



EDMUND G. BROWN

GOVERNOR

SACRAMENTO, CALIFORNIA

March 10, 1965

DEAR FELLOW CALIFORNIAN:

This is the first of a series of letters I plan to write you during the current legislative session to bring you up to date on what's happening here in Sacramento. My purpose is to report directly to opinion leaders throughout California on behind-the-scenes developments here that affect not only legislation but the entire governmental and political picture.

Generally, the session is off to a slow start. The reason, of course, is that legislators, very properly, are concentrating their efforts on reapportionment. The political arena, however, is as lively as I have ever seen it this long a time before a general election. But more on both reapportionment and politics a little later.

The big news here as we enter the third month of the session is still my budget for fiscal 1965-66, and my proposals for raising new revenues to finance it.

Now you've read a lot of big black headlines about "Brown's record-shattering budget" and "Millions in new taxes," but let's look at the facts behind the headlines.

This *is* the biggest budget in California's history. But the budget of every California Governor—Democratic or Republican—has been bigger every year of his administration. And will continue to be as long as this state's population continues to skyrocket by more than 600,000 a year.

It *is* true that for the first time since 1959 I am asking for more taxes—\$62 million for the next fiscal year. But let me tell you that every penny of it is absolutely necessary if we are going to have quality government in this state. And let me add this. No knowledgeable person in Sacramento actually believes we can operate next year without new revenues. The argument is over how we raise the money.

Actually, my plan calls for another nickel on a package of cigarettes, a slight increase in inheritance taxes and a long overdue withholding system for personal income taxes that not only doesn't raise the rates but forgives a full 50 per cent of income taxes due for the current year.

I believe my plan spreads the increase evenly and fairly over most of our citizens. If you read between the lines of the alternate plans I've heard to date, their effect is to spare the "haves" at the expense of the "have-nots." I'll fight that approach all the way.

But there's more to the budget-fussing up here than how to raise new revenue. Many legislators, whose political affiliation I will leave to your imagination, see this as an opportunity to hack away at what I believe to be essential services of government.

We have heard, for instance, that we ought to eliminate the office of Consumer Counsel Helen Nelson, a scrappy lobbyist for the housewife who's been saving them millions of dollars a year by exposing consumer frauds.

There's even been a suggestion (from the Birch Society, I expect) that we cut down on the money we spend for rabies control.

Other proposals suggest not only false economies but no economy at all. For instance, the Legislative Analyst thinks we could "save" \$19.5 million by collecting tuitions from students in our university and state colleges. In the same breath, he says we ought to have more scholarships to compensate for charging tuitions. But in presenting his plan for a total "savings" of \$124 million in my budget, he takes full credit for adding \$19.5 million in tuitions without deducting the cost of new scholarships.

Obviously, there are sincere critics of my budget who honestly believe we can maintain our present level of services without new revenues. And, believe me, if they can show me how to do it—whether they're Republicans or Democrats—I'll be grateful.

But, generally, the critics have not taken that positive line. Instead, they present a choice that I believe is no choice at all.

Will California continue to have quality government? Or will we throw up our hands and admit that our spectacular growth is just too much for us—that the time has come to cut back on services, however essential?

If you think you've heard that song before, you have. It was Barry Goldwater's no-win economic theme all of last year. But despite the thumping he took here and across the nation, his philosophy of surrender still has its advocates in Sacramento.

I hope you will agree with me that this fastest growing state in the nation can't afford second rate government. With 600,000 new citizens a year—200,000 of them pounding on the doors of our schools for admission and another 200,000 of them looking for jobs—we have no choice but to move ahead.

And here's the most important point to remember. Our expenditures for quality government are not unrecoverable costs. Rather, they are the wisest and soundest possible investment in the present and future of our state. Let me prove it to you.

I have on my desk the draft of a new economic report for 1964 that I will submit to the Legislature this week. It proves beyond all doubt that our expenditures for the development of our human and natural resources are paying handsome dividends.

Employment last year was the highest in California's history—an average of 6.6 million or nearly 200,000 more than in 1963.

Personal income was at an all-time high and California, but one of 50 states, had more than 11 percent of the aggregate national income.

Per capita income was up nearly 5 per cent and, mark this, income after taxes was up 5.5 per cent.

Wages, corporate profits and farm income also broke all records.

Yes, it was a great year and the prospects for 1965 are just as bright. But we will continue to show the way to the rest of the nation only as long as you demand government that is not afraid to invest in the future.

On the reapportionment front, the Legislature is burning the midnight oil trying to reach agreement on new district lines before the July 1 deadline set by the courts. California senators simultaneously have taken the lead in calling for an amendment to the federal constitution that would permit the voters of individual states to decide the question.

But there is another aspect of reapportionment that hasn't been given too much attention in the press. What happens after reapportionment, whatever form it may take?

We now have a Democratic majority in the Senate and for that reason it is, without question, one of the most progressive and responsible upper houses in the entire country. But the re-drawing of district lines would present the Republicans with a chance to oppose the Democrats on new ground, as it were. And just as obviously, we would have a chance to take a crack at certain Republican conservatives who would be running in new districts.

The political activists among you will want to start early in launching a massive drive to increase our Democratic majority. The cost in money, time and energy will be heavy, but the advantages to be won are worth it.

A final word or two on politics. We are still 20 months away from the general election of 1966 but at least three Republicans already appear to be running hard and fast for my job.

Ronald Reagan, one of Barry Goldwater's most fervent supporters last year, is peddling the same old snake oil at the same old stand—"Medicare is socialistic," "Washington is a hotbed of subversion," ad nauseum.

George Christopher, who ought to know better, is parroting Richard Nixon's tired 1962 line that "California's economy is on the rocks" and "taxes are discouraging new investment." I'll send him a copy of the new economic report and set him straight.

Goodwin J. Knight is also in the field and is concentrating his efforts among taxpayers' organizations in the south.

Perhaps I should add a fourth name to the list of Republicans already off and running—that of George Murphy.

The Republican Senator has spent more time in California politicking than he has tending to his duties in Washington. His proxy there is a mimeograph machine that pours out one political handout after another—most of them on farm labor.

To my knowledge, Murphy can't claim credit for recruiting a single domestic worker to harvest this year's crops. To the contrary, the effect of his propagandizing has been to discourage Americans from seeking work in the orchards and fields.

Despite his ranting, my position has been constant. My original plan was for a five-year phase-out of braceros, recognizing that we could not hope to effect the transition to domestic labor in a single year. Secretary of Labor Wirtz, who has the final say, wouldn't accept it.

But I still favor the employment of American workers first and Mexican braceros only when necessary. This policy already has paid off. In the first two months of this year we were able to employ 10,000 additional Americans at wages 25 per cent higher than those paid to braceros last year.

If Murphy had had his way, all 10,000 would still be on the unemployment rolls.

When it did become clear recently, as I forecast it would, that we would need supplemental labor for lemons and asparagus, we told Secretary Wirtz we would have to have braceros under Public Law 414.

But I will continue to exert every effort to recruit Americans at decent American wages, turning to 414 only when necessary.

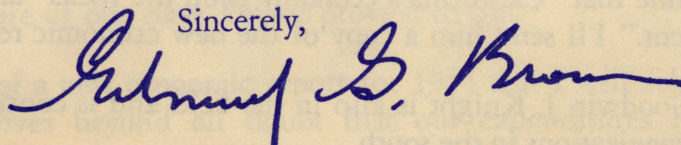
I would suggest to the Senator from Hollywood that his panic-button approach serves neither the long-range interests of the growers nor of American workers ready and able to go into the fields.

So much for the Republicans. As for the Democratic candidate for Governor next year, I, for one, never announce my plans before the first snow flies in the Sierras.

But if my decision is "yes," I'll repeat to you what I told my press conference last week: "There's still one good fight left in the old man."

All my best personal wishes.

Sincerely,



EDMUND G. BROWN, *Governor*