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TEXT OF
STATE-OF-THE-STATE MESSAGE
to a Joint Session of the
CALIFORNIA STATE LEGISLATURE

by
GOVERNOR RONALD REAGAN

January 7, 1969



To the Honorable Members of the Senate and Assembly:

Our meeting is saddened by the recent passing of one of your respected members, State Senator George Miller. He was an outstanding Legislator. He was an able political opponent--tough, smart and dedicated.

California has lost a great public servant. The Senate has lost one of its leaders...and we have all lost a good friend.

I also want to say that Bob Finch will be missed. We all wish him the best of success in Washington and we look forward to working closely with him. And here in California, the business of the people goes on under the able leadership of Senate President pro Tem--and sometimes Governor--Hugh Burns and our new Assembly Speaker, Bob Monagan.

Today I want to highlight with you some of the pressing issues which face us; to restate some of the basic goals and objectives of the Creative Society, and to outline some of the legislative proposals I will be making to you during the coming year.

I have also asked my secretaries of Agriculture and Services, Business and Transportation, Human Relations and Resources, to prepare supporting "state-of-the-state" reports on details of their agencies and departments which time does not permit me to get into here today. Their complete reports will be made available in the near future.

Additionally, during the coming weeks and months, I will present a series of legislative programs dealing with such priority areas as education, transportation, law enforcement, conservation, tax reform, government reorganization, and welfare and Medi-Cal reform. All of these I will preview briefly here this morning.

The Honorable Members of the Senate and Assembly

Page 2

January 7, 1969

Shortly I will present to you the budget for the year 1969-70. It will outline in detail our financial plans for the year. Two years ago we found ourselves not only in the red, but with a most serious continuing deficit. The present situation enables me to submit a balanced budget, and one that will permit a continuation of state-sponsored local property tax relief, and a substantial personal income tax reduction. At the same time we will continue to meet the needs of our growing state.

At this time, too, I think it appropriate to repeat to you a pledge I have made many times in the last year. Under no circumstances will I support or sign into law any tax increase. I believe the taxes we have now produce an ample income to meet our expenses, and with careful management, they permit us to offer a substantial tax reduction.

The great bulk of our state government spending is dictated by statute; it can be changed only by statute. I seek your help in reforming some of those laws which account for hundreds of millions of dollars of the taxpayers' earnings.

All of us recognize that there are certain basic needs; all of us realize that it would be improper to make meat-ax economies. But, we also know, for example, that a bankrupt state cannot provide humane programs in welfare; that a bankrupt state cannot fund a strong, modern educational system.

HEALTH AND WELFARE

In 1968, California's labor force exceeded eight million for the first time. Employment was up to a record high in all major categories except agriculture and construction. Unemployment dropped from a level of five percent in 1967 to 4.5 percent in 1968, the lowest level since 1957.

Despite these encouraging trends, our social welfare and health care services costs and caseloads continue to increase. At the end of 1968, the monthly average of individuals on the state welfare rolls was 107,000 greater than at the end of 1967. And, the state funds involved had increased by some \$40 million. Only stringent economies in administration and tight controls of the mandated programs kept these costs from rising even higher. There is just so much my administration--the executive branch--can do. The bulk of these programs are locked-in by both state statutes and federal regulations.

The Honorable Members of the Senate and Assembly

Page 3

January 7, 1969

The taxpayers are already overburdened with the costs and excesses of various governments. The old structures and the old systems must give way to the new, the thoughtful, the creative and the efficient.

One example of creative change was demonstrated in the positive and bi-partisan response to my request a year ago that we form a Department of Human Resources Development. Today we are well on the way to implementing that legislation; the department will be operational well before the deadline set in the statutes. However, the new department will be no panacea to the complex problems of poverty, discrimination and dependency. Additional legislation is needed to make it more fully effective.

Those who cannot be rehabilitated--those who, for reasons of age or physical infirmity, are permanently dependent--should be covered by an automated system of administration after being so identified by the county involved. This humane and effective use of modern computer techniques would enable us to reduce administrative red tape and use a greater part of the funds allocated to welfare for rehabilitative programs. I intend to ask for such enabling legislation this year.

At the same time, I will propose that we adopt a method of closed-end appropriations for welfare expenditures. Any expenditure in excess of the set amount would require legislative approval.

I will again this year seek legislation to institute lien and recovery provisions regarding welfare recipients. It seems to me that when the taxpayers assume the responsibility for the support of the aged and disabled, it is equitable for them to share in the recipient's estate.

Finally, we must make it easier for our young people to find productive employment. Our summer employment program for young people--many of them from disadvantaged areas--reached record heights last year--160,000 young people were employed. But we confirmed from this experience that many of these young people are kept from working because of existing employment barriers. I will offer to you a legislative program designed to remove these barriers.

Last year--you may recall--I requested a number of reform measures in welfare and health care services. Those reforms were valid and necessary then; they are valid and even more necessary now. I intend to reintroduce such measures during this session and

I seek your support.

I hope we can also join to urge reforms, revisions and greater flexibility in the federal statutes which control so many of our programs and so much of our budget.

For example, the 1969-70 budget will include expenditures of an additional \$52 million imposed on us by federal regulations and federal court actions. These were extra costs forced on us, funds we did not want to spend--funds we do not believe were necessary to be spent. I hope the new federal administration will agree the states must not be prevented by federal statutes or edicts from making necessary reforms.

In health care services--Medi-Cal--we must be concerned with economic efficiency as well as the equitability, availability and continuity of care. Therefore, we will move to institute--on a statewide basis--the concept of prepaid health insurance for the indigent--those individuals on Medi-Cal. We inaugurated a pilot program on such a prepaid plan one year ago; the lessons learned there can help guide us as we extend the concept.

We must also move to specifically make Medi-Cal fraud a crime. And I will ask you to join with me in enacting legislation making it a crime for the vendors of Medi-Cal services to defraud or abuse the program. We should call upon the professional health community to police their own house, to continue their efforts to clamp down and remove all Medi-Cal abuses and fraud.

We are presently looking into the feasibility of a single Department of Health to better coordinate patient-care programs and to consolidate and improve planning, research and administrative functions regarding health programs for all Californians.

There are other areas, such as alcoholism, drug abuse and mental health programs on which we will seek your advice, your creative judgment and your support during the coming year.

CONSERVATION

As we concern ourselves with the health, the well-being and the economic progress of our people, it is important that we also concern ourselves with our great natural resources---air, land, water...in fact, our total physical environment.

In the last two years we have made great strides in protecting our environment, preserving it for present and future generations. A few examples are:

The Honorable Members of the Senate and Assembly
Page 5
January 7, 1969

- The Environmental Study Council Act;
- The notable conservation efforts at Lake Tahoe and elsewhere in the state;
- The state's role in negotiating the Redwood National Park bill;
- The Bay Conservation and Development Plan.

All these and other forward-looking conservation and environmental quality control measures already achieved must be carried forward.

We are very much aware, for example, of the needs of Southern California and our heavily populated Bay Area for more beach and other recreational areas. To help fulfill these needs, we are continuing to work toward the potential recreational use of certain military and other federally-held coastal, beach and inland properties which may be obtained in exchange for the three California redwood parks needed by the federal government to complete the Redwood National Park.

I will request legislation to extend the life of the San Francisco Bay Conservation and Development Commission.

I ask you to pass legislation to permit Congress to ratify the California-Nevada Compact on Interstate Water. I am also urging Congress to ratify the compact to establish a California-Nevada Tahoe Regional Planning Agency whose charge it will be to control land use for the protection of the Tahoe environment.

Since March of last year an administrative task force, working with the Legislature and the State Water Resources Control Board, has been working on a revision of the State Water Quality Act. This will be the first complete revision of that act in 20 years. The task force (comprising representatives from conservation groups, industry and government) has developed a legislative package that will be presented to you in March. I urge that the legislation needed to implement these findings be enacted at the earliest possible moment.

We must also get on with an orderly development and conservation of our great ocean resources. Administratively and legislatively, we will follow up a number of recommendations made by the California Advisory Commission on Marine and Coastal Resources. And, I am calling for the coordination and implementation of these important recommendations by appropriate action within the Resources Agency.

At this time, I also express my concern that all construction projects undertaken by the State of California, in whatever area, give full consideration to protecting the quality of

The Honorable Members of the Senate and Assembly
Page 6
January 7, 1969

our natural environment.

We have already made an excellent start in this direction through the joint Resources-Highways Committee which we initiated in June of 1967.

We are instructing the Resources Agency to study the feasibility of providing long-term financing for recreational facilities in connection with the State Water Project, the state's participation in local pollution control, acquisition and development of recreational and park areas near our major cities, and other environmental programs. It may be that such long-term financing is necessary and proper so that we can plan for and implement policies to preserve and develop our natural resources.

LAW ENFORCEMENT AND CRIMINAL JUSTICE

Together during the past two years, we have made considerable progress in the field of law enforcement and crime control.

The California Council on Criminal Justice has been established and for the first time we have a professional statewide planning agency working for the development of modern techniques in the prevention and control of crime and the treatment of criminal offenders.

We have vastly expanded the funds available to local government for the training of peace officers to meet the difficult challenges of modern police work. We have expanded programs in rehabilitation and job training for the men and women in our correctional system. Cooperating with the Attorney General, we have established a pace-setting communications and crime information network, which will enable state and local law enforcement agencies to work together swiftly and effectively, utilizing the most modern devices of this electronic age.

All of these are important and significant steps, but there is much more to do this year.

Swift, fair, and unrelenting justice must make lawlessness unattractive. We must reject the idea that when a law is broken, society is guilty, rather than the lawbreaker. I plan this year to suggest to you a number of legislative measures which will fix responsibility for individual conduct, and which will improve our ability to protect the safety of the public.

The Honorable Members of the Senate and Assembly

Page 7

January 7, 1969

During the past years dramatic events throughout our country have drawn attention to the great number of crimes committed by the use of firearms. Murders, assaults, and armed robberies have shown a startling increase throughout our land. We must amend our laws to make it clear that the criminal who arms himself with a gun will be dealt with severely in every case. We must strengthen the penalties for the illegal use of such weapons, without interfering with the legitimate use of firearms by law-abiding citizens.

To assist in the fight against organized crime and the illicit narcotic traffic, we will seek legislation for the utilization of electronic surveillance techniques by police investigators, when authorized by a judge.

We will call for legislation dealing with the dissemination of obscene and harmful matter, and also will seek legislation to restore to cities and counties the ability to enact ordinances relating to local problems of public safety.

I will seek legislation to insure the selection of judges of proven qualifications and integrity.

We must also take action on another serious problem--narcotics and drug abuse. California's young people are becoming poisoned by dangerous drugs at a shocking rate: in the past eight years juvenile narcotics cases have increased nearly 2,000 percent.

In recent months this administration has joined with the PTA, the California Medical Association and school and law enforcement organizations to encourage the formation of drug abuse councils to serve junior and senior high schools throughout the state. Early surveys indicate such programs have already been formed in many school districts.

For the first time, federal and state agencies and private organizations concerned with the narcotics problem have joined together in a Governor's Inter-Agency Council on Drug Abuse. Shortly, the first full-scale public service advertising campaign on drug abuse will be introduced in California. This program is an outstanding example of cooperation between the public and private sectors in attacking a community problem.

Now I ask your help through a legislative resolution to impress upon the federal government the need for drastic and immediate efforts to stop the flow of narcotics and drugs into our state over the border between California and Mexico. Estimates show that 90 percent of the narcotics entering our state cross

that border. I also hope that we can strengthen our already cordial relations with our good friends in Baja, California, and in cooperation with them devise effective action programs.

AGRICULTURE

We all share with the men and women of Aerojet-General, McDonnell-Douglas and North American Rockwell their justifiable pride in the recent and tremendously successful round trip to the moon by Apollo VIII. Yet, even as man extends his reach through space, we must keep in mind that agriculture--tilling the soil--is still our state's number one industry--and that California's agri-business leads the nation. It is to be expected that we should lead the way in agricultural labor relations policies. If we don't, we may soon be forced to march to yet another federal drum beat.

Therefore, it is my intention to seek and support legislation in the area of farm labor-management relations. Such legislation will:

- Protect the public, the farmers and the farm workers;
- Establish ground rules for and supervise free elections
To determine, first, if the workers want to be represented by a labor union or association and, if they do, to choose which one without fear, intimidation or reprisal.

This legislation also should spell out what role arbitration should play, and should clearly establish the prohibition of strikes and other work stoppages at harvest and other critical times.

STATE EMPLOYEES

Over the years, California state government has generally had a constructive and forthright relationship with its employees and their employee organizations. I believe we need to maintain and build upon that relationship. I look favorably on proposals to establish a more formalized process of resolving disagreements between government management and public employees as long as that approach is suitable to our constitutional and statutory framework. I would, however, be critical of proposals

The Honorable Members of the Senate and Assembly
Page 9
January 7, 1969

which would harm the cooperative spirit the state now enjoys with its employees. The taxpayers have a right to expect continuity in the services which their tax dollars support.

And here, I want to commend CSEA--the California State Employees Association--for their recent and most responsible statement regarding the impropriety of strikes by AFT teachers on our college campuses. It has always been obvious to me that the great majority of our state employees are solid, dedicated, thoughtful individuals. This recent action by their CSEA officers reaffirms my belief.

TRANSPORTATION

This month, the first California Aviation Master Plan Study gets under way. Its purpose will be to provide the state with proper guidance and direction to enable the aviation industry to plan and grow in an orderly fashion--and more harmoniously with anticipated urban growth.

In the meantime, we are focusing attention on other immediate problems facing us in the area of surface transportation in California.

While it is obviously the primary responsibility of regional districts to build and finance their rapid transit systems, it is clearly of major interest and benefit to the state to have fast, safe, convenient transportation for all in all major urban areas of California.

Therefore, I believe the state government should remove any obstacles that might exist to local financing of rapid transit, and that we should give regional transit districts the utmost flexibility in working out their financial problems.

I am well aware of the financial problems facing BART--the Bay Area Rapid Transit District. For that reason I support and hope for passage as early in the session as possible, a bill authorizing a local sales tax of a half cent in the three BART counties for the four-year period which should be sufficient to eliminate the BART deficit.

We enacted somewhat similar legislation last year for Los Angeles, and I would support such a measure for any other region that seeks it for this purpose.

The Honorable Members of the Senate and Assembly
Page 10
January 7, 1969

TRAFFIC SAFETY

The drinking driver is involved in nearly 50 percent of the fatal highway accidents in our state. To protect the thousands of innocent men, women and children who are killed or injured in such alcohol-related crashes, we must, this session, obtain legislation to improve intoxication testing and the prosecution of such cases.

GOVERNMENT REORGANIZATION

During the past two years, with your cooperation, I have reorganized the executive branch of state government to make it more efficient and more effective. The work we have done, together, has provided leadership throughout the nation; many states are now copying our approach.

My authority to streamline operations and make them responsive to contemporary techniques and needs will expire early next year. Therefore, I will request legislation to extend that authority for another two years.

I also plan to send to you several more reorganization programs. These will include the elimination of certain boards and commissions and the restructuring or consolidation of others.

Also, I will propose that we consolidate all of the major tax collecting agencies into one Department of Revenue, organized as are the other major departments. I am convinced this could result in substantial savings.

And, it may well be that certain provisions for constitutional revision, which were included in Proposition One on last November's ballot, should be set apart and replaced on a future ballot so that the people can have the opportunity of a more deliberative and selective decision. The need to streamline our state constitution remains.

To help local governments find practical solutions to some of their problems of growth and increased demands for services, I will support measures directed at developing modernized and acceptable annexation statutes.

TAX REFORM

Tax reform remains one of the most important and imperative matters facing all of us. As you know, some months ago I named State Controller Houston Flournoy to head a Tax Reform

The Honorable Members of the Senate and Assembly
Page 11
January 7, 1969

Study Commission. That commission is now completing its work and the chairman has advised me that the report will be ready sometime later this month. At that time I will review the recommendations with Mr. Flournoy. I will deliver to you a message on tax reform during this session.

SECONDARY EDUCATION

Now, while we are necessarily occupied with action to protect, preserve and build our system of higher education, we must not ignore or under-rate the importance of elementary and secondary education. These K-through 12 years are vital; they should be one of our top priority items; for millions of children, these grades may contain the total of their formal education. They must not be short-changed by allowing other programs to siphon away money which should go to them.

In this age of technological revolution, the future will depend a great deal more than before on the excellence of our basic educational system.

I will establish a Governor's Commission on Educational Reform to analyze root problems and to suggest major reforms in the areas of financing; teacher training; standards and salaries; curriculum; and the proper functions of schools in today's society, especially in our urban areas.

One of the important subjects which this commission must tackle is a new and more equitable system of state participation in school district financing.

And, I believe, they must seriously assess the need for, and the potential benefits in, a system of technical institutes to help prepare the vast majority of our young people who will never go on to college.

In the decade of the seventies, California will need 2.4 million more skilled and technically-trained young men and women to keep up with our expanding economy. Perhaps the existing network of community colleges would be the proper launching pad for the important task of preparing our youth for the increasingly technical future.

HIGHER EDUCATION

No state-of-the-state message this year could fail to dwell upon the problems of higher education.

The Honorable Members of the Senate and Assembly
Page 12
January 7, 1969

We are all greatly concerned about the attacks on our educational system by small groups of criminal anarchists and latter-day Fascists...those unruly few who seek to close down the campuses of our universities, state colleges and even high schools.

Their indefensible onslaughts are not in any way to be confused with the traditional and generally acceptable activities of students who will always seek change through proper and constructive channels; the latter seek to improve, to build; the former seek to tear down, to destroy.

This session I will seek an omnibus program on the safety and security of our educational institutions--to protect the teacher, the student, and the public. Such proposals would, among other things, increase the legal penalties for assaults on teachers and students, provide for the expulsion of students or the dismissal of teachers who interfere with the educational process, and strengthen the trespass laws to keep troublemakers off the campus.

I have said this before and I say it again here this morning:

I will continue to use every power at my command to insure that safety and security--and the proper academic atmosphere--is maintained on every campus. I am determined that academic freedom and the pursuit of knowledge will be upheld, protected and preserved.

Over the years the people of California have gone further than perhaps any other state to make sure that political pressures will not interfere with academic excellence. There are events which try our tempers and there are times when we are tempted to make changes in the system to get at the destructive and unruly few. But, we must guard against excesses: extremes of whatever source are always dangerous--and often self-defeating.

It is incumbent upon us, this year, to review the system carefully to ascertain whether or not some changes and improvements should not be made in the governance and administrative procedures of our colleges and universities. We should determine, for example, whether the very proper goal of protecting our campuses from political interference could not be served just as well with shorter terms for the Regents and Trustees.

And, again this year I will support measures to establish some form of tuition or increased fees at our state colleges and universities. As I have outlined before, I believe

The Honorable Members of the Senate and Assembly
Page 13
January 7, 1969

such an equal education plan is necessary to achieve full educational opportunity for all qualified students in California, to provide supplemental capital for each campus, and to eliminate existing inequities so that low-income families will not have to bear a disproportionate share of the cost of higher education.

But, at the moment, the problem confronting all of us is not just the problem of procedure or financing; our overriding problem is anarchy and insurrection.

It is time to make it completely clear: higher education in our state colleges and universities is not a right, it is a privilege. It is a privilege made available by the commitment and the sacrifice of the taxpayer. And we here in Sacramento have not only the right--but the responsibility--to set the standards and establish the basis on which public higher education will be available to all qualified students.

It is not in any way a question of interfering with academic freedom--it is a matter of demanding professional conduct from both students and teachers; it is a matter of living up to our responsibility to the people; it is a matter of protecting the rights and personal safety of our citizens, including those on the campuses.

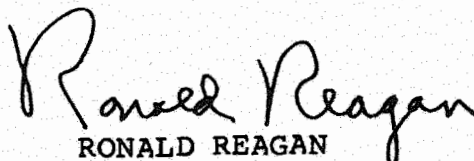
It is a matter of making sure that no group is ever permitted to unjustly force its will upon the people.

As long as I am Governor, I will do everything I can to make sure that this privilege of a higher education is guaranteed to our young people in an atmosphere of safety, freedom and reason.

With whatever it takes, I will protect those students who want to learn, and those faculty who want to teach.

Legislators of California--join me in this commitment!

Respectfully,


RONALD REAGAN
Governor

TEXT OF
STATE-OF-THE-STATE MESSAGE
to a Joint Session of the
CALIFORNIA STATE LEGISLATURE

by
GOVERNOR RONALD REAGAN
JANUARY 6, 1970



To the Honorable Members of the Senate and Assembly:

It is in the nature of things that at such a joint session of this Legislature I'm expected to deliver a State of the State Message boasting about some of the things this administration has already done---and listing some of the programs we intend to launch during the coming year. Traditionally this recital of hoped-for legislation is referred to as "the laundry list."

It is also in the nature of things that such messages be debated, sometimes with more heat than light. Rebuttals are prepared even before the remarks are formally delivered; some excoriate and some defend, some decry omissions and others praise inclusions.

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

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

Just six days ago the world embarked upon a new decade. It brought with it the achievements and the scars of the sixties. It signifies more than just a measured span of years---it introduces its own imperatives, and it stirs our souls for a new spirit.

Since we last met like this--on January 7, 1969--about 300,000 individuals have been added to our state's population. It is predicted that by 1980 there may well be some 25 million people living within our state.

Every year, as our population grows and our problems increase, we are called upon to perform minor, even major, miracles for, while such growth can mean progress, it can also mean degradation.

The Honorable Members of the Senate and Assembly

Page 2

January 6, 1970

We are already faced with a chronic shortage of funds for such capital facilities as the State Water Project because of the tight money market. The proposition on the June ballot, which will allow us to raise our interest rate ceiling, must pass or we will face serious, almost chaotic, contractual and construction problems.

We are challenged to protect the safety and the liberty of our citizens and to provide the proper climate for economic development while preserving our priceless, irreplaceable natural resources. We seek ways to accommodate those who want to share in the magic of California, without allowing that magic to be swept away by a wave of people and pollution.

And, we must provide all of these services and all of these protections without confiscating more and more of the taxpayers' earnings--and without depleting the risk capital which is vital to our economic expansion--and to jobs and job opportunities for our growing population.

These are some of the imperatives of the seventies that should bind us together in common effort. They demand a common commitment greater than any personal ambition and stronger than any partisanship.

This being an election year, there will no doubt be many evidences of partisanship---and properly so. The two-party system is essential to our government of free men. It ranks with our federal system of sovereign states as the great safeguard of our freedom. It is important that we argue things out---so long as we argue about the right things.

In the coming weeks and days, I will deliver to you definitive messages and specific requests for legislation dealing with some of the imperatives of the seventies. The laundry list will come in installments.

QUALITY OF LIFE

There is no subject more on our minds than the preservation of our environment, and the absolute necessity of waging an all-out war against the debauching of that environment. A booming economy and the "good life" will be no good at all if our air is too dirty to breathe, our water too polluted to use, our surroundings too noisy and our land too cluttered and littered to allow us to live decently.

The Honorable Members of the Senate and Assembly

Page 3

January 6, 1970

One of the great bays of our state is already so badly polluted it is unsafe for many water sports---and yet every day some one hundred million gallons of human and industrial wastes are dumped into it. And, along the Santa Barbara coast, seeping oil continues to ruin the beauty and endanger wildlife---and it is nothing less than irresponsible demagoguery to pretend that the turn of a valve or a simple edict can resolve this tragedy. No one can be indifferent to the distress of those along that scenic coastline. It goes without saying that the oil pollution plaguing them will be cleaned up---and, that must be a permanent guaranty.

We stand ready to use the tough provisions of the Porter-Cologne Water Quality Control Act if necessary, including the requirement that those who are responsible for oil spills are responsible for cleaning them up.

But, it is even more important to find a way to end the threat of such pollution. When the federal government began granting leases outside the three-mile limit--more than year prior to the disaster off Santa Barbara--we urged that before either the federal government or the leasing companies took any profit, a percentage be set aside as insurance for the nearby coastal areas. This proposal was ignored.

When we learned that federal drilling regulations were only one-third as effective as those we insist on in California State leases, we urged the federal government to adopt our standards---and we offered to take over the policing of the federal leases. This suggestion also was ignored. There is general agreement that the oil spill of last year could not have taken place had the drilling been done under our state regulations and policing. The incumbent Secretary of the Interior adopted our standards almost immediately upon taking office.

ADMINISTRATION POLICY ON SANTA BARBARA

We support the State Lands Commission ban on any new drilling on off-shore lands under state jurisdiction while we make certain that safety and containment devices are adequate to protect the public interest. We have urged the federal government to do the same.

We have already joined with local governments to force the revocation of recent federal drilling and platform permits pending public hearings.

The Honorable Members of the Senate and Assembly

Page 4

January 6, 1970

And, while we continue to seek scientific information and opinion on the long-range answer, we cannot ignore the findings of the scientific panel chaired by Dr. Lee DuBridge that pumping should be accelerated to relieve pressure build-ups which cause seepage through the fractured and unstable channel bottom. The most recent oil spill would seem to lend support to the DuBridge theory, since it resulted not from drilling but from a four-day halt in pumping; there is also the history of oil seeps in the Santa Barbara channel going back long before any drilling or pumping began.

The other part of this whole off-shore oil problem has to do with esthetics---the unsightliness of the drilling platforms. The new Secretary of the Interior has agreed to extend into federal waters the sanctuary boundaries we have established to ban drilling in areas of great scenic beauty. This had not been done before and as a result, the sanctuaries ended at the three-mile limit.

The real answer can come, of course, through technology---the development of submerged and unitized structures for drilling and subsequent pumping. We will be ready to move on this as soon as such installations can be certified as practical.

But, one thing is certain: the people of Santa Barbara, and all our coastal communities, have and will continue to have our help to solve this tragedy and to prevent future occurrences.

AIR POLLUTION

Back in the forties, smog was something radio comedians joked about; now, it is hard to find any humor in the some 13,000 tons of air pollutants descending every day on the inhabitants of just one of our metropolitan areas.

We have already made some progress in fighting air pollution---although it's hard to believe when the skyline dims and the air we breathe is made visible by the pollutants it contains. But, we did turn the tide in 1966, and despite the increased number of cars on our streets, air pollution is on the decline. Our job now is to speed that decline.

Last year, together we passed the toughest water quality control laws in the nation. We must have the same kind of tough laws to protect us from air pollution. Our state laws governing motor vehicle emissions are the toughest in the country, but they must be made even tougher.

The Honorable Members of the Senate and Assembly
Page 5
January 6, 1970

We must seriously consider whether propulsion systems other than the internal combustion engine are practical, and we will continue our tests in this field. In the meantime, the stringent vehicle emission standards we have established must be enforced and the Air Resources Board is developing more effective emission test techniques so that every new vehicle can be checked before certification and sale.

And, we must move quickly against those stationary sources which continue to spew debris into our skies.

During this session I will seek your support for the passage of an Omnibus Clean Air Law. It would establish a statewide, comprehensive monitoring and control program; require compliance with even stiffer motor vehicle emission standards; include new standards for the composition and volatility of gasoline, and set forth a regulatory program for agricultural and other open burning.

There are some other key environmental goals which we should achieve this year:

--The preservation of our relatively few estuaries, particularly in Southern California;

--Opening up more of our coastal areas and beaches to public use;

--Initiating a broad program of conservation education in our schools;

--Encouraging the further preservation and enhancement of the San Francisco Bay;

--Encouraging the preservation of the natural environment of the Tahoe Basin, and

--Instituting stricter pesticide controls.

As a partner in government, I applaud the proposal for an Environmental Committee in the Assembly; recently a State Environmental Policy Council was formed in the executive branch. Lieutenant Governor Ed Reinecke is the chairman of that council which is now reviewing the many suggestions emanating from the recent Conference on Changing Environment. Some of those suggestions came from young people who represented college campuses throughout the state.

The Honorable Members of the Senate and Assembly

Page 6

January 6, 1970

But, in seeking to preserve the magic of California, we must avoid those extremes on either end which could destroy our state. We cannot go all the way with those who cry, "No more roads, or factories, or power plants." Neither can we go all the way with those who justify everything in the name of progress---refusing to count the consequences; the obvious destruction of our environment is far too great a price to pay.

Progress and preservation are compatible; it is the refusal to work together for the proper balance that is incompatible with the spirit of the seventies. We must be concerned about the quality of our environment; we must also be concerned with the quality of government, and the integrity of those who serve in it.

CONFLICT OF INTEREST

Last year you passed and I signed a conflict-of-interest law which, while it was a start in the right direction, failed to give us what we really need to assure our fellow citizens that government in California will be beholden to the people. Therefore this year, in cooperation with the leadership of both houses, I will again propose conflict-of-interest legislation which will give California the most comprehensive laws of any state.

This legislation will extend disclosure provisions to cover all state civil service employees as well as all elective and appointive officials, including all constitutional officers, all salaried appointive officers, all judges, and the immediate families of each. It will also cover local public officials---mayors, city councilmen, county supervisors, and the officers of boards and commissions.

Under the provisions of the law, all state civil servants and non-salaried appointive officials--and their immediate families--would be required to disclose only those investments in activities directly regulated by the agency, department or board of which the person was an employee or member.

CONSUMER PROTECTION

Just as we protect the public from the possibility of an unscrupulous public servant, so we must also protect the consumer from the possibility of the unscrupulous entrepreneur. We shall accelerate the programs in the area of consumer protection.

The Honorable Members of the Senate and Assembly
Page 7
January 6, 1970

We will submit to you a reorganization proposal which would create within state government a Department of Consumer Affairs--- the first of its kind in the nation. We will also move on several other administrative fronts.

We will again this year recommend that public membership be increased on many of the state's regulatory boards and commissions, and I hope that together we can do this to give the people a greater direct voice in the regulatory process.

We operate on the free competitive enterprise system in this nation and it has served America well. Business must, and generally does, serve the people honestly and fairly. We must be careful that we do not penalize or harass the multitude of honest businessmen for the sins of a few; those few must be brought into line, or put out of operation.

In the final analysis, the best protection for the consumer is to be fully armed with the facts about fair value, full measure, and safety. An important part of our consumer protection program will be to develop consumer education courses in our schools in cooperation with the Department of Education.

DRUG ABUSE AND NARCOTICS

We enter the seventies with a continuing and tremendous concern about the increasing problem of drug abuse and narcotics addiction. The problem has not been exaggerated; it is, in fact, more serious than appears in the news media. The physical and mental destruction of youth is far greater than the public is led to believe. Just as alarming is the growth of the "drug culture" which is tolerated--even touted--by many who influence our youth; it is a culture which glorifies and justifies the drugged and the drop-out, and it reaches into our high schools and even our junior high schools; the suburbs as well as the slums.

Together we have already taken significant legislative and administrative steps to wage a war against the peddler and the pusher, and to help those who are desperately trying to free themselves from their drug-induced nightmares. Working with the private sector, we have already embarked upon a widescale public education campaign to bring the facts of the horrors of drug abuse to our young people.

We will create a State Office of Narcotics and Drug Abuse Coordination. All agencies and departments in state government will be instructed to cooperate with this office in the total fight against narcotics and dangerous drugs. This is a war we intend to escalate, and win.

The Honorable Members of the Senate and Assembly
Page 8
January 6, 1970

The laws we seek will involve the manufacture and sale of dangerous drugs, including licensing and bonding shippers and warehouses, expanding the duties and the powers of the State Board of Pharmacy, making the penalties for the sale or manufacture of restricted and dangerous drugs consistent with the penalties for possession of such drugs, and using electronic surveillance equipment under proper judicial safeguards.

We must all be deeply concerned about what J. Edgar Hoover called the "wretched record of crime and violence during the sixties." Law enforcement, on the whole, has done an excellent job in spite of increasing demands and obstacles. Perhaps the thrust in the seventies should be on the correctional system; it is the repeating offender who causes the bulk of our problem. There must be a new strategy in the search for answers. I propose an immediate major in-depth study of all correctional processes in California and will make the details of this proposal available to you shortly.

WELFARE

Even in these times of high employment, welfare costs in California continue to climb at a rate beyond the capacity of our tax structure to keep pace. This increase each year is almost three times as great as the increase in our revenues. During a period when we added 600,000 to our population, 400,000 were added to the welfare rolls.

We can, and we are reducing the administrative costs of welfare, and we are eliminating welfare fraud which not only robs the taxpayer but victimizes the legitimate welfare recipient. But this is not enough. We must be permitted to develop and implement a new approach---for welfare's purpose should be to eliminate, as far as possible, the need for its own existence.

The newly-created Department of Human Resources Development is a good start in that direction. Its goal is rehabilitation, and the transfer of the rehabilitated from the welfare rolls to payrolls. Later in this session I will make a special message to you on welfare, including the findings of an independent fraud review panel.

And, I will propose the organization of a new, streamlined Department of Health so that we can more effectively administer and control the Medi-Cal program, which, like welfare, is one of the major and fastest-rising costs of state government.

The Honorable Members of the Senate and Assembly
Page 9
January 6, 1970

We must have the courage to face up to some hard decisions. There is just so much money in the government pot and it can only be spent once. It is our responsibility to establish priorities so that our limited funds can be put to the best possible use. How much, for example, should be spent on welfare as compared to education? We know that education offers the greatest opportunity for breaking the welfare cycle, yet the increase each year in welfare costs is almost double the increase we are able to give our schools.

EDUCATION

Education is still the high priority. Last year the commission I appointed on educational reform completed the first phase of its work and made certain recommendations to me. These will be translated into concrete programs and legislation with reference to such important areas as teacher training, technical or vocational education, improved governance of the public education system, and education finance.

As long as school financing comes almost solely from the accidental method of property taxation, primary and secondary education will continue to experience serious fiscal difficulties and serious inequities between school districts. We must enact new ways to help finance schools and at the same time provide relief from the far-too-heavy property tax burden. During this session we must enact a tax reform package that will get that job done. Meanwhile, Californians should be leery of pseudo-tax reform measures which could well cost them one billion dollars a year in increased taxes.

The task in higher education poses as great a challenge and is as great an imperative. We must achieve a greater measure of accountability from these public institutions. We must achieve greater effectiveness in the management and priority of expenditures. Colleges must make full utilization of existing facilities and faculty before the taxpayer is asked to foot the bill for expansion.

Faculty members and administrators must continually remind themselves--or be reminded--that their fundamental purpose is to provide the conditions for effective learning, and to give the students the first priority. The student must not be forgotten in the competition for the academic establishment's drive for prestige and power.

The Honorable Members of the Senate and Assembly
Page 10
January 6, 1970

The tone and the spirit of the 70s must be on quality rather than quantity. Education must be adequately financed; but we must not judge excellence solely in terms of dollars spent. The true measure is achievement of the students---in the trades, the technical skills, the professions, the arts...and in the progress made by each as an individual.

ECONOMY IN GOVERNMENT

There is another area I must emphasize as we enter the seventies: that is the need--the absolute necessity--to hold down the cost of government. I'm sure you expected me to get around to that.

It is a harsh fact of life--upon which most economists and historians agree--that once the level of taxation reaches and remains at 35 percent of the national income for a period of time, that nation cannot remain solvent--or free. Today, in our nation, the level of confiscation by taxation has reached approximately 37 percent---37 cents out of each dollar earned is taken to pay the cost of government.

In a few weeks the budget for the fiscal year beginning next July will be submitted to you. I'll resist the temptation to find some adjectives to apply as a title to this budget; to tell you the truth, I don't think an adequate word has yet been coined.

Very simply, no area of government will receive all it asked for; unlike the federal government, we can't print money, and the State Constitution says we cannot spend beyond our revenues. So, taking the estimated total to be collected in taxes (and, for more than two decades those estimates have averaged within 1½ percent of being correct), we have distributed these revenues in the most part in proportions similar to the budget of last year. However, we asked each department to submit its own priorities in order of importance and the final decisions had to be made then on a comparison of some lower priority items of one department against another.

There may be difference of opinion regarding priorities--and this is certainly an area for a legitimate debate; but, the budget as a whole is up to the limit of estimated revenues. Anyone suggesting additions should be prepared to recommend an additional tax to pay for them. Frankly, I hope no one will. Government, as well as the individual, must share the pain of inflation.

The Honorable Members of the Senate and Assembly
Page 11
January 6, 1970

Bastiat said, "The state is the great fictitious entity by which each one is led to believe he can exist at the expense of someone else." It's time to recognize we are all that "someone else." The individual's earnings which are taken for taxes--directly or indirectly--cannot be spent for food, or clothes, or education, or retirement savings. Money taken by government cannot be used to provide jobs or higher wages for a growing labor force.

"THE ARROGANCE OF OFFICIALDOM"

And, that brings me to another "must"--the need to bring government to heel; to make it not only more economical, but also more responsive, so that the individual citizen can once again exercise control over the affairs of state.

By now we should have learned our lesson: the more government does for the people, the more it does to them, and then follows what Cicero called "the arrogance of officialdom." Those who want to give the citizens more and more government usually end up giving them just that---and little else. Our task for the seventies is not more government, but better government.

At the beginning of the last decade, a young leader stood on the steps of the nation's Capitol and exhorted America: "Ask not what your country can do for you; ask what you can do for your country." His challenge struck a chord in our hearts. Now, on the threshold of a new decade, we might well add: "Ask what we can do for ourselves," ask "what we can do to solve the problems of human misery without waiting for yet another government program."

Now, I know that this will fall harshly on the ears of those who say that government and government spending is the only answer to our problems. But the great social ills are with us not because of indifference or lack of government effort--on the contrary there have been massive and costly welfare programs. Too often government is an unwarranted and an unwanted middle-man who becomes a part of the problem--and in the government's war against poverty, for example, poverty is winning. On the other hand, in the war that the private sector is waging against poverty, hundreds of thousands of individuals not only have new jobs and an income---they have a new sense of individual pride.

The question is not whether the unfortunate should, or should not be cared for; the real question is "How can we best care for them, at the same time that we help those who can help themselves."

The Honorable Members of the Senate and Assembly
Page 12
January 6, 1970

THE SPIRIT OF THE SEVENTIES

Today, many of our young people are critical of what they call "The Establishment." Frankly, I think they have much to be critical about. There is a certain validity to many of the points they raise; there is a certain legitimacy about many of the grievances they list. But, in their impatience and their exuberance to build a better world, they have at times been misled to premature or excessive action by those who took advantage of their concern. But now they are wiser to the ways of the zealots, including some of their own teachers, who used them for non-constructive purposes.

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

Well, meaningful involvement is the very heart of the Creative Society. It's exactly what we mean when we say that government once again should be of and by--as well as for--the people; that no government and no government program can ever do away with the need for individual participation. And if the young people are really looking for action--constructive action which can make the decade of the seventies a benchmark in man's search for a better world---they can find it by working within the system, reforming it, making it more responsive to the citizenry, and helping to get it out of our pockets and off our backs.


Some of our young people have said that what they are really looking for, what they are working for, is a return to the original purpose and the original spirit of America; the spirit which seems to them to have been pushed aside in this centralized, computerized, contemporary world. Well, that spirit may be lost, but it hasn't died. Has democracy failed in America---or, has it ever really been tried? That idea that all men were created equal; that each man should be free to fly as high as his ability and his drive will take him; that each man counts and is accountable, beholden only to God for his sovereign rights.

Just past the mid-way point in this new decade we will observe the 200th anniversary of the founding of this nation. Dare we imagine what the 1970s could be if the spirit of those first American seventies--the 1770s--could be reawakened in our land? Dare we envision what heights we could reach if that spirit became the spirit of the 1970s?

The Honorable Members of the Senate and Assembly
Page 13
January 6, 1970

More than a footprint on the moon--as great as that is--we could together leave an imprint on all time, and we could reaffirm the true yardstick by which to judge the state of the State for decades to come.

Respectfully,


RONALD REAGAN
Governor

