reason to think that he would disapprove of it thoroughly if he were here. It is true that he has proposed the negative income tax, but it is in major respects different from the plan we're seeing proposed tonight. To discuss this plan further and some of its important and technical aspects, we have with us a distinguished economist, until recently a special assistant to the President of the United States, Dr. Roger Freeman.

MINIMUM INCOME/13

(PALMIERI: Dr. Freeman, welcome to the program. (applause)

RUSHER: Dr. Freeman is a Senior Fellow of the Hoover Institute at Stanford University. Dr. Freeman, we've heard a great deal about the incentive that Mr. Miller's chart showed would be given. You could keep some of the welfare money even while you worked and this was supposed to provide a big incentive to people to get out and work. In point of fact, though, if the payments are raised in a year or so, or started to raise as Governor Reagan predicted they would, how much incentive is there really going to be under this program?

FREEMAN: If you looked at the chart, Mr. Rusher, you saw that it provided \$2400 for a family with no earnings, and if you earn \$2400 you would get \$1200, a total of \$3600. In New York a couple with two children are already getting about \$4000 plus fringe benefits. So how much incentive do you have to go from \$4000 to \$2400? In the second place, we have had an incentive system in the Aid to Dependent Children program and other welfare programs incidentally, for several years. In New York, in September, 1967 a system was introduced under which a welfare recipient, an ADC recipient, that's Aid to Dependent Children, could keep of her extra earnings \$85 a month plus 30% of her earnings. Since that time the number of recipients on ADC has tremendously increased just over the past year by 26%, which means that within three years the number of recipients will double. In other words, the experience has been that these incentives, so-called incentives, do not work for a great majority of the people. They may work for a few.

RUSHER: Dr. Freeman, since our time is short, I want to come to the question that I had saved for last, which I consider perhaps the most important. It's been touched on twice already here tonight. Doesn't everyone, or does everyone have a right to a share in the national wealth of the United States?

FREEMAN: It seems to me that everybody has a responsibility to share in a national wealth, that means contributing to the national production if it is within his capacity. And only that contribution gives him the right to share in proportion to what he produces.

PALMIERI: Mr. Miller?

MILLER: What about a system, Professor Freeman, that when he is producing gives him every incentive to stop producing and leave his family? Is that the kind of system that you support?

FREEMAN: No, sir, and I don't think it does because as you well know, it does not require, not in California, not in New York, not in 20 states...

MILLER: Not in 20 states, but in 28.

FREEMAN: That's right.

(MILLER: In 30 rather.

MINIMUM INCOME/14

FREEMAN: Well, for a man to leave his family, but rather he can remain with his family if he's unemployed and he will receive welfare.

MILLER: He has to stop working. He has to stop working.

FREEMAN: Well, now let us first assume he is not working. In that case he will receive welfare and the experience has been that since that was introduced, about 8 years ago, that the rolls since that time have been increasing very rapidly. In other words, an incentive to leave the family is not there.

MILLER: It's no incentive like the one we've been proposing. I mean, the incentive you talked about is very limited. You have to be working part time. The \$4000 figure in New York, of course, New York incentive would go to a higher level. The principle is you'd always keep half of what you earn. But let me ask you about the guaranteed jobs feature, which the Governor spoke of and which Mr. Rusher mentioned, and which I understand you support also. How much would a program of guaranteeing jobs, just for the idea of guaranteeing jobs, to everyone in the United States at a level at the poverty line or above, cost the federal government?

FREEMAN: No, I'm opposed to that.

MILLER: You're opposed to that.

FREEMAN: I believe that the government does not owe everybody a living. But society does owe him an opportunity to earn a living. In proportion to what he produces. I do not believe that anyone has the right not to work, and just because he has no income, or a little income, to be supported by the other people.

MILLER: Let's get to the principle then. If we have a person who is working, those 15 million households, 15 million people in households that are headed by the working poor, if we have a person that is working. On principles, forgetting about sharing in the national wealth, on principles, what we should do with that person who'd demonstrated his motivation, we should keep him working and do everything to keep him working, shouldn't we?

FREEMAN: We do. Except if we offer him welfare, where he makes as much as he can with working or not much more.

MILLER: This is what we do.

FREEMAN: This is what we are doing and what you propose would make it even worse. How are you going to control the welfare program if at the present time we have 12 million, it's increased by a million since you spoke, from 11 to 12 million at the present time. We have 12 million and you're going to control that and make it better by putting 36 million or 26 million on the rolls. . .

MINIMUM INCOME/15

MILLER: By putting people on who are now deciding whether to go on the welfare system that we now have or to continue working. Why shouldn't they simply, they're not on now. The welfare costs are going up. Tell me, what do you propose to do with the welfare system? Welfare costs that are out of control? Welfare rolls that are growing by a million in ten seconds, apparently. What do you propose to do with it?

FREEMAN: Very simple, sir. What I propose is to offer people an opportunity to work. Now there are some who cannot compete in an open market. They, we may have to. . .

MILLER: An opportunity to work. Most of the people on welfare are blind, are aged or disabled. What are they to do? Sit magically and be born anew?

FREEMAN: Most of the people are not blind.

MILLER: Children. Are children to grow old and the old to grow young? Are the 97% of the people on welfare. . .

FREEMAN: That is incorrect. Most of the people who are on the ADC program, the Aid to Dependent Children, the blind, the disabled, the old, that's a program by itself, which is really not controversial at the present time. The real controversy is on aid to dependent children, which would enable millions of men and women to live off of other people's sweat of the brow.

PALMIERI: Professor, let me thank you for appearing on The Advocates. (applause)

RUSHER: Like most deadly proposals this one starts out by being relatively modest. At first we see only the tip of the iceberg. But once the principle of a guaranteed minimum income is established, political pressures to increase the actual payment. . .

ANNOUNCER: (simulated newscast) We interrupt this program for a special report: The welfare strike has begun. We repeat, the welfare strike has begun. At nine o'clock this evening, welfare strikers blockaded the transportation systems of New York, Los Angeles, and other major cities. Earlier today a welfare union spokeswoman told us why they want to strike.

WELFARE WOMAN: I'm pi---d off cause I want something for myself, my kids and my people.

HELEN BROWN: (L.A. Welfare Union) We were promised under this minimum wage, minimum salary thing from the government that everything would be different. That we would break out of this poverty cycle, that we wouldn't be poor people any more. That we'd be able to participate in the wealth of this nation which is such a wealthy nation. Well nothing has changed.

MINIMUM INCOME/16

ANNOUNCER: The National Alliance of Welfare Unions wants more money. The guaranteed income was originally set at \$2400 for a family of four. Later it was raised to \$3600. Now the Alliance demands \$6500. And the inflationary spiral keeps getting worse. Farm prices pushed the cost of living this month up .7% hitting a seven year high of 8.5%.

ROBERT SCHROEDER: (American Consumer League) This inflationary spiral that's caused by this program has risen my food bill 9½% in the last six months. There are no janitors in my child's school. A group of parents including myself were there last night cleaning up the school because people are not willing to go to work at menial jobs like janitors. And we can't take it any more. The taxpayers in Southern California alone, with twelve other groups around the country are going to refuse to pay our federal taxes until this program is wiped out.

FLOYD YOUNG: (Truck Driver) Last month I plowed under three hundred acres of lettuce; no one to pick it. There's two hundred acres of tomatoes out there that I've had to plow under also. I just can't get the workers. Government guarantees them a certain amount of money and what we can pay them isn't really enough to make it worth their while. Now next year I'm going to plant one third of the acreage that I have here, and prices will go up. But if that doesn't work, well, maybe I'll go on relief.

ANNOUNCER: Earlier today, before the strike started, the chairman of the Senate Finance Committee described his dilemma and made an unprecedented appeal to the nation's taxpayers for help.

RICHARD COLEMAN: (Senator, Senate Finance Committee) The welfare block has placed enormous demands on Congress and the economy. This year, we've again underestimated by 20% the escalating cost of this program. We've also underestimated the enormous labor reduction this program has caused. This budget report I have just received gives us two options: Either pass another formidable appropriation with an increase in income taxes, or cut back by one third the welfare payments we are now handing out. You've got to help make that decision.

ANNOUNCER: That's the latest on the welfare strike. This is James Waterman reporting.

RUSHER: Fortunately that was only a simulated newscast. You will not really see one like it for five or ten years if this plan is adopted. You will see it one of these days if a guaranteed minimum income, God forbid, should become America's national policy.

PALMIERI: Well, Mr. Miller.

MILLER: That film is a complete prediction of what will happen if the welfare system remains as it is, not if it is changed because what we are building is a self-perpetuating welfare bloc brought on by the system by itself. The system must be changed and that is the question to which everyone must address themselves, not simply existing criticisms of the system and brushing aside every proposal, even when

MINIMUM INCOME/17

proposed by this presidential commission that comes along. When I say the welfare system must be abolished, I mean it's the system that must be abolished, not that people stop receiving checks from the government, but that the checks that they receive from the government be productive toward leading them to work and family stability. That's the goal we can achieve by breaking the system. Continuing the present system will continue to add those millions to the welfare roles. We must address ourselves to the question what to do and not simply be scared away by a proposal that struck at the bureaucracy, that stabilizes the family, that provides incentives to work. Those are the proposals we need to consider. This proposal in fact was proposed by a commission of distinguished Americans including presidents of major corporations and public leaders from all over the United States and the principle of the negative income tax, that is payment as of right, without categories, is in fact a principle concurred in by Professor Milton Friedman and others. We have a member of that commission here tonight to support that proposal. She is State Senator Barbara Jordan from Texas.

PALMIERI: Welcome Senator Jordan. (applause)

MILLER: Senator Jordan, the question has come up about whether the government should simply provide a kind of guarantee of income to every American. Should it?

JORDAN: The government should provide some kind of guarantee to every American because we expect of every American, as has been said here many times tonight, to produce and consume and 25 million Americans are being locked out of society and locked out of the economy, unable to participate in the marketplace and the economy and the government has a responsibility to give these people a chance in life.

MILLER: Now despite all the talk about able-bodied people on welfare, the Commission studies indicated that less than 3% of all those on welfare were able-bodied.

JORDAN: Absolutely correct. Less than 3%.

MILLER: If we do guarantee this income, that is if we simply move from our existing system where all but 3% are not able-bodied, if we guarantee the income to all, will that create this momentous political bloc that will besiege this country?

JORDAN: Well I think anyone who feels that we're going to have a tremendous welfare bloc bringing political pressure for changes in adoption programs they're absolutely erroneous. The National Welfare Rights organization has failed as far as bringing pressure to bear on a new program or an innovative program by the federal government. I don't think that this is going to occur.

MILLER: What will happen though if the system did not change, if we continue as we are because people continue to say no to every proposal?

MINIMUM INCOME/18

JORDAN: I shudder to think about the newscast that we will see if we don't change the present system. There are people who will revolt, the have-nots in our society have decided that they will not be eternally mute and that they will demand that they be included in the inner workings of this economy.

MILLER: What does the current welfare system in fact do to people and families on welfare?

JORDAN: It destroys hope. A person who is locked in the basement of poverty, a person who cannot feed his family, a person who works and tries to earn a living and still cannot produce in the terms of middle America, he loses hope and I think that this is what we can give to people if we include them in our society.

MILLER: In fact does it provide an incentive to families to remain together or to break up?

JORDAN: It's an incentive for them to break up, we've talked about that.

MILLER: What about an incentive to work, does it provide any real incentives to work?

JORDAN: No real incentives to work. The working poor are left out of the categories. The working poor are excluded from Public Assistance programs as they now exist. They have no incentive to work built in to present systems and this is the case.

MILLER: One last question. You're a member of this distinguished presidential commission including men from all over the country, including many businessmen. Did they all come to the commission agreed that this was the proposal or what was the process? How did the commission come to unanimously recommend this plan?

JORDAN: This commission was composed of corporate executives, university professors, former governors, even the former governor of California and they saw poverty, they studied it, they smelled poverty, they saw people locked into this kind of isolation that I talk about and decided that the only response and the only alternative was a minimum income guarantee.

MILLER: Thank you.

PALMIERI: Senator, before Mr. Rusher starts, the question that Mr. Rusher and his witnesses posed to earlier witnesses is still a question very much in the minds of the American public. Why should productive people, so-called, contribute to non-productive people?

JORDAN: Well, I could say that we always in many instances productive people have contributed to non-productive people, but the assumption that you, we're making which is erroneous here is that there are large and vast numbers of people who can be productive who are on welfare

MINIMUM INCOME/19

simply because they are lazy. This is one of the myths the Heineman Commission sought to destroy. This is not the case.

PALMIERI: Thank you Senator. Let's hear from Mr. Rusher.

RUSHER: Senator Jordan, as you are aware, Senator Harris of Oklahoma has introduced into the Senate a bill to make the floor for this type of a system \$3600. How do you stand on that bill?

JORDAN: I would say that it is unrealistic to seek a floor of \$3600 at this time.

RUSHER: Unrealistic how?

JORDAN: It is unrealistic in terms of \$3600 would require an expenditure of some \$27 billion and the American people are not ready to commit that vast sum of money to a program to help people stand on their feet.

RUSHER: I agree with you, but if the American people by any chance could be persuaded to do it would you favor it?

JORDAN: Yes, I would.

RUSHER: And how about the proposal of the National Welfare Rights Organization, the demand indeed, that the floor be \$5500?

JORDAN: I think that when you get to that point you reach the point of diminishing returns and I'd say that in order for us to keep incentives built into the system that it is necessary to keep it at a reasonable and practical level.

RUSHER: You're in favor of \$3600 if it could be practically achieved but not \$5500.

JORDAN: \$3600 because that is the poverty index at this time and that's why it makes sense.

RUSHER: Tell me, isn't it true that, well put it the other way around, what's wrong with requiring work or at least job training for welfare payments?

JORDAN: It is alien to the American way of life to coerce people, to coerce people to work in order, in order to earn. . .

RUSHER: Is it the American. . .

JORDAN: The vast majority, let me finish my answer.

RUSHER: Surely.

MINIMUM INCOME/20

JORDAN: The vast majority of the American people continue to work to earn a living and the vast majority would continue to work to earn a living.

RUSHER: Since you have raised the question of just what is and what isn't alien to the American way of life would you say that it is alien to the American way of life to pay a man a stipulated amount every year for doing nothing whatever and not requiring anything of him in return?

JORDAN: I would say that it is alien to the American way of life to be the richest nation in the world and suffer 25 million people.

RUSHER: And not give people money for nothing?

JORDAN: And suffer 26 million people.

RUSHER: We've heard a lot of talk about the proposition that only 3% of the people now on welfare are able-bodied and let's assume for the moment, although I assume it only for the moment because I think it's wrong, that it is true. Let's assume that it's true about those presently on welfare, these 10 million plus that are on welfare, This proposal tonight proposes to add 26 million. Is it your impression that only 3% of those are going to be able-bodied?

JORDAN: It is my impression that this country must move in the direction of eliminating, eradicating, erasing welfare as it now exists. . .

RUSHER: I would like you to answer my question.

JORDAN: . . .and moving to a new program. That's the only answer I can give you.

RUSHER: Let me try again. If we add 26 million to the welfare 10 million will they all but 3% of them be unable to work?

JORDAN: The question is this 26 million people be poor people, people who. . .

RUSHER: Would they be able to work?

JORDAN: . . .are looking for an opportunity, people who are looking for the chance to stand on their feet. If they could work they would work.

RUSHER: Well, we'll pass that and ask you this instead. Is it true that recently in Detroit 600 welfare recipients said they would never again accept work as domestic servants, that they regarded it as demeaning and instead they's stay on welfare?

JORDAN: I did not talk to them.

MINIMUM INCOME/21

RUSHER: I didn't ask whether you did.

JORDAN: Well, I don't know whether they said it or not.

RUSHER: In other words you haven't heard that they did.

JORDAN: I have not heard that they did.

RUSHER: Well, accepting for the moment hypothetically the proposition that they did, would you comment on it.

JORDAN: I would not comment on a proposition that's hypothetical.

RUSHER: Oh, you won't comment on a hypothetical proposition.

PALMIERI: Well, we've got enough real world propositions to talk about. I think we're talking about problems that are important to all.

RUSHER: Well, I assure you, Mr. Palmieri, I did not pull that story out of the blue. It actually happened in Detroit and I'm sorry Senator Jordan would rather not comment on it. May I ask you whether or not in fact, let's put it around this way instead of giving you a hypothetical. Would you consider that work as a domestic servant should be accepted by a person who is otherwise out of work?

JORDAN: Do I think he should be coerced?

RUSHER: No, should he do it on his own?

JORDAN: If this is a job that the man desires as a domestic servant or a woman, yes.

RUSHER: And if he prefers to stay on welfare, that's all right with you.

JORDAN: If she prefers a new kind of opportunity, another kind of job and her skills can adapt themselves to a new kind of job then that opportunity ought to be provided.

RUSHER: And suppose her skills can only adapt her to a new kind of welfare.

JORDAN: Well, I would not assume a situation in which a person's skills--

RUSHER: I'm not asking you to assume anything. I am merely saying if there is a job as a domestic servant. . .

JORDAN: Well, you said "suppose" and in my book suppose means assume.

RUSHER: I didn't say suppose. I didn't. I said that if a person receive an offer of employment as a domestic servant and is currently on welfare, should they take it or should they not? Now you can say can do it or not as you choose.

MINIMUM INCOME/22

JORDAN: That should be a matter of. . .

RUSHER: Of personal decision.

JORDAN: . . .of personal decision and judgment.

RUSHER: Right. And if they don't want to take it then they can just take the cash and sit.

JORDAN: That would be a matter of personal decision and judgment.

RUSHER: Precisely. For each person individually, and if he decided to take the cash, it is our moral duty to pay it to him.

JORDAN: That is your assumption at that point that it is our moral duty.

RUSHER: What is yours?

JORDAN: What my assumption is that we would create a climate, market incentives, labor participation, more jobs to enable people to break out of the cocoons that lock them in at this point in several kinds of positions.

RUSHER: Do I understand that you do not believe then that there is a moral obligation to make welfare payments to people who don't want to work?

JORDAN: There is a moral obligation. . .

RUSHER: Oh there is.

JORDAN: There is a moral obligation to provide every man, woman and child in America with a decent level of living.

RUSHER: And that is to be done regardless of whether they want to work for it or not.

JORDAN: The point that I would like to make. . .

RUSHER: I would like to make that point.

JORDAN: Then you make it and don't ask me to respond to it.

RUSHER: Yes, I do ask you to respond to it. You're a witness here.

JORDAN: What I am saying is. . .

RUSHER: And what I'm asking is whether or not they would have to do any work for it.

PALMIERI: Senator, I'd intervene if I didn't think you could handle yourself.

MINIMUM INCOME/23

JORDAN: People should not be forced to work in order to be able to celebrate life. That should not be an ingredient of the American way of life.

RUSHER: I think that sums up if not the American way of life at any rate the one that Senator Jordan favors. Thank you.

PALMIERI: Senator Jordan, thank you for being on The Advocates. (applause) Mr. Miller you have one minute to summarize your case.

MILLER: The question is whether we really intend to deal with the problem that exists. The problem that exists is not vast numbers of able-bodied people who don't want to work; but people who are working and who are nevertheless poor and for whom we have structured an entire system that leads them away from their family and from their work. That is the reality we must deal with. All the boogeymen about people who don't want to work, in fact as income level goes up people tend to work often harder. It is not a question of the requirement. The requirement or the force requires the kind of vast bureaucracy that everyone wants to get rid of. If the bureaucracy's gone, if the payments go, if the climate's correct, if the incentives are there, then the people who now work will continue working. Those who are simply to continue the present system and the present bureaucracy and the present reverse incentive have an obligation it seems to me to suggest something else. This is the suggestion of the commission. It is the one we should adopt.

PALMIERI: Thank you, Mr. Miller. Now Mr. Rusher, you have one minute.

RUSHER: This year and last on The Advocates we've discussed many liberal proposals for allegedly improving our society. Some it may be were meritorious. Others perhaps were harmful and yet had small actual effect, but there has never been one in my opinion as full of peril to our national life as the proposal we have been considering tonight. To create a whole new class of lifelong professional dependents, 35 million strong, to tax the heart out of every working man and woman in America to feed and to clothe and house these people without once requiring them to lift a finger or even asking them to learn a trade, this is not statecraft. This isn't even common politics. This is the swift sure road to national suicide.

PALMIERI: Mr. Rusher, thank you. Well, ladies and gentlemen, now it's time for you at home to act on tonight's question. Should the federal government guarantee a minimum income to every American? You've heard our distinguished witnesses, including the Governor of the State of California. It's time for you to make up your mind and signify to us where you stand on the question. We want you to let us know. We want you to write us tonight. Every one of your votes is important. Will you send your vote to The Advocates, Box 1970, Boston 02134. We tabulate your views and we make them known to the White House, to all the members of the Congress and to others throughout the nation who are concerned with this problem. Please remember that address; The Advocates, Box 1970, Boston 02134.

MINIMUM INCOME/24

Four weeks ago The Advocates debated a plan for universal voter registration in presidential elections. Doesn't sound like it'd be as controversial as tonight's program. Believe me it was. We've now heard from over 1300 individuals across the country. Our viewers were fairly evenly divided. 48% were in favor, 48% were opposed, 4% expressed other views.

Now for the next two weeks The Advocates programs will come to you from Paris, France. We'll have more on that for you in just a moment. Now we anticipate while we're overseas that Congress will act on a question that we debated three weeks ago. That question: Should Congress set import quotas on textiles and shoes. So therefore we're reporting tonight the preliminary mail results on that question. We've received 24,468 replies. And they were overwhelmingly in favor of quotas. 90% of those responding said yes, they were in favor of quotas, only 10% said no. But more than 80% of the total mail was clearly the result of organized write-ins with a preponderance of letters coming, not surprisingly, from the textile states of South and North Carolina, Georgia and Alabama. And now let's look ahead to next week.

FILM:

MADAME BINH: If Mr. Nixon really wants to end the war and negotiate seriously, we are ready to do so.

ANNOUNCER: Madame Nguyen Thi Binh, spokesman for the Viet Cong at the Paris peace talks.

XUAN THUY: speaking in Vietnamese.

ANNOUNCER: Xuan Thuy, principle negotiator for the North Vietnamese. Next week Xuan Thuy and Madame Binh participate in an extraordinary television event when The Advocates begin a two-part program on ending the war in Vietnam. Next time from Paris, The Advocates.

PALMIERI: Thanks now to our advocates and to our distinguished witnesses. I'm Victor Palmieri. Til next week, thanks to you. Good night.

ANNOUNCER: The Advocates as a program takes no position on the issues debated tonight. Our job is to help you understand both sides more clearly.

1/24/51

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TELEVISION PROGRAM TO "ABC'S ISSUES AND ANSWERS."

I S S U E S A N D A N S W E R S

SUNDAY, JANUARY 24, 1971

GUEST:

GOVERNOR RONALD REAGAN (R. Cal.)

INTERVIEWED BY:

Sam Donaldson, ABC News Capitol Hill

Correspondent.

Louis Rukeyser, ABC News Economic Editor

MR. RUKEYSER: Governor, President Nixon made his State
of the Union speech Friday night. You spent more than an
hour with him yesterday. What reaction did you give him?

GOVERNOR REAGAN: Well, I thought it was fine. I think
that what he called for basically was the very thing that has
been at the heart of Republican philosophy in recent years.
The decentralization of the great power of the federal govern-
ment, the return of more authority and autonomy to local
governments, to the states, and, of course, this ties in with
the federal revenue-sharing which I see as a possibility of

1 taking some of the burdens off the federal government and
2 operating things more efficiently at the local and the state
3 level.

4 MR. RUKEYSLER: Will you be supporting that program in the
5 deliberations here in Washington?

6 GOVERNOR REAGAN: Oh, very much. I think there is
7 probably going to be great congressional opposition to winding
8 down. You know, there is an old saying that no government has
9 ever voluntarily reduced itself in size, but I think if the
10 people themselves will, at the grass roots, make it evident
11 that they want this -- and I believe they do; I think people
12 are concerned about how far government has become removed from
13 their influence -- I think that Congress can see the light and
14 bring this about.

15 MR. DONALDSON: Governor, another point of congressional
16 opposition that is developing has to do with what you call
17 "deficiency." Many members of Congress don't like the idea
18 of sending the money back to the states with no strings
19 attached, afraid that the states may not use the money
20 properly. What is your counter to that?

21 GOVERNOR REAGAN: I see nothing wrong with the federal
22 government setting some minimum standards. For example, if
23 they are going to give us money to operate a welfare program,
24 that is now bound in by federal regulations right down to
25 every detail as to how we must administer the program; if they

1 are to give us the authority to run the program, there is
2 nothing wrong with the federal government insisting that
3 there is a basic level that must be maintained, and I wouldn't
4 object to that. Where we get in trouble at the local level
5 is trying to make regulations that are worked out here in the
6 Nation's Capital on a basis that would fit every section of
7 the country, and there is a great diversity in America, and
8 then expecting us to make those regulations work in our
9 administering of the program.

10 MR. DONALDSON: Well, it is said that the federal govern-
11 ment is the best tax collector, but people like Wilbur Mills
12 of the House Ways and Means Committee make the point that
13 the person that uses the money should be the person --
14 meaning government constituency -- that raises the money.
15 Why shouldn't you in California have some device for increas-
16 ing your taxes, lowering the federal tax, let's say, rather
17 than sending the money to Washington and then back again?

18 GOVERNOR REAGAN: Well, I have always been an opponent of
19 that. I have said that, running it through these puzzle
20 palaces on the Potomac, it comes back minus a pretty heavy
21 carrying charge and the ideal would be for the federal govern-
22 ment, which has preempted so many sources of revenue, to
23 simply return those sources and allow the collection at the
24 local level. But it is a fact of government, and not only
25 the federal government -- you'd be surprised, after a while

1 at the state level, now resistant some at the state level
2 are when you suggest allowing the cities to have a source
3 revenue and to solve their own problems with that revenue.

4 So this is just a fact of human nature and governments
5 made up of human beings.

6 MR. RUKLYSER: Do you think there is any chance this
7 program would result in any net tax reduction?

8 GOVERNOR REAGAN: Oh, I think very easily it could be-
9 cause I believe that in administering these, without the
10 duplication of bureaucracies -- take, for example, in welfare.
11 There is the gigantic Health, Education and Welfare Depart-
12 ment. Now, there is a very sizeable state welfare department
13 in California. Then the program that actually administers
14 to the people is at the county level and they have a gigantic
15 bureaucracy, if you want to call it that, because they are
16 the ones who provide the case workers who are in contact
17 with the Welfare recipients. Now, if you could reduce the
18 administrative overhead at Washington, you free a great
19 dollars that are not actually helping the problems of the
20 poor. If we at the state level -- and we have been trying
21 to do this in California, to wind ours down -- we have,
22 in the four years that I have been there, we have reduced the
23 state regulations imposed on the counties from 2500 pages to
24 less than 250 and I think that the 250 are still too many.

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1 MR. DONALDSON: Well, what can you do, saying that you
2 support this idea, to mobilize some sort of pressure on
3 Congress, because at the moment it would appear that it has
4 very little chance -- that is, Revenue Sharing -- of getting
5 through this year?

6 GOVERNOR REAGAN: I think they had better start listen-
7 ing to the people. Of all the issues in this country that
8 have the people aroused, I will guarantee you, just from my
9 own experience in speaking engagements and getting around
10 the country and in our own state, there is no problem that
11 I can think of in which the people are more set and determined
12 in their minds that there must be reform than in the field
13 of welfare. The people are at the -- they see it operating,
14 they live across the street from the recipients, they see
15 the shortcomings of the program and they see, certainly, the
16 waste and extravagance and I am prepared to say that most of
17 that waste and extravagance is the result of trying to make
18 the multitudinous federal regulations operate, because the
19 more regulations you get, the more interpretations you can
20 have, and the more loopholes you can have and some of the
21 cases are just actually ridiculous.

22 MR. RUKEYSER: Well, Governor, it is no secret you have
23 been involved in controversy with the Nixon Administration
24 over more than one question involving public welfare. Vice
25 President Agnew suggested ten days ago that welfare was much

1 more complex a problem -- those were his words -- than your
2 proposal, to put able-bodied recipients to work.

3 Have you resolved any of these differences in the last
4 ten days?

5 GOVERNOR REAGAN: Well, there is a great deal more in which
6 we are in agreement. As a matter of fact, we in California
7 were privileged to be in on the very inception of the
8 President's idea about reform of welfare. Now we are agreed
9 totally on the need for complete reform of welfare. It is
10 a colossal failure. It is a disaster in this country as it
11 is now operated. It has no goal. It has no eventual end
12 purpose that anyone can see.

13 We are agreed on the necessity to have some realistic
14 work incentives. At present, literally, the welfare re-
15 cipient has the choice of working or saying, "I will sit
16 and do nothing, and I won't be penalized, I will still be
17 given subsistence." This, we are in agreement on, must be
18 changed.

19 Where we came into some disagreement -- and it never
20 affected a cordial relationship, at all; we have discussed
21 it frankly and openly -- we believe that when the President's
22 original concept came down through the bureaucracy of HEW
23 in legislative form and was passed by the Congress, these
24 work provisions were watered down to where the loopholes re-
25 mained and there was no realistic way to get these people

1 into employment, or force them into employment. We think
2 the shortcomings were in that legislative form.

3 MR. DONALDSON: You just used the words "force them
4 into employment" and it ties in with what Lou mentioned about
5 your own plans for a work force for the employable people
6 who are in welfare in California. Now how would that work?
7 How would you force them into employment?

8 GOVERNOR REAGAN: Well, we are working toward a concept,
9 there, on an experimental basis, that we would like to try
10 out, and I have had conversations with the Secretary of
11 HEW, Eliot Richardson, and he is most interested in having
12 our people come back -- and they are not frozen into any
13 total, solid position, nor are we. I am one who believes
14 that some of these various programs, there should be some
15 experimentation before they are imposed nationwide. This is
16 what has been wrong in the past. Someone has had an idea in
17 Washington and a program goes out and if it turns out there
18 are shortcomings, inertia sets in and there is no way to
19 reverse the trend.

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1 We would like to experiment with, first of all, taking
2 the real dependents, the aged, the disabled, the blind and
3 so forth, and recognizing that they are pensioners, they
4 do not properly belong over in the welfare structure.
5 Automate their checks by way of Social Security. Set them over
6 here and pay them.

7 You don't have to have a case worker dropping in every
8 few months on an elderly person to check on whether they
9 are getting younger or not. They are not. And then turn to
10 this section of welfare that should be viewed
11 as temporary, and the goal of welfare should be to reduce
12 the need for itself. Welfare should base its success on how
13 much this segment of potential employables shrinks as
14 government wards, how many of them they can get out into
15 the private sector. And we are working toward the idea of
16 trying -- in a sense a public work force, cataloguing all
17 those functions that are not now being performed at
18 local or state or even federal government levels, useful,
19 necessary things that government would do, if it had the
20 manpower and the resources. Well, we do. We have the manpower
21 presently on welfare, the employable manpower, that just isn't
22 able to get a job in the private sector because of the
23 lack of a job skill, or basic education, or whatever. We
24 have the funds. It is now being paid to them in the welfare
25 grants.

2 1 But if we created on a priority basis these public
3 services -- now in this whole environmental field, countless
4 doors are opened for things that need doing. Here is the
5 manpower and the resources to do it, but consider always
6 that these people are not permanent government employees.
7 The program is permanent, but they are temporary, and you
8 tie your job training and job procurement to these programs
9 in which your goal is to get these people out of this
10 kind of employment into the private sector, into the jobs
11 with a future and an opportunity as quickly as possible.

11 (Announcements)

12 * * * * *

13 MR. RUKEYSER: Governor Reagan, in your talk with the
14 President yesterday did he indicate that he was moving to
15 remedy what you consider defects in his previous Welfare
16 Reform Plan?

17 GOVERNOR REAGAN: No, we actually didn't touch on that
18 subject. We were both being very tactful. But I do know
19 that the Secretary is very interested in hearing all input
20 from others. He wants to find whatever there is that
21 might aid, again, in this total agreement we have, that
22 the program must be salvaged, it must be reformed.

23 MR. RUKEYSER: Would you agree that some form of a
24 welfare reform plan is likely to be enacted by the Congress
25 this year, and if so what form do you think it is going to

3 1 take?

2 GOVERNOR REAGAN: Now perhaps you here closer to the sc
3 are more familiar with how Congress is going to react to
4 these things. Perhaps Congress might be more willing to
5 act on an experimental basis. You see the one that I just
6 outlined to you, I cannot be totally sure in my mind that
7 there aren't defects, that this would solve the whole
8 problem and this is why I believe in the idea of granting
9 some states the permission to try some of these things,
10 implement them and see if they work fine, what the
11 advantages are, the shortcomings, but we may find
12 an amalgum, we may find a mix
13 of features of one and features of another. But if we can
240 agree upon the goal and if Congress will give that permission.
14 I think we can solve it, but I think it is the most important
15 issue facing the Congress today. This nation must have
16 a reform of welfare, or the nation and the states individually
17 are heading for bankruptcy.

18 MR. RUKEYSER: Do you regard that as more important
19 than revenue sharing?

20 GOVERNOR REAGAN: Well, I think revenue sharing
21 ties right in with it. Let me just add one thing. I have
22 just finished referring to the bankruptcy that faces government,
23 but let me make very clear that the most important and tragic
24 part of the failure of welfare is for the person who is totally
25

1 destitute and dependent on the rest of us, because
2 we are spread so thin with this proliferation of programs
3 that we can't actually do what we should be doing for
4 the totally destitute persons. They are existing on grants
5 that do not give them what they need to raise their children
6 properly, and to escape poverty.

Els.mmm

1 MR. DONALDSON: Governor, your own state faces a
2 deficit and you told the Legislature that you are going to
3 have to borrow to make up. While reforming welfare and
4 cutting back on some services might be the long-range
5 solution, but the Democratic leaders of the Legislature --
6 and it is Democratic now -- say taxes, a rise in taxes is
7 inevitable. How are you going to resolve this difference?

8 GOVERNOR REAGAN: Well, there is a kind of a revelation
9 here of the basic difference in philosophies between us.
10 Now, when I said borrow, let me explain this. This is a
11 technical thing in California. We cannot have a deficit.
12 We cannot borrow like the federal government can, to go out
13 and borrow in order to pay the running costs of government. I
14 was simply injecting there that our cash flow problem requires
15 interdepartmental borrowing. The fact that in several months
16 of the year you have no revenues coming in under our tax
17 structure, but the bills must be paid.

18 Now, we meet this every year, regularly, by borrowing,
19 let's say from the gasoline tax fund of money that they are
20 not yet ready to use, and this borrowing must be paid back
21 as the year goes on.

22 What I did say to them was that if they would meet, as
23 they should, the issue of reducing some of the costs of
24 government, some of the lower priority items, and meet the
25 problem of reforming Medicaid, which we call medical, and

1 Welfare, we do not need a tax increase.

2 Now, the easy way is for them to just simply say, "Well,
3 here we are in trouble. We need 'x' number of dollars more.
4 We will turn to the public and take more money away from them.
5 But if they do without reforming Welfare, then, as I told
6 them, next year they will have to do it again; they will have
7 to do it the year after; they will have to do it the year
8 after and into bankruptcy because Welfare is progressing at a
9 rate that is more than three times the annual increase through
10 growth of the economy in our resources.

11 MR. DONALDSON: How about legalized gambling as New York
12 has done and there is a bill in your Legislature with
13 terrific Democratic backing for off-track betting?

14 GOVERNOR REAGAN: Well, there isn't solid Democratic
15 backing even for that. Californians have made it pretty
16 plain they don't like this gimmick approach. Twice now the
17 California people have voted down on the ballot the idea of a
18 public lottery. I myself lean against it.

19 MR. DONALDSON: On moral grounds or what?

20 GOVERNOR REAGAN: I am inclined to believe that a state
21 should get its revenue from its people's strength, not by
22 capitalizing on their weaknesses.

23 MR. RUKLYSER: Governor, before we leave the subject of
24 the poor, I want to ask you whether you expect the Office of
25 Economic Opportunity to sustain your veto of a \$1.8 million

1 grant for the California Rural Legal Assistance?

2 GOVERNOR REAGAN: Well, I sincerely hope they will. We
3 have been discussing this whole problem with them. You see,
4 this is only one of a number of OEO-funded grants for legal
5 assistance to the poor. Now, I have had no problem with the
6 others. I have approved the others. There are a number of
7 those programs in effect. In Los Angeles County they handled
8 8,000 cases last year. It is a tremendously successful
9 program.

10 CRLA, I flatly charge, is not fulfilling the purpose for
11 which it was created. It is not giving legal representation
12 to the poor, and we have come back here with a proposal for
13 a program that will give this legal aid to the poor that is not
14 now being given.

15 MR. DONALDSON: Let me change the subject very quickly and
16 talk about the Indo-China War. Under two presidents you have
17 supported our goals and our program in Vietnam. Now many
18 people in Washington are concerned about increased U. S. air
19 involvement in Cambodia at a time when we are withdrawing from
20 Vietnam. They worry that we must be sucked into a Cambodian
21 quagmire, to use Senator Muskie's words. Do you have any
22 reservations about what we are doing?

23 GOVERNOR REAGAN: Well, I am in great disagreement with
24 Senator Muskie and his observations on this and some of the
25 others. This war, which has been going on a great many years

1 in conception it was contrary to what many of us believed.
2 I have been one who subscribed to the MacArthur theory that
3 you do not get bogged down in a land war in Asia, but we did,
4 quite a number of years ago.

5 Now, in these two years we are winding down the war we
6 have fewer than half as many men, Americans, in Vietnam as
7 we had before, and I think they can't have it both ways.
8 They want the war wound down.

9 MR. DONALDSON: Do you want it wound down?

10 GOVERNOR REAGAN: I want it wound down and I believe
11 turning it over to the South Vietnamese is imminent and very
12 practical and they will be able to take care of themselves
13 very shortly.

14 But, what Senator Muskie seems to be denying is the
15 responsibility of the Commander-in-Chief to insure that as we
16 reduce our forces down to a dangerous level in which the
17 enemy could attack, overrun them, and we could have either a
18 Dunkirk or thousands of prisoners in a death march as we had
19 in Bataan, that the bombing in Cambodia is not involvement
20 in the Cambodian war. That bombing is to keep them from re-
21 establishing the sanctuaries they had from which they could
22 attack and overrun, once our force gets down.

23 Now, the present plans call for us being down to only
24 around 60,000 combat troops by May. When you get down to that
25 level you are in great danger unless you keep the enemy off

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1 balance and I think the Commander-in-Chief would be derelict
2 in his responsibility -- which he is not -- if he did not
3 keep up this action, so that we can withdraw our forces
4 safely.

5 (Announcements)

6 * * * * *

7 MR. RUKLYSER: Governor, are there any circumstances
8 that you can conceive under which Richard Nixon would not be
9 a candidate for re-election next year?

10 GOVERNOR REAGAN: No, I couldn't foresee it. I suppose
11 you'd have to say if there was some tremendous calamity or
12 cataclysm, 1929 crash or something, that this could be fore-
13 seeable, but I am far more optimistic than that. I think
14 is on the right track and has been doing a fine job and I
15 expect to be supporting him.

16 MR. RUKLYSLR: Are there any circumstances you can con-
17 ceive ^(RM) under which you would be a candidate?

18 GOVERNOR REAGAN: No. The President knows that I intend
19 to lead a California delegation to the convention pledged
20 to his renomination and election.

21 MR. DONALDSON: The Republican party here in Washington
22 is going through a great deal of soul-searching because of
23 the last election. Now we see a more moderate image. The
24 President apparently has given up on the law and order issue
25 per se and is trying to remold the party in more moderate

1 forms. His State of the Union Message certainly was one
2 example. Do you think that is the right course? Is that the
3 prescription for victory in '72?

353 4 GOVERNOR BLAGAN: Maybe we have a different interpretation
5 of it. I thought his speech called for quite a revolution.
6 I think an effort has been made down through the years and
7 over the decades to portray the Republican party as one that
8 was not interested in humanity and not interested in the prob-
9 lems of human misery and I think he was reassuring that this
10 is not so. I don't think anyone in either party wants people
11 who are poor to not be improved in their lot or cared for,
12 or wants them to not have the medical attention they need, but
13 I thought he called the attention of the Congress to the fact
14 that this is a time for choosing; that this is a time that
15 must rise above partisanship. The basic things of decentral-
16 izing the federal government, of restoring government to the
17 people at the local -- the nearest level to them, local and
18 state level; the revenue-sharing. These I thought were very
19 revolutionary.

20 Now, some people may interpret his words on the humanitarian
21 side as meaning that he wants to continue the Great Society.
22 I don't believe that because the Great Society revealed that
23 it was greatest in cost and extravagance and duplication and
24 really failure in the solution of the problems that we are
25 attempting to solve. So this is a time -- the people have

1 returned and have sent into government representatives of
2 both parties. Now, with this they must have given a mandat
3 that they expect a bipartisan management of their affairs,
4 and I don't think they are going to be patient much longer
5 with total partisanship and the rejecting of certain things
6 simply because they are proposed by the wrong party.
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1 MR. DONALDSON: Governor, I want to return to a point
2 we were talking about earlier and that is the problem
3 with HEW that you are having, which is now before the
4 California Supreme Court, and the Court may say that you can
5 come into compliance with HEW as you have proposed. But
6 what if the Court rules that the things that you have
7 promulgated are not legal and that you cannot that way
8 come into compliance, and what if the State Legislature
9 refuses to pass legislation to bring you into
10 compliance, what then?

11 GOVERNOR REAGAN: Well, that is quite a question
12 because it is a strange thing, the technicality of
13 this non-conformity. California is one of the -- well, we
14 are the top welfare paying state in the nation, and
15 there are, oh, more than 35 states who are paying
16 less to the recipients of aid, to dependent children than
17 we are and yet they are in conformity and we are not.

18 It is a technicality. I guess the ball would then
19 rest with HEW as to what action they wanted to take. But I
20 want you to know that before they ever charged nonconformity,
21 we had legislation before the Legislature to change that
22 particular program, to augment the grants to the needy. The
23 Legislature turned it down. We tried to do it administratively.
24 OEO lawyers brought a case and got a temporary injunction
25 against us administratively doing this, which means that

1 unless the Supreme Court upholds our right to administrative
2 change these grants, which would put us in conformity, then
3 it would go back to the Legislature.

4 Now I have confidence that the Legislature would
5 grant us what is needed and what we are asking, but
6 if they didn't, then my question is, what would HEW do?

7 MR. DONALDSON: It would be up to them. You would
8 accept the fact that the funds were cut off?

9 GOVERNOR REAGAN: No. If the funds were cut off I
10 would have only one recourse. We would send the welfare
11 recipients the state's share and notify them that it was the
12 federal government that was withholding their share. Now if
13 HEW wants to live with that, that's their problem.

14 MR. DONALDSON: Thank you very much, Governor Reagan,
15 for being with us today on ISSUES AND ANSWERS.

16 (Sunday, February 7, Senator Edmund Muskie (D. Maine))
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9/5/11

TELEPHONE ADDRESS BY GOVERNOR RONALD REAGAN
Y.A.F. NATIONAL CONVENTION
Houston, Texas
September 5, 1971

Since you've been so kind as to grant me these few moments for greetings and salutations, perhaps you'll not take it too unkindly if I impose further on your time. As representatives of Y.A.F., you are political independents. Still, you've found in your political activism an affinity for the Republican Party, rejecting the albumin brained socialist engineers who would set mass above man, and who think social progress is superior to individual action or choice, group compulsion is the only road to Utopia, and economic security is a more desirable goal than personal freedom.

When I think of the philosophy prevalent in so much of the intellectual community, I marvel at the way you have obtained an education, yet remained steadfast in your beliefs, resisting the zeitgeist--the wind of our times.

Poll after poll reveals that a most persistent myth is the acceptance of the Democratic Party as the most efficient and reliable in times of economic stress. Evidence of this is the rush to register Democrat by so many of your newly enfranchised peers. These are the same young people who have been so stridently vocal in their denunciation of the establishment, and who find government too big, impersonal and oppressive.

I suppose the myth of the Democrats' economic capability had its beginning in the fact that a Republican Herbert Hoover was President at the time of the crash and depression which began in 1929. The Democrats came to power in the election of 1932, and for almost forty years they have been applying a variety of nostrums from their social medicine chest.

In just one two-year period--1953 through 1954--has there been a Republican Congress, and, curiously enough, that is the only time in all the forty years that the dollar remained stable.

When Herbert Hoover left the White House there were two hundred and thirty Americans for every federal employee. When Richard Nixon entered the White House there were only sixty-seven citizens for each federal employee. And what prosperity did such a growth in government bring us? In 1939, after seven years of New Deal programs costing billions of dollars, twenty-five percent of the labor force was still unemployed. But then in 1939 we became the arsenal of Democracy; full employment and prosperity were on their way, and so was World War II.

Following the war, as we began to catch up with the shortage of consumer goods, unemployment began to increase. But then came war again, this time in Korea, and once again we had full employment. A Republican President ended that war and led us through the longest period of peace we've known since World War II. Also during that time of peace we had virtually no inflation. Peace was not the result of appeasement. At one point Red China threatened war and an invasion of Taiwan. President Eisenhower said, "They'd have to climb over the seventh fleet to do it," and there was no war.

Then came Camelot and three years of unemployment averaging higher than the unemployment we have now in this time of economic hardship. Somehow the communications media was unaware of it, and in the many Presidential press conferences of those three years no reporter ever asked President Kennedy what he intended doing about unemployment.

It was from Camelot that the first American combat troops went to Vietnam. And soon we had another Democratic President, the Great Society, full-scale war in Vietnam, and, of course, full employment and prosperity on the home front, but no sacrifice. The war was conducted on a "guns and butter" basis, which brought on runaway inflation. The 1939 dollar had lost sixty-one cents of its purchasing power by 1968. One has to wonder at the staying power of the Democratic myth.

Now a Republican President is bringing this fourth war in our century to a halt. In the transition from a war to a peacetime economy, some two million defense workers and military personnel have been thrown on the job market. There is unemployment and, of course, economic dislocation. There is also the inflation he inherited and which neither his predecessor nor George Meany had the guts to tackle. He is confronted by a hostile Congress and a bureaucratic jungle peopled by permanent government employees determined to carry on the discredited social tinkering of the past forty years.

There is more. John F. Kennedy announced the discovery of a missile gap in 1960. After the election he admitted no such gap existed, so in eight years the Democrats created one. And the present Democratic Congress has made it plain they have little stomach for any rebuilding of our deteriorated defense structure.

In summing it up, there have been four major wars in my lifetime, all under Democratic Presidents, and we've only achieved full employment and prosperity during and because of those wars.

Now our opponents would lead the nation again, shedding crocodile tears over the present economic distress, and professing absolute innocence over having anything to do with it. Somehow they remind me of the wide-eyed blonde in the tabloids who has just bunched six shots from a '38 in her boyfriend's bread basket, and says she didn't know the gun was loaded.

And what do they have in store for us if they get back in charge? Well, six would-be-Presidents now in the Senate have, between them, introduced more than one hundred forty-three billion dollars in new social welfare programs. The Democratic Party Council has declared open season on taxpayers. The Council has called for "A shift of financial resources from private to government channels to meet the growing needs of health, welfare, employment and other domestic problems." They call for a "vigorous tax program," and we learn that the wage-earning citizen who averages working five months out of the twelve to pay for the cost of government should be denied such legitimate tax deductions as interest on his home mortgage or installment payments, or his property tax.

They would also impose a limit on charitable contributions. It is time to ask ourselves seriously if this nation can survive four years of what they have in mind.

I know something of your discomfort and your unhappiness with what you feel has been the present administration's abandonment of some Republican principles. At the same time, I have been the beneficiary of your friendly approval, warm commendation, and generous words. I was terribly tempted tonight to limit myself to simply expressing my personal gratitude, and I am grateful--humbly grateful--to all of you. But you are too important--too vital to this country's very existence--for me to indulge in what would be a copout.

Perhaps we have all been at fault. We've forgotten that our President lives in a liberal community; that the heritage of these four decades is a constant pressure in the nation's Capitol from the left. We who think of ourselves as Conservatives have sat back critically observing, but doing no pressuring in behalf of our own views. Be critical, be vocal and forceful in urging your views on the President. He needs that input to counter the constant pressure from the opposite side; he needs the arguments you can provide. In all of this we've fallen short.

Let me take the one issue of the announced China visit and ask you to consider a few points that might have been overlooked in your deliberations.

I've heard staunch Republicans say if Hubert Humphrey were President and had announced such a visit we as Republicans would be horrified and united in our opposition.

Of course we would, and why not? Look at the track record. A Democratic President brought back the bitter fruit of appeasement from Yalta and Potsdam. A Democratic President snatched defeat from the jaws of victory in Korea. A Democratic President scaled the heights of statesmanship in the Cuban missile crisis and then lacked the courage or wisdom to take the final step to the summit. A Democratic President disgraced this nation at the Bay of Pigs, and a Democratic President faltered and was unwilling to exact a price for the thousands of young Americans who died in the jungles of Vietnam. A Democratic President made possible the godless, inhumane tyranny of Mao Tse Tung's Red China. Yes, we'd be horrified, and with good reason, if Hubert Humphrey were representing us in talks with China.

But it is a Republican President who has said he's willing to talk. He has been blunt in his declaration that we will not under any circumstances desert an old friend and ally, Chiang Kai Shek. There is no indication that he'll give anything away or betray our honor. If I am wrong and that should be the result--time then for indignation and righteous anger. But in the meantime, let us remember that this American President who has said he'll go to China is the same man who as Vice President went to Moscow; and there in the glare of the television flood lights, surrounded by microphones, heard Nikita Khrushchev threaten action by the Soviet Union against the United States, and he replied. "Try it and we'll kick the hell out of you."

Young ladies and gentlemen, remember your very title--you are young Americans for freedom. That is your mission above all others. You are most important in this particular moment of history, because so many of your peers have listened to false prophets and demagogues. Consider very carefully the long hard struggle that lies ahead, and how far we've traveled together to reach this moment of hope for all the things we believe in. Weigh the alternatives, and use your strength wisely and well.

God bless you in your deliberations, and grant you wisdom and courage and strength.

9/12/71

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The National Broadcasting Company Presents



MEET THE PRESS

America's Press Conference of the Air

Produced by LAWRENCE E. SPIVAK

Guest: GOVERNOR WARREN E. HEARNES
(D., Mo.), *Chairman*
GOVERNOR RONALD REAGAN (R., Calif.)
GOVERNOR JOHN J. GILLIGAN (D., Ohio)
GOVERNOR LINWOOD HOLTON (R., Va.)
GOVERNOR WILLIAM G. MILLIKEN (R., Mich.)
GOVERNOR LUIS A. FERRE (N.P., Puerto Rico),
Host

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Panel: PETER LISAGOR, *Chicago Daily News*
DAVID S. BRODER, *The Washington Post*
R. W. APPLE, *The New York Times*
PAUL DUKE, *NBC News*

Moderator: BILL MONROE, *NBC News*

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MR. MONROE: This special satellite edition of MEET THE PRESS comes to you today from San Juan, Puerto Rico, now celebrating its 450th anniversary as a city. The nation's Governors have gathered here for their 63rd Annual Conference, and our guests on MEET THE PRESS are six leading Governors: Warren E. Hearnes, Democrat of Missouri, Chairman of this year's Conference; Ronald Reagan, Republican of California; John J. Gilligan, Democrat of Ohio; Linwood Holton, Republican of Virginia; William G. Milliken, Republican of Michigan, and Luis A. Ferré, New Progressive Party of Puerto Rico, host of the Conference.

MR. DUKE: Each year the Governors come to these conferences and complain long and loud about their problems and the need for more federal aid. I'd like to start out by asking each of you about President Nixon's new economic recovery program and whether you feel it was wrong for Mr. Nixon to delay his revenue-sharing and welfare reform plans, both designed to help the states. Governor Hearnes?

GOVERNOR HEARNES: I don't think it was wrong. I think it was unfortunate for us that the Administration established the other as first priority. I am not begging the question, but someone has to make a decision, and he felt that the other had priority. That does not mean that the National Governors' Conference will not keep on trying as they have in the past to impress upon Congressman Mills the importance of revenue sharing, and we are speaking of the revenue sharing program which was advocated by the Administration. We still have hopes that something will come out of this Congress.

MR. DUKE: Governor Reagan, you have opposed key provisions of the welfare reform plan, but you have been an enthusiastic advocate of revenue sharing. How do you feel?

GOVERNOR REAGAN: I have opposed certain measures of H.R. 1, as it has been proposed. I don't believe they will reduce the welfare burden. As to revenue sharing, I think the ideal would be if the federal government in the New Federalism could simply restore sources of revenue to the states which have in recent years been confiscated or taken over, preempted by the federal government. But I view revenue sharing as a first step in this process. With it, however, I have always believed that the federal government should give us the responsibility for some of the programs they are now conducting, not only give

the money to the state but give the responsibility to the state to carry the program.

MR. DUKE: But what about President Nixon's postponement of revenue sharing for now?

GOVERNOR REAGAN: This, I think, I associate myself with Governor Hearnese. I think this would be kind of nitpicking in a program designed to halt inflation and improve our economic situation in the nation to pick out certain phases because they might not please us and say, "We will drop this phase or that phase."

GOVERNOR GILLIGAN: I can only say that the planks of revenue sharing and welfare reform were the principal parts of what was called in January by this Administration the New American Revolution. Evidently the Revolution lasted eight months, and we are now into something else, and I don't think any of us are quite sure what. I would object strenuously to the proposition that the federal government is going to solve any of our economic problems by throwing additional burdens upon state and local government by cutting back its own participation in the service programs to the people of this country.

GOVERNOR HOLTON: I certainly think all of these programs are extremely important.

I think that just as a matter of procedure, however, the new economic proposals must receive priority attention in Congress. This program is very, very important. It helps develop more profits which in turn help develop more jobs. It increases our productivity. It comes at a time when it is very much needed, and I think that clearly this must be the first priority. But the other two, as evidenced by communications we have all had from the White House, just in the last 24 or 48 hours, also must receive a high priority, and I would anticipate that certainly the revenue-sharing bill or some alternative that will give the states real assistance will get immediate attention after the new economic proposals have been handled in Congress. I believe that the Senate Finance Committee will begin hearings just as soon as possible on a welfare reform bill, but they are all important.

GOVERNOR MILLIKEN: I think the overriding consideration obviously of the President in the development of the new economic plan is to get control of inflation. Unless we can break the back of inflation in this country, then I think all groups, whether they are business or employee or citizen groups, are going to be paying the price, so that this must receive the first priority. It is in the President's proposal. Clearly the momentum to carry on revenue-sharing and the momentum for welfare reform should not be stopped, and I don't think it will. I think the momentum will carry forward, and as soon as we move, perhaps, into Phase 2 of the President's plan, we can then move aggressively toward welfare reform and revenue-sharing.

MR. DUKE: Governor Ferré, you have been boasting lately

about the expanding economy of Puerto Rico, and yet you have widespread unemployment here, you have a problem of inflation, and some of your big hotels have closed down. Can the President's program help you?

GOVERNOR FERRE: Yes, I believe so. I believe, of course, inflation is the worst thing we have. Another thing that is very bad for our country is the fact that our balance of payments with the outer world has been against us for quite a while.

This has hurt Puerto Rico very substantially because our most important industrial activity is shoe manufacturing and apparel manufacturing. Those are the two that have been hit the hardest by foreign competition. Thirty-five per cent of our employment is in those two areas, so it is very important for us to be able to eliminate this unfair competition of low-wage areas. The President's plan we think is going to help Puerto Rico. Of course, as for the revenue-sharing and the welfare programs, we feel that straightening out the economy of the United States is more important in stopping this inflationary spiral, and, therefore, this high priority in my mind—I think the President was right because it will take less welfare reform if the inflation is stopped and we have a sound economy in our country.

(Announcements)

MR. LISAGOR: Governor Hearnese, last winter and spring many Governors came to Washington saying that you faced fiscal disaster in your state, or you were on the edge of bankruptcy if you didn't get revenue-sharing. Then the President postponed it for a time.

Two questions: Do you know what the Administration's position on revenue-sharing now is, and what happened to all those bankruptcy petitions?

GOVERNOR HEARNES: I think if they were using the term—and I am not familiar with the statement that you made, but if any one Governor used the term "bankruptcy," I don't think he was using it in the sense that you and I think of it, as far as a merchant or someone on the streets.

What they were trying to impress upon the Congress and the Administration was that the demand for services all over the respective United States, of the states, has far exceeded their income.

No man speaks with any great knowledge of another state, so he can only speak of his own. I have been through the battle that many of them are now fighting. It is an experience which is not very pleasant and certainly doesn't make you any friends, but we need money to do the things that the people want us to do.

Services in my state, ninety per cent of it is in the field of health, education and welfare, and it is hard to talk about cutting in these particular fields. The people don't want them to be cut, and we want to do what we think is best for our state.

MR. LISAGOR: Do you understand what the status of the

revenue sharing program is now so far as the Administration is concerned. I think Governor Holton said you had a message from the White House in the last 24 or 48 hours. Did that tell you what they are going to do about revenue-sharing?

GOVERNOR HEARNES: I am not familiar with that message. To my best knowledge, we have a subcommittee which is working with the staff members of Congressman Mills' committee trying to arrive at some common ground between the Ways and Means Committee of the House and not only the Governors, but also the Mayors.

MR. BRODER: Governor Reagan, I would like to ask you one economic question and one political question. You said to a group of Minnesota Republicans back in March—and this is your language: "Emergency federal solutions tend to become permanent problems on a wider scale. Temporary controls turn into lasting shackles."

Do you have any fear that that may happen with the new economic program?

GOVERNOR REAGAN: I think we have to take the President at his word, and I do, that he has said that he himself philosophically is opposed to such permanent shackles. He made this very clear in his recent speech to Congress in the Joint Session. I think he has made it plain that these are emergency measures for an emergency situation, and I have confidence that philosophically that is his thinking and that he means that.

MR. BRODER: The broader political question I wanted to ask you is this: A good many conservatives who in the past have also been Reagan supporters now find themselves unable to support the policies of the Nixon Administration. Particularly they criticize the deficit spending by the Administration, the wage-price controls, what they regard as the lack of attention to military needs, and the President's planned trip to Communist China.

You have supported the President on all this, and what I am curious about is, do you think you have changed or the conservatives have changed, or what has happened?

GOVERNOR REAGAN: No, I don't think I have changed. I don't think the conservatives have changed, and I don't think that it is exactly fair to say that the President with regard to military matters and so forth has changed.

I think he inherited the missile gap that was talked about back in 1960 and which at that time it was revealed did not exist, but I think in the eight intervening years someone set about energetically to create that missile gap. I think this is a matter of concern, but I would point out that it has been the Congress that has resisted the President's request for such things as the ABM. The President added a couple of billion dollars to a defense budget over and above what Congress had proposed.

Again I have to say that inheriting a situation of runaway

inflation, of a great imbalance of trade, I think that certain emergency measures are required in this time of economic stress, and I don't think they mean a change of philosophy.

I think some Conservatives who are perturbed about his announcement of wanting to talk to China have been frightened over the years by American representatives who have tended to appease and give away too much of America, at Potsdam and Yalta and in subsequent dealings with the totalitarian states, but I think that when the President said he wanted to talk he made it plain that he was going to stand by our old ally, Chiang Kai-shek. He has made no announcement or indicated that he is going to go and appease or give anything away. All I have cautioned is that those Conservatives who, having been burned before, now jump to the conclusion that a simple talk is going to cause us trouble, are forgetting that this is the man who stood in the Soviet Union in Moscow and told Khrushchev when he was Vice President—when Mr. Nixon was Vice President—told Khrushchev that if they did some of the things Khrushchev was threatening, we would—forgive the expression, but his exact words were, "We will kick hell out of you."

MR. APPLE: Governor Gilligan, I would also like to ask an economic and a political question: You were the only man a few moments ago who really criticized President Nixon for postponing revenue sharing and welfare reform. Yet if I recall correctly you were one of the Governors who opposed him on revenue sharing. How can you be against him on having revenue sharing and against him at dropping it, or postponing it?

GOVERNOR GILLIGAN: As shocking as it might be to Governor Reagan, I agree with him on one point. I proposed revenue sharing on the grounds that we don't want to put state and local government on a perpetual federal dole. We shouldn't be talking about sharing federal revenue, but revenue sources, and the basic and fundamental revenue source in the nation as we all know is income. That is the only real source of wealth, corporate and personal income. And I therefore look forward—it is going to take some time to work it out, but look forward to the development of a tax credit system where sufficient revenue would be assigned to local government, state government and national government to allow them to meet their responsibilities within their own area of responsibility. So all I am saying is that when the President comes out in January and announces the great need to help the states and local governments meet these responsibilities and eight months later turns his back on it and walks away from it and puts it on the back burner, I am disturbed not by the abandonment of a device, but of an obvious change in philosophy which disturbs me greatly.

MR. APPLE: Turning to politics, your state certainly will be one of the important states in choosing the Democratic presidential nominee. You have been described as an advocate of open politics, and yet the word in Washington among the candidates

is that they have been told to take it easy in Ohio, that you want to keep control of Ohio and you don't want the state being torn up by a lot of candidates running around.

GOVERNOR GILLIGAN: Part of this statement is true. It isn't that I want to keep control of Ohio, it is that I have wanted to avoid a gang war or a barroom brawl this fall while we have some very important municipal races going on, and I would rather leave the considerations of the Presidential campaign to the Presidential year. We have adopted a new state party constitution in Ohio designed to provide as well as we can within state laws for the most open kind of party, open kind of primary to develop a political instrumentality which will be directly responsible and responsive to the people, and we were discussing at great length yesterday in Miami with the other Democratic Governors the desirability of working out some of the McGovern and O'Hara and Fraser reforms, but also of the practical barriers to that embedded in ancient state laws and in ancient state practices.

MR. APPLE: Are you telling us that come 1972 you will welcome with open arms any candidate who wants to come in and campaign for those delegates in Ohio?

GOVERNOR GILLIGAN: Yes, but I haven't said whether I think it ought to be done in terms of a wide open statewide primary or in terms of the candidates presenting themselves and their philosophies and attitudes and programs to an uncommitted slate of 153 delegates. It can be done either way. One involves a vast expenditure of time, effort and money. The other is relatively simple and direct.

MR. DUKE: Governor Holton, could you now elaborate and tell us about that mysterious White House message received during the past 48 hours?

GOVERNOR HOLTON: I don't think there is any mystery about it. It was a telegram from Secretary Richardson saying that contrary to what some people were trying to have it appear, this welfare program was clearly not on the back burner, and that, I think, went to all or nearly all of the Governors, I think all. I also had a communication from Mr. Klein in which—this was directed to me, but it equally applies to all Governors—I am sure—saying that we are very, very much still interested in revenue sharing and hope that the Governors will continue to support it. And I am on the subcommittee on Revenue Sharing of the National Governors' Conference, and we are affirming our support, I think, and we will continue, I know, as long as I am on that subcommittee, to try to get it done, and I am very optimistic. I think that the delay, which after all is only three months, is more a recognition of the fact that there is going to have to be more legislative work done in Congress before it can be passed anyway.

MR. DUKE: I would like to turn to another subject. You have

expressed disagreement with President Nixon's opposition to using federal funds to facilitate school busing. Has the administration stand made it more difficult for you as a moderate Southern Governor, and is that stand keeping alive the race issue in the South?

GOVERNOR HOLTON: I don't think that it is keeping the race issue alive. Let me make very clear that I think the busing issue generally has much broader connotation than race, and it has much broader connotation than region, too. Parents object to taking youngsters great distances on buses. In Virginia we are having, because we don't have enough transportation facilities, to stagger the opening hours of school in some of our cities. Parents are very upset about the fact that they have to send young children to school on a staggered basis beginning as early as seven o'clock in the morning and continuing up until ten o'clock in the morning, and then you have the reverse process in the afternoon.

Parents also have expressed to me in the last two weeks a concern about the fact that when children are taken ten miles, perhaps, as opposed to one mile to school, they lose a contact with the school that they have had in the past. One of them said to me, "When he went just down the street we could be there, we could see it often. If something went wrong with playground equipment, if books ran short, we knew about it, we could try to correct it."

So busing is not all a racial issue. I think that the differences that the President and I have about money to facilitate busing are minor differences. I think the President was thinking about not encouraging busing, and I don't want to encourage massive crosstown busing just to achieve a racial balance either. I was thinking about, and I am still thinking about when I say we need this money, a school system such as the City of Norfolk in Virginia, which is confronted with a need to transport a large number of children pursuant to court orders that have, with final review, established constitutional rights.

That city has to transport children. Neither I nor the President can stop it because the courts require it.

MR. DUKE: But you are not as upset about this issue as President Nixon is, are you?

GOVERNOR HOLTON: I am a little closer to it. I have seen it work. I have seen the young people thrown into schools where they are in a minority and get along beautifully. I have seen our State of Virginia perform magnificently in giving what I consider to be real leadership in adapting itself to a set of required changes with real dedication to true principles of law and order, and I am very proud of our state. I think that people at the Presidential level and perhaps others in the White House just haven't seen that it is working, and so while we don't like it from a disruptiveness standpoint, we have found that we can adapt to it, and particularly we have found that our young people can make real, beneficial contributions, I think, in this

whole of race relations as a result of being thrown together in these schools.

MR. LISAGOR: Governor Milliken, your state is a northern state having difficulty with busing. Do you agree with the President's position or Governor Holton's position about the use of federal funds for busing?

GOVERNOR MILLIKEN: I think it is true that no one of us likes busing. Certainly the parents don't like it. School administrators don't like it, and I think that we have to consider busing in the context of, number one, obeying the law, and the law is clear on that point now, and we have to consider busing in the context of the ultimate objective, I think, in our society of having an integrated society.

I think if the time should ever come when we divide ourselves into two major groups in this country, then heaven help this country. So I see busing as only one element. It certainly should not be considered an end in itself, and to that extent I agree entirely with the President.

MR. LISAGOR: But to have reasonable integration of the schools, you have to have some measure of busing. Is that what you are saying?

GOVERNOR MILLIKEN: That is correct, but we need to look even further than busing if we are seeking an integrated society. We need to look at our housing patterns; we need to look at our job patterns and our opportunity for employment, and above all, in the process it seems to me that we need to put the emphasis where it really belongs, and that is on making schools and education quality experiences for young people wherever the child may be, whether it is in the inner city of a major city or in the suburban areas or in out-state areas.

MR. LISAGOR: Could I ask you an economic question, Governor? Your state has a higher unemployment rate, as I understand it, than the national average.

GOVERNOR MILLIKEN: That is correct.

MR. LISAGOR: And yet the President's new program will benefit in a major way the automobile industry. Will that be enough to correct your unemployment problem or not?

GOVERNOR MILLIKEN: It will in my judgment be a major factor in improving the economic situation in the State of Michigan. I think Michigan perhaps as much, if not more than any other state in the United States, will receive the desirable effects of the President's economic policies.

MR. BRODER: Governor Ferré, a number of Puerto Ricans are outside marching for independence from the United States today. How strong is this sentiment in the island?

GOVERNOR FERRE: We have always had an independence movement in Puerto Rico. For the last five or six elections

they have polled under three per cent of the vote. But, of course, we have a completely democratic society. Puerto Rico, and we protect the right of the minorities to express themselves. In this particular instance it is interesting to note that in Puerto Rico we have, by law, a fund to pay all the parties. Every party in Puerto Rico gets a certain amount of money per year for its campaign expenses. This party which has about three per cent of the vote of Puerto Rico gets exactly the same amount of money that the minority party which I represent—

MR. BRODER: Don't you think in the United States though—

GOVERNOR FERRE:—so you see, we protect the minority's freedom of expression.

MR. BRODER: Parties on the mainland might like that system very well.

Let me ask you about statehood. You have long been an advocate of statehood for the island. Can you afford the burden of taxes that would go with statehood, or would that ruin your economic development plan?

GOVERNOR FERRE: I don't think that there is going to be any burden of taxes with statehood. There will be, of course, a shifting of taxes when Puerto Rico becomes a state of the Union. This will, of course, require a transitionary period, but I don't think for the long run Puerto Rico can continue to be a part of the United States and the Puerto Ricans to be American citizens unless we achieve the equality that comes with statehood. Our country is a country based on equality, and therefore we must have equal rights and equal duties at some time. Of course, at the present time our income per capita in Puerto Rico is about \$1,500, \$1,566 as a matter of fact. That is much more than any country in Latin America, but it is much less than the lowest income per capita of the states of the Union. So we have not yet been able to achieve the same level of income of the States. We feel that once we are able to achieve the same income level of other states of the Union, there is no reason why we should not pay taxes like every state of the Union pays.

(Announcements)

MR. APPLE: Governor Hearnese, the Democrats are beginning their quadrennial process of arguing about whether they need to go to the left or to the right or stay in the middle. You come from a border state. How liberal a candidate could carry Missouri for the Democrats?

GOVERNOR HEARNES: Let me say if you look at the lineup of our senatorial representation—I don't know whether that would give us somewhat of a lead. We have a senior Senator from Missouri, Senator Symington, who certainly couldn't be classed as conservative. I think Senator Eagleton, the junior Senator, would be classed more as a liberal, as we use our labels.

I have seen Missouri carry Adlai Stevenson, and I saw Senator Humphrey, Vice President Humphrey lose it.

Unfortunately—and many people won't like what I am going

to say—I am not sure the question of liberal or conservative always shadows the personality of the candidate, and therefore I would say that I don't believe my state or many other states in the United States would take what all of us think is maybe an extreme liberal. But neither do I think they would take any extreme conservative.

MR. APPLE: Could you give us some examples of those two types? Would Mr. Lindsay be an extreme liberal?

GOVERNOR HEARNES: In my opinion, yes, and I don't believe Mayor Lindsay could carry Missouri. I hope Mayor Lindsay will accept my apologies. I am trying to answer your questions as candidly as possible.

MR. APPLE: On the other side, how about Mr. Mills and Mr. Jackson? Are they too conservative for Missouri, or would they respond—

GOVERNOR HEARNES: I think the problem there is identification. I know Senator Jackson, and certainly I know Congressman Mills, and think a great deal of both of them. But what people in the east do not realize is that the people in the middle west and maybe even the other west do not have the opportunity to be associated with these names every night when they watch the news, and so on and so forth, and therefore name identification plays a great part as far as the voter is concerned. I am sure that anyone they would nominate has a certain amount of time to get their identification before the people, but there are those who start out with a little advantage.

MR. DUKE: Governor Reagan, you and President Nixon and many conservatives in Congress repeatedly talk about putting people on welfare to work, but isn't this essentially a false issue? Aren't most of the people who receive welfare, children, disabled people and the elderly?

GOVERNOR REAGAN: We have proposed and in our own reform which has just been adopted in California, we divide the so-called unemployables from the employables, the potentially employable. In other words we have advocated taking the elderly, the disabled, the blind, those people who through no fault of their own cannot work and must depend on the rest of us, and simply putting them into a pension system, which I think would have more dignity than continuing to consider them as welfare recipients and allowing them to get automated, as they do with Social Security checks.

When you talk about children on welfare, you have to realize that every time you put the head of a family into a self-supporting job and an earning capacity, you remove that man from welfare but you also remove a family and several of those children.

We feel—and the basis of our welfare reform in California is—that in recent decades welfare has become a program that literally makes permanent the people on welfare, that welfare has thought

it was doing its duty if it just provided them with a dole. We have found families in California, many of them that are the second and third generations of their families on welfare.

We believe welfare's goal should be to salvage as many human beings as possible and make them independent of welfare, make them self-sufficient, self-sustaining, and we think that to do that there have to be some great reforms and changes at the national level also.

One of those things that we have asked for is a waiver to permit us to create a community work force in which people receiving welfare grants will report for and do meaningful tasks that need to be done for the public good in return for those welfare grants.

MR. DUKE: But isn't the percentage of people who can do these meaningful tasks that you speak of, isn't this a very small percentage, and don't you do a disservice by talking about chiselers and loafers on welfare when most people on welfare are not chiselers and loafers?

GOVERNOR REAGAN: I have been the most vocal myself in saying that the majority would like to get off welfare, but it doesn't take a tremendous percentage or even a majority to account for the great waste of welfare.

One state, Nevada, recently was able, with its more limited population, to do a head count, an actual nose count of the people on welfare, and found 22 per cent of them receiving it illegally.

In New York the simple expedient of asking welfare recipients to pick up their checks instead of receiving them through the mail—18 per cent of the checks are lying there uncollected, meaning that someone must have some hesitation about coming in in person to pick up his check.

In California we have, for a long period, been increasing the welfare caseload 50,000 a month. That has been our average. From the moment that we started this campaign to reform welfare in January and February, started talking about it and started implementing the administrative changes we could make without legislative approval, we not only stopped that 50,000 a month increase, but we have been decreasing at a rate of about 20 to 25 thousand a month. It has never happened before in our history.

MR. LISAGOR: Governor Gilligan, I would like to follow this line of questioning. The President has suggested that there has been a loss of respect in this country for what he calls the work ethic. Do you find that true in the State of Ohio?

GOVERNOR GILLIGAN: We certainly don't, and where I said a moment ago that I agreed with Governor Reagan, I disagree with almost everything he has said on the subject he has just spoken on, factually and philosophically. There is no lack of respect for the work ethic that I am aware of. We do have the highest unemployment that we have experienced in Ohio

and throughout this country since the late '30's. We have as well millions of working poor, hundreds of thousands of people who are still fulltime employed, but whose work check has shrunk due to inflation, due to lack of overtime, due to a lot of other things.

This nation 25 years ago committed itself to the policy of having the federal government guarantee a job to every able bodied person who was seeking work at a wage which would enable him to support a family. That is a pledge we have never kept, and unless and until we are ready to make that job opportunity available to American men and women, it is nothing better than cynicism to tell people on welfare or returning Vietnam veterans to go out in the kind of job market we have in this country today and find themselves a job. It just cannot be done, and it will not be done.

MR. LISAGOR: Governor, does it follow from this that you would favor federalizing the whole welfare program?

GOVERNOR GILLIGAN: Yes, I would favor federalizing it and changing it in some degree, as President Nixon has advocated. He for instance advocated government assistance, family assistance to the working poor. That would instantly double the number of people receiving government assistance. It would go in exactly the opposite direction that Governor Reagan has just been talking about. But that is the direction we have to go if we are going to get these people back on their feet and into a productive role in our economy.

MR. BRODER: Governor Holton, George Wallace of Alabama is back in the Governors' Conference this year and apparently back in national politics. As you are the Southerner on the panel, I would be interested in your judgment. How much of a threat is he to Mr. Nixon's reelection hopes in 1972?

GOVERNOR HOLTON: Let me confine my answer on that to our State of Virginia. I think he will not be as strong in 1972 as he was—and I am talking now about Governor Wallace—in '68, and I therefore think we would be of considerably less influence on the outcome of the national election, and my instinct is that this would be true generally throughout the South.

MR. BRODER: Some people criticized the Administration for seeming to go too far in what they call the Southern strategy to head off Governor Wallace. Do you think they exaggerate the political threat that he represents?

GOVERNOR HOLTON: I don't know. I never have believed that the Southern strategy as such existed, if it meant that any candidate for President of the United States would seek the vote from only one group. I know that in Virginia we have encouraged national candidates and statewide candidates to recognize every vote of every citizen and to seek to appeal to those citizens as individuals on merits of each issue, and I would commend that to the national candidates in 1972 of the Republican Party. I

believe that is the attitude of President Nixon. I think he has had terrific accomplishment in this area of race relations, and I don't feel that he needs to go after a single segment of our vote. He will carry Virginia very nicely and, I hope, the rest of the South.

MR. APPLE: Governor Milliken, we have been hearing in Washington recently that it is the judgment of the White House political operators and of the Republican National Committee that the President will have a very difficult time indeed carrying your state. I wonder if you agree with that, and if you do, what do you think he could do to bolster his position there?

GOVERNOR MILLIKEN: I think that statement would have been correct perhaps a year ago or beyond. I don't think that statement is correct today. I think the President's new initiatives in China, I think the fact that he is effectively winding down the tragic war in Vietnam, I think the fact that he has made very bold and imaginative proposals for the economy of this country, the fact that he has proposed and is in fact backing, in spite of a moratorium, the welfare reform and the revenue sharing proposals and the governmental reorganization of the federal structure, all of these things, I think, place the President today in a position where Michigan may not be easily won by him, but I think it is a fact that the President could win in Michigan where in 1968 he lost Michigan.

MR. BRODER: If it is going to be reasonably close as you are implying, will it make any difference who is the Vice Presidential nominee in Michigan? You have been critical of some of the things Mr. Agnew has said in the past; any new thoughts on that?

GOVERNOR MILLIKEN: I think again the overriding fact is the President himself, the record which the President has written by the time the election year comes around next year. I don't think the Vice Presidential candidate would be the deciding factor by any means.

MR. LISAGOR: Governor Ferré, there have been reports that the migration has turned around from the mainland back to Puerto Rico. If that is true, can you tell us why this is occurring?

GOVERNOR FERRE: I would say in the first place the question of unemployment on the mainland has, of course, limited the amount of jobs available for Puerto Ricans who want to migrate.

In the second place, we are having more opportunities in Puerto Rico which are attractive to Puerto Ricans, and therefore, they would rather stay here than go out, so this year, the last report we just had, about 1,800 was the outflow from Puerto Rico.

MR. LISAGOR: But are they coming back in substantial or significant numbers?

GOVERNOR FERRE: They are coming back. Some Puerto Ricans coming back who have been on the mainland, have been able to make a little money, save money and come back to Puerto Rico. They buy themselves small parts of land or they put up small businesses, and they are doing very well in Puerto Rico.

MR. LISAGOR: Could I ask you finally, what are the advantages of statehood for Puerto Rico, in view of the fact that there are many advantages in your present commonwealth status, including not paying federal taxes, I might add.

GOVERNOR FERRE: The only advantage of the commonwealth status is that we can develop more industrial enterprises in Puerto Rico with the tax exemption. That, of course, is a transitory attraction, because in the long run you have got to have sound business principles in order to have industry in Puerto Rico. Therefore commonwealth may be satisfactory for a period of time while we [get] enough investment in Puerto Rico in those industries. There are really sound business enterprises here. But in the long run you cannot continue to depend on special gimmicks. You have got to have sound business principles to develop Puerto Rico's economy.

Under statehood we would be receiving considerably more federal help than we receive today. You see, we don't pay federal taxes, but at the same time, we don't receive the same amount of federal aid that the states receive. So it is a question of not giving one way and not receiving the other. But what we are doing with this difference is that we are trying to bring in industries in Puerto Rico and develop our industrial base in the island.

MR. DUKE: Governor Hearnese, a few years ago you and some of the other governors criticized President Johnson for not paying enough attention to the states and for not cooperating with the states in solving their problems. How do you find President Nixon in this respect?

GOVERNOR HEARNES: Let me back up a little on your statement about the criticism of the Administration. I have only been Governor for seven years, but I assume it has happened in prior years. The criticism, we hoped, and it turned out to be, was very constructive, because since that time or after that time in the last two years of the Johnson Administration, we could not have had any more cooperation than we did.

We meet today with the Vice President on this very subject matter, and these things have a way, like many other things, of being relaxed, and then you have to bolster them up. You don't exactly mean them as criticisms because that can be misinterpreted in a variety of ways.

We did see a relaxation of the ability to present our problems to the Administration, problems that we are having maybe with HEW or with someone else, and so it was decided at this meeting that the role which Governor Boe had had prior to his leaving that position for the bench, if the Vice President would

assume that role and would take our problems personally, that this is what we would like to have, and he accepted that responsibility this morning.

MR. APPLE: Governor Reagan, I wonder if you could be a pundit for us for a moment? You have said in response, I think, to Mr. Broder's question, that there are a number of conservatives that are upset about some of the things that Mr. Nixon is doing, and you said they shouldn't be.

Suppose Mr. Nixon should decide on another running mate besides Mr. Agnew. Would that send them off the reservation? What would they do? What would the reaction be?

GOVERNOR REAGAN: I don't know that anyone could be a pundit about that. I happen to think very highly of Mr. Agnew as a Vice President and as a man. I don't know that there is any indication that he isn't going to be the candidate, unless it would be by his own choice, but I think this would depend on all of the surrounding circumstances, who was selected.

MR. APPLE: Who else is there that would be acceptable to conservatives if Mr. Agnew were off the ticket?

GOVERNOR REAGAN: I don't think—haven't you got another question?

MR. APPLE: They all cover the same subject.

Would Mr. Connally be acceptable to the Republican conservatives, do you think?

GOVERNOR REAGAN: Mr. Connally would have to change parties, first of all. I think this would cause some concern among a great many Republicans. Just as I am quite sure Governor Hearnese indicated here that the Democrats are a little concerned about a recent Johnny-come-lately to their party.

MR. APPLE: Would it cause concern on your part? Would you be upset if Mr. Connally were the nominee?

GOVERNOR REAGAN: I happen to favor the retention of the present ticket. I happen to favor the retention of Mr. Agnew.

MR. BRODER: Governor Gilligan, you talked a moment ago about the desirability of sharing revenue sources. The federal government is cutting its tax rates again apparently, as it has done several times in this decade. Is this what you had in mind by way of sharing revenue sources?

GOVERNOR GILLIGAN: No. What I am talking about is sharing the source in terms of allowing the states and local governments to adopt a tax structure essentially geared to income and to the growth of income, both corporate and personal, and to allow the individual taxpayer, through a system of tax credits at the local and at the state level, to deduct from his federal tax liability a given percentage of that liability. That money, instead of going into Washington, and then we go in on our hands and knees and try to get some of it back, that money would stay at

the local level to meet local responsibilities or stay at the state level to meet state responsibilities.

MR. BRODER: As I understand it, you have asked the citizens of Ohio to help you get an income tax, personal and corporate, through the state legislature there. That program is still mired in the legislature, I believe, is it not?

GOVERNOR GILLIGAN: Yes, it is.

MR. BRODER: It is possible that the citizens really aren't any happier to pay taxes to you than they are to Mr. Nixon?

GOVERNOR GILLIGAN: I don't think anybody wants to pay taxes at any time to anyone or to any service level, but I think the—I campaigned on the program of augmenting state revenues, giving better state programs, and so forth, to the people of Ohio. They accepted it. I think the state legislature, which is mired down in a 30-year program of no new taxes and low performance levels, and so forth, has realized that we are in a new age. They are ready to move. It is taking them a little time, but I am confident before the fall session is out they will have adopted a more modern and a more equitable tax program than we have had heretofore in Ohio.

MR. MONROE: Gentlemen, we have just about a minute. Let me see how far we can get. I would like to ask each Governor—we might not be able to get through each of you—if you can give me a brief answer, hopefully about fifteen seconds, to the question of whether you are hopeful, as Attorney General Mitchell is apparently hopeful about crime in the nation, about the crime situation in your state?

GOVERNOR HOLTON: Yes, I am. The LEAA program has been very good. We have had much more devotion to crime prevention and law enforcement at the local level and at the state level, and I am very optimistic about the future.

GOVERNOR MILLIKEN: I am optimistic too. We have still a rising crime rate in Michigan, but we are taking effective steps, particularly through the Crime Commission and other means, and I think the climate is right to move and to move hard in our state.

GOVERNOR FERRE: I am very hopeful too. We have had diminishing in our crime rate in Puerto Rico in the last year. Our Crime Commission has worked very successfully, and we have reduced the crime rate in Puerto Rico, as compared to the United States, I want to say.

GOVERNOR HEARNES: If we were not hopeful, we would have a mass exodus from the State of Missouri. We have to be hopeful, but these are the things that are every-day problems—

MR. MONROE: I am sorry to interrupt, Governor, having asked you the question, but our time is up. Thank you, gentlemen, for being with us today on MEET THE PRESS.

11/4/20

ACCEPTANCE SPEECH

By

GOLD MEDALIST, GOVERNOR RONALD REAGAN

NATIONAL FOOTBALL FOUNDATION DINNER - DECEMBER 7, 1971

Chairman Draddy, Dr. Tate, the new members of the Hall of Fame and these distinguished young men who are here, my old friend Senator George Murphy. "Murph," you and I just somehow keep turning up on the late late show. It is a pleasure of course to be here. Coming to New York always has one benefit as far as I am concerned. It's one place that's got more troubles than Sacramento. I was on the way to the office one morning when things were particularly tough. There was a lot of criticism going on, and I tuned in a disc jockey. I don't know who he was, but I learned to love him. He interrupted the music to say that everybody, every man, should take unto himself a wife because eventually something is bound to happen you can't blame on the governor.

But in keeping with the purpose that brings us together, I have to tell you that I am struck that there is a parallel between football and my present job. Being Governor and playing down in the center of the line is a little bit like being a three pound chicken trying to lay a four pound egg. No matter how it turns out, it's going to hurt. Seriously, I am deeply honored to be here and to share the dais with men who have achieved so much and contributed so much to football. To be here, however, in this capacity as a recipient of this award is overwhelming, and I have no words to express my pride and my appreciation. The only possible qualification I have to justify my receiving this award and at least to try to rationalize it in my own mind -- is that I have been involved in a love affair with football that began as far back as my memory goes.

We lived in a small town in Illinois, on a low bluff overlooking the High School football field. Every autumn afternoon, as far back as I can remember, I spent watching every minute of football practice. Eventually going to high school there, meant going out for football. Four years and two varsity letters later, I went to college for the same reason. Unless you are from Illinois, you have to ask, "Where is Eureka College?" And if I told you, you wouldn't know a hell of a lot more than you know right now. Maybe there are some old timers, particularly connected with the pro gram, who'll remember that there was a conference of prairie colleges known as the Little Nineteen. This was in a day before athletic scholarships sorted out the smaller schools.

The game was simon pure then. A football player just had to work at back-breaking jobs -- like winding the gym clock. The Little Nineteen conference was rather distinctive. It was somewhat innovative in that it was the only conference in the United States in which you could be employed as an Assistant Coach, Physical Ed Instructor, and play summer baseball for money without tarnishing your amateur standing. In my Senior year, our starting lineup had seven Athletic Instructors, and I was the Swimming Coach. But seriously, I am indebted to football for so many things.

Football provided an education. As a matter of fact, it provided my career. In 1932, when you graduated, you didn't start out to have a career. You just hoped that in some way you could find a job, any kind of job. I received \$5. and bus fare to broadcast the Iowa-Minnesota game for a local radio station. That turned into a sports announcing career. And even later, in Hollywood, when I found myself bogged down making some pictures (pictures that the studio didn't necessarily want good; they wanted them on Thursday) the Gipper won one for me and made possible everything that has happened since.

But I am indebted for much more than just those boosts along the career path. I know that it has become cliché to talk about the lessons of living that are learned on the gridiron, and many men here tonight have eloquently remarked about those things. But clichés are born of unchanging truths. Something becomes a cliché because it has happened and happened so consistently. In Hollywood, we like to sit around on the set and joke about cliché lines. One of them in adventure films is always there. It is that line, "We're safe 'til the drums stop." Well, that cliché is based on truth, because in the real life situation of that kind, it means when they stop beating those drums, they're on their way to beat your brains out with a club.

Teddy Roosevelt once spoke of those who have known the blood and sweat of the arena, men who've know what it means to win and what it means to lose. At Eureka we learned a great deal about losing. The funny thing is -- I don't mind. I remember once when a few of us went to our coach. We wanted to talk to him about scheduling. We were a little tired of losing as often as we did, and then he told us why we had the kind of schedule we had. We were a tiny unknown school. He said, "Yes, I can give you a schedule. I can give you a schedule in which you can probably win every game, but, he said, "would you rather do that, or would you rather play as you're playing now -- against schools that at a minimum are ten times your size ... against schools that it's an achievement to even be on their schedules and be out on the field ... and if you play them on even terms

and so you lose by a touchdown, or two touchdowns or a point -- doesn't that, and won't that, mean more to you when this is all over than having those easy wins on a schedule that's someplace down to our size? "

And now, today, I know what he was talking about. And when we did win, "Oh, my!" How sweet it was! " But, you know, I think all of us here love sports, and we have an affinity for all of the games. But somehow there is a mystic something about football. Your presence here acknowledges that. Anyone who has played in more than the one sport -- and most athletes do -- knows there is something unique, something that captures the spectator and the player -- captures him emotionally -- about football that he can feel about football more seriously than he can feel about other sports. So seriously does he feel that sometimes there are those who tend to sneer a little and want to remind us that it's only a game.

The other day a group of psychiatrists said that we should abandon this game. They said it was a primitive appeal to our inner aggressions. Well, I dare them to prove that football players have a built-in tendency to spend an evening in the park massaging their fellow citizens' heads with an iron pipe. Sometimes I think a psychiatrist is a fellow who tells you you're crazy and then gets you to give him fifty dollars an hour to prove it.

But let me -- if I could be so presumptuous -- try for a moment to put my finger on that indefinable quality that marks football. We live in an over-civilized world that no longer calls upon man to survive by dint of physical prowess. And football somehow is the last thing we have, the last place where men can engage in non-fatal combat and do so by literally flinging themselves -- and flinging their bodies against other human beings, against an opponent. Ask a lineman who has just smashed through and upended a ball-carrier in a head-on tackle if he envies the fellow that happens to run across the goal line for the touchdown. I think he'll tell you right at that moment that he would'nt trade places with anyone. There's no feeling exactly like it. There's a hot, clean hatred for an opponent during a game. You don't hate him in any kind of a mean, human way that is demeaning to you. But you hate him -- not because you even see a human face opposite you as you line up waiting for the ball to be snapped -- you see him as a symbol of an enemy by virtue of the color of his jersey, and the hatred you feel is almost the same righteous hatred that you have for evil. And in that moment, he to you is the symbol of evil. When the ball is snapped, however, you express that hatred within a very definite framework of rules. You apply tactics that have been taught you to make a play, and you carry out assignments that will make a play work and gain success

for your team. Then, when the final gun sounds, every man who has ever played knows how suddenly that hatred is replaced by a genuine affection and respect, the kind of feeling that two men can have who have intimately shared that kind of experience for the last few hours of that afternoon or evening.

Now there are, of course, individuals who cheat. They are to be found any place. I suppose, in football, too. Yet I believe that football is actually miraculously clean, when you consider the opportunity for wrong doing. On every play, at least fifteen or sixteen out of twenty-two men have an opportunity to do serious physical injury to another human being, for the most part with no possibility of being detected. It's a violent game. Men are injured. But unlike the ancient gladiator sports, the injury is incidental. It is not the object of the game. I find for all these reasons maybe it imperfectly explains some of what I've tried to express about this game -- that football is peculiar to America, and that isn't strange. It's typical of the American personality, and I, for one, think there's something very important in American that would be lost if those psychiatrists had their way and we ever lost our emotional attachment to this game.

I don't happen to think there is anything wrong with young men at that stage of their life feeling so deeply about an abstraction such as team spirit, or a school, or just "our side," that would make a young man -- even as he faced death -- speak up and make the request that George Gipp made on his deathbed. Nor do I find anything strange that, eight years later, another group of young men who had never known him personally would be so deeply moved at hearing his request that they would go out and rise above themselves in order to fulfill that request. What does it matter if it's only a game if it has the power to make boys become men capable of self sacrifice and unselfish, noble deeds.

I don't know whether football made this contribution to America or America made it to football, but I know that football players have the ability to understand a young man on a much larger playing field in Vietnam. A couple of years ago a young Negro soldier who threw himself on a grenade to save his platoon mates, and I doubt if he paused to count how many of them were white or black or brown. It so happens there was a pretty good distribution of each, but his dying words were, "You have to care."

Today an increasing number of voices are being raised in our land. They are urging an end to competitive sports. It's a murmur in some places, but watch out for it. Indeed, you will find that they find competition in our whole social structure undesirable. Their song is that man's very nature can be changed by controlling his environment, and they have some kind

of a dream of a non-competitive, placid world. But if they have their way -- and I sometimes think that what they really mean by the ending of competition is a leveling down to mediocrity for all of us where there won't be any need for competition -- if they have their way, can they promise us that there will never again be a time when we need heroes, when we need men who have known the blood and sweat of the arena -- who have known what it is to overcome weariness and pain and find another untapped source of strength within yourself when it seems that all strength is gone?

Of, these are the men that tell us we don't need grades anymore, just pass or fail. I don't know about you, but if I ever lie down on an operating table and they put the thing over my face to put me to sleep, I would like to know more about the man with the knife in his hand than that he just happened to get by.

(Turning to Jack Mildren) I was watching you -- this fine young quarterback on the tube last week, and coming out of my chair several times. You spoke of athletes being known as "jocks." A few years ago there were people that sneeringly called athletes "gorillas." There is a tendency on the part of a number of people to try to pretend that the athlete is somehow something apart from the rest of us. But you only had to look at that list of men, or that lineup of men back there who stood up -- at the men who are sitting here beside you tonight, to understand that you can look at the record of the men who have been a part of this game, back through the years, and I'll match it against any other group they want to put together.

I remember one night in an old classroom building on our Eureka campus. We were having -- whatever they call it now I don't know -- skull session, chalk talk, going over plays and so forth under those cold bare bulbs. Somehow -- I don't know how -- in the conversation the subject of prayer came up. I think the coach must have introduced it, but I don't know just how he did it. I was one of the younger fellows. I was one of the few who had come direct from high school. I never went into a game that I didn't pray to myself, but I would have cut my hand off before I would have admitted it to that bunch of roughnecks that I was associating with on the team because I thought I must be the only person who did anything like that, and I would never have opened my mouth about it. But as the conversation went on and man after man began speaking up, it developed that every man in the room prayed silently to himself before he went into a game. Now, I kind of developed a prayer of my own on what I thought it was fair to ask for. Obviously, you couldn't ask the Lord to be on your side and win. The fellow on the other side had as much claim on Him as I did, but I was amazed to find out when finally it all came out that every man in that room had almost the same identical prayer -- not to win, but "let me do my best, let

there be no injuries, not just me, let everyone play his best."

So, I wonder if it's too much to suggest that maybe they learned the tone of that prayer from the very principles of the game they were playing. I remember a couple of seasons back when the Los Angeles Rams had won eleven straight and were going to play the Vikings. It didn't matter because both teams had won their respective titles and it was just a game for the crowd. I took my eleven year old son, who is a worshiper of football and a particular fan of the Los Angeles Rams. We sat there in the stadium that day and the Rams had a bad day. The Vikings poured it on, and all around us I heard cynical talk about, "Well, they're fellows who play for money. They're not trying very hard because the game doesn't mean anything." I even heard talk about, "They probably shaved the points a little bit for the gamblers" and all I could do was kind of shoulder over against my eleven year old. I knew he was hearing it, and he also takes defeat very personally. The eyes were looking a little glassy, as if they might break over in a minute. I'd kept one secret from him. I'd had an invitation to bring him down to the locker room after the game, but we had to catch a plane, and I didn't want to tell him about it in advance and then maybe find that time was such that we couldn't do it. But there was time, so to ease his disappointment at the defeat, I told him. Well, that brightened the day, and down we went to the locker room, and in they came. Anyone who thought they weren't trying just didn't know. They'd been through a meat chopper. They were bleeding, literally. They were also very angry about not playing up to standard. As I stood there beside him, they sat down in this kind of a classroom type place that they have, and for about seven minutes they poured it on themselves about how badly they'd done. At about that moment, Coach Allen said to them "Okay that's enough. Let's give thanks." As I stood there, I saw my eleven year old bow his head as those big hulking heroes of his dropped to their knees and repeated the Lord's Prayer. No lesson that I could ever teach him, nothing that I could ever say, would mean as much. I went out of there. I don't care, they won the game as far as I was concerned.

I don't even know if we will ever be able to identify and prove what each man learns from football so that we can list it and hang it on a wall like a diploma or like a license for the practice of a profession. I do know that down through the years I've somehow placed my faith in men of the sports world and seldom has that faith ever been betrayed. A few years ago "Bud" Wilkinson was having one of those great teams. He know's what I am going to say now. He had one of those National Championship teams. They were

playing TCU in their final game, and TCU had had a lack luster season. It had been pretty dull for them, but now -- as a team will -- they rose to the heights, and in the closing minutes of the game in the fourth quarter Oklahoma was leading, 20 to 14. Then TCU passed. A man dived into the end zone and caught what was apparently the tying touchdown, but with the great probability of it becoming a one point victory over the National Champions. There was bedlam in the stadium, and then that young man who caught the pass got up and walked over to the referee, handed him the ball, and said, "No sir, it touched the ground before I caught it."

Now, I don't know where that end -- he was the team Captain, John Crouch -- is. I've been told that he is coaching. I never met him, but I wish my son could grow up and play under him someday. I think that I'm a better man just knowing about that story. I think all who hear it are. Perhaps those who think winning is all important would say he should have kept his mouth shut. He hadn't been caught. He could get away with it. But I wonder if the same person would like to feel that that's the way a President of the United States should make his decisions ... or a Senator, or a Congressman, or a Justice of the Supreme Court. Do we really want men who make decisions -- not out of expediency-- whether it's in business, public affairs, or personal affairs, but on a basis of what they honestly believe in their hearts is morally right?

I hope my remarks have given you some idea of what this award means to me. You know, there were no Emmys when I was a sports announcer. There were Oscars when I was an actor, but I didn't get one, and I am sure I am never going to get an honorary degree from Berkley. But as I said, that's unimportant because football has given me an education, it gave me a career, and now it has given me an honor that I cherish more than I can say. It is sweet to be approved by your fellow man. It is doubly so when that approval comes from men you admire, respect, and hold high in esteem.

All I can say is -- tonight, I thank you from the bottom of my heart.
