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9/9/73

ADDRESS

BY GOVERNOR RONALD REAGAN

BEFORE THE REPUBLICAN STATE CENTRAL COMMITTEE OF CALIFORNIA

TOWN AND COUNTRY HOTEL CONVENTION CENTER

SAN DIEGO, CALIFORNIA

SEPTEMBER 9, 1973



FIVECOAT, WITH and DUNN

CERTIFIED SHORTHAND REPORTERS
SUITE 816 CHARTER OIL BUILDING
110 WEST "C" STREET
SAN DIEGO, CALIFORNIA 92101
PHONE 714/239-4191

1 VICE-CHAIRMAN HAERLE: AND NOW, LADIES AND GENTLEMEN, IT'S
2 WITH GREAT PLEASURE I PRESENT TO YOU A GREAT CALIFORNIAN, A
3 GREAT ATTORNEY GENERAL, AND A GREAT REPUBLICAN, THE HONORABLE
4 EVELLE J. YOUNGER.

5
6 INTRODUCTION OF GOVERNOR RONALD REAGAN

7 BY EVELLE J. YOUNGER

8
9 THANK YOU, PAUL.

10 DISTINGUISHED LADIES AND GENTLEMEN AT THE HEAD TABLE AND
11 IN THIS GREAT CONVENTION. I'M EXTREMELY GRATIFIED AND A LITTLE
12 SURPRISED TO FIND SO MANY PEOPLE HERE AT THIS LATE DATE. YOU
13 KNOW, AFTER THE POLL WAS RELEASED TWO DAYS AGO SHOWING THAT
14 JERRY BROWN WAS WAY OUT IN FRONT FOR THE GOVERNOR'S RACE NEXT
15 YEAR, I WAS AFRAID YOU MIGHT ALL GIVE UP AND GO HOME.

16 (LAUGHTER)

17 ACTUALLY, YOU KNOW, THAT WOULDN'T BE A BAD IDEA, ELECTING
18 JERRY BROWN GOVERNOR. SAVE A LOT OF MONEY. WE WOULDN'T NEED
19 AN ATTORNEY GENERAL OR A LEGISLATURE OR A FINANCE DEPARTMENT.

20 (LAUGHTER)

21 HE COULD RUN THE WHOLE STATE GOVERNMENT FROM A HOTEL ROOM.
22 AS LONG AS HE HAD SPACE ENOUGH FOR HIS PUBLIC RELATIONS MAN AND
23 A MIMEOGRAPH MACHINE.

24 (LAUGHTER)

25 BUT I'M NOT KNOCKING IT. AT THE MOMENT HE SERVES AS A
26 GREAT UNIFYING FORCE FOR THE REPUBLICAN PARTY.

27 (LAUGHTER AND APPLAUSE)

28 ACTUALLY, WE GET ALONG VERY WELL. WE HAVE NO TROUBLE

1 COMMUNICATING. WHEN I WANT TO TALK TO SECRETARY BROWN, I EITHER
2 PHONE HIM OR WRITE HIM. AND WHEN HE HAS A MESSAGE FOR ME, HE
3 HOLDS A PRESS CONFERENCE.

4 (LAUGHTER)

5 INTERESTINGLY ENOUGH, YOU KNOW, HE VERY OFTEN PHONES RIGHT
6 AFTER HE SAID SOMETHING VERY NASTY AND APOLOGIZES FOR IT
7 IMMEDIATELY AFTER HE HOLDS HIS PRESS CONFERENCE. I SUGGEST
8 THAT MANNERS HELP WHEN YOU'RE BURDENED WITH NEITHER EXPERIENCE
9 OR KNOWLEDGE.

10 (LAUGHTER AND APPLAUSE)

11 AND NOW, OF COURSE, I'M GRATEFUL FOR THE OPPORTUNITY TO
12 INTRODUCE OUR GOVERNOR. YOU KNOW, I'M A LITTLE CONFUSED,
13 THOUGH. IT'S BEEN RUMORED THE GOVERNOR IS THINKING ABOUT
14 RUNNING FOR PRESIDENT.

15 (APPLAUSE)

16 NOW, BE CALM, BE CALM. THERE MAY BE SOME PROBLEMS THERE.
17 WITH ALL DUE RESPECT TO THE GOVERNOR, HOW COULD HE POSSIBLY
18 ASPIRE TO THAT POSITION WHEN HE'S NEVER HAD ONE GOOD SCANDAL
19 TO HIS NAME, THE SKIPPER HASN'T WRITTEN AN EXPOSE, THERE HAS
20 BEEN NO CHEATING, NO LYING, NO VENDING MACHINES, NO BOOZING,
21 NO BUGGING OF TELEPHONES, NO RUNNING AROUND WITH WILD WOMEN.
22 TO MAKE MATTERS WORSE, HE'S A GOOD DRIVER AND A MEDIOCRE
23 SWIMMER.

24 (LAUGHTER AND APPLAUSE)

25 NOW, WHO'S GOING TO TRUST A POLITICIAN LIKE THAT?

26 (LAUGHTER)

27 SERIOUSLY, THE WORD "TRUST" IS VERY APPROPRIATE IN
28 DESCRIBING OUR GREAT GOVERNOR. YOU KNOW, BIG BANDS ARE COMING

1 BACK, CHEEK-TO-CHEEK DANCING IS AGAIN BECOMING POPULAR, COLLEGE
2 STUDENTS WHO ASSAULT TEACHERS ARE BEING EXPELLED THESE DAYS.
3 I EVEN READ YESTERDAY MORNING WHERE SOME YOUNG MEN ARE GETTING
4 TIRED OF TAKING A HALF AN HOUR EACH MORNING WITH BALSAM AND A
5 HAIR DRYER IN ORDER TO GET THE SNAGS OUT OF THEIR LOCKS, AND
6 THEY'RE GETTING CREW CUTS AGAIN.

7 HONESTY, INTEGRITY, AND THRIFT, THESE OLD-FASHIONED
8 VIRTUES, ARE BECOMING POPULAR AGAIN ALONG WITH THE BIG BANDS.
9 AND HONESTY AND INTEGRITY ARE SYNONYMOUS WITH RONALD REAGAN.

10 (APPLAUSE)

11 ONE OF THE MEMBERS OF THE OPPOSITION PARTY IN A LEADERSHIP
12 POSITION A FEW MONTHS AGO WAS COMPLAINING TO ME ABOUT SOMETHING
13 THE GOVERNOR HAD DONE OR FAILED TO DO, AND REFERRED TO HIM AS
14 "STRAIGHT ARROW." WELL, YOU KNOW, HE DIDN'T INTEND THAT AS A
15 COMPLIMENT. HE WAS GRUMBLING BECAUSE THE GOVERNOR REFUSED TO
16 APPOINT AN INDIVIDUAL THAT HE DIDN'T CONSIDER QUALIFIED TO THE
17 BENCH IN RETURN FOR SOME DESPERATELY NEEDED VOTES. I DOUBT IF
18 THE GOVERNOR CONSIDERED THE PHRASE "STRAIGHT ARROW" AS AN
19 INSULT. I CERTAINLY DON'T.

20 SECRETARY BROWN'S PHILOSOPHY NOTWITHSTANDING, ONE MAN CAN'T
21 RUN THE STATE GOVERNMENT. THE STATE CONSTITUTION QUITE
22 PROPERLY ASSIGNS TO THE VARIOUS STATE OFFICERS DIFFERENT
23 BURDENS AND RESPONSIBILITIES. ON THOSE RARE OCCASIONS WHEN THE
24 RESPONSIBILITIES OF OUR OFFICES HAVE LED US TO DIFFERENT
25 CONCLUSIONS, THE MUTUAL RESPECT THAT EXISTS BETWEEN YOUR
26 GOVERNOR AND YOUR ATTORNEY GENERAL HAVE MADE COMMUNICATION
27 EASY AND RESOLUTIONS POSSIBLE. THE GOVERNOR UNDERSTANDS THE
28 SYSTEM, AND HE KNOWS HE DOESN'T NEED OR DOESN'T WANT A RUBBER

1 STAMP ATTORNEY GENERAL, AND I WANT TO TELL YOU ALL THAT IN THE
2 TWO-AND-A-HALF YEARS THAT IT'S BEEN MY PLEASURE TO SERVE YOU IN
3 SACRAMENTO, THE GOVERNOR HAS NOT ONCE TRIED TO GET THE ATTORNEY
4 GENERAL DEPARTMENT TO CHANGE OR COMPROMISE A LEGAL POSITION FOR
5 REASONS OF POLITICS OR EXPEDIENCY.

6 I HAVE NEVER HAD THE PLEASURE, GOVERNOR--AND I HOPE YOU'RE
7 LISTENING--TO INTRODUCE YOU BEFORE, SO THIS IS THE FIRST CHANCE
8 I'VE HAD TO TELL YOU AND, FORTUNATELY, I CAN TELL YOU IN FRONT
9 OF A GREAT MANY WITNESSES, HOW PLEASED AND PROUD I HAVE BEEN TO
10 SERVE WITH YOU IN SACRAMENTO. FOR AS LONG AS YOU WERE RIDING
11 OFF INTO THE SUNSET, GOVERNOR, WITH THE WORDS "THE END" PRINTED
12 ON YOUR BACK (LAUGHTER), I'VE BEEN IN PUBLIC SERVICE. IN ALL
13 THOSE YEARS I HAVE NEVER MET A MORE HONORABLE MAN.

14 (APPLAUSE)

15 LADIES AND GENTLEMEN, I GIVE YOU THE MAN WHO CLEANED UP
16 "CHARISMA" (LAUGHTER), THE GOVERNOR OF CALIFORNIA.

17 (PROLONGED STANDING OVATION)

18

19 ADDRESS BY GOVERNOR RONALD REAGAN

20 GOVERNOR, STATE OF CALIFORNIA

21

22 THANK YOU VERY MUCH. THAT'S VERY HEARTWARMING. IF YOU
23 THINK THAT I'M DRESSED A LITTLE STRANGE FOR SAN DIEGO: THE
24 SUN IS SHINING BRIGHTLY AND IT'S HOTTER THAN HELL IN SACRAMENTO.

25 EV, MEDIOCRE? I WAS A LIFEGUARD FOR SEVEN YEARS.

26 (LAUGHTER AND APPLAUSE)

27 LIEUTENANT GOVERNOR REINECKE, IVY, HUGH, OFFICIALS OF OUR
28 PARTY, AND MEMBERS OF MY ADMINISTRATION THAT ARE HERE AT THE

1 HEAD TABLE, AND YOU, LADIES AND GENTLEMEN: I REALIZE THERE HAS
2 BEEN A CHANGE OF SCHEDULE AND THE LIST OF TOPICS THAT ARE NOW
3 AVAILABLE TO ME ARE ALMOST UNLIMITED BECAUSE YOU DID NOT GET TH
4 FULL CABINET BRIEFING YOU WERE SUPPOSED TO GET FROM ED MEESE,
5 FRANK WALTON, AND EARL BRIAN, AND I'M A LITTLE SORRY ABOUT THAT
6 BECAUSE ALL THREE OF THEM CAN DO IT BETTER, AND I THINK THEY
7 HAVE A GREAT DEAL TO TALK ABOUT, BUT THEY WILL SAVE THE MATERIAL

8 WE MEET HERE ONCE AGAIN, AND I'M HAPPY TO SAY IT LOOKS LIKE
9 EVEN A BIGGER GATHERING THAN IN THE PAST. AND THAT'S
10 STRANGE FOR SOME WHO HAVE BEEN SUGGESTING THAT ONLY THE LAST
11 FEW OF THE FAITHFUL GUARD WOULD REMAIN IN THESE TRYING TIMES.
12 IT'S ALWAYS A GREAT PLEASURE FOR ME. I'M NEVER SURE THAT IT IS
13 FOR YOU.

14 I HAD MY CONFIDENCE SHAKEN NOT TOO LONG AGO. I MADE A
15 TRIP TO MEXICO IN BEHALF OF THE GOVERNMENT FOR THE PRESIDENT,
16 AND I ADDRESSED A LARGE DISTINGUISHED AUDIENCE IN MEXICO CITY,
17 AND THEN HAD THAT EXPERIENCE THAT HAPPENS TO ALL SPEAKERS AT
18 SOMETIME OR ANOTHER: I SAT DOWN TO VERY SCATTERED AND
19 UNENTHUSIASTIC APPLAUSE. THE NEXT SPEAKER WAS A REPRESENTATIVE
20 OF THE GOVERNMENT THERE, AND HE SPOKE, WAS WARMLY RECEIVED.
21 HE WAS FREQUENTLY INTERRUPTED WITH ENTHUSIASTIC APPLAUSE. I
22 DIDN'T WANT TO REVEAL MY EMBARRASSMENT OR SELF-CONSCIOUSNESS,
23 SO EVERY TIME THEY DID--HE WAS SPEAKING IN SPANISH; I DIDN'T
24 KNOW WHAT HE WAS SAYING--BUT I JOINED IN AND APPLAUDED LOUDER
25 THAN ANYONE ELSE UNTIL OUR AMBASSADOR LEANED OVER AND SAID,
26 "I WOULDN'T DO THAT IF I WERE YOU. HE'S INTERPRETING YOUR
27 SPEECH."

28 (LAUGHTER)

1 PROBABLY MANY PEOPLE HAVE BEATEN ME HERE WITH THIS STORY,
2 BUT I'M GOING TO TELL IT ANYWAY BECAUSE IT SO APTLY ILLUSTRATES
3 THE FACT THAT THERE IS NOTHING REALLY NEW, THAT YOU CAN LOOK
4 BACK IN HISTORY AND FIND SOMETHING THAT PERTAINS TO ANYTHING
5 THAT'S GOING ON TODAY. YOU CAN GO BACK SO MANY THOUSANDS OF
6 YEARS TO WHEN MOSES, LEADING THE ISRAELITES, APPROACHED THE
7 RED SEA AND THERE HE WAS STOPPED IN HIS FLIGHT BY THE RED SEA.
8 THE LORD SPOKE AND SAID, "I HAVE GOOD NEWS AND BAD NEWS."

9 AND MOSES ASKED FOR THE GOOD NEWS, AND HE SAID, "I'M GOING
10 TO PART THE RED SEA, I'M GOING TO SEPARATE THE WATERS, AND YOU
11 CAN LEAD THE CHILDREN OF ISRAEL THROUGH TO THE PROMISED LAND."

12 AND HE SAID, "WHAT'S THE BAD NEWS?"

13 AND THE LORD SAID, "THERE WILL BE A CONSIDERABLE DELAY
14 WHILE WE GET AN ENVIRONMENTAL IMPACT STATEMENT."

15 (LAUGHTER AND APPLAUSE)

16 ACTUALLY, IT IS A WORLD OF CHANGE. JUST RECENTLY--AS A
17 MATTER OF FACT, OVER THE 4TH OF JULY--A YOUNG SENATOR FROM
18 MASSACHUSETTS JOURNEYED ALL THE WAY TO ALABAMA TO MAKE A 4TH OF
19 JULY SPEECH. HIS TRIP WAS NONPOLITICAL.

20 (LAUGHTER)

21 AND IF YOU BELIEVE THAT, I GOT SOME FLORIDA REAL ESTATE I
22 WANT TO SELL YOU AS SOON AS THE TIDE GOES OUT.

23 HIS WORDS WERE WELL-CHOSEN. THEY WERE SUITED TO THE
24 OCCASION AND THAT PARTICULAR AUDIENCE, AND THEY WERE WELL-
25 RECEIVED. HELL, THEY WOULD HAVE BEEN WELL-RECEIVED AT THE
26 REPUBLICAN NATIONAL CONVENTION. IT WAS PURE VINTAGE GOLDWATER,
27 GOLDWATER SR. GEORGE WALLACE SAT THERE. HE WONDERED WHETHER
28 THEY HADN'T SENT THE WRONG SOUND TRACK. PERHAPS YOU THINK I'M

1 EXAGGERATING, BUT WHO IN MASSACHUSETTS EVER HEARD SENATOR
2 KENNEDY PROCLAIM THAT NO MAN SHOULD BE STRIPPED OF THE FRUITS
3 OF HIS LABOR TO BENEFIT ANOTHER. AND THEN HE WENT ON TO SAY
4 THIS GREAT PRINCIPLE WAS NOW UNDER ATTACK BECAUSE OF HIGH
5 TAXES UNDER THIS REPUBLICAN ADMINISTRATION.

6 (LAUGHTER)

7 IT'S INTERESTING TO NOTE THAT RESEARCH HAS BEEN DONE AND
8 IN THE FIRST SIX MONTHS OF THE 93RD CONGRESS, 11 SENATORS OUT
9 OF THE 100 SET SOMETHING OF A NATIONAL RECORD. IN THOSE FIRST
10 SIX MONTHS, THOSE 11 SENATORS BETWEEN THEM INTRODUCED ALMOST
11 ONE TRILLION DOLLARS IN SPENDING PROPOSALS. ALL OF THE 11 WERE
12 DEMOCRATS, ONE OF THE 11 WAS TEDDY KENNEDY, AND AMONG THE OTHER
13 10 WERE HUBERT HUMPHREY, SENATOR MUSKIE, AND, INTERESTINGLY
14 ENOUGH, TWO SENATORS FROM CALIFORNIA. SOMETHING OUGHT TO BE
15 DONE ABOUT THAT.

16 (APPLAUSE)

17 I SAID THESE HAVE BEEN TRYING TIMES, AND I KNOW THAT MANY
18 REPUBLICANS HAVE BEEN OVER THESE SUMMER MONTHS DESPONDENT AND
19 DISTURBED, BUT I THINK IT'S A LITTLE EARLY TO BE ADMINISTERING
20 THE LAST RITES. THERE WAS A SPECIAL ELECTION RECENTLY IN THE
21 EAST, AND A REPUBLICAN WON A SEAT IN CONGRESS. IN THE MIDWEST,
22 WHERE LOCAL ELECTIONS ARE PARTISAN, TWO REPUBLICAN MAYORS HAVE
23 JUST RECENTLY BEEN ELECTED. AND HERE IN CALIFORNIA TO THE
24 BACKGROUND OF THE MUSIC--THE COUNTRY MUSIC, THAT IS--OF
25 WATERGATE WE HAVE WON FIVE OUT OF SEVEN SPECIAL ELECTIONS FOR
26 SEATS IN THE ASSEMBLY AND THE STATE SENATE.

27 (APPLAUSE)

28 I THINK IT'S TIME FOR A LITTLE STOCKTAKING AND COUNTING O

1 OUR BLESSINGS. MILLIONS OF PATRIOTIC AND COMMON SENSE
2 DEMOCRATS REFUSE TO FOLLOW THEIR PARTY LEADERSHIP DOWN THE
3 ROAD OF MORE SOCIAL EXPERIMENTS AND REDISTRIBUTION OF THEIR
4 EARNINGS, AND THEY HAVEN'T CHANGED THEIR MINDS ABOUT THE
5 PHILOSOPHICAL DIFFERENCES THEY HAVE WITH THE LEADERSHIP OF
6 THEIR PARTY. THEY STILL KNOW THAT FOR SOMEONE TO GET SOMETHING
7 HE HASN'T EARNED, SOMEONE ELSE HAS TO EARN SOMETHING HE DOESN'T
8 GET.

9 (APPLAUSE)

10 THEY BELIEVE THAT WHEN THEY VOTE TO RESTORE CAPITAL
11 PUNISHMENT IT IS ARROGANT AND INSULTING OF THEIR ELECTED
12 REPRESENTATIVES TO TELL THEM THEY DON'T KNOW WHAT THEY'RE DOING
13 AND THEIR VOTES ARE MEANINGLESS.

14 (APPLAUSE)

15 THE 11 SENATORS WHO WOULD HAVE US SPEND ANOTHER TRILLION
16 DOLLARS ARE OUT OF STEP WITH THE RANK AND FILE PARTY MEMBERSHIP.
17 AND SO WERE THE DEMOCRATIC GOVERNORS WHO BROKE WITH TRADITION
18 A FEW MONTHS AGO AND WHO TRIED TO RAILROAD A PACKAGE OF
19 POLITICAL PARTISAN RESOLUTIONS THROUGH THE NATIONAL GOVERNORS
20 CONFERENCE. THE "WHEREAS'S" WERE ALL ALIKE IN THEIR DOOM-
21 CRYING: WHEREAS THE NATION IS UNDERGOING THE WORST ECONOMIC
22 CRISIS IN A GENERATION, WHEREAS INFLATION, WHEREAS ECONOMIC
23 DISTRESS OF THE PEOPLE, WHEREAS UNEMPLOYMENT, AND OF COURSE ALL
24 OF THE THINGS THAT THEY DEPLORE HAD JUST BEEN INVENTED AND
25 PRODUCED BY THE REPUBLICAN ADMINISTRATION.

26 AND THEN THEY CAME TO THE "BE IT RESOLVED'S", AND THERE
27 TOO THEY WERE PEAS IN A POD: BE IT RESOLVED TO RESTORE THE
28 HEALTH AND VIGOR OF THE COUNTRY, TO SUFFER THE DOWNTRODDEN WE

1 MUST SPEND MORE MONEY, RESTORE THE BUDGET CUTS THE PRESIDENT
2 HAS TRIED TO INSTITUTE, CREATE NEW PROGRAMS IN THE IMAGE OF THE
3 SAME OLD PROGRAMS THAT GOT US INTO THIS MESS IN THE FIRST PLACE.

4 WELL, THEIR RESOLUTIONS DIDN'T PASS BECAUSE REPUBLICAN
5 GOVERNORS REFUSED TO BREAK WITH THE NONPARTISAN TRADITION AND
6 SUSPEND THE RULES SO THEY COULD PASS THEM, BUT THE RESOLUTIONS
7 MADE NEWS, WHICH IS ALL DEMAGOGUERY IS EVER DESIGNED TO DO.

8 JAMES BURNHAM SAID, "WHEN OPERATING ON A DEMOCRATIC
9 POLITICIAN, EVEN THE KEENEST ANALYTIC SURGEON CANNOT SEPARATE
10 DEMOGOGIC FROM SOLID TISSUE WITHOUT KILLING THE PATIENT."

11 (LAUGHTER)

12 NO ONE IN OUR PARTY CONDONES OR EXCUSES THE MISDEEDS OF
13 THOSE WHO BELIEVED STUPIDLY, OR BEHAVED STUPIDLY, AND COMMITTED
14 ILLEGALITIES IN THE LAST CAMPAIGN. AS A PARTY WE HAVE BEEN AND
15 ARE STILL COMMITTED TO A SYSTEM OF ORDER, JUSTICE, INDIVIDUAL
16 RESPONSIBILITY, AND OBEDIENCE TO BOTH THE SPIRIT AND THE LETTER
17 OF THE LAW. IT WAS NOT THE REPUBLICAN PARTY THAT SUPPORTED A
18 PHILOSOPHY THAT DISSENTERS COULD CHOOSE THE LAWS THEY WOULD
19 OBEY OR DISOBEY OR THAT SOCIETY, NOT THE LAWBREAKER, SHOULD BE
20 HELD RESPONSIBLE FOR MISDEEDS.

21 (APPLAUSE)

22 WE AS REPUBLICANS HAVE NO QUARREL WITH THOSE WHO WERE
23 INCENSED BY THE ILLEGALITIES AND IMMORALITIES OF WATERGATE. WE
24 JOIN THEIR DEMAND THE LAW TAKE ITS COURSE AND JUSTICE BE DONE,
25 BUT THAT DOES NOT MEAN THAT THIS DEPLORABLE EPISODE CANCELS THE
26 MANDATE OF THE VOTERS WHO CHOSE LAST NOVEMBER BETWEEN FISCAL
27 RESPONSIBILITY AND THE PROFITACY OF THE NEW LEFT.

28 THE EFFORT TO WIPE OUT THAT MANDATE, TO MAKE IT IMPOSSIBLE

1 FOR THE PRESIDENT TO REDUCE COSTS AND DECENTRALIZE THE
2 BUREAUCRATIC BEHEMOTH ON THE POTOMAC IS GOING FORWARD RIGHT NOW
3 WITH NEAR IRRESISTABLE FORCE. INDEED, SOME OF US CAN BE
4 EXCUSED IF WE SUSPECT THAT SOME OF THE TIME THIS STOPPING OF THE
5 MANDATE, NOT JUSTICE, IS THE REAL GOAL.

6 M. STANTON EVANS, WRITING RECENTLY, SAID:

7 "THE SENATE COMMITTEE, AWASH WITH CONTRADICTIONARY
8 STORIES, AND THEN CAME THE REVELATION THAT
9 THE EXECUTIVE HAD BEEN MONITORING CRUCIAL
10 PHONE CALLS REFLECTING ON THE POINTS AT
11 ISSUE. IT SEEMED TO PROMISE NECESSARY ANSWERS
12 TO THE CONFLICTING TESTIMONY. AND THEN THE
13 PRESIDENT SLAMMED THE DOOR SHUT, INVOKING
14 EXECUTIVE PRIVILEGE.

15 "THE REACTION," SAID EVANS, "WAS SWIFT AND
16 VEHEMENT IN FAVOR OF THE PRESIDENT. THE
17 LIBERAL MEDIA AND LIBERAL POLITICAL
18 SPOKESMEN LOUDLY APPROVED HIM, UPHOLDING
19 THE MOST SACRED PRECEPTS OF HIS OFFICE.
20 THE NEW YORK TIMES SAID 'THE PRESIDENT HAS
21 BEEN LATE BUT NOT TOO LATE IN RECOGNIZING
22 THE DEEP SIGNIFICANCE OF THIS ISSUE AND
23 STANDING UP TO IT.' THE WASHINGTON POST
24 SAID 'THE PRESIDENT'S AUTHORITY UNDER THE
25 CONSTITUTION TO WITHHOLD FROM CONGRESS
26 CONFIDENCES, PRESIDENTIAL INFORMATION,
27 WHICH IN HIS JUDGMENT WOULD BE INCOMPAT-
28 IBLE WITH PUBLIC INTEREST, IS ALTOGETHER

1 BEYOND QUESTION. HIS OBLIGATION TO DO IT
2 IN VINDICATION OF THE AMERICAN CONSTITU-
3 TIONAL SYSTEM IS CLEAR'."

4 NOW, AT THIS POINT YOU'RE BEWILDERED, AND I WAS
5 BEWILDERED READING MR. EVANS' ARTICLE, BUT EVANS MADE EVERYTHING
6 PERFECTLY CLEAR: HE WASN'T WRITING ABOUT THE WORLD WE HAVE
7 BEEN LIVING IN IN THE LAST FEW MONTHS; HE EXPLAINED HE WAS
8 WRITING OF WHAT THE REACTION HAD BEEN WHEN PRESIDENT
9 EISENHOWER REFUSED TO GIVE THE TAPES OF HIS CONVERSATIONS TO
10 THE MC CARTHY HEARINGS.

11 (APPLAUSE)

12 IT WOULD SEEM THERE'S A DOUBLE STANDARD. IF SENATOR
13 KENNEDY IS GOING TO KEEP ON ENUNCIATING REPUBLICAN PRINCIPLES,
14 I THINK WE COULD HELP HIM WITH A FEW FACTS AND A LITTLE
15 INFORMATION THAT HE MIGHT INCORPORATE INTO HIS FUTURE TALKS,
16 THAT GOVERNMENT GROWTH AND INCREASED SPENDING, CENTRALIZATION OF
17 POWER IN WASHINGTON, DELIBERATE, PLANNED INFLATION AS AN
18 ECONOMIC POLICY, THE REDISTRIBUTION OF EARNINGS THROUGH
19 TAXATION, ALL OF THIS IS PART AND PARCEL OF THE PHILOSOPHY OF
20 HIS PARTY'S LEADERSHIP THAT THEY HAVE ESPOUSED DURING THE LAST
21 40 YEARS, AND WHICH THEY STILL ESPOUSE.

22 SINCE THE INCOME TAX WAS ADOPTED IN 1914, IT HAS BEEN
23 INCREASED 13 TIMES BY DEMOCRATIC ADMINISTRATIONS; IT HAS BEEN
24 LOWERED 8 TIMES BY REPUBLICANS.

25 (APPLAUSE)

26 BEFORE THE SENATOR BLAMES THE PRESENT TAX BURDEN ON THIS
27 REPUBLICAN ADMINISTRATION, HE SHOULD KNOW THAT THE SO-CALLED
28 NIXON TAX REFORM OF 1969 TOOK 9 MILLION LOW-INCOME EARNERS OFF

1 THE INCOME TAX ROLLS COMPLETELY, REDUCED TAXES 70 PERCENT FOR
2 THE NEXT SEVERAL BRACKETS ABOVE THAT LEVEL, AND RAISED TAXES
3 ABOUT SEVEN-AND-A-HALF PERCENT FOR ALL THOSE PEOPLE EARNING
4 \$50,000, ALL OF WHOM ARE SUPPOSED TO BE REPUBLICANS, AND
5 CORPORATIONS FOUND THEMSELVES PAYING AN ADDITIONAL FOUR-AND-A-
6 HALF BILLION COLLARS.

7 THE ONLY TIME IN THE LAST 40 YEARS THAT THE DOLLAR LOST
8 NOT ONE PENNY OF ITS PURCHASING POWER WAS THE ONLY TIME THERE
9 HAS BEEN A REPUBLICAN PRESIDENT AND A REPUBLICAN CONGRESS IN
10 WASHINGTON AT THE SAME TIME. IN THE YEARS OF CAMELOT AND THE
11 GREAT SOCIETY THAT FOLLOWED THE EISENHOWER YEARS, DEBT, PUBLIC
12 AND PRIVATE, IN THIS COUNTRY HAS MORE THAN DOUBLED. LIQUID
13 CAPITAL IN THE PRIVATE SECTOR HAS BEEN DRAINED OFF BY TAXATION,
14 AND WE HAVE TODAY'S PRESENT RECORD BREAKING HIGH INTEREST RATES.

15 MILTON FREIDMAN SAID THE FEDERAL GOVERNMENT WAS UNTIL 40
16 YEARS AGO VIEWED PRIMARILY AS A KEEPER OF THE PEACE, AN UMPIRE.
17 TODAY WE VIEW IT AS CAPABLE OF TREATING EVERY SOCIAL AND
18 PERSONAL ILL AS THE SOURCE FROM WHICH ALL BLESSINGS FLOW.

19 IN THESE 40 YEARS, THE SYSTEM OF CHECKS AND BALANCES
20 BETWEEN THE THREE BRANCHES OF GOVERNMENT HAVE BEEN DISTORTED.
21 ALSO, THE BALANCE SO CAREFULLY ENGINEERED BY THE FOUNDING
22 FATHERS BETWEEN THE LEVELS OF GOVERNMENT: FEDERAL, STATE, AND
23 LOCAL. BUT MOST IMPORTANT, THERE HAS BEEN A DISTORTION OF THE
24 RELATIONSHIP BETWEEN GOVERNMENT AND THE PEOPLE. TOO MANY PEOPLE
25 HAVE LOST FAITH IN THEMSELVES AND IN THIS FREE ECONOMIC SYSTEM.

26 IT IS TIME FOR THE PEOPLE TO LEARN THAT TAXES ARE AN
27 EXPENSE GREATER THAN THE AMOUNT THEY MUST SPEND IN THEIR FAMILY
28 FOR FOOD, SHELTER, AND CLOTHING, AND THAT TAXES CAN ONLY BE

1 REDUCED BY LIMITING GOVERNMENT SPENDING; THAT PRIVATE
2 ENTERPRISE, NOT GOVERNMENT, IS THE GREAT PROVIDER; AND THAT WE
3 CAN HAVE A BIGGER SLICE OF THE PIE ONLY BY INCREASING THE SIZE
4 OF THE PIE, NOT BY REDUCING SOMEONE ELSE'S SLICE.

5 FOR SIX YEARS AND EIGHT MONTHS IN SACRAMENTO WE HAVE BEEN
6 TRYING TO LIMIT THE SIZE AND COST OF CALIFORNIA'S GOVERNMENT,
7 AND EACH YEAR AS WE MET UNDER THESE SAME CIRCUMSTANCES I HAVE
8 REPORTED TO YOU IN THESE PARTY GATHERINGS ON OUR PROGRESS. SIX
9 YEARS AGO I HAD TO STAND BEFORE YOU AND TELL YOU AFTER ONLY A
10 SHORT TIME IN OFFICE THAT WE WERE GOING TO HAVE TO HAVE AN
11 \$800 MILLION TAX INCREASE IF WE WERE TO RESTORE SOLVENCY TO THE
12 STATE OF CALIFORNIA, THAT THE STATE WAS SPENDING A MILLION
13 DOLLARS A DAY MORE THAN IT WAS TAKING IN, THAT THE STATE HAD
14 BEEN BURDENED WITH PROGRAMS, MANY UNNECESSARY, THAT WE WERE
15 GOING TO TRY TO REDUCE AND MAKE MORE EFFICIENT THOSE THAT
16 SHOULD BE RETAINED, BUT IN THE MEANTIME WE HAD NO OTHER WAY
17 OUT.

18 WELL, I THINK SOMETHING THAT EXPLAINS THE DIFFERENCE IN
19 PHILOSOPHY BETWEEN REPUBLICANS AND DEMOCRATS IS THE FACT THAT
20 NOW IN THIS SEVENTH YEAR THAT I FACE YOU, OUR BATTLE OVER THE
21 LAST SEVERAL MONTHS HAS NOT BEEN ONE OF TRYING TO INCREASE THE
22 TAX BURDEN ON THE PEOPLE; WE HAVE BEEN TRYING TO PERSUADE OUR
23 DEMOCRATIC OPPONENTS IN THE MAJORITY OF THE LEGISLATURE TO
24 HELP US GIVE BACK SOME 800 MILLION DOLLARS IN A SINGLE WINDFALL
25 TO THE TAXPAYERS.

26 (APPLAUSE)

27 NOW IN THIS SEVENTH YEAR WE ARE ASKING THAT THERE BE AN
28 ONGOING TAX CUT IN THE INCOME TAX THAT WOULD PROVIDE ANOTHER

1 200 MILLION DOLLARS IN THE FIRST YEAR AND INCREASING THERE-
2 AFTER AND A PROGRAM, A LONG-RANGE PROGRAM, TO PROVIDE ADDITIONAL
3 TAX CUTS IN THE YEARS AHEAD. NO MORE TAX SUBSTITUTIONS, NOT
4 THINGS LIKE THE PROPERTY TAX REFORM WHERE WE'RE RAISING ONE
5 BUT LOWERING ANOTHER, BUT OUTRIGHT TAX CUTS AND A REDUCTION IN
6 THE TAX BURDEN OF THE PEOPLE.

7 (APPLAUSE)

8 AND ALL OF THIS HAS BEEN ACCOMPLISHED IN THESE FEW YEARS
9 WITHOUT REDUCING OR DESTROYING THE LEGITIMATE SERVICES AND
10 RESPONSIBILITIES OF STATE GOVERNMENT. THE STATE SCHOLARSHIP
11 FUND FOR OUR COLLEGE STUDENTS HAS GROWN FROM LESS THAN FIVE
12 MILLION DOLLARS TO MORE THAN 39 MILLION DOLLARS; MORE THAN 600
13 MILLION DOLLARS OF PROPERTY TAX RELIEF FOR HOMEOWNERS IS BEING
14 UNDERWRITTEN BY THE STATE; STATE-SUPPORTED PUBLIC SCHOOLS HAS
15 INCREASED 92 PERCENT WHILE ENROLLMENT ONLY WENT UP LESS THAN
16 SIX PERCENT. WE HAVE DOUBLED THE HIGHWAY PATROL WHILE WE MAIN-
17 TAINED THE SAME OVERALL LEVEL IN THE NUMBER OF EMPLOYEES IN
18 STATE GOVERNMENT. OUR BUDGET WHEN WE STARTED WAS SPLIT 50-50,
19 HALF OF THE BUDGET GOING TO THE LOCAL GOVERNMENT SUPPORT AND
20 HALF OF IT FOR STATE OPERATIONS. TODAY IT'S TWO-THIRDS FOR
21 LOCAL GOVERNMENT SUPPORT AND ONE-THIRD FOR THE STATE.

22 WE HAVE ELIMINATED PERSONAL PROPERTY TAX, WE HAVE REDUCED
23 INVENTORY TAX, WE HAVE EVEN CUT THE BRIDGE TOLLS 11 TIMES. THE
24 LAST TIME WE MET, I HAD REPORTED THAT WELFARE REFORMS HAD
25 REDUCED THE CASELOAD BY SOMEWHERE IN THE NEIGHBORHOOD OF
26 200,000. I CAN NOW TELL YOU AS OF THIS MOMENT, UNLESS EARL
27 BRIAN, WHO HAD A GREAT DEAL TO DO WITH THE SAVINGS, CORRECTS
28 ME, I'LL BE ABLE TO TELL YOU RIGHT NOW IT IS AT 368,000 FEWER

1 PEOPLE THAN WHEN WE STARTED THE WELFARE REFORMS.

2 (APPLAUSE)

3 HE HAS JUST OKAYED IT. EV YOUNGER HAS ALREADY TOLD YOU
4 OF THE AMOUNT OF THE SAVINGS, AND THAT'S CONFIRMED BY EARL
5 BRIAN. ALSO, THAT WE ARE SPENDING SOME TWO BILLION DOLLARS
6 LESS ON WELFARE THAN WE WOULD HAVE BEEN SPENDING OTHERWISE.

7 (APPLAUSE)

8 WE HAVE PROVEN THAT GOVERNMENT CAN RUN ON A COMMON SENSE
9 BUSINESS PRINCIPLE, BUT WE HAVE ALSO DISCOVERED AND PROVEN TO
10 OUR OWN SATISFACTION OR DISSATISFACTION THAT EVEN SUCCESSFUL
11 ECONOMIES AND INDIVIDUAL PROGRAMS OF THIS KIND WILL NOT STOP
12 THE INEXORABLE GROWTH IN THE PERCENTAGE OF PEOPLE'S EARNINGS
13 THAT GOVERNMENT CONTINUES TO TAKE. OVER THE LAST 20 YEARS,
14 CALIFORNIANS' EARNINGS HAVE INCREASED AT A RATE OF SEVEN-AND-
15 A-HALF PERCENT A YEAR. GOVERNMENT'S REVENUES HAVE BEEN
16 INCREASING AT A RATE OF TEN PERCENT A YEAR. WE HAVE COME TO
17 REALIZE THE ONLY THING WE CAN DO IS PLAN AND BUDGET FOR TAX
18 DECREASES JUST THE SAME AS WE DO FOR ANY OTHER GOVERNMENT
19 PROGRAM.

20 NOW, I HAVE SAID BEFORE, YOU CAN LECTURE YOUR SON ALL YOU
21 WANT TO ABOUT EXTRAVAGENCE OR YOU CAN SAVE YOUR BREATH AND CUT
22 HIS ALLOWANCE AND ACHIEVE THE SAME END.

23 (APPLAUSE)

24 A FEW YEARS AGO WE HAD OUR FIRST SURPLUS. WE HAD FINALLY
25 THROUGH ECONOMIES, THROUGH THE TAX PROGRAM RAISED OUR HEADS.
26 CAP WEINBERGER, WHO WAS THEN FINANCE DIRECTOR, CAME IN ONE DAY
27 AND SAID, "I HAVEN'T ANNOUNCED IT YET, BUT IT WILL BE OUT VERY
28 SHORTLY"--THERE ARE NO SECRETS IN THE CAPITOL--"WE GOT A 90

1 MILLION DOLLAR SURPLUS. WHAT ARE WE GOING TO DO WITH IT?"

2 I SAID, "LET'S GIVE IT BACK." I DIDN'T REALIZE THAT I
3 HAD SAID SOMETHING THAT ROCKED THE WALLS BECAUSE IN THE HISTORY
4 OF GOVERNMENT THAT HAS NEVER BEEN DONE.

5 AND WE DEBATED LONG AND HARD WITH OUR OPPONENTS, AND
6 FINALLY WE HAD TO COMPROMISE. IT BECAME DIFFICULT FOR THEM TO
7 STAND UP TO THE PUBLIC AND EXPLAIN WHY THEY DIDN'T WANT TO GIVE
8 BACK 90 MILLION DOLLARS THAT WE HAD AND DIDN'T NEED. THEY GAVE
9 IN ON THE BASIS WE PUT A LIMIT AND GIVE EVERYBODY A TEN PERCENT
10 REDUCTION IN THEIR INCOME TAX, BUT A CEILING OF A HUNDRED
11 DOLLARS, AND THAT WAS THE MOST THAT ANYONE COULD GET. WELL,
12 WE DID IT.

13 OUR SECOND CHANCE CAME WHEN I BROKE THE CONCRETE AROUND
14 MY FEET AND GAVE IN TO WITHHOLDING. THE ONLY SATISFACTION, AS
15 I SAID BEFORE, I HAD OUT OF THAT: I PROVED ONE POINT, THAT
16 WITHHOLDING IS NOT DONE FOR THE CONVENIENCE OF THE TAXPAYER;
17 IT'S DONE FOR THE CONVENIENCE OF GOVERNMENT. WE HAD TO HAVE
18 IT TO MEET CASH FLOW. SO, WE HAD IT TO MEET OUR CASH FLOW
19 PROBLEM. FOR TEN YEARS OUR OPPONENTS HAD BEEN DEMANDING
20 WITHHOLDING. NOW I HAD COME TO MEET THEM AND SAID, "ALL RIGHT,
21 WE'LL HAVE WITHHOLDING." AND IT TOOK ME A YEAR TO GET IT.
22 (LAUGHTER) BECAUSE THE MINUTE I WANTED IT, I DISCOVERED THERE
23 WAS A PRICE, AND I DISCOVERED THEIR REASON FOR WANTING IT.
24 WHEN YOU SWITCH TO WITHHOLDING, THERE IS AN OVERLAP. WHEN YOU
25 ARE COLLECTING LAST YEAR'S AND THIS YEAR'S TAXES, THE
26 GOVERNMENT AGAIN GETS A SURPLUS, A ONE-TIME WINDFALL, AND I
27 DECIDED THE FIRST TIME IT HAD WORKED PRETTY GOOD, WE WOULD TRY
28 IT THE SECOND TIME.

1 I MET WITH A DELEGATION OF COMMITTEE CHAIRMEN AND THE
2 LEADERSHIP OF OUR DEMOCRATIC OPPONENTS IN THE LEGISLATURE, AND
3 THEY MADE IT PERFECTLY CLEAR TO ME WHAT THEY HAD IN MIND. ONE
4 OF THEM SAID, "YOU DON'T UNDERSTAND, GOVERNOR. NOW THAT YOU
5 WANT IT, IT HAS A PRICE ON IT." AND THE PRICE WAS THEY WANTED
6 TO SPEND THE WINDFALL. THEY WANTED TO PUT IN THEIR PET
7 PROGRAMS AND USE THAT TO GET THEM STARTED. WE WON THAT ONE.
8 WE WON IT, AND YOU TOOK A 20 PERCENT ACROSS-THE-BOARD
9 REDUCTION WITH NO LIMITATIONS THIS TIME ON YOUR INCOME TAX FOR
10 ONE YEAR.

11 (APPLAUSE)

12 SOME OF YOU WILL REMEMBER A FEW YEARS AGO BEFORE WE
13 SUCCEEDED IN PASSING THE PROPERTY TAX REFORM WE NOW HAVE WE
14 TRIED AND EACH YEAR WE WERE DEFEATED IN THE LEGISLATURE IN
15 TRYING TO GET PROPERTY TAX REFORM. I THINK IT'S ONLY PROPER
16 YOU KNOW SOME OF THE THINGS THAT GO ON UP THERE BENEATH THE
17 GOLDEN DOME. THIS TIME I MET WITH THE SAME GROUP, THE SAME
18 OPPOSITION LEADERSHIP OF THE LEGISLATURE. YES, THERE WAS A
19 PRICE. WE COULD HAVE TAX REFORM, WE COULD RAISE THE SALES
20 TAX IN ORDER TO LOWER THE HOMEOWNER'S TAX AND PROVIDE RENTER
21 RELIEF PROVIDED WE ONLY LOWERED IT ON A BASIS OF RAISING THE
22 TAX A DOLLAR FOR EVERY 50 CENTS WE GAVE BACK, AND THEY WANTED
23 THE OTHER 50 CENTS TO SPEND, AND WE REFUSED, AND WE LOST BY
24 ONE VOTE IN GETTING THAT PROPERTY TAX REFORM.

25 A FEW YEARS BACK WHEN THEY WERE OPPOSING THE WELFARE
26 REFORMS WE HAVE JUST MENTIONED, THEY SAID THAT OUR BUDGET WAS
27 OUT OF BALANCE BY 750 MILLION DOLLARS, AND THEY WERE DEMANDING
28 I PROPOSE TAX INCREASES TO MAKE UP THAT DEFICIT. WE SAID THAT

1 WELFARE REFORMS WOULD MAKE IT A BALANCED BUDGET. AT THE SAME
2 TIME THEY WERE DEMANDING A TAX INCREASE, THEY ADDED 503 MILLION
3 DOLLARS TO THE BUDGET THEY SAID WAS 700 MILLION DOLLARS OUT OF
4 BALANCE. WE VETOED THE 503 MILLION DOLLARS OUT OF THAT BUDGET.

5 AS A MATTER OF FACT, I HAVE BLUE-PENCILED OVER A BILLION
6 DOLLARS FROM THE SIX BUDGETS SO FAR, AND I HAVE VETOED PROBABLY
7 ANOTHER BILLION DOLLARS IN THE LEGISLATIVE BILLS THAT WERE SENT
8 TO MY DESK. THEY TELL US THEY FORESEE NO IMMEDIATE NEED FOR A
9 TAX INCREASE, AND THAT'S WHY OUR TAX LIMITATION PROPOSAL IS
10 UNNECESSARY. WELL, CAN YOU GUESS WHAT THE PRESENT COST OF
11 STATE GOVERNMENT WOULD BE HAD SOMEONE OF THEIR PERSUASION
12 OCCUPIED THE CORNER OFFICE? TWO BILLION DOLLARS IN VETOED AND
13 BLUE-PENCILED LEGISLATION AND BUDGET INTRODUCTIONS, AND NONE OF
14 THIS WOULD HAVE BEEN POSSIBLE WITHOUT THE ROCK-LIKE SUPPORT OF
15 OUR REPUBLICAN LEGISLATORS WHO, EVEN THOUGH THEY WERE A
16 MINORITY, KEPT THE DAM FROM BURSTING.

17 (APPLAUSE)

18 ASSEMBLYMAN BURTON IS ONE OF THOSE WHO CLAIMS IF THE
19 INITIATIVE ON NOVEMBER 6TH PASSES BABIES WILL STARVE, OLD
20 PEOPLE WILL DIE IN THE STREETS, AND TAXES WILL SKYROCKET
21 INSTEAD OF GOING DOWN. NOW, HE KNOWS, OF COURSE, HE ISN'T
22 TELLING THE TRUTH. AT THE SAME TIME THAT HE IS COMPLAINING
23 THAT THERE IS NO NEED FOR SUCH AN INIATIVE, ASSEMBLYMAN BURTON
24 HAS A BILL BEFORE THE LEGISLATURE WHICH WOULD INCREASE THE
25 COST OF GOVERNMENT BY 400 MILLION DOLLARS BEGINNING JANUARY
26 1ST, AND THAT COST INCREASE WOULD AMOUNT TO ABOUT A BILLION
27 DOLLARS A YEAR WITHIN FOUR YEARS. NOW, ASSEMBLYMAN BURTON IS
28 NOT PROPOSING ANY REVENUE MEASURE TO GO ALONG WITH THAT. HE IS

1 LEAVING THAT FOR SOMEONE ELSE TO FIND BECAUSE IT WOULD
2 AUTOMATICALLY REQUIRE A 400 MILLION DOLLAR TAX INCREASE IF HIS
3 BILL SHOULD PASS.

4 THE SPEAKER OF THE ASSEMBLY, SPEAKER MORETTI, SAYS THAT
5 TO PASS THIS INITIATIVE ON NOVEMBER 6TH WOULD BE TO RAISE
6 PROPERTY TAXES ON NOVEMBER 7TH, AND HE KNOWS THAT ISN'T TRUE.
7 HE KNOWS ALSO IT ISN'T TRUE WHEN HE SAYS THIS WILL WIPE OUT THE
8 MINIMUM INCOME TAX AND A MAN CAN EARN 10 MILLION DOLLARS A
9 YEAR IN CALIFORNIA AND NOT PAY ANY TAXES. THERE IS NOT ONE
10 IOTA, NOT ONE WORD, NOT ONE PROVISION IN THIS INITIATIVE THAT
11 HAS ANY BEARING WHATSOEVER ON THE PRESENT MINIMUM INCOME TAX.
12 IT WILL REMAIN IN EFFECT.

13 TO ANSWER THIS THING ABOUT PROPERTY TAXES GOING UP: THE
14 LEAGUE OF WOMEN VOTERS, WHO HAVE NEVER HAD A BRIEFING, WHO HAVE
15 DECLINED OUR EVERY OFFER TO HAVE A BRIEFING, ARE AGAINST THIS
16 PROPOSITION BECAUSE THEY SAY THAT PROPERTY TAXES WILL
17 IMMEDIATELY GO UP. BUT THE LEAGUE OF CITIES AND THE
18 ASSOCIATION OF COUNTY SUPERVISORS IS AGAINST THE PROPOSAL
19 BECAUSE THEY HAVE READ IT AND THEY SAY IT WILL PREVENT THEM FROM
20 RAISING PROPERTY TAXES.

21 (LAUGHTER AND APPLAUSE)

22 I SPOKE TO A MAYOR THE OTHER DAY. HE SAID, "OH, I KNOW
23 YOUR INITIATIVE IS NECESSARY. I KNOW SOMETHING HAS TO BE DONE
24 TO STOP THE GROWTH OF GOVERNMENT, BUT I CAN'T BE FOR IT; I
25 HAVE TO BE AGAINST IT BECAUSE WE THINK WE NEED AN INCOME TAX IN
26 OUR CITY, AND YOUR PROPOSAL MAKES IT HARDER TO HAVE ONE." AND
27 YET THE LEGISLATIVE ANALYST IN HIS NEUTRAL ANALYSIS OF OUR BILL
28 HAD A LINE IN WHICH HE SAID BY A TWO-THIRDS VOTE OF THE LEGISLATURE

1 LOCAL GOVERNMENTS CAN HAVE AN INCOME TAX, AND I'M SURE THAT
2 MOST OF YOU READING WITHOUT INFORMATION OF WHAT THE INITIATIVE
3 STANDS FOR WOULD SAY, "GOOD HEAVENS, THE PRESENT STATE
4 GRADUATED TAX, THE FEDERAL GRADUATED TAX, NOW THE CITY IS GOING
5 TO HAVE ONE TOO?"

6 THE LINE THAT THE ANALYST, MR. POST, LEFT OUT WAS, "YES,
7 YOU CAN BY A TWO-THIRDS OF THE LEGISLATURE HAVE PERMISSION TO
8 HAVE AN INCOME TAX AT THE LOCAL LEVEL IF THE INITIATIVE PASSES.
9 IF IT DOESN'T PASS, YOU CAN HAVE THAT BY A SINGLE MAJORITY VOTE
10 OF THE LEGISLATURE," BECAUSE THAT'S THE WAY THE SITUATION IS
11 NOW, AND WE'RE TIGHTENING IT UP WITH THIS INITIATIVE.

12 (APPLAUSE)

13 THE ONLY EFFECT WE HAVE ON PROPERTY TAXES IS THAT THE
14 INITIATIVE TAKES SENATE BILL 90, THE PROPERTY TAX REFORM BILL,
15 WHICH IS A STATUTE, WHICH CAN BE WHITTLED AWAY BY SUCCESSIVE
16 LEGISLATURES, AND SIMPLY INCORPORATES IT INTO THE CONSTITUTION.
17 AND UNDER THE TERMS OF THAT IT SAID LOCAL GOVERNMENTS CAN RAISE
18 PROPERTY TAXES TO MEET THE INCREASED COST OF INFLATION OR
19 POPULATION GROWTH, SUCH AS MORE STUDENTS IN THE SCHOOLS, AND
20 FOR ANY OTHER RAISE THEY MUST GET THE PERMISSION OF THE PEOPLE,
21 THE VOTERS IN THAT DISTRICT. THIS IS UNCHANGED BY OUR
22 PROPOSAL.

23 ONE SENATOR, SENATOR MOSCONE, SAID IF HE WERE RICH HE
24 WOULD VOTE FOR THIS IMMEDIATELY BECAUSE THIS IS A WINDFALL FOR
25 THE RICH. HOW CAN IT BE? IT REDUCES INCOME TAXES IN THE ONE-
26 TIME REBATE FROM A HUNDRED PERCENT AT THE LOWER END OF THE
27 EARNINGS SCALE ON A DECREASING PERCENTAGE ON UP TO 20 PERCENT
28 AT THE TOP OF THE SCALE. THE SEVEN-AND-A-HALF PERCENT CUT THAT

1 WE HAVE PROPOSED ONGOING FOR THE INCOME TAX ALSO INCLUDES THE
2 HUNDRED PERCENT FORGIVENESS FOR FAMILIES BELOW \$8,000 OF
3 INCOME OR INDIVIDUALS WITH \$4,000 OR LESS.

4 NOW, THAT PART, THAT FORGIVENESS, HAS BEEN PASSED IN THE
5 LEGISLATION THAT HAS GIVEN YOU THE ONE-TIME REBATE, BUT I
6 THINK YOU SHOULD KNOW THAT YOU WOULDN'T BE HAVING THE ONE-TIME
7 REBATE, THE SUSPENSION OF ONE PENNY OF THE SALES TAX FOR SIX
8 MONTHS, OR THE REBATE YOU'RE GOING TO TAKE NEXT APRIL ON YOUR
9 INCOME TAX. THEY HAD REFUSED ANY IDEA OF PASSING THAT UNTIL
10 WE QUALIFIED THE INITIATIVE FOR THE BALLOT, AND THEN THEY
11 THOUGHT OF IT IN TERMS OF HOW COULD THEY TAKE SOME OF THE LURE
12 AWAY FROM THE BALLOT INITIATIVE, AND SO THEY PASSED THE VERY
13 THING WE HAD BEEN ASKING FOR FROM THE LEGISLATURE FOR SEVERAL
14 MONTHS, THE ONE-TIME REBATE.

15 (APPLAUSE)

16 THEIR PURPOSE, OF COURSE, IS TO CONFUSE THE PEOPLE ON THE
17 BELIEF THAT CALIFORNIANS, IF THEY'RE CONFUSED, WILL VOTE NO.

18 VERY SIMPLY, WHAT DOES THE PLAN DO? WELL, AS I HAVE SAID,
19 PART OF IT HAS ALREADY BEEN PASSED, THANKS TO PUTTING IT ON THE
20 BALLOT: THE ONE-TIME REBATE. BUT WHAT WILL HAPPEN NOW IF YOU
21 VOTE YES ON NOVEMBER 6TH IS THAT YOU VERY SIMPLY ARE VOTING FOR
22 YOURSELF, IN ADDITION TO THE 100 PERCENT FORGIVENESS AT THE
23 LOWER END OF THE SCALE; A SEVEN-AND-A-HALF PERCENT REDUCTION IN
24 THE STATE INCOME TAX ACROSS THE BOARD AND A LONG-RANGE PLAN
25 OVER 15 YEARS, TO PROVIDE FUTURE TAX INCREASES.

26 THEY HAVE TRIED TO MAKE IT SOUND COMPLICATED. IN
27 LANGUAGE IT IS COMPLICATED BECAUSE WE WANTED TO HAVE A
28 CONSTITUTIONAL INTITIAIVE THAT IF IT WAS VOTED ON BY THE

1 PEOPLE WOULD GO INTO EFFECT WITHOUT HAVING TO WAIT FOR THEM
2 TO DO TO IT WHAT THEY HAVE BEEN DOING TO THE DEATH PENALTY
3 INITIATIVE THAT YOU VOTED ON IN 1970.

4 (APPLAUSE)

5 BUT IT IS SIMPLE. IT SIMPLY MEANS THAT WHEN THE ECONOMIC
6 ESTIMATE COMMISSION MEETS IN OCTOBER, WHEN IT GIVES US ITS
7 ESTIMATE OF WHAT YOUR TOTAL EARNINGS ARE GOING TO BE FOR THE
8 COMING YEAR, IT THEN TELLS US WHAT PERCENTAGE OF THOSE EARNINGS
9 THE PRESENT TAX STRUCTURE OF CALIFORNIA WILL TAKE. PRESENTLY
10 IT'S SOMEWHERE UP ABOVE EIGHT-AND-A-HALF CENTS, EIGHT-AND-
11 A-HALF PERCENT OF YOUR TOTAL EARNINGS. WE THEN IN THE FIRST
12 BUDGET, IF THIS IS PASSED IN NOVEMBER, IN THE BUDGET BEGINNING
13 NEXT JULY, TAKE ONE-TENTH OF ONE PERCENT LESS THAN THAT
14 PERCENTAGE IS OF YOUR EARNINGS, AND THE FOLLOWING YEAR WE WILL
15 TAKE ANOTHER ONE-TENTH OF ONE PERCENT LESS. THAT FIRST YEAR
16 THAT ONE-TENTH OF ONE PERCENT LESS WILL MEAN ABOUT \$200 MILLION
17 IN TAXES YOU WON'T HAVE TO PAY, AND THE INITIATIVE SPECIFIES
18 THOSE SURPLUSES CREATED BY THAT REDUCTION IN THE PERCENTAGE
19 CAN ONLY BE SPENT IN ONE WAY: THE LEGISLATURE MUST GIVE THEM
20 BACK TO THE PEOPLE.

21 NOW, THIS PLAN WAS EVOLVED BY A TASK FORCE OF SOME OF YOU,
22 PRIVATE CITIZENS, MEMBERS OF OUR OWN STAFF AND CABINET, AND
23 SOME OF THE MOST DISTINGUISHED ECONOMISTS IN THE UNITED STATES
24 WHO CAME TO US FROM ALL OVER THE NATION. THEY CAME TO US
25 VOLUNTARILY BECAUSE THEY ARE CONCERNED ABOUT WHAT THEY THINK
26 IS RUNAWAY SPENDING BY GOVERNMENT. THEY SAY THERE HAS NEVER
27 BEEN ANYTHING IN HISTORY QUITE LIKE IT. SOME PEOPLE HAVE SAID,
28 "WHY NOW? WHY ALL OF A SUDDEN AFTER THESE SEVERAL YEARS DO

1 YOU COME UP WITH AN IDEA OF THIS KIND?" WELL, BECAUSE NEVER
2 BEFORE HAS THIS NATION BEEN IN THIS SITUATION.

3 GOVERNMENT SPENDING IS OUT OF CONTROL. IN 1930 IT WAS
4 VERY EASY FOR US TO PAY OUR TAXES BECAUSE FOR FEDERAL, STATE,
5 AND LOCAL GOVERNMENTS IT ONLY TOOK 15 CENTS OUT OF THE DOLLAR
6 THAT WAS EARNED BY EACH CITIZEN. WE FOUGHT WORLD WAR II, THE
7 GREATEST MILITARY EFFORT, GREATEST MOBILIZATION OF FORCE AND
8 POWER THAT HAS EVER TAKEN PLACE IN THE WORLD, AND IT ONLY TOOK
9 28 PERCENT OF THE PEOPLE'S EARNINGS FOR THE TOTAL COST OF
10 GOVERNMENT. BUT WHEN THIS WAR WAS ENDED, IT DIDN'T GO DOWN.
11 THE SOCIAL REFORMERS WERE IN FULL SWING. IT WENT UP IN JUST A
12 FEW YEARS TO 32 PERCENT, AND NOW IT'S ALMOST 45 PERCENT.

13 THIS HAS BEEN CHALLENGED. THEY HAVE SAID WE EXAGGERATE
14 THIS IN AN ATTEMPT TO FRIGHTEN THE PEOPLE. WELL, THIS IS
15 BASED ON FIGURES THAT ARE A MATTER OF PUBLIC RECORD. IT IS
16 VERY SIMPLE MATHEMATICS. LAST YEAR THE PEOPLE OF CALIFORNIA,
17 ALL OF YOU TOGETHER, EARNED 102.2 BILLION DOLLARS, AND LAST
18 YEAR ALL OF YOU TOGETHER TOOK 45.7 BILLION DOLLARS OF THAT TO
19 PAY FOR THE COSTS OF GOVERNMENT. THAT IS 44.7 PERCENT OF THE
20 TOTAL EARNINGS OF THE PEOPLE. AND WE ARE GOING TO TRY AND
21 REDUCE THAT PERCENTAGE IN OUR MODEST WAY AT THE STATE LEVEL.

22 (APPLAUSE)

23 WE HAVE RECEIVED INFORMATION FROM THE ECONOMIC COUNCIL IN
24 WASHINGTON THAT GOES BEYOND EVEN OUR MOST DIRE PREDICTIONS.
25 WE HAVE SAID THAT IN 15 YEARS IF WE DON'T REVERSE THIS TREND
26 GOVERNMENT WILL BE TAKING ALMOST 55 CENTS. WELL, THE ECONOMIC
27 COUNCIL SAYS THAT WITHIN FIVE YEARS GOVERNMENT IS GOING TO BE
28 SPLITTING WITH THE PEOPLE 50-50 AND IN TEN YEARS THEY'RE GOING

1 TO BE TAKING 60 PERCENT AND IN 15 YEARS THEY WILL BE TAKING
2 67 PERCENT OF THE PEOPLE'S EARNINGS, IF YOU CAN STILL HAVE A
3 FREE ENTERPRISE SYSTEM WITH THE GOVERNMENT TAKING MORE THAN
4 TWO-THIRDS OF THE PEOPLE'S EARNINGS.

5 OUR OPPONENTS ARE THE SAME ONES WHO SAID THE WELFARE
6 REFORMS WOULDN'T WORK, AND THEY WERE WRONG, AS THE FIGURES
7 INDICATE. THEY SAID THAT PROPERTY TAXES WOULD GO UP, AND THEY
8 HAVE GONE DOWN IN 42 OF THE 58 COUNTIES. THEY SAID WE HAVE TO
9 HAVE THE TAX INCREASE I MENTIONED TWO YEARS AGO OR A THREE-
10 QUARTER OF A BILLION DOLLAR DEFICIT, AND WE HAD A 265 MILLION
11 DOLLAR SURPLUS. THEY SAID PROPERTY TAX REFORM WOULDN'T WORK,
12 BUT WHEN YOUR TAX BILLS ARRIVE NEXT MONTH, THE PEOPLE ARE GOING
13 TO DISCOVER THAT THE BURDEN OF THE TAXES ON THEIR HOMES HAS
14 BEEN SIZEABLY REDUCED.

15 THEY SAY THAT TO LIMIT GOVERNMENT'S POWER TO TAX DENIES
16 GOVERNMENT THE FLEXIBILITY IT MUST HAVE. WE BELIEVE THE POWER
17 TO TAX WITHOUT LIMIT IS TOO DAMN MUCH FLEXIBILITY.

18 (APPLAUSE)

19 RIGHT NOW GOVERNMENTS AT ALL LEVELS HAVE UNLIMITED
20 AUTHORITY TO BALANCE THE BUDGET BY UNBALANCING YOURS. WE HAVE
21 REACHED A UNIQUE MILESTONE IN THIS STATE'S HISTORY. THIS IS A
22 ONCE-IN-A-LIFETIME OPPORTUNITY TO GIVE THE PEOPLE CONTROL OVER
23 THE DISPOSITION OF THE FRUITS OF THEIR TOIL, TO RESTORE THE
24 CONCEPT OF GOVERNMENT ENVISIONED BY THOMAS JEFFERSON WHEN HE
25 SAID, "WISE AND FRUGAL GOVERNMENT THAT DOES NOT TAKE FROM THE
26 MOUTH OF LABOR THE BREAD IT HAS EARNED."

27 THE ISSUE IS BETWEEN THOSE WHO LIVE IN A GOVERNMENT FEED
28 LOT COMPELLING THE CITIZENRY TO KEEP THE TROUGH FULL TO OVER-

1 FLOWING AND THOSE WHO ASK ONLY OF GOVERNMENT THAT IT KEEP US
2 FREE. OURS IS GOING TO BE AN UPHILL FIGHT. WE'RE ASKING ONLY
3 THAT THE PEOPLE VOTE TO REDUCE THEIR OWN TAX BURDEN. NO
4 GIMMICKS, NO HIDDEN DEVICES.

5 THE PEOPLE HAVE A RIGHT TO KNOW: WILL GOVERNMENT BE ABLE
6 TO FULFILL ITS RESPONSIBILITIES? YES. UNDER THIS LIMITATION,
7 GOVERNMENT WILL BE ABLE TO DOUBLE THE BUDGET IN TEN YEARS AND
8 TRIPLE IT IN 15. THE GOVERNMENT WILL HAVE ALL THE MONEY IT NEEDS
9 TO MEET THE PRESENT LEVEL OF SERVICES PLUS INFLATION AND
10 GROWTH, BUT AN ADDITIONAL 41 BILLION DOLLARS FOR NEW IDEAS
11 THAT GOVERNMENT MIGHT COME UP WITH OR THE PEOPLE THEMSELVES
12 MIGHT COME UP WITH, BUT GOVERNMENT UNDER THIS LIMITATION WILL
13 HAVE TO GET ALONG WITHOUT 118 BILLION DOLLARS THAT THE PEOPLE
14 WILL BE ABLE TO PUT BACK IN THEIR POCKETS.

15 THE AVERAGE FAMILY OF FOUR WITH AN INCOME OF 10,000 A
16 YEAR 15 YEARS FROM NOW WILL HAVE SAVED \$17,500 IN ITS OWN TAX
17 BURDEN.

18 WHY THE CONSTITUTION? WHY PUT IT IN THE CONSTITUTION? WHERE
19 ELSE? HAVE WE FORGOTTEN THE CONSTITUTION IS NOT A DOCUMENT
20 FORGED BY GOVERNMENT TO TELL US WHAT GOVERNMENT WILL ALLOW US
21 TO DO; THE CONSTITUTION IS OUR DOCUMENT, OUR CONTRACT IN WHICH
22 WE TELL GOVERNMENT THAT WHICH WE WILL ALLOW THEM TO DO.

23 (APPLAUSE)

24 WE NEED YOU, WE NEED EVERY ONE OF YOU, AND WE NEED A LOT
25 MORE PEOPLE. YOU SEE, US SIMPLE TAXPAYERS, WE AREN'T
26 ORGANIZED. GROUPS AGAINST US ARE. ALL OF THE VARIOUS GROUPS.
27 THE STATE EMPLOYEES ASSOCIATION HAS CONTRIBUTED \$50,000 TO THE
28 CAMPAIGN AGAINST THIS INITIATIVE. FRIDAY MORNING ON RADIO A

1 REPRESENTATIVE OF THE CALIFORNIA TEACHERS ASSOCIATION
2 ANNOUNCED THEY'RE MOBILIZING 175,000 VOLUNTEERS TO WALK THE
3 PRECINCTS, AND I ASSUME OUR CHILDREN WILL BEGIN TO BRING HOME
4 NOTES OF VARIOUS KINDS TO THEIR PARENTS.

5 OTHER GROUPS OF THE SAME KIND, THE PRESSURE GROUPS THAT
6 HAVE REASONS FOR WANTING GOVERNMENT TO HAVE UNLIMITED FUNDS.
7 WE WILL HAVE TO MATCH THAT. WE HAVE TO GET OUT VICTORY SQUADS.
8 YOU MIGHT LOOK AT IT THIS WAY: IT WILL BE GREAT PRACTICE FOR
9 A YEAR FROM NOVEMBER.

10 (APPLAUSE)

11 I'VE HAD SOME PEOPLE SAY TO ME WHEN THIS WAS ANNOUNCED,
12 "WELL, YOU'RE A CINCH. THIS CAN'T LOSE. YOU'RE OFFERING THE
13 PEOPLE A CHANCE TO VOTE FOR A TAX REDUCTION." THERE IS
14 SOMETHING UNUSUAL ABOUT THIS PARTICULAR ELECTION. NOT ONLY
15 THE ORGANIZED OPPOSITION, BUT ON EVERY OTHER INITIATIVE THAT HAS
16 EVER BEEN VOTED ON BY THE PEOPLE, ALL YOU HAD TO DO WAS ARGUE
17 THE MERITS OF THE INITIATIVE. YOU DIDN'T HAVE TO GET OUT THE
18 VOTE. CANDIDATES FOR GOVERNOR, FOR SENATE, FOR PRESIDENCY,
19 FOR THE ASSEMBLY AND THE CONGRESS WERE GETTING OUT THE VOTE.
20 YOUR INITIATIVES JUST RODE IN THAT BALLOT. THIS IS AN ELECTION
21 FOR ONE PURPOSE AND ONE PURPOSE ONLY: DO YOU OR DON'T YOU
22 WANT A CHANCE TO LIMIT THE POWER OF GOVERNMENT TO TAX.

23 SO, WE'RE GOING TO HAVE TO NOT ONLY SELL THE PEOPLE ON
24 THE INITIATIVE; WE HAVE TO GET THEM OUT, GET THEM TO THE POLLS,
25 AND GET THEM TO VOTE. AND THAT'S WHERE YOU COME IN. BEFORE
26 YOU LEAVE YOU WILL HAVE AN OPPORTUNITY, I KNOW, TO SIGN PLEDGE
27 CARDS THAT YOU WILL JOIN IN VICTORY SQUADS TO GET THIS DONE.

28 IF YOU THINK I'M AN ALARMIST, I JUST HAPPEN TO FEEL LIKE

1 THE OLD FOOTBALL COACH, DUFFY DAUGHERTY. SOMEBODY ASKED HIM
2 IF HE HAD ANY SUPERSTITUTIONS, AND HE SAID YES, HE HAD ONE.
3 HE SAID, "I THINK IT BAD LUCK TO BE BEHIND AT THE END OF THE
4 GAME."

5 (LAUGHTER AND APPLAUSE)

6 WELL, THAT'S OUR TASK. OUR TASK TO TELL THE TRUTH. WE
7 WOULD MAKE AVAILABLE TO ANYONE OF YOU WHO ARE INTERESTED ALL
8 THE INFORMATION YOU NEED TO ANSWER THE QUESTIONS THAT THE
9 PEOPLE ARE BEGINNING TO ASK NOW AS THEY HEAR THE DISTORTIONS
10 AND THE DIRE PREDICTIONS OF THE PEOPLE ON THE OTHER SIDE. I
11 WOULD JUST CALL TO YOUR ATTENTION THAT IN NONE OF THE ARGUMENTS
12 AGAINST THIS PROPOSITION, PROPOSITION 1 ON THE BALLOT, HAVE
13 YOU HEARD ANY REFERENCE TO ANY PARTICULAR PART OF THE
14 INITIATIVE AS BEING SOMETHING THAT THEY DON'T LIKE OR DO LIKE
15 OR THAT COULD BE CHANGED OR SHOULD BE CHANGED OR SHOULD BE
16 ELIMINATED. THEY HAVE NEVER OFFERED AN ARGUMENT THAT IS BASED
17 ON THE ACTUAL TERMS OF THE INITIATIVE. THEY HAVE DISTORTED,
18 THEY HAVE BEEN GUILTY OF FALSEHOODS AND HALF-TRUTHS; THEY HAVE
19 REFERRED TO THINGS THEY SAY WILL HAPPEN IN SPITE OF THE FACT
20 THAT THE VERY THINGS THEY'RE PREDICTING ARE ACTUALLY COVERED.

21 THIS INITIATIVE GIVES GOVERNMENT THE FLEXIBILITY TO RAISE
22 TAXES ABOVE THE LIMIT WITHOUT THE PEOPLE'S PERMISSION IN THE
23 EVENT OF EMERGENCIES, EITHER ECONOMIC OR NATURAL. AT THE NEXT
24 GENERAL ELECTION, THEN, THE PEOPLE'S SAFEGUARD IS THEY WOULD
25 HAVE TO VOTE TO RATIFY THAT. IT MEETS EVERY EMERGENCY; IT
26 MEETS ALL THE NEEDS OF GOVERNMENT FOR THE MONEY TO PERFORM ITS
27 SERVICES, THE FUNCTIONS FOR WHICH IT IS RESPONSIBLE. IT JUST
28 GIVES PEOPLE THE SIMPLE RIGHT WITHIN THE CONSTITUTION TO SAY

1 "UP TO SEVEN PERCENT OF OUR TOTAL EARNINGS, YES. BEYOND THAT POINT
2 YOU HAVE TO GET OUR PERMISSION." AND WE DO NOT SEE THAT THAT
3 IS ANYTHING RESTRICTING THE FLEXIBILITY OF GOVERNMENT.

4 IT'S GOING TO BE A HARD FIGHT. I KNOW WE CAN COUNT ON
5 YOU. I HOPE WE CAN. AND BE OUT THERE ON NOVEMBER 6TH BECAUSE
6 ON NOVEMBER 7TH YOU WILL START SAVING 400 MILLION DOLLARS A
7 YEAR IN THE VERY FIRST YEAR. THANK YOU.

8 (PROLONGED STANDING OVATION)

9 - - -

11/24/73

GOVERNOR RONALD REAGAN:

“The people will
run government—
or government will
run the people”

In his address to the Institute in Sydney, California's ex-film star Governor pleaded for all to fight for freedom in the market place and resist bureaucratic interference.

Many of you may recall the outstanding speech the Honourable Ronald Reagan made to the annual conference of the Institute of Directors in London in 1969 when he received a standing ovation.

Governor Reagan, whose face and name are well known to most of us, began his career as a radio sports announcer before moving into films in 1937. His film career was partly disrupted by World War II when he served in the US Army Air Force, rising to the rank of captain. After the War, he continued in films but became progressively preoccupied with television.

In all, he appeared in some 50 feature films and two television series. In 1965, he directed his energies to politics, in which he had always taken a keen interest, and in the following year, as Republican candidate, won election as Governor of California by a wide margin.

He took office in January 1967 for a four year term, had the happy experience of finding that he was even more popular in office and was elected for a second term.

Governor Reagan is in Australia as part of a tour to several countries in South-East Asia as a Special Presidential Representative for the promotion of US Exports.

—From Sir Robert Crichton-Brown's introduction of Governor Reagan.

This is the substance of an address given by Governor Ronald Reagan to the Institute luncheon on November 26 1973

It is a great pleasure for my wife and myself to be in what I will have to call the queen city of Australia because you are the sister city of our queen city in California, San Francisco.

Your warm welcome, and the great bond that exists between our two peoples makes it doubly important to me that what I say should be the right thing and should be said in the right way.

Every speaker lives with the fear his remarks may not be well-received. A little over a year ago, Nancy and I were in Mexico City where I spoke to a large and distinguished audience and had that thing happen that always you dread.

I sat down to very scattered and unenthusiastic applause. I was not helped any in my discomfort by the fact that the next man, a representative of the Mexican Government, speaking in Spanish, was receiving applause at virtually every line. I did not understand what he was saying but I wasn't going to show my embarrassment; so when they started to clap, I clapped—and I clapped louder and longer than anyone till our Ambassador leaned over and said to me, “I wouldn't do that if I were you—he is interpreting your speech”.

I'm grateful to your Red Cross because it was through your Red Cross, and the opening of their drive here, that we were invited to make this first visit to your great country. I have a great admiration for all of those people—whether for the Red Cross or for any good cause or charity—who work to support philanthropical efforts.

One of them at a fund-raising drive in Los Angeles went to an old gentleman who had never given anything to the cause and he said, “Our records show

that you earn \$90,000 a year and we feel that you should be able to contribute". And the old gentleman said, "Do your records also show that I have a widowed sister with four children who was left destitute; that my mother has no means of support and that my brother was disabled in the War and is unable to provide for himself?" Embarrassed, my friend said, "No, our records don't show that." "Well," the old gentleman said, "I don't give anything to them, so why should I give something to you?"

Seriously, I am happy to be here and to be able to participate, even if in a small way, in helping this successful drive for such a cause as the Red Cross. "Charity" is still a noble word and our way of life has been founded on the idea of good causes maintained by free gifts freely given by free men. The necessity to preserve that idea has never been more important than at this moment of history.

There is a force abroad in the world that would replace compassion with the coercion of taxation, substituting for human kindness the impersonality of government bureaucracy. No matter how good the intent of those who do this, they will, if given their way, produce in the end a dependent people and a dependent people can be manoeuvred, manipulated and controlled.

GOVERNOR REAGAN QUOTES

It is not every day that someone who has been riding off into the sunset for 25 years with "The End" superimposed on his back appears before such a distinguished audience under exactly these same circumstances.

★ ★ ★

Everyone who was in motion pictures in my time knows that not all they made were worthy of mention. Some were pictures which the studio didn't want "good"—it wanted them "Thursday".

★ ★ ★

Someone asked me what it was like when some of them showed up on the Late-Late Show on television. Can I say it is like looking at a son you never knew you had?

★ ★ ★

Somebody has said, "We used to think that nothing could replace the dollar—and it practically has".

★ ★ ★

One agency in my country ordered a businessman to provide separate men's and women's washrooms, even though his only employee was his wife . . . and, at home, they shared the same bed and bath.



Charity is injurious unless it helps the recipient become independent of it. George Bernard Shaw, the great playwright, a Fabian, professed to believe in and support a social order which he said would provide equality of income or nothing. Now whether he had his tongue in cheek or not I don't know, but in writing of that social order he envisioned, he said you would not be allowed to be poor, you would be forcibly fed, clothed, lodged, taught and employed whether you liked it or not. If it were found you had not the character or industry enough to be worth all this trouble, you might possibly be executed in a kindly manner. But while you were entitled to live, you would have to live well.

It is amazing how many people, including our own sons and daughters, are unable to grasp what Mr Shaw so smilingly offered as a new idea in human relationships was indeed nothing more than slavery. They see and they accept the promise of being fed, clothed, lodged, taught and employed with no thought of asking who will decide what they are allowed to eat and when; who would issue their clothing and whether possibly the clothing will be a uniform; or who will tell them where they are going to live or what they will be allowed to learn and what work will they be forced to do.

For a great many years—I suppose this began my interest in politics but never the thought that I would ever be in this capacity serving in public office—I spoke out warning against the silent encroachment of government as one by one it usurped the rights traditionally held to be the inherent possession of the individual. Now for seven years I have been a part of government—a funny thing happened to me on the way to the theatre!

My concern has grown even greater as I have learned at first hand how savagely and vindictively government will resist any effort to lessen or limit its power.

I am talking about government as an institution—all government. That great permanent structure that has the organic ability to grow on its own and which has never been known in all history to voluntarily reduce itself in size.

“Government is nearest to Eternal Life”

A government program is the nearest thing to eternal life you will ever see on this earth. In some dim beginning, man created government for its own convenience and it has been doing its best to become an inconvenience ever since.

As government reaches out for more and more things to do, restrictions on individual freedom become an entangling web. If you were a born worrier you were born at the right time.

But an assortment of activists in one cause or another—protection of the consumer, of the environment or just the old bromide ‘big business and big labour require big government’—would have government take from business the prerogatives of management without, of course, assuming the responsibilities

which frequently make many of you take to a tranquiliser.

For the second time in a century on almost a world-wide scale, this idea called ‘free enterprise’ is under attack. You, as businessmen, are being blamed on a daily basis for many things you haven't done and given very little credit for things you have done very well.

A political and economic mythology—widely believed—is combined with a lack of real understanding of how to make something which the people need and want and getting it to them at a reasonable price. You fill out voluminous forms required by government. In my country it takes an estimated 130 million man-hours each year and it adds tens of billions of dollars to the cost of production, all of which must be added to the price of the product.

Business is accused of having great power which it uses to influence government in its favour at the expense of the people. But you don't feel very powerful and, if you are typical of businessmen elsewhere, you feel a little bewildered by it all.

In Washington no one today knows how many boards or commissions or bureaus there actually are but the Federal Register listing the regulations spawned by all these boards and commissions numbers 25,000 pages, almost as many as in the entire *Encyclopaedia Britannica*. Armed with these regulations, bureaucratic Lilliputians attack Gulliver, telling him that if the same price is charged for all his products, he is guilty of price-fixing; and, if he doesn't charge the same price, he is guilty of unfair trade practice.

Government, we find, can be the most menacing when its purposes are beneficent. Public servants with noble intent, seeking sincerely to serve the citizenry, say, “Oh, how much more we could do for the people if only we had a little bigger budget and a little more authority.” They are not evil. They are sincerely motivated and really want to help. But they just do not realise that sometimes an ounce of government-issue blessing costs in liberty a pound.

Government has legitimate functions which it performs very well but outside of those legitimate functions government does nothing as well or as efficiently as the private sector.

Government exists to protect us from each other but the trouble is it continues to try and protect us from ourselves. Government is a referee and it should not try to be a player in the game.

Has business stayed aloof from politics?

It is time to ask if we don't get the government we deserve. Has business, as well as too many of the rest of us, stayed aloof from politics, thinking naively that if it does, politics will stay away from it? Well, it won't. There can be no vacuum in public life. The people will run government or government will run the people. It is no wonder that business has become a whipping-boy for every demagogue who needs a cause to promote his own interests.

Why doesn't business on some fine day, with the communications media available to business, say to the taxpayer, who is also an employee and who is also



Governor Reagan, Mrs Reagan and the Chief Justice of New South Wales, Sir John Kerr.

a customer of that business, "Those taxes that business pays don't reduce the burden on the individual. They become a part of the price structure of the products that business sells."

Why don't we say to them that business collects taxes for government and it does so very efficiently. Only people pay taxes. And then perhaps we could say that business doesn't mind collecting taxes so long as the people are not deceived by politicians and so long as the people know that they are paying those taxes when they buy the product, whatever the product may be.

We had better start exposing this political and economic mythology—and start exposing it soon. In my country recently a poll was taken of tens of thousands of college and university students. From two-thirds to three-fourth of the students answered a series of questions revealing that they put their entire faith in government. They believed that only government could resolve the problem of social inequity, that business was responsible for most of today's problems and that government should be given more power to regulate and control every facet of business. And then 80 per cent of them answered a question that yes, they wanted less interference in their lives by government. And none of them saw any inconsistency in this.

The simple fact is that politics is too important to be left to politicians. We sit back hoping that some day someone else will make things right; that if we just wait somehow it will turn out all right. To do this is

about as short-sighted as a man going into the poultry business without a rooster—he is placing a great deal of confidence in the stork.

There is a struggle going on in the world today for the hearts and minds of men and there can be no political freedom if there is not economic freedom—the right to private ownership, the freedom of choice, the right for a man to choose his profession or his occupation. In this struggle there are those who would have us believe that we can help the weak by weakening the strong.

It is time we recognised that Karl Marx did not take women out of the coal-mines in England a century ago—it was the steam engine and labour-saving machinery.

This system of free enterprise is spark-plugged by the hope of economic reward and it has lifted more burdens from the backs of more people than any other system the world has ever known.

Right now, government needs your participation in public affairs. This means sharing your expertise and your management skill with government, lending your best manpower and not your cast-offs to government; for government by second rate men will be second rate government—and that's a very expensive kind of government.

For almost a decade prior to 1967, my State of California had been guided by a philosophy that looked upon government as the provider of all good things. If it wasn't the ultimate in the Welfare State, it was well on its way. Social reforms had been adopted without regard to fiscal responsibility. So, in 1967, as

our administration took over, we found an almost insolvent government which was spending a million and a half dollars a day more than it was taking in. And since our State Constitution forbids a deficit, gimmicks and book-keeping tricks had been employed to forestall a tax increase as long as possible, particularly until after the 1966 election.

It seemed in those dark days when we first started our administration every passing day brought a new problem. I tried "Dial-a-Prayer" but they hung up on me. But I had a belief that people would like to help, if given a chance and if someone would only tell them how.

So we turned to the business and industrial leaders of our State. We asked them for the kind of men and women who would be willing to take a government position even though it cost them to do so.

Outside help saved millions of dollars

We twisted employers' arms to lend us the kind of young men they hoped would some day be the president of their corporation—not the cast-off. We tapped the prematurely retired. We staffed our departments and our agencies and our secretariats with directors who were dedicated first of all to finding out if their own job was necessary and we found a few who found it wasn't. And they were the first to tell us and returned to their own careers.

We had quite a turnover over the years as individuals had to return to those careers but they have been replaced by others like themselves, because business learned that people who returned to them after a stint in government came back broadened and much more valuable.

We went a step further. One day we gathered in a room what amounted to the professional and industrial leadership of our entire State. We informed them that what we were after was blood—their blood.

We outlined a plan calling for the greatest experts they could produce in a variety of fields to form task forces based on their expertise. They volunteered to a man and more than 250 of these very successful people gave an average of 117 days to government free of charge, going into every area to determine how modern business practices could be put to work to make government more efficient and more economical.

For example, hotel men went into our prisons and hospitals to check on the kitchens, the food buying, the laundry and the housekeeping chores. They returned to us at the end of this period with more than 1800 specific recommendations. More than 1600 of these recommendations have been adopted and implemented and the savings are hundreds of millions of dollars a year.

And lest my criticism of government sound like too much of a blanket indictment, let me say that, some civil servants who had thought no-one cared joined them enthusiastically in helping bring about improvements they themselves had long thought of.

In the decade previous to 1967, our State Govern-

ment had been increasing in size two and a half times as fast as our increase in population. We were adding more than 5000 employees to the payroll every year.

Tax rebates followed cuts in expenditure

Today, after seven years, we have virtually the same number of employees as we had when we started; they are handling from 30 to 40 per cent workload increase and we have eliminated more than 29 boards and commissions. When one-time budget surpluses resulted from our economies, we returned them to the people in the form of rebates in their income tax. And this year we have hit the jackpot: we are returning some \$800 million in a rebate that totally forgives the income tax at the lower end of the earning scale and graduates it down to a minimum discount at the top of the earnings scale of 20 per cent.

One senator said to me that he considered giving the money back to the people an unnecessary expenditure of public funds.

Charity and the possible replacement of that by government welfarism, is the area where those who favour the planned economy and compulsory redistribution of the people's earnings make their greatest gains. Any criticism of welfare is met with the charge that the critic lacks compassion for the less fortunate. And so social reforms have been the biggest cost item in almost every government and every social structure we have today.

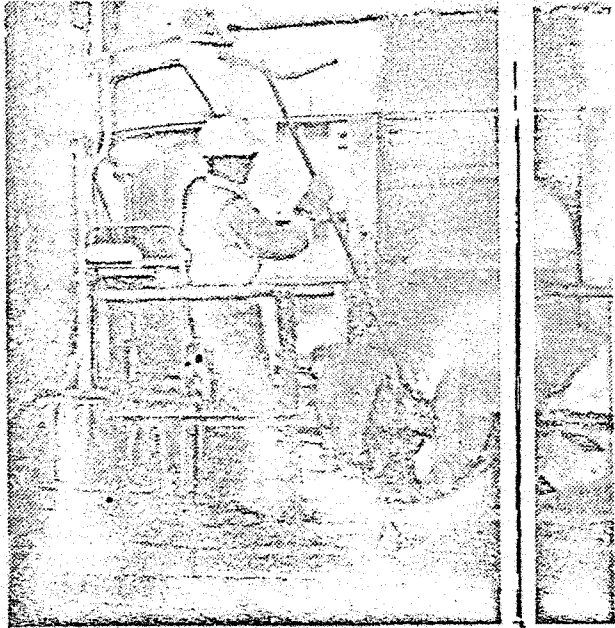
In California, our welfare costs were mounting four times as fast as our increase in revenue. In good times and bad, we were adding 40,000 new people a month to the welfare rolls. Sixteen percent of all the people in the United States on welfare were on welfare in California. We found we were sending cheques to welfare recipients all over the world, even to one living in Russia.

Abuses of Welfare payouts

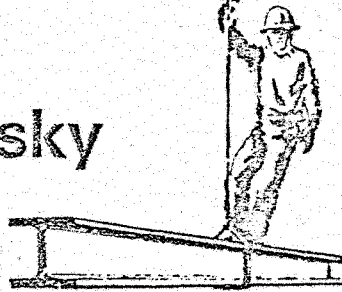
A multitude of regulations—Federal and State—made moral fraud technically legal. Regulations to protect the sensitivity of the recipient had forced us to accept his declaration of need without checking his truthfulness. One newspaper reporter managed to get on welfare four times under four different names on one day in the same office. We had welfare recipients who were the second and third generations of their families to be on welfare. It was a system destroying the very moral fibre of the people. We were spread so thin caring for the greedy as well as the needy, that we could not properly provide for those who truly had no source of livelihood other than welfare.

Once again we turned to the citizenry. A task force evolved the most comprehensive proposals for welfare reforms ever attempted in our nation. When the proposals met with legislative resistance, we turned once again to the people and the business community took the lead in mobilising a State-wide drive to have public opinion register itself on the legislature. They didn't exactly make the legislators see the light but they certainly made them feel the heat.

Photo by courtesy of Commonwealth Steel Company Limited



risky



Dangling from a wire over city streets or tapping the heart of a 3,000 degree furnace, Australia's men of steel live within a footstep of danger—but they recognise it, respect it and feel safer at work than on a Sunday drive. Their employers deal with the danger via safety measures, employee education and the provision of adequate Workers' Compensation insurance. What does "adequate" mean? It's an important question if you are an employer in a "high-risk" industry, because yesterday's meaning could spell tomorrow's misfortune. The United hopes your definition is up-to-date. Why not ask them?



**THE UNITED
INSURANCE COMPANY LIMITED**

HEAD OFFICE AND SYDNEY BRANCH: CNR. GEORGE AND HUNTER STS.
INCORPORATED IN NEW SOUTH WALES
BRANCHES THROUGHOUT AUSTRALIA AND OVERSEAS

**"Freedom always
rests in the individual"**

Today, there are 387,000 fewer people on welfare; the deserving needy have been given a 30 percent increase in their grants and in this last year alone, we have found more than 20,000 jobs for long-time welfare recipients who are heads of families.

Unless government is peopled by those who believe in freedom in the market-place, we risk being governed by those who would substitute coercion for persuasion. There are many places in the world today where everything that is not compulsory is prohibited.

Sometimes I wonder if you realise how strong and how powerful you are if you would only take the interest to be that powerful. In California every year our legislature handles about 5000 bills and they pass about 1200 of them. If in any one of these seven years they had all been lost on the way to the printer, it would not have affected the life-style of an average Californian one bit. As a matter of fact, I have often thought that if we closed up shop and all of us went home, it would be weeks before anyone would miss us. But if you stop what you are doing for 24 hours, the world grinds to a halt.

It has been said that if we lose this way of ours—this thing we call 'freedom'—history will record with the greatest astonishment that those who had the most to lose did the least to prevent its happening. That must not be said of us. Freedom is such a fragile thing and mankind has known so little of it. The truth is that you and I have probably known more of it than most.

It was once said of us that we—our generation—had a rendezvous with destiny and it is time we asked what that rendezvous might be. Will we spend our sunset years telling our children and our children's children what it was like when men were free? And what will our answer be if some day we are asked by those children, "Where were you when freedom was lost? What was it that you found that seemed more precious to you than freedom?"

I do not think that will be our destiny. I do not think it is our destiny to preside over the great night-fall for mankind. I think if we will remember that freedom rests, and always will, on the individual—on individual integrity, on individual effort, on individual courage and on individual faith in God—then we will have met the challenge of our rendezvous with destiny. □

MEMBERSHIP CERTIFICATES

Members of the Institute are reminded that finely produced Certificates of Membership are available free of cost for all members who request them.

The Membership Certificates reproduce the Heraldic Arms of the Institute in colour and the official seal of the Institute.

Members who have not already done so are invited to apply for their Certificates.

12/8/79

Excerpts of Remarks by Governor Ronald Reagan

Southern GOP

Atlanta, Georgia

December 8, 1973

Thank you very much. John, I thank you. I remember back when I was an actor when I found myself in Texas, the first time we met, and I joined you in the campaign trail. As a matter of fact you fellows gave me a pair of Texas boots that I'm still wearing.

I can't tell you how delighted and pleased I am to be here. I realize in the climate of today, when anyone holding public office makes a statement of that kind, it's assumed that this is the political thing to say. But I suppose in some way we deserve that. There was a fellow running for Congress and he went out soliciting votes, sat down by an old timer on the court house bench in a little town, and solicited his vote. He told him what he was there for and when he finished his pitch the old man said: "What do you intend to do about the geese?" The candidate looked and the courthouse lawn was covered with geese. He said: "Well, now that's a lovely sight, isn't it?" He said: "I think they should be protected." And the old man said: "You just lost my vote. They mess up the lawn, they chase the kids, they peck at their legs. They ought to be destroyed." So the candidate moved over to another bench, sat down beside another old timer, made the same pitch and when he finished, he got the same question: "What are you going to do about the geese?" "Well," he said, "look at them out there messing up the lawns. I think they ought to be destroyed." The fellow said: "you just lost my vote. I raise geese," he said. "They're an important part of this community." He got to the third bench, made the same pitch and believe it or not, he got the same question about the geese. This time, he put his arm around the fellow's shoulders and said: "Brother, on that question, I'm with you."

There was a time earlier this afternoon though, when I thought in this age of cynicism that maybe we could look back to a President of

ours, Cal Coolidge, on how to handle some situations. He was having a press conference once and a reporter asked him: "Do you have anything to say about prohibition?" And Cal said: "No". He said: "Do you have any comments on the World Court?" Cal said: "No". "What about the farm situation?" the reporter asked. Cal said "No". "Well", the reporter said, "you don't seem to have any comments about anything, do you?" And Cal said: "No comment and don't quote me".

. Tonight, there are those in this land who have already hung the picture of our party's mascot, the elephant, alongside the dinosaur in the gallery of extinct species. I think they're living in a dreamworld. Not too many years ago, you could have run a full grown elephant right through this room and you never would have stepped on a Republican toe.

Indeed, there are very few of you who would have been here not too many years ago and I include myself. It seems so long ago. But it was only about a decade past that Barry Goldwater made his long and lonely journey across this land, speaking a truth that needed telling. Men and women who recognize and respect the truth listened and were moved. And they realized that the leadership of the party of their fathers had taken the party of Jefferson and Jackson down a strange road, where they couldn't follow without betraying their most fundamental beliefs. Now those who had counted on the Solid South, in election after election, and taken for granted that Southerners would vote for the party name, even though that party leadership now was taking the party against their conscience. Those people look upon a gathering such as this and speak sneeringly of something called the "Southern strategy". Well, there is a Southern strategy and this country is better for it.

Today, almost one-fourth of the Republicans in Congress represent southern and border states. John Tower, Jesse Helms of North Carolina, Howard Baker and Bill Brock of Tennessee, Bill Scott of Virginia.

We've elected governors. Our toastmaster here tonight, Governor Holshouser, Win Dunn of Tennessee and Mills Godwin of Virginia, who just recently followed the lead of men like Senator Strom Thurmond of South Carolina, and John Connally of Texas. And I will suggest there are other statesmen who still bear the other party's label, who one of these days will follow the course of men like Strom Thurmond and realize their destiny too, lies with this party. They'll recognize the truth that was spoken by Winston Churchill when he changed parties in his own country. Winston, in that inimitable way of his, said: "Some men change principle for party and some change party for principle."

Sure you are still outnumbered. We're outnumbered in California, 3 to 2. But you know sometimes that makes life a little more simple. When you're outnumbered and surrounded and someone yells "charge", you don't have to ask which direction. Any way you're facing, you'll find a target. And that kind of turnout would be true in the last election (1972). We just went out in any direction and found millions of patriotic Democrats and Independents who saw very clearly the difference in philosophy that was offered for their choosing. And they made their choice on their belief and not on their party label.

Now, a pall has been cast over the mandate that was so clearly given just a year ago. A cloud of doubt, mistrust and cynicism has been generated by something called Watergate. We're told that the illegal and immoral acts of a few individuals must be the burden, a political hair shirt worn by the entire Republican Party. Watergate and its aftermath have been before the courts and the Congress for almost a year now. Those allegations of illegal and immoral acts which have been proven are condemned by us. No one's indignation is greater than ours. Such campaign excesses are contrary to all our beliefs a

principles. Over too many years, we've been on the receiving end of stuffed ballot boxes in cities like Chicago and St. Louis. Now the time has come to put Watergate in its proper perspective. It has been debated in the court of public opinion. And it is now before the bar of justice. Let the facts be known. Let those who are guilty of wrongdoing accept the consequences of their actions. Let justice take its course in the courts--the only place where a final judgement can be fairly rendered. But, for America's sake, let's get on with the business of government! There is the energy crisis, making America self-sufficient in fuel and power and no longer subject to blackmail from foreign lands; slowing down inflation, reducing the tax burden that is bleeding away the vitality of our free enterprise system, protecting the law abiding on our streets and in their homes. And above all continuing the great start this administration has made toward achieving a lasting peace in the world. And that includes maintaining a defense second to none.

These are the vital issues that will shape our lives, and lives of our people and our destiny as a nation for the next generation. Public cynicism about political affairs didn't start with Bobby Baker or Bill Sol Estes or Watergate. And it will not end there. The time has come to say to some politicians: "It is time to become statesmen, for the leaders of both houses to sit down with the administration. Let them put Watergate on one side of the scale and weigh it against the free world leadership that is ours whether we like it or not.

It was the United States that brought a cease-fire in the Middle East a few days ago. It was an American President who stopped the Soviet Union from moving armed forces into that troubled area. And an American President has brought an easing of tensions worldwide such as we haven't known since before World War II. A few days ago, I was in

Australia, Indonesia and Singapore, talking to the leaders of those countries on behalf of this administration. They looked at me and they asked if Americans were totally unaware of the part that we played in maintaining the stability in the whole of Southeast Asia. The Domino theory. They believe it. They'll tell you what would happen if American position is weakened in the world; if our forces were withdrawn from those areas of Southeast Asia, how the dominos would begin to fall.

There are some who would destroy a man in order to destroy a mandate of all the people. In the Democratic Convention of 1972, we watched long-time party stalwarts of that party as they were denied participation in the deliberations of that convention; some were even denied admittance. But the first who were thrown out of that convention were Thomas Jefferson and Andrew Jackson.

The battle we won in 1972 must be won again. Millions of Democrats must be made to see that philosophically, they have more in common with us than with those who would erode our defenses, pawning our weapons to pay for some new experiment in social reform. And make no mistake about it, there's been no change in the Democratic leadership since that convention of 1972. They are the same people who rediscover poverty every election and promise to cure it. They've cured it so often, they've now made a profession of it. They thrive on failures, on righting wrongs, aiding victims and so forth. It must be understood that success in those tasks would put them out of business. No matter how many programs are set up and operating, their proponents never claim success for them. To do so would be to say the problems have been solved, meaning the programs are no longer needed. And the programs, not the problems, are their very reason for being.

They're against violence and lawlessness, but they blame the victims of crime, not the criminals, because the victim is a member of society, and it's society that they blame for

crime.

Less than a year ago, America was fighting a bloody war in Southeast Asia that had dragged on for almost a decade. It has been spawned in indecision, and it had been directed for years by leaders who refused to win it and didn't know how in hell to end it. Well, it has been ended; our troops are home. And hundreds of the bravest men any nation has ever produced have been released from years of torture and captivity. But it wasn't ended by some street demonstration; it wasn't ended by a congressional resolution, nor was peace obtained because of a speech by the chairman of the Senate Foreign Relations Committee. It was brought to an honorable end by forceful policies and the effective negotiations of a Republican administration in Washington--in the same way that a Republican administration ended another war that wasn't of our doing 20 years ago in 1953.

We've heard so much of demagoguery going on. I wonder how many of us remember some of the things in the last campaign. One candidate had some television spots filmed. He appeared in a market, buying a basketful of groceries. Then he brought them up in front of the camera, and he compared the price that he had to pay for these groceries with the price before this administration took office. The idea was to lay the blame for inflation on Republican policies. But the inflation we are struggling with today was a deliberate, planned policy under the New Deal, the Fair Deal, the New Frontier and the Great Society.

We were told that planned deficits, federal spending and a little annual inflation was good for us. Do you know that the only time we've ever had fiscal stability in these last 40 years was when we had a Republican Congress and a Republican President in Washington at the same time, a single two year period under the administration of Dwight

Eisenhower.

We all know that inflation is the direct result of government spending; we all know it's a cruel tax falling on those least able to pay. But there's another facet that is not so well known. Except for those who are on fixed incomes, it is true that in all these years of inflation, wages have gone up faster than the rate of inflation. For example: A \$10,000 a year income, the average individual's earning in 1966, has by today gone up to \$13,500. Inflation has only gone up a little over \$3,000 in that period. So the individual has not only kept pace with inflation; he's a little better off than he was, except for the other part, the part that has made some of our so-called economic experts favor a planned inflation. That man, as he went up \$3,500 in his earnings, keeping ahead of inflation, moved up through our progressive tax brackets \$950 worth, so that today he has \$466 less in purchasing power than he had in 1966. It was taxes, not inflation alone, that did this. And confiscatory taxes bear a Democratic trademark.

Since the inception of the federal income tax in 1914, it has been increased 13 times under Democratic administrations. It has been reduced eight times under Republican administrations.

In 1969, this administration reduced the taxes for the working men and women, who our opponents claim are their special concern. Nine million of the lowest earners were relieved of paying any income tax at all.

The next brackets above them received a 70 percent reduction. It was only when you got to those above \$50,000, who according to our opponents are all Republicans, that you found them paying a higher tax under a Republican administration. It would seem that our opponents are guilty of a little political demagoguery at times.

James Buchanan has written that even the keenest, most analytical

surgeon, when operating on a Democratic politician, can't separate demagogic from solid tissue without causing the death of the patient.

Over four decades of almost uninterrupted Democratic philosophy a gigantic bureaucracy has grown virtually beyond the consent of the governed. And now it is almost beyond the control of elected officials. When those four decades began, there were 203 Americans for every federal employee. When Richard Nixon took office, there was one for every 67. Add in state and local employees, and one out of six of the nation's work force is a government employee. Not even the Office of Management and Budget in Washington knows how many boards, commissions, agencies, bureaus there are in the federal government. The Federal Register, listing all their regulations, has almost as many pages as the Enclopedia Britannica.

Forms and questionnaires pour out to businessmen from Washington by the billions. They number about 10 every year for each man, woman, and baby in the United States. Small businessmen alone spend an estimated 130 million man-hours in this required government paperwork.

It adds billions in cost to the things we buy. And yet, a young Senator from Massachusetts journeyed to Alabama on the Fourth of July, and there, in the presence of Governor Wallace, he made a speech complaining about big, centralized government. To hear him tell it, he was against it. George Wallace sat there listening; he must have thought they sent the wrong sound track.

Working men and women in America have been told over and over again by some of their own union leaders, by the Democratic leadership, that their leadership offers them the best chance for prosperity. Our sons and daughters, in too many social science courses, are taught the same fairy tale. Invoking memories of the Great Depression, history

is being rewritten in classrooms all over America. The truth is: the only full employment that we have ever known under our opponent's leadership has been the result of, and during a war.

They would like to lay the food shortage at our door. But who was it who spawned programs and spent billions of dollars to reduce the number of farmers and to keep those who remained on the farm from producing food for a hungry world?

. Forty years ago, the loyal opposition, our party, pointed out the threat to freedom inherent in the continued enlargement of centralization of power in Washington. We argued for limited government, and lower taxes, most of all, for the preservation of our federal system of sovereign states, operating under their own governments in the best interest of the people.

If you will permit me just a personal experience, I'd like to cite some of the adventures that we've had in California for the last several years which I think could demonstrate the difference in philosophy between the two parties. In 1967, our administration took over a government that had been a little Sir Echo to the great social experiments in Washington for the previous eight years. The state was spending one million dollars a day more than it was taking in. Gimmicks had been employed to put off the inevitable tax increase. The last of such devices was a change in bookkeeping which got them through the 1966 election without a tax increase by funding 12 months spending with 15 months revenue. For eight years, price had been no object. They'd added an average of 5,000 new employees a year to state government. Welfare costs alone were going up almost four times as fast as revenues. Now, I've always believed that government could and should be run with the same common sense rules that apply to business or even budgeting

a household. But when you start talking about common sense in connection with government, you cause some traumatic shocks.

I found myself nose to nose in a confrontation with the Democratic majority in control of both houses of our Legislature, those who had helped bring about the fiscal insolvency of our state. We announced a program of cut, squeeze and trim and this brought thunder down upon our heads, from the entrenched bureaucracy as well as the Legislature. It was charged that education would degenerate and progress in our state would come to halt. When we proposed reforming welfare, the Legislature, with the help of the Welfare Rights Organization, said that our program would increase the caseload, not decrease it, that local county taxes would go up, and that the state would run a \$700 million deficit and that the poor would be starving in the streets. Other than that, they didn't find much wrong with the program.

It's seven years later, seven years of Republican philosophy, and an uphill fight with the Democratic Legislature. We haven't been adding 5,000 employees a year; we have virtually the same number we started with seven years ago, and they're handling a 30 to 40 percent workload increase. We increased state support for education 93 percent, while enrollment has gone up less than six percent. We've built a thousand highway projects with money that formerly was spent on administrative overhead. Our support for local mental health care clinics is eight times what it was seven years ago. Two and a half years ago, we finally achieved our welfare reform. The caseload isn't going up 40,000 a month; there are now 387,000 fewer people on welfare than when we started. The truly needy aren't starving in the streets; they've had a 30 percent increase in their grants. County property taxes have gone down in 45 of our 58 counties. In addition, the state is subsidizing

local government to finance almost a billion dollar reduction in the homeowners' taxes. The \$700 million deficit they predicted became an \$800 million surplus which we're returning to the people in the form of a one time tax rebate.

Giving back that \$800 million wasn't as easy as I make it sound. When you suggest to a Democratic Legislature that they give that kind of money back to the people, it's a little like getting between the hog and the bucket. One legislator indignantly proclaimed that this was an unnecessary expenditure of public funds. But another, a senator really expressed their political philosophy. He said: "reducing taxes and giving this money back will interfere with our ability to redistribute the earnings of the people." What would have happened if the Democratic philosophy had prevailed during those seven years?

As this country of ours prepares to celebrate its 200th anniversary we suddenly realize how great a heritage was left us by our Founding Fathers. The old world still looks upon us as a young, upstart nation. But the Constitutional system created by that little band of men, whose like has seldom been seen in the world, has proven to have great durability. Today, our young, upstart country, is the oldest continuing Republic in the world.

The next election campaign is important. But it is not nearly as important as the next generation or the next century. Will we pass on the heritage that was entrusted to us and that has been guarded so well for almost these 200 years? I believe that the Republican party offers the best guarantee that we will. And you who have chosen this party in the South have an opportunity to ensure a dynamic resurgence of the philosophy of limited, responsible government. You don't have to sell your Democratic neighbors and friends on the Republican philosophy.

Most of them already subscribe to it. What really is needed is to show them that what they believe is what we officially as a party stand for. Let us shine the light of truth on Democratic political demagoguery. It has been said, for example, that we're the party of the rich. Then why is it that eight out of five Wall Street bankers are Democrats?

In two and three and four and five or ten dollar contributions, in election after election, including the last one, we outnumbered the Democrats in that kind of small contributor five to one.

We are the minority party in registration only. If your friends still retain membership in the Democratic party and need some convincing, may I suggest you ask a question of them. Ask them how they feel about this statement: "We advocate the immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, eliminating extravagance, to accomplish savings not less than 25 percent in the cost of the federal government." Well, that statement was made in 1932 as a candidate by Franklin Delano Roosevelt. That was once the philosophy that characterized the Democratic party. Which party endorses that philosophy today? Certainly not those who highjacked the convention a year ago June in Miami. On the basis of our philosophy, we are in step with the yearnings and the dreams of the overwhelming majority of Americans. Let us shatter the present stereotype. Let us tell our friends that private enterprise, not government, is the great provider; that the way to get a bigger slice of the pie is not by reducing someone else's slice, but by producing a bigger pie; that we have compassion for those who need our help, but we will no longer sentence a segment of our society to a life of hopelessness on the dole; that we are

mindful of the fact that for someone to get something he hasn't earned, someone else must earn something he doesn't get.

We've come to a moment in our history when party labels are unimportant. Philosophy is all important. Little men with loud voice, cry doom, seeing little that is good in America. They create fear and uncertainty among us. Millions of Americans, especially our own sons and daughters, are seeking a cause they can believe in. There is a hunger in this country today--a hunger for spiritual guidance. People yearn once again to be proud of their country and proud of themselves, and to have confidence in themselves. And there's every reason why they should be proud. Some may have failed America, but America has never failed us, and there is so much to be proud of in this land.

In the days after World War II, when our economic strength and military power were all that stood between the world and a return to the Dark Ages, Pope Pius XII said: "The American people have a genius for splendid and unselfish action, and into their hands, the hands of America, God has placed the destinies of an afflicted mankind."

We do have a rendezvous with destiny. Either we will preside over the great nightfall for all mankind, or we will accept the leadership that has been thrust upon us. I believe that is the obligation and responsibility of the Republican Party today.

If I could just tell you something that I said to some people in Mississippi a few weeks ago. It's not been too many months, not quite a year, that we sat up until the late hours and watched on television when that first plane came into Clark Field. We saw those men when the plane door opened. We didn't know what we were going to see. Would they be zombies, would they be robots, as the result of seven, eight, nine years of torture and confinement? And then that first American

came down the ramp, saluted the flag, and said: "God Bless America." Nancy and I have had an experience. About 150 of those returning prisoners of war were from California. We had them, and some who weren't from California, as guests in our home, just after their return. It was an unforgettable experience. We saw men come into our home, who for nine years, had been the most intimate of buddies in prison camps. And suddenly they looked at each other, and we heard them acknowledge this was the first time they had ever seen each other face to face. Their intimate friendship had been built up through bamboo walls, tapping on the walls, with the code and the signals that they had invented. They told us of the things they did to harrass the enemy with their code.

There were other stories. They told us of men that had been tortured, lying on the other side of the wall in the next cell near death. And all they could do was lie on their side of the cell, hour after hour, taking turns all night long--tapping on the wall, just to tell them they were not alone, to keep in there, to hang on.

Some said: "You know, we thought you'd throw rocks at us when we came home." They didn't feel they could serve any longer; they were imprisoned. So they resisted torture as long as they could, but they said eventually the enemy got what he wanted. Someone, one night in our home said to them: "Well, if you knew you were going to have to talk and give in, why didn't you do that first; why did you take that torture?" And they looked with astonishment and said: "Holding out was the only thing left for us to do; the only thing we could still do for our country." Later, I asked Nancy, where do we find men like this? And almost as quickly as I asked the question, I knew the answer. We find them on the farms, in small towns, in the city streets of America--just ordinary guys named Joe, produced by this society of ours.

There is truly nothing for us to fear but fear itself.

1/20/74

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TELEVISION PROGRAM TO NBC'S MEET THE PRESS

MEET THE PRESS

Produced by Lawrence E. Spivak

SUNDAY, JANUARY 20, 1974

GUEST:

GOVERNOR RONALD REAGAN (R. Cal.)

MODERATOR:

Lawrence E. Spivak

PANEL:

James J. Kilpatrick - Washington Star Syndicate

Tom Braden - Los Angeles Times Syndicate

Robert Novak - Chicago Sun-Times

Catherine Mackin - NBC News

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MEET THE PRESS

MR. SPIVAK: Our guest today on MEET THE PRESS is Governor Ronald Reagan of California. Governor Reagan is completing his eighth year as Governor and has said he will not seek a third term. He is frequently mentioned for the Republican presidential nomination in 1976.

We will have the first questions now from Catherine Mackin of NBC News.

MS. Mackin: Governor, what is your feeling as of today as to whether President Nixon should continue in office?

GOVERNOR REAGAN: Well, I believe that the case and all of the allegations that have been made are now before the courts, before the Congress, has been for some time, before the Grand Jury, and I think the determination of that should rest with the courts and with the Congress.

MS. MACKIN: You don't think the President himself should make any determination as to the mood of the country and the leadership of the country? You think he should wait for the judgment of the courts?

GOVERNOR REAGAN: Yes, I think that is our system and that is our process and the system seems to be working.

MS. MACKIN: Vice President Ford said this week that he believes there is a small band of activists, he mentioned ADA Americans for Democratic Action, and the AFL-CIO, who are out to get the President. Do you find any substance at all in that allegation?

GOVERNOR REAGAN: Well, I don't know the facts; I have had no opportunity to discuss it with him as to what he based that on. I think we have to recognize that any time there is controversy in our country, with our partisan system, our two-party system, you are going to find some people, some forces that are going to seize upon this for the furthering of their own partisanship.

(Announcements)

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MR. KILPATRICK: Governor, one of the allegations brought against the President has to do with his failure to pay income taxes in California. Now, you are Governor of California. In your judgment is the President a resident of California for tax-paying purposes and, if so, would you go after him for taxes?

GOVERNOR REAGAN: Well, Jim, it isn't the decision for the Governor to make. The tax laws of California for many years have prescribed that if an individual retains a residence in the State of California for voting purposes, but his work takes him permanently away from the state and he derives no income within the State of California, he is not subject to taxes.

Now, in the case of the President, a determination is being made now by the California tax franchise board.

MR. KILPATRICK: At one time you yourself got into some

political hot water, in 1970, I think, for failure to pay California state income taxes. In retrospect, Governor, do you now wish you had not taken those deductions and had paid some state taxes?

GOVERNOR REAGAN: As a matter of fact, Jim, I wouldn't have had very much to do with it. Like most people who go into public life, I placed all my affairs in the hands of trustees and in this particular instance, that is the only year of my life I have no state income tax obligation. What evidently has happened, there was a decline in revenues, in income, but other taxes, property taxes in large amounts, for example, and a number of other legitimate deductions that are taken by all citizens, simply didn't meet the reduction in revenue that year so there was no tax obligation, but I have always paid every tax obligation that I have ever had.

MR. KILPATRICK: Is there any special duty though, sir, on a Governor, or on a President, to pay a little something extra perhaps?

GOVERNOR REAGAN: Well, I am sure that if we tried to do that the experts over in the Tax Department who audit your accounts will send you one of those refund checks if you have overpaid. I will say that after the unpleasantness about that one particular year, in my case, I said to those trustees handling my affairs, I said, "I don't care how it ever turns out in the future, send them something, even if they send it back."

1 MR. BRADEN: Governor, to get back to an opening
2 question about what you thought of the Nixon Administration,
3 you were very forthright in 1968 -- I believe the date was
4 June 17 -- about the Johnson Administration. You said the
5 Johnson Administration has a morality gap. Now I wonder if
6 you could be as forthright about what you think of morality
7 in the Nixon Administration?

8 GOVERNOR REAGAN: Well, the morality gap I think
9 was determined in the courts and action was taken in the
10 present -- and I made such a statement. In the present
11 situation it is before the courts. Some individuals have
12 been found guilty of wrong-doing and have been convicted.
13 Other cases are yet to be resolved. I believe where there
14 has been illegality and immorality it should be determined
15 in the courts and I would have to say today, that this is a
16 pending decision.

17 MR. BRADEN: You don't find any great morality gap
18 in the Nixon Administration, then?

19 GOVERNOR REAGAN: Well, now, I didn't say that. I said
20 that in this case obviously, the incidents of Watergate.
21 those were illegal and immoral acts. The President has
22 so characterized them. The legal process is going forward.
23 Now, I also believe in the idea that you are innocent until
24 proven guilty. In the other instances there was some --
25 guilt was proven.

Mr. Braden: One more question about the taxes, Governor. I think on January 9, 1968, you said "My goal is to see that each citizen in California pays the same percentage of his income in state and local taxes." In view of that and in view of other things that Mr. Kilpatrick asked you about, were you surprised when you discovered that President Nixon paid so little tax in two years?

GOVERNOR REAGAN: I had never given it any thought as to what his tax situation was. When it was revealed with regard to the deduction that he took for papers, this is the same deduction that had been taken by the former Vice President, now Senator Humphrey. It is the same deduction that was taken by former Governor Brown in California for his own state papers. I have been questioned as to whether, when my term is up, that I will take such a deduction for my state papers if I turn them over to the traditional place, the Bancroft Library, and very frankly I have no intention of taking any deduction for turning those papers over. I happen to believe they are the property of the state. But I just haven't given it any thought. I recognize the deduction that was taken, and recognize that it has also been customary by others in government.

1 MR. NOVAK: Governor, the reaction by the President's
2 lawyers to the report by technical experts that the ^(tape) erasure of
3 eighteen and a quarter minutes from the presidential conversation
4 with H. R. Haldeman could not have been accidental, the reaction
5 by the President's lawyers is that "Go ahead and prove it."

6 Do you think that the President should have been more
7 forthcoming in trying to get to the bottom of this? *(Watergate)*

8 GOVERNOR REAGAN: Well, once again you are talking about
9 something that is before the courts and the determination will
10 be made there. It is now before the Grand Jury with regard to
11 that.

12 MR. NOVAK: No, that wasn't my question, sir. My question
13 was, do you think they should take a legalistic approach,
14 go ahead and prove something, or do you think the White House
15 should have taken a position that the erasure was something
16 that was shocking and that they wanted to get to the bottom of?

17 GOVERNOR REAGAN: I think there have been evidences that
18 they have said that and that there have been explanations that
19 they cannot determine themselves. Rosemary Woods herself has
20 said that this must have been accidental, that she has no
21 understanding of the machinery and how it came about.

22 MR. NOVAK: Let me get at it a different way. The
23 President's lawyers are not being very forthcoming with the
24 court in making available the presidential logs. Now, they
25 have refused to do that. The word from the White House is

2
they will not present all of the material that is being
demanded of the House Judiciary Committee. There is a hard
line. Do you approve of that?

GOVERNOR REAGAN: Well, Bob, I don't have access to the
information upon which lawyers, either prosecutors or defense,
are going to make such decisions and I certainly don't think
I am qualified to sit here and from 3,000 miles away try to tell
lawyers in a case now before a judge how they should conduct
that case.

MR. NOVAK: Let me follow up Miss Mackin's opening
question about removal. If the House votes a bill of impeach-
ment, which is certainly a possibility, the minority leader of
the House, Representative Rhodes of Arizona, has said the
President should put a high priority on resigning. Do you
agree with that?

GOVERNOR REAGAN: I think with regard to resignation
of a President, any President, that that would be if the
President -- and I am sure if any President in his own mind
believed it would be for the good of the country that he would
do so, but the process of impeachment, the process of removing
a President from office before the end of his term is prescrib-
ed in our constitution. If the Congress goes forward with this
legal process and starts impeachment action, perhaps that is
the road to get this settled once and for all and find out the
answer.

1 MR. SPIVAK: Governor, I'd like to ask you one question
2 on this whole issue before going to politics.

3 In a recent Christian Science Monitor interview you were
4 reported as saying you do not think President Nixon would be
5 impeached. Do you mind telling us why you think he won't be
6 impeached?

7 GOVERNOR REAGAN: Well, when that interview was given, and
8 at that time, that was purely based on the evidence and the
9 statements of Congressmen and the count of the vote and
10 so forth, and it seemed to be a general consensus that such
11 proceedings were not going forth. I would have to say this
12 about impeachment; let me just add this one thing:

13 If the Democratic leadership of the Congress and of the
14 committee, the Judiciary Committee that had been discussing
15 this feels that they have grounds for impeachment, then I
16 would hope that they would bring this to a head and ask for a
17 vote instead of dragging it on, even as far as through next
18 November.

19 MR. SPIVAK: Well, are you saying now that what you said
20 the other day to the Christian Science Monitor doesn't hold
21 now in view of changed circumstances?

22 GOVERNOR REAGAN: No.

23 MR. SPIVAK: Do you still think he won't be impeached?

24 GOVERNOR REAGAN: No, we are talking about two different
25 things. I was talking then of an opinion, that it didn't seem

to me there was the will or the determination on the part of Congress to go forward with this. That was an estimate on the tenor of Congress.

I am talking now about if this committee now, as time has gone on, believes it has reason to bring this proceeding to Congress, then they should proceed. They should go ahead and not just drag this out by discussing it for the next year and a half, but I don't know whether there has been a change in Congress to the point that they believe they have what they need to go forward.

MR. SPIVAK: You also said at the same time, and this was just the other day, the 17th -- at least you are quoted as saying you didn't think he should resign. Now, does that still hold? Do you still believe that?

GOVERNOR REAGAN: That is right.

MR. SPIVAK: And, if so, why do you think he shouldn't resign?

GOVERNOR REAGAN: Well, I think we have seen the experience almost similar in the case of the preceding President, Lyndon Johnson, and now once again, and as I said before, allegations have been made, charges have been made. This is before the courts, before a legal process that is going forward, and I don't believe that on the basis of unproven allegations we should set the precedent, under two presidents in a row, but that any time a group of people believe a President is doing

something wrong or that they disapprove of his conduct, that he could be pressured into resigning until there has been a determination through our legal processes as to whether the charges are founded or not.

MR. SPIVAK: Now, may I switch to politics now for at least a minute?

GOVERNOR REAGAN: Please do.

MR. SPIVAK: There are many political observers who are convinced no conservative can be elected President of the United States. Now, obviously you don't think so. Do you mind telling us why you think a conservative can be elected President?

GOVERNOR REAGAN: Well, we get into those definitions again of what is a conservative and what is a liberal. Some people, when you say the word "conservative," automatically think you are talking about a monster who eats his young.

MR. SPIVAK: Let's talk about your kind of conservatism.

GOVERNOR REAGAN: Well, all right. I think the reverse is true. Now, if we get away from the labels and we get away from the definitions, I think the American people proved in 1972 in an election in which the issues were probably more clearly defined than they have ever been in history, I cannot recall an election where there was so little emphasis on individual personalities and so much emphasis on philosophies, two divergent philosophies, and the American people made it plain that they wanted limited government, less government;

1 that they want an extension of their freedom; they want more
2 local control and they want less social tinkering than we have
3 had over the last few decades. From that standpoint, I don't
4 believe the American people have changed in that.

5 MS. MACKIN: Governor, I'd like to go back a little bit.
6 It seems to me you were saying two conflicting things. One,
7 you are saying let the legal process on the matter of the
8 President's involvement in Watergate proceed and, of course,
9 on the other hand, you are telling the House Judiciary Com-
10 mittee to hurry up and get on in making up its mind about
11 impeachment.

12 Isn't that also a legal process?

13 GOVERNOR REAGAN: It is a legal process and I said if
14 they believed they had sufficient cause to start those proceed-
15 ings, I have to say, all right, start them and let's get a
16 decision, but let's not make this the kind of a partisan hassle
17 in which it is going to be discussed and discussed and kept
18 alive as an issue over a great many months with no one attempt-
19 ing to arrive at a determination as to guilt or innocence.

20 MS. MACKIN: In the meantime, the President's popularity
21 is now at 27 per cent. Now, you run a big state. What is the
22 effect on this country of Watergate and of a President leading
23 the country who has a popularity of 27 per cent?

24 GOVERNOR REAGAN: Well, I think there is a great confusi-
on the part of the people. I think the people are depressed;

I think the people wish this thing -- and this, I think, is the key to what I have been saying previously in my answers: I think the people have really -- if you analyze it, and what most Congressmen, when they went home are finding out, is that people are saying, resolve this. We want to know one way or the other.

But, quit talking about it; quit hassling. Get this to the point of making a decision.

MR. KILPATRICK: Governor, looking ahead and following up on Mr. Spivak's question as to your own possible prospects in 1976, you will be 63 years old on February 6th and during a campaign period, of course, would be 65. Does the age seem to you realistically to be a factor that would operate against your candidacy for President?

GOVERNOR REAGAN: Well, I think that has got to be a determination the people are going to make. Certainly, Jim, by the time of 1976, if it should be my decision that I am going to be involved in that race -- and I think it is certainly too early to make that decision by a long way -- the people will know my age and they will make that determination. We have had Presidents that have pretty much spanned adulthood as to their age and it has not seemed to affect the people.

I think in terms of President Eisenhower and his great popularity and hold on the people.

1 MR. KILPATRICK: Governor, the other criticism that is
2 heard most frequently against your possible candidacy in '71
3 your relatively limited experience in foreign affairs. How
4 would you respond to that avenue of criticism?

5 GOVERNOR REAGAN: Well, Jim, in 1966 when I was running
6 for Governor there was certainly a great deal said about
7 my limited experience in governmental affairs of any kind
8 because I had never held public office and came from a pro-
9 fession that is not normally considered as a hunting ground for
10 public officials. I think the same situation would prevail.

11 MR. BRADEN: Governor, on that question of foreign
12 affairs, the famous speech that did so much for you on the year
13 when you were elected Governor of California the first time
14 you said this: "We are selling our fellow human beings into
15 permanent slavery behind the Iron Curtain and telling them
16 to give up their hope of freedom because we are ready
17 to make a deal with their slave masters."

18 Now, in view of that and in view of possibly running
19 again, what do you think of Mr. Nixon's policy of detente?

20 GOVERNOR REAGAN: Well, I don't think that the two
21 periods are comparable. I think back in 1964, when I made
22 that statement there was a very evident policy in this
23 country and had been for some time that we did not want to
24 rock the boat as far as eastern Europe was concerned. We
were not too many years removed from the violation of treaties

and agreements by the Soviet Union, which they had broken in some more than fifty incidents, and we were signatories to those treaties and we made no effort whatsoever to insist on our side of the treaty being carried out.

I think that detente, the idea of opening up relationships to the point where we can talk to each other has borne fruit already. As a result of that, we find China, the great Communist colossus there, is no longer in the Russian orbit and we find that a President of the United States a few weeks ago was able to pick up a telephone and, with one telephone call, stop the Soviet Union from moving armed forces into the Middle East.

1 MR. SPIVAK: We have less than four minutes.

2 MR. NOVAK: Governor, since President Nixon has called
3 on all Americans to show some self sacrifice in conserving
4 fuel during the energy crisis, do you think it was
5 consistent with that plea for you to solicit your recent trade
6 mission to the Far East, which cost the government 130,000
7 gallons of aviation fuel?

8 GOVERNOR REAGAN: Well, Bob, I think there are some
9 things in government that have to be weighed in priorities
10 on whether they are done or not. Yes, we all of us
11 have been asked, and not just the public. I think people
12 in public life also, are doing their best to join that
13 conservation movement.

14 Now, the situation of a trip to the Far East, those
15 trips are not planned on the spur of the moment. There
16 was no energy crisis. I, and I am sure many other Governors,
17 receive invitations abroad for some particular purpose, and
18 we have been asked -- I know I have been -- by the
19 State Department that if we have such an
20 invitation and are considering accepting, to notify the
21 State Department, in the event that there are services
22 we can perform beyond the original invitation.

23 Now my original invitation, accepted some several months
24 before there was an energy crisis, had to do with the national
25 drive, the opening of the Red Cross in Australia. It is an

2 invitation that has been repeated for three years
3 now. Finally my timing was such that I could make
4 this trip. We notified Washington, as we have in the past,
5 and Washington did have some chores and they were very
6 important chores and some of them were in relation to
7 energy, by the time the energy crisis had come upon us.
8 We did brief the trip down, we eliminated some
9 of the lesser priority parts of the visit. We made
10 it over there and we made it back without stopovers, which
11 is customary because of the time gap. We flew back 21 hours
12 in an airplane to get back, to minimize this use of
13 fuel. But evidently it was believed there, and I have
14 to think that there was some accomplishments from the trip,
15 it was a priority item in which, weighing it, it was
16 worthwhile. I was in Indonesia, I met with Suharto, I
17 met with other leaders in Indonesia and that
18 is a country where we get four percent of our fuel supply.

19 MR. NOVAK: But Administration sources tell me, sir,
20 that you did not merely inform them but you lobbied them
21 to give you some mission, which meant that it cost the
22 government fuel and money, is that correct?

23 GOVERNOR REAGAN: Bob, if there is someone in Washington
24 saying that, he is blowing hot air because the truth of the
25 matter was I had our people say to them repeatedly that
26 unless they actually had chores of some value that were

1 worthwhile in this, I wanted no part of it. I would go
2 and do my -- keep the bargain that I had made in Australia
3 with regard to their Red Cross, but that don't just
4 send me on something that could be described as a junket.
5 I wanted to know that there were really things that they
6 considered were worth that effort.
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1 MR. SPIVAK: Governor, Senator Barry Goldwater was
2 recently quoted as saying that he didn't think that you wanted
3 to be President of the United States. Now, can you tell us
4 whether you would like to be President?

5 GOVERNOR REAGAN: I don't know whether there is an answer
6 to that question as to whether you would like or not. I have
7 always said that I think whether you find yourself involved in
8 that race starts with the people themselves and whether they
9 would like to have you seeking that office. I suppose every
10 man has many moments in which he says, "If I had the position
11 and the authority to do certain things, this is what I would
12 do."

13 On the other hand, I don't think there is anyone par-
14 ticularly -- someone who has been in public life --

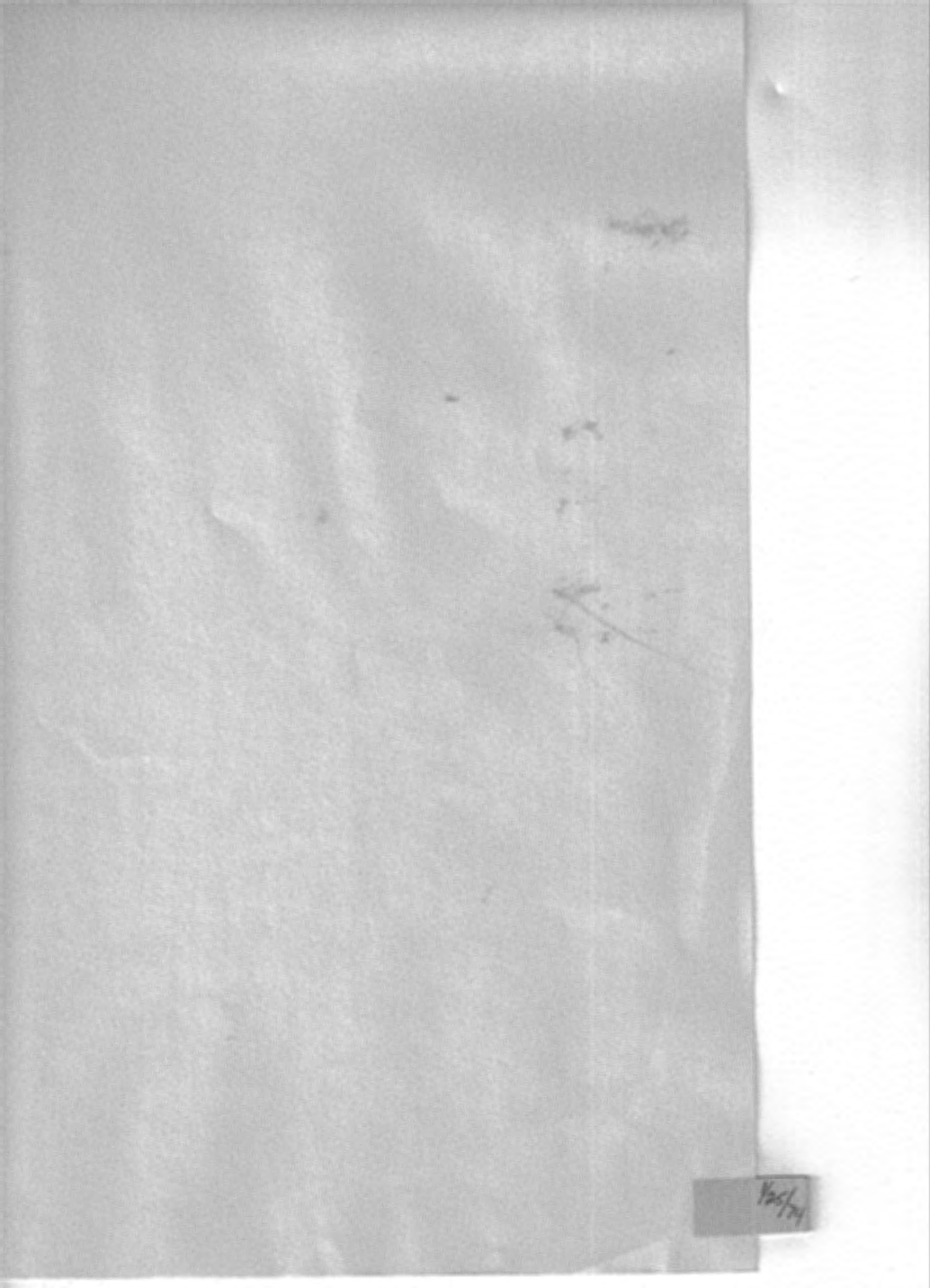
15 MR. SPIVAK: Does that mean that you would like to be
16 President?

17 GOVERNOR REAGAN: That means that you are asking me about
18 a decision that, if you have me on this show say about a year
19 from now, maybe we will be closer to getting an answer.

20 MR. SPIVAK: Well, you have an invitation for that show.

21 I am sorry to interrupt, but our time is up. Thank you,
22 Governor Reagan, for being with us today on MEET THE PRESS.

23 (Next week: The President of the American Petroleum
24 Institute, Frank Ikard.)



REMARKS BY GOVERNOR RONALD REAGAN
CONSERVATIVE POLITICAL ACTION CONFERENCE
Washington, D. C.
January 25, 1974

There are three men here tonight I am very proud to introduce.

It was a year ago this coming February when this country had its spirits lifted as they have never been lifted in many many years. This happened when planes began landing on American soil and in the Phillipines, bringing back men who had lived with honor for many miserable years in North Vietnam prisons. Three of those men are here tonight, John McCain, Bill Lawrence and Ed Martin.

It is an honor to be here tonight. I am proud that you asked me and I feel more than a little humble in the presence of this distinguished company.

There are men here tonight who, through their wisdom, their foresight and their courage, have earned the right to be regarded as prophets of our philosophy. Indeed they are prophets of our times. In years past when others were silent or too blind to the facts, they spoke up forcefully and fearlessly for what they believed to be right. A decade has passed since Barry Goldwater walked a lonely path across this land reminding us that even a land as rich as ours can't go on forever borrowing against the future, leaving a legacy of debt for another generation and causing a runaway inflation to erode the savings and reduce the standard of living. Voices have been raised trying to rekindle in our country all of the great ideals and principles which set this nation apart from all the others that preceded it, but louder and more strident voices utter easily-sold cliches.

Cartoonists with acid-tipped pens portray some of the reminders of our heritage and our destiny as old-fashioned. They say that we are trying to retreat into a past that actually never existed. Looking to the past in an effort to keep our country from repeating the errors of history, is termed by them as taking the country back to McKinley. Of course I never found that was so bad---under McKinley we freed Cuba. On the span of history, we are still thought of as a young upstart country celebrating soon, only our second century as a nation, and yet we are the oldest continuing republic in the world.

I thought that tonight, rather than talking on the subjects you are discussing, or trying to find something new to say, it might be appropriate to reflect a bit on our heritage.

You can call it mysticism if you want to, but I have always believed that there was some divine plan that placed this great continent between two oceans to be sought out by those who were possessed of an abiding love of freedom and a special kind of courage.

This was true of those who pioneered the great wilderness in the beginning of this country, as it also is true of those later immigrants who were willing to leave the land of their birth and come to a land where even the language was unknown to them. call it chauvinistic, but our heritage does set us apart. Some years ago a writer, who happened to be an avid student of history, told me a story about that day in the little hall in Philadelphia where honorable men, hard-pressed by a King who was flouting the very law they were willing to obey, debated whether they should take the fateful step of declaring their independence from that King. I was told by this man that the story could be found in the writings of Jefferson. I confess, I never researched or made an effort to verify it. Perhaps it is only legend. But story, or legend, he described the atmosphere, the strain, the debate, and that as men for the first time faced the consequences of such an irretrievable act, the walls resounded with the dread word of treason and its price--the gallows and the headman's axe. As the day wore on the issue hung in the balance, and then, according to the story, a man rose in the small gallery. He was not a young man and was obviously calling on all the energy he could muster. Citing the grievances that had brought them to this moment he said, "sign that parchment. They may turn every tree into a gallows, every home into a grave and yet the words of that parchment can never die. For the mechanic in his workshop, they will be words of hope, to the slave in the mines---freedom." And he added, "if my hands were freezing in death, I would sign that parchment with my last ounce of strength. Sign, sign if the next moment the noose is around your neck, sign even if this hall is ringing with the sound of the headman's axe, for that parchment will be the textbook of freedom, the bible of the rights of man forever." And then it is said he fell back exhausted. But 56 delegates, swept by his eloquence, signed the Declaration of Independence, a document destined to be as immortal as any work of man can be. And according to the story when they turned to thank him for his timely oratory, he could not be found nor were there any who knew who he was or how he had come in or gone out through the locked and

Well, as I said whether story or legend (the signing of the document that day in Independence Hall was miracle enough. Fifty six men, a little band so unique---we have never seen their like since---pledged their lives, their fortunes and their sacred honor. Sixteen gave their lives, most gave their fortunes and all of them preserved their sacred honor. What manner of men were they? Certainly they were not an unwashed, revolutionary rebel, nor were they adventurers in a heroic mood. Twenty four were lawyers and jurists, eleven were merchants and tradesmen, nine were farmers. They were men who would achieve security but valued freedom more. And what price did they pay? John Hart was driven from the side of his desperately ill wife. After more than a year of living almost as an animal in the forest and in caves, he returned to find his wife had died and his children had vanished. He never saw them again, his property was destroyed and he died of a broken heart---but with no regret, only pride in the part he had played that day in Independence Hall. Carter Braxton of Virginia lost all his ships---they were sold to pay his debts. He died in rags. So it was with Ellery, Clymer, Hall, Walton, Gwinnett, Rutledge, Morris, Livingston, and Middleton. Nelson, learning that Cornwallis was using his home for a headquarters, personally begged Washington to fire on him and destroy his home---he died bankrupt. It has never been reported that any of these men ever expressed bitterness or renounced their action as not worth the price. Fifty six rank and file ordinary citizens had founded a nation that grew from sea to shining sea, five million farms, quiet villages, cities that never sleep---all done without an area redevelopment plan, urban renewal or a rural legal assistance program.

Now we are a nation of 211 million people with a pedigree that includes blood lines from every corner of the world. We have shed that American-melting-pot-blood in every corner of the world, usually in defense of someone's freedom. Those who remained of that remarkable band we call our Founding Fathers, tied up some of the loose ends about a dozen years after the revolution. It had been the first revolution in all man's history that did not just exchange one set of rulers for another. This had been a philosophical revolution. The culmination of men's dreams for six thousand years were formalized with the Constitution, probably the most unique document ever drawn in the long history of man's relation to man. I know there have been other constitutions, new ones are being drawn today by newly emerging nations. Most of them, even the one of the Soviet Union, contains many of the same guarantees as our own Constitution, and still there is a difference. The difference is so subtle that we often overlook it, but it is so great that it tells the whole story. Those other constitutions say "Government grants you these rights" and our's says "you are born with these rights, they are yours by the grace of God, and no government on earth can take them from you."

Lord Acton of England who once said "power corrupts, and absolute power corrupts absolutely," would say of that document "they had solved with astonishing ease and unduplicated success two problems which had heretofore baffled the capacity of the most enlightened nations. They had contrived a system of federal government which prodigiously increased national power and yet respected local liberties and authorities and, they had founded it on a principle of equality without surrendering the securities of property or freedom." Never in any society has the preeminence of the individual been so firmly established and given such a priority.

In less than twenty years we would go to war because the God-given rights of the American sailors, as defined in the constitution, were being violated by a foreign power. We served notice then on the World that all of us together would act collectively to safeguard the rights of even the least among us. But still, in an older cynical world, they were not convinced. The great powers of Europe still had the idea that one day this great continent would be open again to colonizing and they would come over and divide us up.

In the meantime men who yearned to breathe free were making their way to our shores. Among them was a young refugee from the Austro-Hungarian Empire. He had been a leader in an attempt to free Hungary from Austrian rule. The attempt had failed and he had fled to escape execution. In America, this young Hungarian, Koscha by name, became importer by trade and took out his first citizenship papers. One day business took him to a Mediterranean port. There was a large Austrian warship under the command of an Admiral in the harbor. He had a man servant with him. He had described to this man servant what the flag of his new country looked like. Word was passed to the Austrian warship that this revolutionary was there and in the night he was kidnapped and taken aboard that large ship. This man's servant, desperate, walking up and down the harbor suddenly spied a flag that resembled the description he had heard. It was on a small American war sloop. He went aboard and told Captain Ingraham, of that American war sloop his story. Captain Ingraham went to the American Consul. When the American Consul learned that Koscha had only taken out his first citizenship papers, the consul washed his hands of the incident. Captain Ingraham said "I am the senior officer in this port and I believe, under my oath of office, that I owe this man the protection of our flag."

He went aboard (a Austrian warship and demanded to see their prisoner, our citizen. The Admiral was amused, but they brought the man on deck. He was in chains and had been badly beaten. Captain Ingraham said, "I can hear him better without those chains," and the chains were removed. He walked over and said to Koscha, "I will ask you one question, consider your answer carefully. Do you ask the protection of the American flag?" Koscha nodded dumbly "yes", and the Captain said, "you shall have it." He went back and told the frightened consul what he had done. Later in the day three more Austrian ships sailed into harbor. It looked as though the four were getting ready to leave. Captain Ingraham sent a junior officer over to the Austrian flag ship to tell the Admiral that any attempt to leave that harbor with our citizen aboard would be resisted with appropriate force. He said that he would expect a satisfactory answer by four o'clock that afternoon. As the hour neared they looked at each other through the glasses. As it struck four he had them roll the cannons into the ports and had them light the tapers with which they would set off the cannons--one little sloop. Suddenly the lookout tower called out and said "they are lowering a boat," and they rowed Koscha over to the little American ship.

Captain Ingraham then went below and wrote his letter of resignation to the United States Navy. In it he said, "I did what I thought my oath of office required, but if I have embarrassed my country in any way, I resign." His resignation was refused in the United States Senate with these words: "This battle that was never fought may turn out to be the most important battle in our Nation's history." Incidentally, there is to this day, and I hope there always will be, a USS Ingraham in the United States Navy.

I did not tell that story out of any desire to be narrowly chauvinistic or to glorify aggressive militarism, but it is an example of government meeting its' highest responsibility.

In recent years we have been treated to a rash of noble-sounding phrases. Some of them sound good, but they don't hold up under close analysis. Take for instance the slogan so frequently uttered by the young senator from Massachusetts, "the greatest good for the greatest number." Certainly under that slogan, no modern day Captain Ingraham would risk even the smallest craft and crew for a single citizen. Every dictator who ever lived has justified the enslavement of his people on the theory of what was good for the majority.

conservative political action

We are not a wall-like people. Nor is our history filled with tales of aggressive adventures and imperialism---which might come as a shock to some of the placard painters in our modern demonstrations.

The lesson of Vietnam, I think, should be that never again will young Americans be asked to fight and possibly die for a cause unless that cause is so meaningful that we, as a nation, pledge our full resources to achieve victory as quickly as possible.

I realize that such a pronouncement, of course, would possibly be laying one open to the charge of warmongering---but that would be ridiculous. My generation has paid a higher price and has fought harder for freedom than any generation that ever lived. We have known four wars in a single lifetime. All were horrible, and all could have been avoided if at a particular moment in time we had made it plain that we subscribed to the words of John Stewart Mill when he said that "war is an ugly thing, but not the ugliest of things."

The decayed and degraded state of moral and patriotic feeling which thinks, "nothing is worth a war" is worse. The man who has nothing which he cares about more than his personal safety is a miserable creature and has no chance of being free unless made and kept so by the exertions of better men than himself.

The widespread disaffection with things military is only a part of the philosophical division in our land today. I must say to you who have recently, or presently are still receiving an education, I am awed by your powers of resistance. I have some knowledge of the attempts that have been made in many classrooms and lecture halls to persuade you that there is little to admire in America. For the second time in this century, capitalism and the free enterprise are under assault. Privately-owned business is blamed for spoiling the environment, exploiting the worker and seducing, if not outright raping, the customer. Those who make the charge have the solution of course---government regulation and control. We may never get around to explaining how citizens who are so gullible that they can be suckered into buying cereal or soap that they don't need and would not be good for them, can at the same time be astute enough to choose representatives in government to which they would entrust the running of their lives.

Not too long ago, a poll was taken on 2,500 college campuses in this country. Thousands and thousands of responses were obtained. Overwhelmingly, 65, 70 and 75 percent of the students found business responsible, as I have said before, for the things that were wrong in this country. That same number said that government was the solution and should take over the management and the control of private business. Eighty percent of the respondents said they wanted government to keep its paws out of their private lives.

We are told every day that the assembly-line worker is becoming a dull-witted robot and that mass production results in standardization. Well there isn't a socialist country in the world that would not give its copy of Karl Marx for our standardization.

Standardization means production for the masses and the assembly line means more leisure for the worker---freedom from backbreaking and mind-dulling drudgery that man had known for centuries past. Karl Marx did not abolish child labor or free the women from working in the coal mines in England---the steam engine and modern machinery did that.

Unfortunately, the disciples of the new order have had a hand in determining too much policy in recent decades. Government has grown in size and power and cost through the New Deal, the Fair Deal, the New Frontier and the Great Society. It costs more for government today than a family pays for food, shelter and clothing combined. Not even the Office of Management and Budget knows how many boards, commissions, bureaus and agencies there are in the federal government, but the federal registry, listing their regulations, is just a few pages short of being as big as the Encyclopedia Britannica.

During the Great Society we saw the greatest growth of this government, there were 8 cabinet departments and 12 independent agencies to administer the federal health program. There were 35 housing programs and 20 transportation projects. Public Utilities had to cope with 27 different agencies on just routine business. There were 192 installations and 9 departments with 1,000 projects having to do with the field of pollution.

One Congressman found the federal government was spending \$4 billion on research in its own laboratories but did not know where they were, how many people were working in them, or what they were doing. One of the research projects was "the demography of happiness", and for \$249,000 we found that "people who make more money are happier than people who make less, young people are happier than old people, and people who are healthier are happier than people who are sick." For 15¢ they could have bought an Almanac and read the old bromide, "it's better to be rich, young and healthy, than poor, old and sick."

The course that you have chosen is far more in tune with the hopes and aspirations of our people, than are those who would sacrifice freedom for some fancied security.

Standing on the tiny deck of the Arabella in 1630 off the Massachusetts coast, John Winthrop said "we will be as a city upon a hill. The eyes of all people are upon us, so that if we deal falsely with our God in this work we have undertaken and so cause Him to withdraw His present help from us, we shall be made a story and a byword throughout the world." Well we have not dealt falsely with our God, even if He is temporarily suspended from the classroom.

When I was born my life expectancy was 10 years less than I have already lived---that's a cause of regret for some people in California, I know. Ninety percent of Americans at that time lived beneath what is considered the poverty line today, 3/4 lived in what is considered substandard housing. Today each of those figures is less than 10 percent. We have increased our life expectancy by wiping out, almost totally, diseases that still ravage mankind in other parts of the world. I doubt if the young people here tonight know the names of some of the diseases that were commonplace when we were growing up. We have more doctors per thousand people than any nation in the world. We have more hospitals than any nation in the world.

When I was your age, believe it or not, none of us knew that we even had a racial problem. When I graduated from college and became a radio sports announcer, broadcasting major league baseball, I didn't have a Hank Aarons or a Willie Mays to talk about. The Spaulding Guide said baseball was a game for Caucasian gentlemen. Some of us then began editorializing and campaigning against this. Gradually we campaigned against all those other areas where the constitutional rights of a large segment of our citizenry were being denied. We have not finished the job. We still have a long way to go, but we have made more progress in a few years than we have made in more than a century.

One third of all the students in the world who are pursuing higher education are doing so in the United States. The percentage of our young Negro community that is going to college is greater than the percentage of whites in any other country in the world.

One half of all the economic activity in the entire history of man has taken place in this Republic. We have distributed our wealth more widely among our people than any society known to man. Americans work less hours for a higher standard of living than any other people. Ninety five percent of all our families have an adequate daily intake of nutrients---and a part of the five percent that don't are trying to lose weight! Ninety nine percent have gas or electric refrigeration, 92 percent have televisions, and an equal number have telephones, there are 120 million cars on our streets and highways---and all of them are on the street at once when you are trying to get home at night. But isn't this just proof of our materialism---the very thing that we are charged with? Well, we also have more churches, more libraries, we support voluntarily more symphony orchestras, and opera companies, non-profit theatres, and publish more books than all the other nations of the world put together.

Somehow America has bred a kindliness into our people unmatched anywhere, as has been pointed out in that best-selling record by a Canadian journalist. We are not a sick society. A sick society could not produce the men that set foot on the moon, or who are now circling the earth above us in the skylab. A sick society bereft of morality and courage did not produce the men who went through those years of torture and captivity in Vietnam. Where did we find such men? They are typical of this land as the Founding Fathers were typical. We found them in our streets, in the offices, the shops and the working places of our country and on the farms. We cannot escape our destiny nor should we try to do so. The leadership of the free world was thrust upon us two centuries ago in that little hall in Philadelphia. In the days following World War II, when the economic strength and power of America was all that stood between the world and the return to the dark ages, Pope Pius XII said "the American people have a great genius for splendid and unselfish actions. Into the hands of America God has placed the destinies of an afflicted mankind."

We are indeed, and we are today, the last best hope of man on earth.

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OFFICE OF GOVERNOR RONALD REAGAN
Sacramento, California 95814
Clyde Walthall, Press Secretary
916-445-4571 3-5-74

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REMARKS BY GOVERNOR RONALD REAGAN
OKLAHOMA GOP FUNDRAISER DINNER, OKLAHOMA CITY
February 11, 1974

I flew here from Dallas and I thought I was in line for a security check. It went on for quite a ways and then I found out they were measuring people down there---and any young fellow too big or big enough to play football was not going to be allowed across the state line. I mentioned that I had known your two Senators as Governors, and I must say that it is very nice to leave California and come to a state where you have two Republican Senators. As a matter of fact, I have been talking to Holmes Tuttle to see if I couldn't contract out and get you to represent us in Washington.

Knowing them when they were governors, of course, I don't know what the governor of North Carolina said to the governor of South Carolina, but I do know what governors talk about when they have any time at all at get-togethers even with ex-governors. The first time I met an Oklahoma governor, Governor Bellmon, I was not in politics. I was running around the country making speeches for other people. I was smuggled into the State House to meet him---he was the only Republican in the Oklahoma State House. I came to know Dewey Bartlett as a fellow governor at many governors' conferences and came to think of him as a very close friend.

When we talk to each other we talk about our troubles, and when I said that I was happy now and then to get away from Sacramento, believe me I meant it! Some days are worse than others, particularly when you are a governor with a majority of the other party in both houses of the legislature. Sometimes when Nancy has to push me out of the house to get me over to the office, I am reminded of the mother trying to get her son to go to school. He says, "I don't want to go. Nobody over there likes me." The mother says, "but you have to go. You have a great deal to learn and you have much to offer. You have qualities of leadership. Besides, you are 49 years old and you are the principal."

We have a member of the House here, too---and I don't mean to pick on the Senate particularly, but have you ever heard about the time Mrs. Camp nudged Happy in the night and tried to wake him? She whispered "there's a burglar in the house, dear" and he said, "No. In the Senate maybe, but not in the House."

Well, my fellow Republicans, and Democrats who aspire to a better life, I know without Henry telling me that I could not be in this place at this time without talking to many who are, or who were, members of the Democratic Party. I was one myself. When I was a child, I spoke as a child, I thought as a child, and did childish things.

A few weeks ago I was speaking to a group of Republicans up in New England, New Hampshire and Vermont. While I was there I heard a story about a little old lady who had been a Republican all her life. She went to the doctor one day, hurried out of the doctor's office right down the street to the registrar's office and said, "I want to re-register Democrat." The clerk said, "What? Your grandparents were Republicans. your parents were Republicans, and you have been a Republican all your life." She said, "The doctor told me that I haven't too much longer to go and if one of them has got to go, I would rather it be one of them than one of us."

Looking at this gathering here tonight, I must say to those people throughout the country who have been deciding to inter the Republican Party as now dead---we sure are having some wake. Seriously, the Republican Party is a minority party in registration only. Not on the basis of philosophy. In 1972 millions of patriotic Democrats crossed party lines to vote for fiscal responsibility and against the spendthrift policies of those who high-jacked the Democrat Convention and who still hold the reins of leadership in the Democratic Party. In our lifetime never have the issues in a national election been so clearly defined. And today I think that the choice is not...in the election to come... between party labels. It is between the two widely divergent philosophies that divide our country.

A desperate effort is being made to reverse the mandate of 1972. And certainly those who would do this have cast a pall on our victory. We are being told every day that as a party we must wear, as a political hair shirt, the illegal and immoral acts of a few individuals in the '72 campaign. For a year now the alleged misdeeds have been held up to public view and we are supposed to be responsible. They are condemned by responsible men and women and yet no one's disapproval of what took place in Watergate, no one's indignation can be greater than ours. I know of no Republicans who approve of such campaign excesses, nor have they in the past been Republican practices. The truth is, we in our party have too often been the victims of big city political machines, voting tombstones, warehouses, and empty lots against us in every

Oklahoma City

In my own days as a Democrat I had an Uncle in Chicago who won a trophy for never having missed an election for 15 elections. He had been dead for 14 of them. No, we do not condone such behavior. But, Watergate is now before the bar of justice and I doubt if this would be true in many other countries in the world. Only in America do we have the courage to face up to problems like this, submit them to our system and say, "our system can deal with them." And, in keeping with this system of justice, let justice be done. Let the facts be laid before a judge and jury; let the guilty accept the consequence; and, let the innocent be cleared. But let us get on with the business of government.

Cynicism about political affairs did not begin with Bobby Baker, or Billie Sol Estes, or Watergate---and I doubt it will end there. But the time has come to say that we have had enough of partisan demagoguery and curbstone verdicts. There are serious problems crying out in this land for statesmanship. Put Watergate on the scale. But, as Americans, I think we should balance this against the vital issues which are shaping this world, perhaps for generations to come. Politicians must choose between some fancy political advantage of Watergate and finding an answer to inflation---an answer to a tax burden that is bleeding away the very vitality of our free enterprise system. We must meet the immediate problem of finding energy to run our economy and the long range problem of making America self-sufficient in power and energy---no longer dependent on foreign sources.

It is political demagoguery of the worst sort for men in high places to look for a scapegoat and to capitalize on the people's discomfort with wild charges that they know are untrue. When they shed crocodile tears and moan, "why weren't we warned by the oil companies?" and "the oil companies conspire to reap an illicit profit," we should tell them to get on with the business of meeting the problems. They say they were not warned, but, in 1947 a Congressional Committee on the Interior did a study on energy requirements in this country. They told us in 1947 that by 1972 this country would be facing the shortage we are facing now---and eight of those men are still in the U.S. Senate.

In 1954 a man not unknown to many of you in this room, nick-named "Molly"---Senator "Molly" Malone---told the people of this country and told his colleagues over and over again what was in store for us. He was literally laughed out of the Chamber because no one would take it seriously. Today his report and his study looks as if it could have been

In 1960 the American Association of Petroleum Geologists met in Los Angeles, California. That year they said that by 1975 this country will be facing a serious shortage if certain measures are not taken. They added these words..."and when it happens, the people will say you are to blame and why didn't you warn us?" And then added, "we are warning them now."

We are hearing so much about that evil percentage of profit increase over 1972 profits. Isn't it funny that that percentage of increase is less than it was in the same period for the steel, iron, paper and paper products industries. Strangely enough the New York Times, the Washington Post, Newsweek, ABC and CBS, that are making so much news about this, reported a higher rate of increase in profits last year than the entire oil industry. I think it is time for the people to recognize, when comparing 1973 to 1972 and using '72 as a base year, that 1972 was the worst profit year in the last 15 for the oil industry.

Let those who are proposing everything from confiscatory taxation to an outright takeover of a whole sector of our free enterprise by government turn instead to a proper goal. That goal should be to develop a means to increase the supply. And then legislation should be adopted to achieve that purpose. Where on the balance scales does Watergate stand with regard to the necessity for maintaining a military defense second to none? Today the Soviet Union is out-building us in nuclear submarines three to one. They recently test-fired a rocket capable of releasing multiple nuclear warheads each aimed at different targets in our country and other places in the world. No American President should ever have to negotiate except from a position of strength and history tells us that no nation that ever relied on treaties alone has lived to write many more pages in history.

The free world leadership is ours whether we want it or not. It was this nation that brought a cease-fire in the Middle East and has now brought a military withdrawal and is now seeking a way to bring about a permanent solution to that problem. It was an American President, negotiating from strength, who was able to pick up a telephone and with one single call stop the Soviet Union from sending armed forces into the troubled areas of the Middle East. The same American President brought an easing of the tensions worldwide such as we have not known in 40 years. Today the great Chinese colossus has been removed from the Russian orbit and that, too, was an American achievement.

A few weeks ago I had an opportunity to meet in Southeast Asia with leaders of several countries there. They could not hide their dismay at what is going on in America. They asked me, "do the American people, with their obsession with Watergate, realize that the stability of the entire area of Southeast Asia is dependent on the United States' presence there?" A presence they call the Nixon Doctrine.

Well, it is time for some of us to weigh all of these things and see which way the scale tilt. Unfortunately, it would seem that there are those who would destroy a man when their real goal is the reversal of the decision by the American people when they rejected the social tinkering and economic irresponsibility of the last four decades in the election of 1972. It was that election that millions of Democrats for the first time discovered their basic beliefs were more in tune with Republican philosophy than with the shop-worn welfarism of the Democratic leadership. Those rank and file Democrats must be reminded of this and they must be reminded today and made to see that the present leadership of their party is exactly the same leadership that high-jacked that convention. There has been no change. They are still promising solutions for all the problems of human misery---programs that will right all the wrongs, aid victims, and defeat poverty. They will never succeed, of course, because success would put them out of business. They thrive on failure. To claim success for their programs would mean their programs were no longer needed and the programs, not the problems, are their reason for being.

Watergate has been used to wipe out the memory of how veteran Democratic Party stalwarts, with long records of honorable service in their party, were denied participation and sometimes even admission, to the 1972 convention. And the first Democrat to be thrown out of that hall in Miami was Thomas Jefferson. They still invoke his name, but when have you heard a Democratic leader quote his words? If a Democratic leader today said "we place economy among the most important virtues and public debt as one of the greatest dangers to be feared. We must make our election between economy and liberty or profusion and servitude," the words would stick in their throats, and they would certainly choose profusion and servitude and call it a planned economy. There would be no cheers at a Democratic Convention for a speaker who would say, "if we can prevent the government from wasting the labors of the people on the pretense of taking care of them, they must become happy."

Less than a year ago Americans were fighting a bloody war in Southeast Asia that had dragged on for almost a decade. It has been spawned with indecision and directed by leaders who would not win it and could not end it. Today young Americans are not dying in rice paddies and jungles. Hundreds of the bravest men that any nation has ever produced have been freed from years of torture and captivity. No one crawled to Hanoi to get their release, nor was this brought about by a street demonstration or a speech by the chairman of the Senate Foreign Relations Committee, Senator Fullbright. It was brought about by the forceful policies and effective negotiations of an effective Republican President in 1973, just as another Republican President ended another war, that was not of our doing, in 1953.

Now we are attempting to deal with inflation and somehow we are being told that this, too, must be laid at our door. But this inflation is the result of a deliberate economic policy that was planned as a stimulant to prosperity and sold to us in the years of the New Deal, the Fair Deal, the New Frontier and the Great Society. We were told that deficit spending and an annual rate of inflation would maintain prosperity for us and not to worry about it, a little inflation would not hurt us.

There has been one brief two-year period when a Republican President had a Republican Congress. That was the only time it took place in the last 40 years, and that two-year period happened to be the only time in 40 years the dollar did not lose a penny of its purchasing power. Inflation is the direct result of government spending. I know it is a cliché to call it a cruel tax falling on those least able to pay it. But you know clichés are born of truth. We used to kid about them in lines in pictures on the set. There is that old line "we're safe until the drums stop,"---well it really was based on truth. When the drums stopped, it meant that somebody was on the way to beat your brains out. It was true.

Not so well known, however, in the cliché about inflation, is the fact that wages do keep pace with the rate of inflation. For example, in 1966 a \$10,000 income has on the average become a \$13,500 income. In that period inflation has only taken \$3,016 of that \$3,500 increase. But before you rush out and spend your \$484 net gain, you had better take a look at what inflation's partner has done. The tax system is based on the number of dollars you earn, not on their value. So while you were increasing your earnings by \$3500 to keep pace with inflation, you moved up through the progressive tax brackets \$950 worth and you now are a net loser by \$466. That much poorer than you were in 1966.

Whose trademark does this nearly confiscatory tax system bear? Certainly it is not Republican. As late as three years ago, May of 1971, the Democratic Party Counsel found nothing wrong with the amount of taxes people were paying. They called for a shift of financial resources from the private to government channels to meet the growing needs of health, welfare, employment, and other domestic programs. They said, "there is no easy, cheap way to meet our public sector needs. We believe that the realization of these priorities requires a commitment to a vigorous tax program."

Translated, that means they do not worry about the fact that you are already paying 45 cents out of every \$1 you earn to pay for the cost of government. Since its inception in 1914 the income tax has been increased 13 times under Democratic administrations. It has been reduced eight times under Republican administrations. The 1969 tax reform under this administration freed 9,000,000 of the lowest earners from owing any income tax at all, gave a 70 percent reduction to the next bracket above them, and only raised taxes when you got above \$50,000 where everyone is supposed to be a Republican.

The young Senator from Massachusetts journeyed to Alabama last fourth of July. He spoke out there against big centralized government--- even protested the high taxes people were paying under this Republican administration. George Wallace sat there listening thinking they had sent the wrong sound track.

James Buchanan has written, "even the keenest most analytic surgeon when operating on a Democratic politician can't separate demagogic from solid tissue without causing the death of the patient." In this election year Republicans must run against the bureaucracy. We have to run against the permanent structure of government and make the people of this country understand the nature of that structure and what it means to them. It has been built up over the last 40 years and it is an instrument today of Democratic leadership.

Our mission, if we accept it, is to make it plain that just occupying the White House cannot change the fact that we are still the out-party and we are running against an incumbent bureaucracy which actually and in truth goes farther toward determining policy in government today even than the U.S. Congress can. If we fail in our mission, we may verywell self-destruct in five seconds.

Oklahoma City

Not even the Office of Management and Budget in Washington knows how many boards, commissions, agencies, and bureaus there are. But all of them have the power to make regulations which have the force of law. The federal registry, listing those regulations that they have spawned, has almost as many pages as the Encyclopedia Britannica. There is a new agency, the Occupational Safety and Health Administration. In their first year they put out 15,000 regulations. Today their regulations, stacked on top of each other, would make a pile of paper 17 feet high.

They are not indexed and classified as to the separate kinds of business, if you are in business you are supposed to know what is in all 17 feet of that stack of paper and you cannot call them and ask them to come in and help you and see if you are doing things right, because they will tell you they cannot do that---if they find you are doing something wrong they will have to fine you.

We had a fellow in California, a small businessman, and they came in and told him he had to install separate men's and women's toilets and washrooms for employees. He only has one employee and he is married to her and at home they sleep in the same bed. Small businessmen alone spend an estimated 130,000,000 manhours filling out forms and questionnaires called for by these regulations. This adds \$50 billion a year to the cost of doing business and that means to the cost of things that people buy.

The working men and women of America have been indoctrinated into the belief that only the Democratic leadership can assure them of jobs and prosperity and too many of our own sons and daughters in too many classrooms and too many lecture halls have been taught this same political and economic mythology.

Memories of the great depression are invoked, but there has been a little rewriting of history. Certainly very few are taught today that after six years and billions of dollars of New Deal experimenting the unemployment level in the United States remained at 25 percent of the work force. Full employment only came with our entry into World War II

Indeed the Democratic Party for more than 40 years, that party which claims to be the party of the working man, has not presided over full employment in peace time---only in time of war. Three of them to be exact, and none of them started under a Republican administration. Today, even in the face of the unemployment resulting from the energy crisis, I think it is significant that we have the lowest rate of unemployment we have known in peace time in almost a half-century.

Now over these four decades of Democratic rule we have argued for smaller government, for lower taxes, and above all for preservation of our system of sovereign states operating their own governments under which the citizen can vote with his feet, moving across a state line if government should become too oppressive in the state where he lives. Our opponents are the ones who have led the centralizing of government in Washington and would have the states reduced to merely administrative districts.

Now, if you will permit me to talk about a personal experience in California, in 1967 these two contrary philosophies that I mentioned came into a nose-to-nose confrontation. For eight years California had been a dutiful little brother to big brother in Washington. In 1967 a Republican administration took office but we still had a Democratic majority in both houses. We discovered the state was on the verge of insolvency---it was spending a million and a half dollars a day more than it was taking in. For several years spending had gone up with price no object for social reforms and thinking. They had been adding more than 5,000 new employees to state government every year for eight years, and the welfare caseload was increasing by 40,000 new people a month. To pay for this without the inevitable tax increase, they had resorted each year to gimmicks and devices. Finally, faced with the 1966 election they came to the final gimmick---it was a change in bookkeeping. It allowed them to use 15 months revenue for 12 months spending and our administration came into office in the middle of the fiscal year. There were some days that were really very dark indeed.

We instituted reforms that were based on common sense rules that you employ in running your business, and even in running your own homes. And I might say, when you use the term common sense in connection with government that, in itself, is a traumatic experience. As Henry said, we celebrate Lincoln's birthday. Now Lincoln was a fellow with common sense. He once was engaged in a military exercise near my hometown of Dixon, Illinois. He was a captain of Militia in the Blackhawk War and didn't know too much. He had read the manual, I guess, because he was a lawyer, and when he was leading his troops they came to a fence. He had not read anything about how you march troops over a fence so he resorted to common sense when he said, "fall out and fall in on the other side."

The Democratic leadership in Sacramento who shared in the responsibility for the state's insolvency were indignant with some of the things we proposed, if not hysterical. The entrenched bureaucracy elbowed them for a chance to get in their blows. Thunder and lightning burst around our heads and continues to this day. But strangely enough never about any money we wanted to spend---only about what we tried to save. They charged that our program of cut, squeeze, and trim would bring progress to a halt, the universities would close, the public schools would deteriorate before our eyes, and when we offered the most comprehensive welfare reforms ever attempted anywhere, the welfare rights organization with the aid of OEO-paid lawyers took us to court. The legislature said the program would fail, the caseload would increase instead of go down, the local property taxes would have to go up, and we would end the year with a \$700 million deficit. Other than that, they did not find much wrong with what we were proposing.

On one of those days, one of those times when I was on my way to work, I fell in love with a disc jockey. I don't know who he was, but I tuned in just in time to hear him say, "every man should take unto himself a wife because sooner or later something is bound to happen that you can't blame on the governor."

But we took our case to the people and the people reacted. They did not exactly make the legislature see the light, they made them feel the heat. Government by the people does work when the people will work at it. Seven years have gone by now. We have not increased the number of employees by 5,000 a year, we have virtually the same number of employees as we started with seven years ago, and they have increased their productivity enough to handle a 40 percent workload increase. The University budgets have increased more than the combined rate of inflation and enrollment. We have doubled state support for the public schools while enrollment was going up only 6 percent. We have built 1,000 highway projects with money that formerly went for department overhead. We did not get the welfare reforms we wanted until just about two years ago and today there are almost 400,000 fewer people on welfare than when we started those reforms two years ago. The taxpayers are \$2 billion better off and the truly deserving poor on welfare who must have our help have had a 30 percent increase in their grants.

Those property taxes that were going to go up have gone down in 45 of the 58 counties for two years in a row, and we are subsidizing a reduction in the homeowners' property tax at the local level up to \$1 billion with state funds. That \$700 million deficit, wound up as an \$800 million surplus which we are giving back to the people in the form

Now, I made that sound a little easier than it really was. When you suggest to a Democratic legislature that you should return \$800 million to the taxpayer, that is a little like getting between the hog and the bucket---you get buffeted about a bit. One legislator said he considered giving back that money an unnecessary expenditure of public funds, and another one said that this would interfere with their ability to redistribute the earnings of the people, and he was speaking what he really believed. You bet your bippy that is what it interfered with! That is what Republicans intended it to interfere with.

But during all this time if our opponents in the legislature had had their way, if it had not been for a total of 789 vetoes what would have happened? Well, under their philosophy, spending over these last seven years would have been \$15.5 billion more than it was and the present budget would be \$3.5 billion bigger than it is.

The next election is important, but not as important as the next generation. Whether we will pass on to that generation the heritage of individual freedom and limited government that was left us by that little band of men, the founding fathers, remains to be seen.

I believe that the Republican Party offers the best guarantee that we can pass on that heritage. We have to understand our task. We do not have to sell our philosophy to our Democratic friends---they already believe in that philosophy. Our task between now and election, is to cut through the confusion and mythology born of all that demagoguery over the years and make them understand that what we, as a party, are striving for, is in tune with their deepest hopes and aspirations. You have to cut through years of false imagery.

These people, for example our Democratic neighbors, have been told in a thousand ways that Republicans don't care about them for we are a party of the rich. We have heard it so much that a lot of us have a guilty feeling that it must be true. And yet, when you start looking, we are outnumbered in the front offices of advertising agencies, we are outnumbered 8-5 among Wall Street bankers, in the publishing houses of this country, and the funny thing is I have never understood why a rich Republican is called a "fat cat" and a rich Democrat is called a "philanthropist."

I wonder if some of you would be surprised if I gave you some ammunition and told you some facts about our party. We have heard so much from the other side that, as I say, we are not quite sure ourselves whether the accusations and the charges are true. Now we know about the vast sums that were contributed to the Republican Party.

Now the Federal Communications Commission has reported what was spent on radio and television alone and so we are not surprised when they tell us that from coast to coast and border to border Republicans spent, on radio and TV alone in the last campaign, \$20 million. But I will bet some of you are surprised to find that in that same report the Democrats spent \$34 million.

If it is front page news, as it is, that the dairy industry, supposedly seeking an increase in the price of milk, contributed \$577,000 to Republican candidates, does it surprise you to learn that those same organizations in the dairy industry contributed \$613,000 to Democratic candidates? The majority of the major support in our party has come not this year alone, nor last year alone, but go back 25 years, it has come from hundreds and thousands of working men and women across this country. For the last 25 years the Republicans --- small contributors --- have out-numbered the Democrats 5 to 1. That 75 percent of our total spending on campaigns over the past 25 years has been contributed by donations of less than \$100.

When we present our case to the Democrats and to the Independents, let them ask themselves if they can honestly believe that those who have taken over their party, who now lead that party, would make the following pledge to them: we advocate the immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, eliminating extravagance to accomplish a savings of not less than 25 percent in the cost of the federal government.

Parties change. You know that today there is only one party that would be at home with that statement---the Republican Party. But that, in 1932, was the pledge of the Democratic Party, uttered by Franklin Delano Roosevelt. We have come to one of those moments in history when Americans must look beyond party labels, make decisions based on their belief in what they think America should be, and whether they believe that government is the great provider or whether they believe in our time tested free marketplace. Is it better to promise someone a bigger slice of pie because you are going to reduce someone else's slice or do we increase everyone's slice by making a bigger pie? Is it true compassion to sentence an ever increasing segment of our society to a life of hopelessness on the dole, or do we truly fulfill our responsibility of brotherhood by helping them become self-sustaining and independent?

I can tell you that our philosophy works. Last year 20 percent of all welfare recipients in the United States who found jobs in the private sector with the help of government, were California welfare recipients. Our people should not be a dependent people who can be manipulated like a flock of human animals with government being the benevolent shepherd.

All of these things we must do, but as Republicans we must have faith in the rightness of our cause. We must not be divided by petty bickering or discontent within our own ranks. Today on every hand we are hearing the strident voices of the doomcriers, so there is fear and uncertainty and, yes, despair, in a great many hearts.

Last night in Dallas a businessman came up to me who had 3,000 retail outlets across the United States. They sell luxury items. Not a single thing in one of his stores is something that a citizen must have. He said these people who are trying to talk us into believing we are back in another recession or depression are doomcriers. My business, as of the end of January, was up 20 percent over the year before.

We are not a sick society. A sick society could not produce the men who set foot on the moon or those who have been circling for 84 days around us and who landed just the other day in the Pacific. A sick society lacking moral stamina and courage did not produce the men who went through the torture of years of imprisonment in Viet Nam. It is time for us to take a look around and realize that we are a great people, a people capable of fantastic deeds. Our sons and daughters, I think, have a great hunger, whether they can express it or not, for a cause to believe in and we fail them miserably if we do not cast out the "chicken littles" in our midst and show them how much there is to love in this land and this way of life that we call America.

Now if I was smart I would sit down right now, I cannot top that. But I do just want to tell you these last closing words. Back in the Revolutionary War there was a preacher, Rev. Muchlenberg. He was preaching to his congregation on Sunday morning and in the midst of his sermon a man walked up and handed him a note. He opened it, read it, and silently took off his ministerial robe. His congregation was surprised to see him wearing the uniform of Washington's Army and he said "there is a time to preach and a time to fight. We have a rendezvous with destiny. Either we will accept the leadership that has been thrust upon us or we will whiningly preside over the great nightfall for all mankind."

In those days immediately following World War II when America's economic strength and military power was all that stood between the world and the return of the dark ages, Pope Pius XII said, "the American people have a great genius for splendid and unselfish actions. Into the hands of America God has placed the destinies of an afflicted mankind." Thomas Jefferson said, "the last hope of the human liberty in the world rests with us."

My fellow Republicans, this is a time to fight and fight back, starting now. Thank you.

2/22/74

TRANSCRIPT OF SPEECH BY GOVERNOR RONALD REAGAN
Mzuri Safari Foundation Lunch
February 22, 1974

We are all here today because we share a deep and abiding love for the outdoors and the simple pleasures. For a great many of you here, this is your avocation, not your business. Your avocation is hunting, and I would like to address you first on that part of your lives.

For the new found interest in ecology, you are being assailed by many who lump you among those they call the despoilers of the environment. You find yourselves on the defensive as hunters, portrayed as cruel and bloodthirsty, imbued with a lust for killing. The charge is made that unless you give up your sport, wildlife will disappear. Will Rogers, many years ago pointed out that people were ecology, too. He said, "We're the only fleas weighing over a hundred pounds; we don't know what we want, but we're ready to bite someone to get it."

When I was a boy, I lived in a small town in northern Illinois---90 miles west of Chicago. There was no one in that town old enough to ever remember seeing a deer in that area. Every year, a few of the more affluent citizens would drive to northern Wisconsin, Minnesota or even into Canada for a deer hunt. Occasionally, they would come back with a carcass strapped to the front fender of their car. Everyone would turn out to see it because Illinois was a very common place---an urbanized place. A deer was actually something so exotic in the field of game that it was only to be read about or it belonged in far away places.

No one ever suggested that someday the deer might return to the rolling woodlands of northern Illinois. A deer was as long gone as the frontier. Today, that little town has doubled in size. And the housewives in Dixon, Illinois complain because the deer come right into town and eat their rose bushes. And hunters--so-called despoilers--brought that about.

Conservation is not strange to sportsmen or to people in rural life--the farmers. Sportsmen are among those dedicated to conservation, and you are the proof of that. Your own activities in the field of wildlife preservation and game management is just an example.

Scientific game management was practiced and advocated by the true sportsman for many years, long before the environment and ecology became household words. Yet, somehow, there is a misconception that the sportsman and the hunter are more interested in destroying wildlife than preserving it. It is safe to say that today there are more deer in the United States than there ever were in the beginning of this country. There is no question that past practices--poaching--and in some parts of the world just plain hunger have and do threaten the existence of a number of species. But the best chance we have of saving those animals from extinction is through scientific game and wildlife management. They will not be saved by well-intentioned do-gooders who over-protect to the point of interfering with nature's plan for keeping the herds in balance.

We have learned a lot since the railroads opened up the West and led to the decimation of the buffalo herds. As a matter of fact, today the buffalo is coming back and the trains are almost extinct! And yet, the controlled hunt--the effort to maintain wild game at a level where the species can thrive--is all too often described as slaughter.

I remember a few years ago one of the television networks showed a film containing a scene on this very subject of assailing hunting, fishing, and the taking of wildlife. As we watched, there began a little nagging suspicion in our minds. One scene photographed on the ice floes of the Arctic made the point that hunters were hunting polar bears from a helicopter in violation of the law.

My young son, a small boy at the time, was watching with me. This particular scene shocked and horrified him to the point of tears. The hunters apparently killed a mother polar bear and the film showed graphically what was apparently her death throes, while the two little desolate cubs wandered off to an uncertain fate. By this time I told him I had suspicions. First of all, I couldn't believe that someone who was doing such an unlawful thing would take the time and trouble to record it on color film. But I promised him I would find out the truth about this film and this particular scene (sometimes being Governor has its advantages).

The next day I called Ray Arnett and our people at Fish and Game. I told them about the scene; they hadn't seen it. I said I would like to have you find out, if you can, the truth of this particular scene. It turned out that this film had been shot by the Fish and Game Commission of Alaska. A sequence of the stock film was incorporated into the movie, directed against the sportsman and hunting. What was actually being shown was a mother bear tranquilized with a dart gun in order to be tagged as part of the preservation program being waged by the sportsmen of Alaska to preserve the polar bear. They found out by telephone/^{to}Alaska that some of the men engaged in taking that film indicated the two little bear cubs were disconsolate because the men had to shove them aside with their feet in order to get on with their job; the bears wanted to play with them.

There is more to conservation and protection of wildlife than just loving nature in a kind of Hiawatha euphoria. Nature has a built-in system of game management. When the advance of civilization upsets that balance, intelligent wildlife management is the answer. This, of course, means a reasonable harvesting of game.

It is reasonable to say that hunters and fishermen have led in the saving of wildlife for the simple reason you wanted to preserve your favorite sport. By the same token, this made you environmentalists before the word was even being used, because in order to have game, you had to preserve the habitat.

We also have had to recognize that people are ecology, too. Predators--those that can endanger man--do present a problem in a nation such as ours, as in other countries, too. Obviously, they have to live at some distance from man's habitat.

I read a piece not too long ago describing a wonderful, bucolic scene of how not too many years ago, within a few miles of California's capital, Sacramento, you could, on a normal morning, pass a half dozen Grizzly bears within a half mile after you left your home. It sounded wonderful, until you stop to think that man is ecology, too. You can't have that with relation to urban centers, because if your kids have to pass a half dozen Grizzly bears in the first half mile on their way to school, you had better be prepared to count noses at night and make sure they all get home!

The growing awareness of the environment in recent years has been a healthy development. I believe with your patient understanding many of those who have only recently discovered our natural heritage can be persuaded to join in a reasonable and balanced plan to preserve that heritage.

There is another facet of the attack upon you as hunters. It is born of fear and danger engendered by the increase in crime. There are many who would deny the criminal his access to weapons by taking from you the firearms that are essential to your avocation. Proposals range from a variety of restrictions to an outright denial. But they all add up to it being more difficult for the law abiding to have firearms with no assurance in any of the proposals that those firearms will be denied to the lawbreakers we are trying to curb. Those who use weapons illegally will get weapons illegally. (I'm sure you've seen the bumper sticker "When guns are outlawed, only outlaws will have guns.")

Indeed, most crimes involving the use of guns are committed by people who are ineligible now to possess a gun under the laws we presently have. I am afraid the problem is more complex than just removing a weapon. New York has the most stringent gun laws, but this didn't prevent the killing of three men with a machinegun not too long ago, or a sniper from wounding a number of people and harassing them in Central Park. And yet, in the same city, a young woman who defended herself against a rapist with a paring knife was booked for carrying a concealed weapon.

Probably the greatest example of fuzzy thinking in the world of law enforcement occurred a few years ago. A man was convicted of having a sawed-off shotgun in violation of the federal law regarding registration. The Supreme Court heard his case and ruled that the law was unconstitutional because it would require a suspected criminal to register his gun, and this would violate his constitutional right against self incrimination.

A few years ago concern for the increase in violence in California convinced us that just trying to take guns out of the hands of the wrong people was no answer. We tried another approach. We passed a law that automatically added five to 15 years to the sentence of any criminal who carried a gun in the commission of the crime, whether he used the weapon or not.

In the first year, after we had passed that law, armed robbery in California dropped by 31 percent. We thought we had found the answer. But then gradually things went back to normal. So a year or more ago, we had a task force go into the whole matter of criminal justice to study what could be done. It didn't take them long to find out what had happened to the particular kind of gun control we thought was going to be so successful. The law contained a minor clause which gave judges some flexibility in the courtroom. The clause added that the sentence could be dropped if there were exceptional circumstances. Before the end of the first year, everyone had found that loophole and exceptional circumstances became the rule in every case. We are now asking, in addition to that law, for legislation to make a prison sentence mandatory. If a gun is carried in the commission of a crime, there will be no suspended sentence, no probation---the criminal, upon conviction, will be sent to prison. I think this makes more sense than trying to fight crime by making it difficult for sportsmen and other good citizens to own a gun.

I am sure I haven't told you anything too surprising about the attacks levied against you because you are hunters. But sometimes I wonder if you are aware of another part of your lives---the part you devote to business and your professions. In that area, you are the hunted, and as members of something called The Establishment, you may very well be one of the endangered species. Business--the system of free enterprise or capitalism, if you will, is under assault for the second time in this century. The remedy proposed is more government, more laws, more regimentation and greater restriction in your individual liberty. This is the day of the demagogue. He will be found in politics, in the classroom, the lecture hall and even in the communications media. Profit has become a six-letter, dirty word. A phrase heard throughout the land and the world all too often lately is "There ought to be a law." Sometimes I think there ought to be a law against saying there ought to be a law.

Some of our finest universities in recent years have graduated economic illiterates who are drawn to teaching, to the communications media and to government where they spread the misinformation they have learned about business; or as a part of government, they take part in finding new ways to limit and restrict the magic of the marketplace.

A recent nationwide poll was taken of some 35,000 college students. Seventy percent found everything bothering us today--from the energy crisis to inflation--is to be laid at the door of business. Seventy percent or better replied the answer is more government. Government must take over the management and control of free enterprise in this country. Then they were asked a trick question they didn't recognize was a trick. Eighty percent of the young people said they wanted government to get out of their private lives. None of them recognized the inconsistency.

Business has been accused of doing many things it hasn't done, and received little credit for things it has done extremely well. For some unexplained reason, business is charged with exploiting the poor, preserving poverty, causing wars and exerting a venal influence on government. Obviously, business would have more and better customers if there were no poor. Like all of us, business is far better off in peacetime than in time of war. I can tell you right now from my present position in government that no one has less influence in government today than the businessman. He has become the whipping boy for every political demagogue and office holder that wants to get his name on the front page.

On the other hand, capitalism--the free marketplace--is allowed to operate here in this land with less interference than in most places. In our history, it has produced something of a miracle. One half of all the economic activity in the entire history of man has taken place in the brief history of the United States in this country. Today, 95 percent of our people have at least a daily intake of nutrients that are necessary to maintain health and vigor. Ninety-eight percent of the homes in America have electric or gas ranges, refrigerators and similar appliances. Ninety-five percent have television, 80 percent have automobiles and 53 million American families own their own homes. But in the last few decades, the cult of statism, of collectivism, has led to increasing participation by government in things that are not the proper province of government.

One out of six of the nation's work force is employed by government. And government--federal, state and local--costs 45 cents out of every dollar earned in this country. It is the biggest single family expense item in any family---greater than the total cost of food, clothing, and shelter. Not even the Office of Management and Budget in Washington knows how many bureaus, agencies, commissions and departments there ^{are} in government. The regulations they have spawned in the Federal Registry take almost as many pages as the Encyclopedia Britannica.

And what is government's record of accomplishment with all of this effort? Well, a few years ago you could send a gallon of oil from Texas to New York for one penny. You could also send a postcard from Texas to New York for one penny. You can still send a gallon of oil to New York for one penny, but it costs six cents to deliver a postcard to the wrong address.

Urban Renewal set out to refurbish our cities; they were going to provide low-cost housing for the poor. In the history of the program, they have built 201,000 units, after destroying 538,000. Half of those built were so expensive that even the middle class who are moderately well off cannot afford to live in them. The minimum wage was adopted, and increases come on a regular and frequent basis. No one can fault the intent, but perhaps we should remind ourselves there is a well-known road that is paved with good intentions. Some of those supposedly benefiting from the minimum wage--young blacks, for example, seeking a better opportunity economically--have seen their unemployment rate go from eight percent when the first minimum wage was installed to 35 percent at the present. The Interstate Commerce Commission, since its inception, has compiled 43 trillion rate regulations in the field of transportation with no index. Government has taken over passenger traffic with something called Amtrak and boasts that it is doing very well---which isn't hard to understand, because the first thing government did when it took over the running of the railroads was to exempt itself from regulations the railroads had been trying to get out from under for the last 50 years. Sometimes I think the only thing we can be happy for in the growth of government is extravagant and wasteful spending. Can you imagine how miserable we would be if we were getting all the government we were paying for?

Bureaucrats claim the credit for whatever success business has. But government's interference in business has proven that the vitality of the free enterprise system is to endure the nit-picking and harassment and still stay alive.

I remember the outcry of the Federal Drug Administration a few years ago. Suddenly everyone on a diet discovered that their soft drinks were going to be taken away from them because they were made from non-fattening cyclamates. Tests had shown there was a threat of cancer. So there was a disruption as men faced the loss of taking off their shelves these things they couldn't sell, and companies discovered they could no longer make them. Now comes a very quiet, almost whispered admission that maybe they acted too soon. It turns out the test they made that led to this great

disruption of the retail and wholesale business was made on 20 rats who were fed cyclamates as a part of their diet. The amount of cyclamates they were fed would be the equivalent of each human being drinking 875 bottles of soft drinks a day. Three of the 20 rats got bladder tumors that were suspected of being malignant.

You are banded together in the interest of sport, and because of your efforts, our children have a chance of living in a world where there will be jungles and forests and deserts abounding in wildlife. But you had better do something with regard to that other facet of your life--- government and its interference.

I think today the business community has let the other fellow fight back when government reached his particular doorstep. To let that continue is a little like going into the poultry business without a rooster; you're placing a hell of a lot of confidence in the stork. We had better do something about this continued growth of government or our children will live in a "keep off the grass" world where anything that isn't prohibited will turn out to be compulsory.

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7/30/74

EXCERPTS FROM REMARKS BY
CALIFORNIA GOVERNOR RONALD REAGAN

3-30-74
Chicago

PHILOSOPHIES

In 1972 millions of patriotic Democrats crossed party lines to vote for fiscal responsibility and against the spendthrift policies of those who high-jacked the Democratic Convention and who still hold the reins of leadership in the Democratic Party. In our lifetime never have the issues in a national election been so clearly defined. And today I think that the choice is not...in the election to come...between party labels. It is between the two widely divergent philosophies that divide our country.

We are being told every day that as a party we must wear, as a political hair shirt, the illegal and immoral acts of a few individuals in the '72 campaign. For a year now the alleged misdeeds have been held up to public view and we are supposed to be responsible. They are condemned by responsible men and women and yet no one's disapproval of what took place in Watergate, no one's indignation can be greater than ours. I know of no Republicans who approve of such campaign excesses, nor have they in the past been Republican practices. The truth is, we in our party have too often been the victims of big city political machines, voting tombstones, warehouses, and empty lots against us in every election.

But recent experience shows we Republicans have been beating ourselves. In Pennsylvania we lost an election not long ago by 122 votes but the fact that we lost by that slim margin was not the issue. The fact is that while there was a 1 percent falloff in Democrats going to the polls in that Pennsylvania election, there was a 32 percent Republican absenteeism. In Michigan, where the Democrats took over a Congressional seat which Gerald Ford had occupied for 25 years, there was a 7 percent Democratic falloff and the Republican figure of those not going to the polls was 55 percent. As you can tell, we have a big job to do in tending to our own flock.

Watergate is now before the bar of justice and I doubt if this would be true in many other countries in the world. Only in America do we have the courage to face up to problems like this, submit them to our system and say, "our system can deal with them." And, in keeping with this system of justice, let justice be done. Let the facts be laid before a judge and jury; let the guilty accept the consequence; and, let the innocent be cleared. But let us get on with the business of government.

THE ISSUES

Let Congress get on with the business of government which it has shamefully neglected for most of the last 40 years. Let's make sure that Democratic candidates explain their position on all the real issues that affect the lives of our people. Perhaps they prefer Watergate as an issue because they don't want to reveal even to their own rank and file members that the Democratic party policy at the leadership level is still the same as it was in 1972, when it was so overwhelmingly repudiated by Democrats and Independents, as well as by Republicans. Never in the lifetime of any of us have the issues of a campaign been more clearly defined than they were in that 1972 election. Millions of patriotic Democrats discovered their own dreams and aspirations were actually in tune with Republican doctrine. Demagoguery about Watergate must not be allowed to hide the fact that the philosophical gulf dividing the two parties is just as wide now as it was then. The leadership of the Democratic Party is just as committed to the radical swing to the left as it was when it hijacked that party's convention in Miami in 1972. Now they would like to wipe out the memory of those disgraceful scenes that we watched on television when longtime Democratic stalwarts who believed in the principles of Thomas Jefferson were denied the right to participate in the convention, and even sometimes denied entrance into the hall. In fact, the first Democrat thrown out of that convention was Thomas Jefferson. They might invoke his name when it is expedient to do so, but never any more do they quote his words. Only a Republican would quote such a thing as "We must make our election between economy and liberty or profusion and servitude." The Democratic leaders chose profusion and servitude a long time ago and called it a planned economy.

They are still conjuring up programs that they claim will solve all the problems of human misery. Of course the programs they dream up never succeed. But that does not bother them; they thrive on failure. If the programs ever did eliminate the problems, that would put them out of business. The programs are what they exist for, not the problems. Those who seek our vote today should willingly tell what they would do about inflation or the tax burden that is sapping the vitality of the free enterprise system. What would they do to ease the oil shortage and what long-range plan would they suggest to make us independent of foreign sources to meet our energy needs? So far the Democratic leadership has devoted its energies to finding a whipping boy instead of an answer.

They talk of punitive taxes when they should be talking about incentives that might lead to the discovery and production of more oil. In keeping with their philosophy they suggest that government take over, such as by nationalizing the oil industry, which might turn out to be as efficient and profitable as the Post Office. The administration in Washington asked the Congress for sixteen measures to meet the energy shortage in April of last year, long before there was any hint of an Arab embargo. None of them has been passed. Then the matter comes up of national security. The Soviet Union has just fired a series of new advanced missiles down the Pacific Range. They are building a nuclear submarine more advanced than anything afloat today. Democratic leaders in Congress have responded to this threat with their usual statesmanship---cut the defense budget and spend the money on welfare. If we want to continue living in a free world, we must have a military capability second to none.

INFLATION AND TAXES

Inflation is caused by government spending more than it is taking in. This Democratic Congress could change that any time it pleases. Senator Harry Byrd recently introduced a bill that would require the government at the federal level to have a balanced budget except in time of declared war. It was killed in the Democratic-dominated Senate. Working men and women continue to get increased wages to keep pace with inflation, but find they are unable to live as well in spite of their greater income than before. They blame the higher prices. The real villain is higher taxes. Our tax structure is based on the number of dollars we earn, not their value. Each cost of living increase in wages moves the citizen up into a higher tax bracket and he has less to spend on himself and on his family. And that tax structure does not bear a Republican trademark. That tax structure bears a Democratic trademark. Their leaders and candidates talk at election times, as they are now, about a tax system that is unfair to the common man. They talk of the loopholes that benefit the rich. Well, why don't they do something about it? For the last 20 unbroken years they have had a majority in both houses of Congress. They could have then, and now, changed the tax laws any time they want. Why don't they, for example, adopt a very simple law that I am sure all Republicans would support: that any Congressman who introduces a spending measure must introduce a tax measure with it to pay for it. They seem to prefer talking about taxes than doing something about it. Maybe that's just as well because

Not too long ago the Democratic Party called for a shift of financial resources from the private to government channels. That is a euphemistic way of saying "We want to shift the resources from your pocket to ours." They said to meet the growing needs of health and welfare and other domestic programs, there is no cheap, easy way to meet our public sector needs. We believe that the realization of these priorities requires commitment to a vigorous tax program. I don't know how much more vigor the taxpayers can stand. The only thing we can be grateful for is how much wasted extravagance there is, because can you imagine how miserable we would be if we were getting all the government we are paying for? Income taxes, since their inception in 1913, have been raised 13 times by Democratic administrations; they have been lowered 8 times under Republican administrations. The most recent adjustment came in 1969 and it was spawned by the Republican administration, not by the Congress. It released nine million of the lowest earners from paying any federal income tax at all. The next bracket above them received a 70 percent cut. And it wasn't until you got up to that \$50,000 a year level, where we are told everyone is Republican, that there is a 2½ percent increase.

BUREAUCRACY

What we, as Republicans, must learn is that just occupying the White House or just occupying the State House does not make us the party in power. The truth is, a Democratic Congress for 40 years aided by a giant bureaucracy which they themselves created, and which is their instrument, imbued with their philosophy, has determined this nation's policy. The time has come to get Washington out of places and activities where it has no business being, to return authority and power to duly elected officials at state and local levels so that the people can have a greater participation in decisions affecting their lives.

"It is time for a change by every standard" is a proper Republican campaign slogan. Our mission, if we accept it, must be to run against an incumbent Democratic Congress and its entrenched bureaucracy. If we fail in that mission we may very well self-destruct in five seconds. Not even the office of Management and Budget in Washington knows how many boards, commissions, agencies and bureaus there are. Yet all of them have the power to adopt regulations which have the power of law. The federal registry that lists those regulations has almost as many pages as the Encyclopedia Britannica.

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

Chicago, Illinois
March 30, 1974

4/11/74

OFFICE OF GOVERNOR RONALD REAGAN
Sacramento, California 95814
Clyde Walthall, Press Secretary
916-445-4571 4-24-74

REMARKS BY GOVERNOR RONALD REAGAN
TRUNK 'N TUSK CLUB OF ARIZONA
April 11, 1974

Chairman Harry Rosenzweig, Congressman John Conlan, all the constitutional officers, the officers of your state party, and the officers of Trunk 'N Tusk, you, my fellow Republicans, and I hope some Democrats who aspire to a better life, this is an occasion. We have met here before under these same circumstances a number of times, and Easter Week in Arizona and Nancy and I all come together at this particular time.

In spite of the familiarity of the surroundings and the fact that I have been here before, no one ever rises to speak without having concern that he has chosen remarks that will be acceptable to the audience and be well received. Not too long ago, Nancy and I were representing the government down in Mexico, and I was speaking to a large audience there in Mexico City, and I had that thing happen that speakers fear. I sat down to unenthusiastic and scattered applause. I was embarrassed, and even more so, when the next man in his speech representing the Mexican government, speaking in Spanish, which I don't understand, was getting interrupted with applause in every other sentence, and to hide my embarrassment, when they started clapping, I started clapping. And I clapped longer and louder than anybody, until our ambassador leaned over and said, "I wouldn't do that if I were you; he's interpreting your speech."

You and Harry were both so kind here in your remarks that I almost feel like the fellow at the testimonial dinner. It was a small town, and after all the accolades and everything, he was introduced. As he got up to respond, he said, "Forty-seven years ago I walked into this town, down a muddy road, wearing the only shoes and clothing I had on my back, carrying on a stick over my shoulder a bandana handkerchief containing everything I owned in the world. But this town in these 47 years has been good to me." He said, "I now own the building that the bank is in, I'm on the board of directors of the bank, I own two apartment buildings, I own interest in businesses in 39 other towns in this state," and when the dinner was over, a little boy tugged at his coat and said, "Sir, what was in that bandana handkerchief you carried?" He said, "As nearly as I can recollect, nearly \$300,000 in cash and \$750,000 in negotiable securities."

Trunk 'N Tusk

But I have to tell you, Nancy and I have been getting around a little bit trying to help our fellow Republicans where we think we can, and not too long ago in the Fall, we were down in Mississippi. It happened that we were guests at a football game, and it happened to be that day when 'ol Miss, which hadn't had a good season, rose up against mighty Tennessee and did what some time or another a beaten team will always do. They were knocking off Tennessee. Late in the third quarter when it was apparent that there was going to be no turning point, and 'ol Miss was having her day, we heard a fellow in the stands back of us say, "Man, if they play like that for him, what would they have done if John Wayne was here?"

But as an example to all you Republicans, I have to tell you, we were up in New England and they told us about a little old lady in that town who went to her doctor, and hurried right out of the doctor's office, down the street to the registrar of voters and reregistered Democrat. The registrar said, "Millie, how can you do this?" He said, "You've been a Republican all your life, your family before you, your grandparents were Republicans in this town," and she says, "I know; I just came from the doctor's office and he tells me that my time is near; and I figure if somebody's gotta go, better it's one of them than one of us."

We are troubled by many things---inflation, for example. Right now, dollars to doughnuts is not very good odds. We cannot even afford the wages of sin. And if somebody offered us the world on a silver platter, if we are smart, we would take the platter. But you have to look on the bright side of things. Stop and think that with inflation, a kid can't get sick on a nickel's worth of candy any more. And you can still use a dime as a screwdriver.

But, in all seriousness, we cannot deny these are troubled times. We as Republicans are told we must all wear and be chafed by a political hair shirt called Watergate. Indeed, many pundits have already relegated the symbol of our party---the elephant---to the list of extinct species. And yet in the year of these few months, that Watergate has been tried in the media, on the street corners, and in scores of politically inspired kangaroo courts, Republicans in California, where we are outnumbered 3 to 2 won 6 out of 9 special elections. In congressional races, nationwide, we have won 2 out of 5. Put these together, this is not a bad average. But, still, I want to caution you. Remember the fellow who drowned trying to wade across a river whose average depth was two and one half feet.

There is a warning that we should heed in the three most recent congressional elections, because there is evidence there that the death wish that occasionally plagues our party has returned to haunt us. In the Ohio primary race, it was bitter and divisive. The defeated Republicans stayed home in the General Election, and they urged actively other Republicans not to vote. And now a liberal Democrat will represent them in Congress. In Pennsylvania, all but one percent of those who had voted Democrat in the previous election, turned out for the election. This time Republicans, 32 percent of them, stayed home; and we only lost by 122 votes. In Michigan, the Democratic fall-off was 7 percent; for the Republicans, 55 percent. The winner of that race will be speaking here in Phoenix next month to a Democratic fundraiser. Is it any wonder that the Democrats gleefully announced their strategy for the coming election will not be based on their philosophical differences, or the candidates, but will be to make a poll, registering approval or disapproval of Watergate. Now they can get away with this only if we let them. This does not mean we defend the illegality, the immorality and certainly not the stupidity of Watergate. Quite to the contrary. We have been outvoted in too many elections in the past by tombstones, warehouses and empty lots for us to condone such campaign shenanigans even when they are done in our own behalf.

It is time to put Watergate in its proper perspective. We do not need politically motivated partisans or self-appointed vigilantes to do that. Watergate is now before the Bar of Justice in accordance with our constitutional system. Under that system the guilt will be determined, the guilty will be punished and the innocent will be cleared. But if you and I believe in that system, until such a determination is made, all will be presumed innocent unless and until proven guilty beyond the shadow of a doubt.

But while this is taking place, there is no reason why the Democratic leadership of the Congress should not get on with the business of government which they have so shamefully neglected for too long a time. As for the election, the people have a right to expect all the candidates to explain fully their positions on the vital issues that will affect our lives. If our opponents are reluctant to do this, is it possible their obsession with Watergate conveniently hides the fact that the Democratic Party leadership is just as committed to a radical swing to the left as it was when it hijacked the Democratic convention in Miami in June of 1972?

They remember, of course, that all they stand for was overwhelmingly repudiated by the people of this country in 1972. Never in the lifetime of any one of us have the issues of a national campaign been more clearly defined. And millions of patriotic Democrats discovered for the first time that their own dreams and aspirations were actually in tune with Republican doctrine. The people must be reminded of this in this election. Political demagoguery must not become a smoke screen blurring the philosophical gulf which separates the two parties. Oh, I am sure they would like nothing better than to wipe out the memory of those disgraceful scenes we watched on television when long-time Democratic stalwarts, dedicated to the principles of Thomas Jefferson, were denied the right to participate in the convention, and even sometimes denied entrance into the hall. In fact, the first Democrat thrown out of that convention was Thomas Jefferson. They might invoke his name when it is expedient to do so, but never any more do they quote his words. Only a Republican would quote such a thing as "we must make our election between economy and liberty or profusion and servitude." The Democratic leaders chose profusion and servitude a long time ago and called it a planned economy.

They are still conjuring up programs that they claim will solve all the problems of human misery. Of course, the programs they dream up ne succeed. But that does not bother them; they thrive on failure. If the programs ever did eliminate the problems, that would put them out of business. The programs are what they exist for, not the problems. Those who seek our vote today should willingly tell what they would do about inflation or the tax burden that is sapping the vitality of the free enterprise system. What would they do to ease the oil shortage and what long-range plan would they suggest to make us independent of foreign sources to meet our energy needs? So far, the Democratic leadership has devoted its energies to finding a whipping boy instead of an answer. They talk of punitive taxes when they should be talking about incentives that might lead to the discovery and production of more oil. But most revealing of their philosophy is their eagerness to solve the problem by having the government go into the oil business. Well, who knows? A government with a government-run oil company might turn out to be almost as efficient and economical as the Post Office.

Then the matter comes up of national security. The Soviet Union has just fired a series of new, advanced missiles down the Pacific Range. They are building a nuclear submarine more advanced than anything afloat today. But with the typical statesmanship of our opponents, how do they meet this threat? They have demanded a decrease in defense spending and an increase in welfare.

Now no one will deny that political campaigns must be based on past performances as well as proposals for the future. And, in that context, Watergate is a part of that record, politically speaking. But it is not all the record. Last year, a war erupted in the Middle East, with the world closer to an Armageddon than any of us realized. The President of the United States brought about a cease-fire. He persuaded both sides to give up territories that they had fought for and won, and in 40 years, neither side has given up so much as one inch. During the critical negotiations, there was a moment when Soviet planes were poised ready to transport three Russian divisions---Russian troops---deep into the war zone. The President of the United States picked up the telephone, and said, "I wouldn't do it if I were you." And the Russians stayed home.

A little more than a year ago, Americans were dying in a war that had dragged on longer than ^{any} war in our history. Abandoning the Eisenhower policy that had maintained peace for eight years, a Democratic administration started that war, and a second Democratic administration, which would not win it and could not end it, escalated it and carried it on. Today, no young Americans are dying in the rice paddies of Vietnam, and hundreds of the bravest men ever produced by any nation are safely home after years in savage captivity. And an American president did not have to crawl to Hanoi to bring this about. And the war was not ended by a street demonstration or the chairman of the Senate Foreign Relations Committee---Senator Fulbright---and you can bet that Ramsey Clark did not have anything to do with it. No, a Republican president ended the war not of his making in 1973, just as another Republican President ended a war not his making in 1953. [And yet we have let our opponents create a myth that theirs is the party of peace and prosperity. Poll after poll reveals that they are better able in the people's minds to handle the great problems that confront our country; that if there is trouble, they should be the party to call. Our own sons and daughters in a thousand classrooms and lecture halls have been indoctrinated with the same political mythology. Well, there have been four wars in my lifetime; not one of them started under a Republican administration. And the only full employment that we have known since the 1929 crash has been during one of those wars.

Right now, in spite of the energy crisis and the dislocation resulting from them, we have the lowest rate of unemployment we have had in peacetime in more than 40 years. Let the record also show that blaming the present administration for inflation is a blatant rewriting of history. Have we forgotten so quickly that inflation was sold to us as essential to maintain prosperity? It was sold to us under the New Deal, continued under the Fair Deal, the New Frontier and the Great Society. We were told that we had to have it if we were to keep full employment and maintain prosperity. Are we supposed to forget that during all those years that Republicans, as the loyal opposition, warned against that policy? We pointed out that inflation, like radioactivity, was accumulative, that someday it would get out of hand and run wild just as it has. Our warnings were ignored and termed Republican obstructionism. We just did not understand the New Economics. Well, there is no mystery about inflation; it comes when a government spends more than it takes in. The only time in the last 42 years that the dollar lost not one penny of its purchasing power was during the only two-year period that a Republican president had a Republican majority in both houses of Congress. For the last 20 years the Democrats have been in power. We are not in power just by controlling the White House, or even by controlling a state house. For the last 20 years, they have had the power to stop inflation simply by practicing the thrift that Republicans have been preaching for these 20 years.

Now, in an election year, they talk about cutting taxes, but not about cutting spending. As a matter of fact, the same Democratic senators who talk about cutting the taxes are the ones who killed Senator Harry Byrd's bill a few weeks ago that would have required a balanced budget. They orate about an unfair tax system they claim is riddled with loopholes to benefit the rich. And, of course, the rich are all Republicans. Well, if that is true, why haven't they changed it? There has never been a moment when the Republicans could stop them. For 20 years, any time they found that that tax structure was what they say it is they could have changed it. As a matter of fact, we could offer them some ideas right now that would be in keeping with Republican philosophy. For example, we might start by making the income tax simple enough so that the ordinary working men and women would not have to employ legal counsel to find out how much they owe. Right now, it takes more brains to figure out your income tax than it takes to earn the income. The truth is, this tax system bears a Democratic trademark. Since it was adopted in 1913 it has been raised 13 times by Democrats. It has been reduced eight times by Republicans.

Last Fourth of July, the young Senator from Massachusetts journeyed down to Alabama. It was a non-political trip (if you believe that, I've got some Florida real estate to sell you just as soon as the tide goes out). Well he made quite a speech. It was not the kind they were used to hearing up in Massachusetts. But he stood there preaching against big government that was imposing on the freedoms of people, preaching against high taxes. George Wallace sat there and he thought they had sent the wrong sound track.

And then there is the bureaucracy that they have built up. Not even the Office of Management and Budget knows how many bureaus, agencies and departments there are in the government. But the regulations they have spawned, in the Federal Registry, take almost as many pages as the Encyclopedia Britannica, and all of those regulations have the power, the force, the authority of law. Now, Senator Nelson of Wisconsin has approached us with a problem. He says that the government has become so complicated with so many bureaus and agencies, that the citizens no longer have any contact---they are confused and cannot find their way around. Well, we have been saying that for a long time. We have suggested getting rid of some of the bureaus. Senator Nelson has a different idea. He wants to create an additional bureaucracy that the citizens could go to that would help them find their way through the maze. James Buchanan has written that even the keenest, most analytical surgeon, when operating on a Democratic politician, cannot separate demagogic from solid tissue without causing the death of the patient.

Time for a change by every standard is an appropriate Republican campaign slogan in 1974. This morning we read the Gallup Poll and learned that on our campuses our party is the last choice of the young people there. In view of our image, it is no wonder. But how many of us realize that we who are Republicans see how far from the truth is our image. Would it surprise many of you as Republicans to learn that for the last 25 years the Democrats have consistently outspent Republicans in campaigns---that 75 percent of Republican campaign funding comes from contributions of \$100 or less? And that makes us outnumber the Democrats in small contributions five to one. I have never been able to figure why it is that a rich Republican is a fat cat and a rich Democrat is a public-spirited philanthropist.

Do you have a feeling of guilt about the fact that the dairy industry contributed \$577,000 to Republican candidates in 1972? But are you aware, as Republicans, that they gave \$613,000 to the Democrats? We know that people in general are becoming more conservative. They want less regimentation of their lives by government. This has been determined in all the polls. They resent the fact that government is taking almost half of their earnings. Surely with the facts that are all on our side we can make the people understand that to continue the Democratic leadership in power is to perpetuate the very things the people are against.

I know for more than seven years now, in our own state of California (If you don't mind my using it as an example; I've used it here before sometimes), our Republican administration has fought uphill against a Democratic majority in the legislature. But we found that if we took our case over their heads to the people we were able to effect economies that resulted in surpluses. Then again, by mobilizing public opinion, we have, in these just short of eight years, been able to return to the people in the form of one-time tax rebates and tax cuts \$5½ billion in these seven years. By contrast, though, Republican veto power prevented in these seven years our Democratic opponents from adding \$15½ billion to the spending over this same period of time. Our budget today would be \$3½ billion bigger than it is. In just a few days we will complete the return of \$800 million surplus we had last year to the people in the form of a one-time tax rebate. I want to tell you, in doing that, when you propose that to a Democratic legislator it is a little like getting between the hog and the bucket. You get buffeted about a bit. One Democratic senator told me he considered that an unnecessary expenditure of public funds.

But with the people's help, we reformed welfare. We had a caseload that three years ago was increasing by 4,000 recipients a month. Today, it is not increasing at all. As a matter of fact, we have 400,000 fewer people on welfare than we had just three years ago.

And what has happened at the national level, as long as we are looking at the record? Well, the President has taken to Washington some of the men that were on the task force in California that evolved this welfare reform. They are now traveling through the country, instructing other states on how to implement the reforms. And over the last nine-months period, welfare recipients at the national level have been going down for the first time in the 36-year history of national welfare.

But ours is a communications problem, and the answer lies with every one of us becoming, first of all, informed---informed enough to dispute the false imagery that has been built up about us. And then we must become missionaries, spreading the truth by word of mouth, which is still the best advertising there is in politics. First, we should start with our neighbors and our fellow Republicans until we know that we have enlisted them also, then with our sons and daughters. And then with our fellow workers, with the people around us, and the fellows at the club. We must do this until we understand once again what is at issue and that the people must know.....what must be done if we are to preserve this freedom of ours. As Harry told you, I have come here often and stood up and made a speech at you and gone home and you have never had a chance to talk back and I understood after I arrived here (well, I had more speech) but I got here and found out that somebody thought it would be a good idea if it was a dialogue instead of a monologue, and that you might like to ask some questions. And, therefore, I have got a few things off my chest, to whet your appetites a little bit and if you have a question, just don't be bashful, sing out and I'll repeat it so everyone can hear it and then I'll try to answer it.

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Q How's Reinecke doing?

A I don't know whether I have the straight scoop or not here, but I have been told (I haven't had a chance to confirm it since I came here tonight) he is trying to get a change of venue and that the trial will be set before the primary. He will have a chance to clear the air, and after two years of dribbling along the way it has, I think it is about time. He is a fine young man.

Q We have here before our state legislature a Proposition that was based on your proposition which lost last year in California---the idea of placing a limit on taxes.

A I happen to believe that it is a good policy for every level of government. There is nothing wrong in a free enterprise system with us figuring out and having the ability to determine that there is a percentage of our earnings above which government must not go if this free enterprise system is to continue to function. We tried it in California and we lost. And I have to tell you that we lost simply because we just didn't have the muscle to correct publicly the distortions and the lies that were told about it.

Everybody who had a place at the trough was lined up to fight against Proposition One. The school system printed at taxpayers' expense millions of brochures and leaflets and sent them home with the children, a state employees' association, groups of this kind, mobilized against it; they outnumbered us in radio and TV ads four and five to one on every station. And they were successful in convincing the people that, somehow, if this proposition passed, it would raise their property taxes, which we had just reduced the year before. And it was not true, of course. Since the election, we have taken a survey and found that 69 percent of those who voted 'No' believed they were voting against a tax increase. This was how successful our opponents were in distorting the issue. As I understand it, your people have talked to some of our people who helped frame our Proposition One, and you have eliminated some of the things that gave the opposition the chance to confuse the issue. Yours is simply easier to understand and I think it is an idea whose time has come. I think several other states are going to have it very shortly because it is on the agenda in several states for state constitutional conventions. We are not trying with Proposition One again on the ballot; we don't have time. But we have just introduced to our Democratic legislators, who have said they can handle this problem themselves--that they did not need a constitutional amendment--we have just handed them a chance. Our Constitution requires that the governor submit a balanced budget. We have just asked the legislature to pass a change that the legislature has to return to the governor a balanced budget. We have another one that really has them climbing up the wall, too. We've got another one where we've said that any legislator who introduces a spending measure costing \$1 million or more must introduce a tax bill with it to pay for it. Now, we may not get those things, but they're going to have a hard time trying to figure up arguments against them. But, just go after it; don't let anyone confuse the issue and keep plugging, and get behind this with a wave of public opinion because you will set a tone and I think the other states will follow.

Q Regarding reducing the 55 mile per hour speed limit and the threat of not getting highway funds if you don't do that.

A. If you remember, Republicans a few years ago, when these great spending programs started, complained that the federal government would use this as a club over the heads of local government and the states.

Trunk 'N Tusk

And we were told that "No, sir, never would the federal government do this." The federal government has been in the blackmail business for years now, and it is not alone in this issue. I must say, however, on the 55 mile an hour ghing, we have it in California. I don't mean to start any quarrels here, but somebody proposed the other day that now that the situation was a little better now we ought to lift it, and we got the biggest storm of protest you have ever seen. The people have learned to lik it. I don't think you should be blackmailed, either, but they found out that 55 m.p.h. brought back conversation. Incidentally, our fatality rate on our highways is down 29 percent.

Q Why isn't the Republican Party buying time on national TV to present these facts and support the President? We don't seem to receive much encouragement for the people who are listening to TV all the time.

A You are right. Republicans for many years have not been very good at carrying off their wounded and first of all, though, on the money thing, thank heavens for all of you who are here tonight. We are just now beginning to roll. It has been pretty hard sledding out there. That is why Proposition 1 in California didn't have enough money to buy those ads. This hasn't been the best time to raise money for our side. It is a shame that we have to think about buying time to carry our story. I was just telling the good Congressman's wife here tonight, to show you how sometimes stories get lost even in the press, if it wasn't for William Randolph Hearst and the Hearst papers none of us would have ever known that good old singing Sam Ervin, speaking a few weeks ago in Cleveland, Ohio, made a public statement that in all of the months of the Watergate investigation no evidence had been presented to suggest that the President committed an impeachable offense. And it wasn't carried in a single newspaper that I know of. I think it is kind of headline news myself.

Q Why hasn't the Republican Party bought one, two or three networks?

A Then the Democrats would ask for free equal time. I think this: I suggested for a long time that some of our more affluent citizens in the business community could well think about the purchase of some of the media, whether papers, magazines or that kind of media, to see that things were balanced up a little better.

Q What are the two top officials of the State of California trying to tell the nation when they can leave the state and leave a Democrat in charge?

Trunk 'N Tusk

A Under our Constitution, when the governor is gone and the lieutenant governor steps across the state line also, the president pro tem of the Senate, who is a Democrat at this time, becomes the governor. But we have a sort of little "gentlemen's agreement." I am not far from the border and our full staff, governor's staff, is there. I assure you that if anything, other than a Mother's Day Resolution, comes up, the governor will be back in California post haste.

Q Inaudible

A I think the President himself has recognized the reality that right at the moment it could very well be that he might not be able to be of help to someone. He himself has expressed that and says every candidate has to make the decision for himself. You have to remember it isn't just Republican. It is fine if all the Republicans go to the polls and vote in every election, but if we don't get some Democrats and Independents with us we lose, because we are a minority party. And it is true that the drums have been beating so long and so persistently on this one subject that people are not informed. I think what I said earlier in my remarks that our position has to be that first of all, no, we cannot endorse and support Watergate. It was a breaking and entering; it was illegal, it was immoral. No one condones it, but, by the same token, I think we can say everyone who is accused must be considered innocent until proven guilty and until they are proven guilty we go on with the business of government and what we should be attacking is this constant trying of the case outside the bar of justice, outside the courtroom. This is lynch law and we should stand up very firmly against it. And while it is being determined in the courts we can point to the Republican record, that in the energy crisis the President introduced sixteen pieces of legislation to the Congress to deal with the energy crisis and Congress has passed one of them. Fifteen are still sitting there while they are running around forming committees on the other side, present company excepted. This is why the Congressional election is the most important thing in the world. We haven't been in power, and I think as Republicans we've got to run against the incumbent party because, for 40 out of the 42 years the Democrats have been responsible for National policy. This is what we should run against. If the people don't like what is going on we should be able to point to the people responsible.

Q Do you feel that the elimination of capital punishment, the death penalty, has caused an increase of crime in our country?

Trunk 'N Tusk

A We have now restored the death penalty in California. But again, to those friends of ours on the other side of the dial that would pretend to be such supporters of the people, the people of California voted in a public referendum, 67 percent of them, voted to restore the death penalty to the Constitution. Yet for five months the Democratic majority in the legislature kept the legislation that would specify the crimes subject to capital punishment bottled up in committee and the Speaker of the Assembly even went so far as to say "when the people make a mistake, it is my job to correct them." Finally, however, public opinion rose to the place that whereas they didn't see the light, they felt the heat, and we now have several specific crimes that call for the death penalty. I do believe that the moratorium---well the figures indicate---several years ago when the moratorium went into effect on the death penalty nationwide we had had 8,000 murders and by the next year we had 18,000. I have on my desk, which bolsters my own feeling on this, a list of 12 California murderers. All of them served a term in prison, all of them had been released or paroled and are out on the streets again and their total list of victims now is 34. Twenty-two additional people are dead because capital punishment was not employed where those dozen men were concerned. Capital punishment, some people say, is not a deterrent. It sure is a deterrent to the fellow who committed a crime. He isn't going to do it again.

Q In the area of national defense I read recently, our sovereignty is being taken away from us in the Panama Canal.

A I'll tell you that our first reaction is you don't want that to happen and you don't see any point in it, particularly with the dictator type of government leaning to the left as they have down there. On the other hand, though, I always hesitate a little to take a position on something of this kind for this one reason. I have been privileged to make several trips abroad and meet with foreign heads of state in behalf of the President and the State Department and in connection with them I have had briefings. I don't mean I have had an in-depth briefing on everything that is going on, but enough to carry out those missions and it was enough also to make me understand that, in the intricate worldwide game that is going on, it is awfully hard to make a decision on something of this kind unless you have the facts that they have. Ever since then I have been a little hesitant.

Trunk 'N Tusk

There may be some facts in which there is something overweighing our concern about the Canal itself---something to do probably with all of the Americas and all of Latin America in a world where, pretty soon, if these two continents are not tied together, you will remember Lenin said that after they have taken Eastern Europe and mobilized the hoards of China he said, "We will take South America and we won't have to take the United States. It will fall into our outstretched hands like over-ripe fruit." So, not knowing all that is there, I would just like to beg the question and say I am not going to make an opinion until I know more about what is behind all of this.

Q The Republican Party is a party of money. The Republican Party is doing the biggest portion of advertising on the news media and a little thinking down that line I think you could change their mind.

A Let me give you a figure I didn't give in the speech that might surprise you a little bit. The Federal Communications Commission has just released the spending on radio and TV in the 1972 campaign and the Republicans spent \$20 million on radio and TV alone, the Democrats spent \$34 million. We are not all that much richer than they are. As a matter of fact, we are not quite as rich.

I would just like to say one more thing, about the media, and I have been blunt here about some of the things and it is true that we find problems in this. I think one of the things that the Republicans should stop doing is jumping on the media. You don't win friends and influence people that way and the media is not just one fellow writing something or determining a policy, it is hundreds and hundreds and dozens and dozens of people in every paper and TV station and radio station and so forth.

Many of those people want to be fair and I think it is time for the Republicans to recognize that, yes, in recent years the people out of journalism schools who have been attracted to the media have a different philosophy than ours. In recent years the young people coming out of the colleges have a different philosophy from ours, in a majority, no matter what line they are going into. So our line is to start getting back there and seeing if we can't get a better balance among our young people but also recognizing that they have that, giving them the benefit of the doubt and going out of our way to say, "Look, all we ask is a fair shake. What do you want from us? We'll give you the stories, we've got the stories, we'll talk to you, we'll grant you the interviews, we'll do our best to meet you halfway." And I think Republicans better start doing that and I know, from personal experience with several writers right now, that I have no complaint about them any more.

I get a fair shake out of them and it only took a couple of hours of sitting with them and letting them probe as deep as they wanted to probe and answering their questions as honestly as I could.

Right now our problem is going to be raising money in the coming campaign to give our candidates a fighting chance because how many of you know that, in the 1968 campaign, COPE, the committee on political education of the AFL-CIO, spent \$68 million in the Humphrey campaign--- more than either the Democrats or Republican Party spent themselves as parties on their campaigns of their candidates. They had \$74 million budgeted for the 1972 campaign and then, when they refused to endorse McGovern, that money flooded into the legislative and congressional races and the state governors' campaigns and this is why they had their victories because the bulk of that money did not have to be recorded, it was adjudged as being a part of their committee on political education's normal functions. I think one of the funniest things in the budget was the millions of dollars for volunteers.

But we can't sit this one out---we can't shut our eyes and pretend it will go away.

Well, that's the last question, but just let me close with a couple of minutes and say we have come to one of those moments in history when realignment is taking place. I think our opponents know it and they are trying to stop it. They know that Americans are looking beyond party labels and they are making their decisions now on their beliefs in what America should be. We have seen some of the leaders on the other side change over to our party, men have followed the course of Strom Thurmond, Mills Godwin, a fine gentleman who was the Democratic governor of Virginia and is now the new Republican governor of Virginia. The other night at a fundraising dinner in Virginia, Nancy and I had the thrill of seeing at the head table sitting beside us, with Mills Godwin, Senator Harry Byrd, appearing for the first time at an official Republican function.

Now, for too long, our opponents have divided us into voting blocks, they appeal to the worst in us, our selfishness. You've seen them down through the years, they tell each of us that we can have a bigger slice of the pie but all we have to do is take it away from someone else and they'll help us do that. I think Republicans should be telling them that in a truly free economy we can all have a bigger slice of the pie, if we just get together and make a bigger pie. They proclaim their compassion by creating a welfare state and they perpetuate the hopelessness of the dole. Well, I think the Republicans should offer a "welfare society" in which we'll help our neighbors become self-sufficient.

Last year in California, as a part of our reforms, we put 59,000 able-bodied welfare recipients into private enterprise jobs and this year we will put 85,000. Our own sons and daughters, we know they are idealistic, we know they are yearning for a cause to believe in, but they have been told over and over again that ours is a sick society. They have grown cynical about American institutions. I think we have failed them miserably if we don't make them understand how much there is to love in this land of ours. A sick society couldn't produce the men who set foot on the moon, who circled the earth in Skylab and certainly a society lacking in courage and moral stamina didn't bring forth the men who went through those years of captivity and torture in Vietnam.

The time has come for a lot of us to realize our capacity for greatness. These are the things I think Republicans have to talk about in the coming months. Every candidate must take a stand. This country of ours has had a rendezvous with destiny from the time the first pilgrims set foot on these shores. In the days right after World War II, when our economic strength and military might was all that stood between us and a return to the Dark Ages, Pope Pius XII said, "the American people have a great genius for splendid, unselfish action. Into the hands of America God has placed the destinies of an afflicted mankind."

We'll keep our rendezvous with destiny and as a nation accept the leadership that has been thrust upon us or it could very well be that our rendezvous would be to preside over a great nightfall for all mankind. The last hope for human liberty rests with us and I believe today our party strives for those things that will preserve that hope and that liberty.

In the Revolutionary War on a bright Sunday morning, Rev. Muhlenberg was preaching to his congregation. Someone stepped up on to the platform and handed him a note. He opened the note, read it, then to the surprise of his congregation removed his ministerial robes and he was wearing the uniform of Washington's army. He said to his congregation, "there is a time to preach and a time to fight." Republicans, if I could leave one word with you tonight, this is a time to fight and start fighting right now. Let's carry off our wounded and stand up and fight back.

(Applause)

Governor: If they really mean that, let them give us (California) their two Senators.

(Laughter)

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