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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JUNE 13, 1967

Reported by

Beverly Toms, CSR

(This rough transcript of the Governor's press conference is furnished to the members of the Capitol press corps for their convenience only. Because of the need to get it to the press as rapidly as possible after the conference, no corrections are made and there is no guaranty of absolute accuracy.)

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GOVERNOR REAGAN: Good morning. Just one brief statement here, and one I'm very happy to make. We have with us two prominent businessmen who are moving an old and a very famous business to California this fall. They are John P. Frame, the Chairman of the Board and President of Mutual Broadcasting Corporation, and an associate of his, and an old friend of mine, Lee Kaiser. And I think they ought to stand up so you can see who they are over there. Well, thank you, gentlemen. They and their associates are moving the headquarters of the Mutual Broadcasting Corporation to Los Angeles from New York. I'm very happy that they like the climate, both sunshine and business, although we are a little short on the sunshine this morning, and I'm delighted to welcome Mutual Broadcasting to California.

Q Governor, has the flood --

MR. BEHRENS: Wait a minute.

GOVERNOR REAGAN: Way back in the corner there.

VOICE: Go ahead.

Q Governor, are you going to sign the abortion bill if it passes the Assembly today and do you have any objections to its provisions dealing with mental health of the mother?

Q I'm quite concerned about the bill. I don't think that it is exactly what I had been led to believe with regard to the things that I said I approved. I think there is a loophole. I understand some measures

June
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are being considered and some amendments. I'm going to watch those with great care. There is a loophole left with regard to the idea of the prospect of a less than perfect child, causing grievance mental suffering to the mother, and there also I think should be a tighter provision with regard to hospitals to prevent just the springing up of abortion-type hospitals, smaller hospitals. I think there should be a minimum size requirement.

Then, too, I was assured that there was going to be a residence requirement, so I never made any point of that because I thought that it was incorporated. I understand that it is still lacking in the bill, and I -- there is a year's difference in what I proposed as the -- and what I thought should be the proper age for statutory rape, and I'd like to see that put at the figure that we originally talked, age 14.

Q Does this mean that you'll veto it if it comes to you in this form?

A Well, Squire, I've just discovered these shortages here, and I just can't tell you. I haven't had time, just coming in this morning -- I haven't had time to really sit down and ponder what I'm going to do, so I'd rather not answer that yet.

Q Have you any communication yet from hierarchy in the Catholic church about these things. I understand the Arch Bishop called you.

A No, no, I understand that our mail is quite a mail campaign running -- urging veto of the bill. As I say, if these holes are plugged and as I had understood it was going to be amended to be to meet the statement that I made last week, I think my course is pretty well determined.

Q Have you told this to Beilenson or anybody else who is managing the bill that you have these feelings?

A I just learned about these as of now. I'm sure that if he hasn't been informed he will be informed and I know that our own people have some amendments to -- to rectify these particular points.

Q Governor, the amendments are going to be proposed by a young Assemblyman who happens to be one of those that opposed the bill while in Committee. The purpose of the amendments is to kill the blame thing because they are afraid it is going to get back in the Assembly. Did you know that?

A No, I didn't.

Q Governor, on the statutory rape, the bill provides that would be under 15, that is 14 and younger, before reaching 15th birthday. Is that what you would propose or were you proposing reaching the 14th birthday, as you said earlier?

A I'm going to have to -- I'm going to have to sit down and think about that one. I hadn't thought of it in that regard.

Q The last few times you said under 14, meaning 13 and younger.

A What I -- I want to make very sure that in my own mind I feel that this is truly a victimized child and not someone who is with certain knowledge of what they are doing, has done it and now just doesn't want to pay the price.

Q Governor, the Assembly will be voting on this bill in less than two hours. If they approve it in the form it is in now would you veto it?

A I've just been asked that question. I haven't had time to really sit down and marshal my thoughts on that.

Q Governor, a couple of weeks ago you said you recognized the fact --at a press conference -- that there were loopholes in the ^(abortions) mental health provisions, but you said even with these possibility of a loophole, you would still -- you thought it was necessary. Isn't this kind of a reversal of your position?

A No, the loophole I had in mind then, perhaps I hadn't thought as far as this -- the loophole that I had in mind then was of course that the -- the prognosis of mental health would be easier to exaggerate than the

than the diagnosis of physical health, and this of course could allow certain leeway for a **doctor** who wanted to do this, to make a statement that he believed that this greivous suffering or this mental health deterioration would result.

Q Have you had any communication from Cardinal McIntyre about this bill?

A No, no, I haven't.

Q Has Spencer Roberts contacted you on this -- or your office on this?

A I don't know if he contacted anyone on the staff. They haven't contacted me.

Q Governor, this bill hasn't been changed since Senator Beilenson amended it according to what he thought were your objections. How come you haven't learned about it before today, I mean as to what --

A For one thing I've been out of the city and I've only just received an analysis from the Legislative Council.

Now, wait a minute, I recognized someone way back there.

Q Governor, Assemblyman Gonsalves has put in amendments which would remove from the bill provisions concerning the mental health of the mother. If the Assembly accepts those provisions and knocks out this mental health provision, would you then support the bill?

A Well, in other words, you mean that that would no longer be justification for abortion?

Q Yes.

A Well, this --

Q Would you support the amendment?

A No, but let me say, I don't think that that would-- this would cause me any great distress in the bill. I know that this is a controversial part of it, but as I have said on the bill now I am neutral as to what happens up there until it comes down to face me.

Q But you do support that amendment? You would support that amendment?

A No, I -- when you say support that is a connotation I would actively go out and do something either promote it or not. No, I don't mean and I wouldn't -- but I would not -- if that amendment were inserted in the bill, that would not be cause to not sign it.

Q Governor, you mentioned that you had one reservation about a deformed child causing mental stress to the mother and this is giving you some trouble. And you said here that the mental health provision did not give you any trouble. Now, what is giving you the trouble about this particular bill of mental health?

A He asked a question if they crossed out, and the bill did not provide that the mental health of the mother was justification for abortion, that in other words if this was not included in the liberalization, would this affect my decision on the bill and I said, well, no, it wouldn't.

Q Governor, do you plan to make your reservations on the bill known or have you made them known to any of the Assemblymen before they take this up?

A I haven't had a chance. I just got here. I hope that some of our people -- now that we have this analysis -- are talking on this subject.

Q Governor, I understand you received a heavy flux of mail on this subject. Did that have any bearing on perhaps your thinking on your reservations?

A No, as a matter of fact, I didn't know about the mail. As I said, I've been out of town. I didn't know about the mail until I read it in the paper this morning.

Q Governor, were Assemblyman Biddle and Senator Beilenson misinformed when they, after talking to you, said they had changed their bills to what they thought were your specifications? Did they misunderstand you?

A No, I don't think so. I hope not, but I just-- this is something that I think could be solved in the wording of the bill here. There are-- maybe I misunderstood. There are a couple of things, like the residency thing that I've -- I've been assured were already accepted

in the bill and so I never made any point of those.

Q Two questions, Governor. Who has assured you that the residency requirements were already in the bill and who brought these observations to your attention this morning?

A This is in a report of the kind that I get in a lot of legislation, a memorandum in the office that is citing the interpretation of the Legislative Council. Now, Senator Beilenson at a meeting in my office did not say it was in, but said residency requirement was acceptable to him and I just assumed this had been done.

Q Governor, what sort of liaison exists between your office and the Republican leadership in the Senate where several days must pass before you really know what is in the bill then?

A I think we have a better relationship than would indicate by your question there, but I want to point out as I said before, these are fast moving days, and I have been -- I left the city Friday morning, and I've been involved in some other activities. I haven't been vacationing. I've been pretty busy and just arrived back and I'm here now. And there are some five thousand bills or so up there and we have had frequent meeting and we do keep as close a contact as possible. And I don't think there ^{has} been any lapse at all.

Q Governor, the bill in its present form, you would not sign if it came to your desk and passed Assembly this morning?

A For the third time, I have said I have not had time to actually sit down and marshal my thoughts on -- on this situation. I am expressing to you my unhappiness with the bill unless these corrections are made. But, I have not made up my mind as to the actual detail.

Q Governor, there are at least a few in the Senate who changed their views on this bill from opposition to support, and voted for the bill under the assumption that in its present form you now supported it. If now after

this happened, and the bill passed the Assembly, you veto it, haven't you sort of taken them for a ride?

A Well, I don't think so. Maybe they were taken for a ride also without adequate knowledge of what some of the **shortages** were. But, again, as I say, I've made no decision in that regard, and so we can finish that one right now.

Q Governor, several Legislators have said if this thing goes back, the abortion bill goes back to the Senate, it is going to be -- it is going to be killed with any amendments. So, if the choice becomes between having this bill with your objections to it and no bill at all, which do you prefer, if that is in fact a choice?

A You are still in just another way getting around that -- five times. I don't have an answer on that.

Q Slightly different question. What is the minimum size hospital you would want in this bill, number of beds and what?

A I understand there have been some discussions of say like a 70-bed hospital as against -- in other words to insure that you don't have a creation of the five or ten bed abortion bill-type hospital that simply calls itself "hospital" that went to this business.

Q Governor, you said some of your people have amendments prepared. Now, who do you mean by that? How will they know which are administration amendments?

A I don't know. I have simply with this this morning before coming in here, been informed that there will be an effort now to rectify some or all of these points.

Q Are you talking about Murphy's amendment?

A I don't know.

Q How is the Legislature going to know what you want?

A Because I'm sure that these legislative analyses and the same memorandums have gone to our Legislators.

Q Those were all debated in the Senate and Committees

and on the floor. All the questions were discussed when this bill was passed.

A Well, then they are going to discuss some amendments.

Q Governor, when you say then "our people will have some amendments," you don't mean your staff or your administration will have some amendments?

A No.

Q You mean just Republicans?

A That's right.

Q Governor, at this news conference two weeks ago we asked about changes in the abortion bill by Assemblyman Biddle. You said that if the deformed child provision was removed -- somebody asked if you would sign that bill. You said yes, "I would sign that bill." Now, were you really saying weeks ago that you weren't sure that you would sign that bill when you said you would?

A No, now look -- two weeks ago when you were present, also, you know that in here I told you the result of the thinking, as well as I could arrive at it, as to what I felt could morally be justified in the field of liberalizing the abortion bills. And I said, I believe, I believed under the logic of the right of self-defense that the mother had the right to the protection of her health and her life just as she has the right of taking life in self-defense from some aggressor now or some assailant. I said that I further believe that by the same logic it could be carried far enough to insure that as she has a right to resisting the act of rape, she certainly has a right to resist the results of that act. I said that to me the thing that could not morally be justified was the idea of us setting ourselves up to determine that some people could or could not live simply because they were going to be born less than perfect, and in that broad principle, this was my belief and I said I would sign an abortion bill that met those requirements.

Now, what is apparent here, and what has caused the -- the problem of the moment, is that within that broad

philosophy apparently the wording of the bill is such, whether intentional or not, I don't know -- but the wording is such that loopholes have been permitted which would in effect permit those who wanted to cut corners on their own liberalize the abortion bill to the full extent that the previous bill in which I was opposed would do. And I would like to see -- make sure that we are not with tongue in cheek passing a hypocritical bill.

Q Governor, what do you -- what do you think is the state-wide sentiment on the bill now? I mean based on opinion polls, your mail, your conversation with people, do you think most people in the state favor the bill?

A I don't know. I've -- I know that Senator Beilenson and some others have told me that -- that their readings and polls indicate a broad support for it. I'm quite sure that the opposition to it is certainly very definite opposition. You may call it organized in a way, and thus could account for the ability to change it. I'm sure they are quite sincere, no question about that, in their viewpoint. I actually couldn't tell you -- I've heard such controversial statements back and forth. I don't know where the people stand on this.

Q Governor, are we ready for another subject?

Q I'd like to ask, would you comment on the Senator Beilenson's statement that you were afraid to take a position on the abortion bill because of presidential ambition on your part?

A Yes, I'd comment on that. Senator Beilenson hasn't found very many people in the office I occupy recently who have been willing to take any stand at all on it. I've tried to explain as clearly as I could, what in my own mind and belief is morally acceptable in this field. And I don't know how much more of a stand I could take than I've just taken here in answering one of these questions. I've said exactly what I feel and what I believe is morally justifiable and what would be immoral. And I'm sure that again this was just a little bit of the partisanship that goes on.

Q Governor --

A I wonder if we are ready for another subject.

Q I've got one more question on this. Is your present neutral position on the bill the result of a staff recommendation? Did you initiate that yourself?

A No, I simply came in, was handed a memorandum on the Legislative Council's report and I must confess to not being able to bird dog and follow this thing closely enough to have known until I had this memorandum that there were these -- these shortcomings in the bill and some of them are misunderstanding, also, in that my just accepting that some things such as the residency requirement and so forth were already in the bill.

Q The memorandum came from the staff, right?

A Well, of course, yes, that would be the only place.

Q Did they recommend the position on this?

A No.

Q Governor, one more. Are you going to pass the word -- I see some representatives around here against the bill -- are you going to pass word along the people upstairs how you feel or are you going to let them know from us?

A I hope that they know already. If not, I'm going to see if they know.

Q I'm ready with another question.

A Another question. All right.

Q Last night in your T.V. report to the people you said the opponents of the mental health were engaging in blackmailing, and I wonder if that was a reference to the California Association for Mental Health and the Association for Council for Retarded Children.

A No, I said in my report that there were undoubtedly many people connected with this kind of propaganda drive that was going on who were sincere, but I said also I'm sure that there were some who were self-serving and who have their own axes to grind and to those I have to charge,

and I did charge a kind of attempted blackmail. And I'm not going to attempt to put the finger on who is, and I think they know themselves best who are sincere and who weren't and again, as I say, they are presenting great distortions. They have -- if they were all sincere, I would think that they would sit down and council with very excellent personnel headed by Dr. Lowry, who are engineering this program and who are in support of it, instead of going out and trying to find people even though they were in the professional field who are far removed from the area of the hospitals and for their opinions on them. I think the greatest weakness in their case in these ads is the specific stories that they are using. The examples of people finding a lack of care in some ward and a state hospital. This is pretty ridiculous when you stop to think we haven't started the cutback yet. Now, if these cases were true, and perhaps in some instances they are, -- I don't think there is an institution of this kind in the United States that you cannot go to and find at some point in a ward a shortage or some doubling up or some emergency-type situation, because this happens to be an area where it is the hardest type of personnel to hire. It is the hardest type of personnel to keep, and the result is that it only takes a few people in a certain -- in one department in a hospital to suddenly quit and leave you strapped until you can replace them, find someone to do the job, and so to use these examples now, I have to ask why haven't they been writing these examples up and staging this same drive any time during the past year or in the past several years when the situation was worse than it is now.

Q A couple of questions, Governor. First, when you say you haven't yet started, don't you mean that the layoffs haven't yet started? Isn't it true that the attrition in fact has been going on for several months, so that the staff actually is lower than it was say January?

A There may be a slight decline. I can give you

the figures on it. Let me tell you how slight the decline is. We started six years ago, as I said in the air, with a ratio of better, 4 patients to one employee, and in these six years we increased the number of employees by more than a thousand. We decreased the number of patients by 13,000. And we reached one point during this present year in which the ratio was down to about two and a half patients to one employee. At the present point, even after the freeze, it is still two and two-thirds patients to one employee, and we are freezing in a sense the ratio at that point. The layoffs in the coming year are simply to keep a parallel course with the continued decline in patients so that there will be two and two-thirds patient-- this will be the ratio to -- to one employee. Now, if at any time we have projected wrong and this decline in patients levels off and doesn't continue, we will level off with our layoffs to match it, because the ratio to be maintained is the current year's ratio of two and two-thirds to one.

Q Cutting through all that, my question was isn't it true that for example, at Sonoma, there are fewer staff available to treat the patients than there were in January?

A There may be some fewer. I don't know. I do know this, in the attrition rate and this is what Spencer Williams spoke about the other day, in connection with the word "sabotage," there is a possibility being checked out right now that in the freeze in some areas where more freeze takes place in one department than in another, and where this was supposed to be corrected by leveling out and transferring to keep an even balance, that they have held up on these transfers to create a situation in some departments.

Q And who gets fired in that case, the superintendent or the person who is supposed to be doing the work?

A I'd suggest that maybe you take that up with the department and with Dr. Lowry.

Q Isn't that your decision?

A What?

Q It is your decision, though?

A No, I think Dr. Lowry -- I've never gone in there to ask him who he's laying off or firing or hiring and I wouldn't know.

Q Governor, are you saying that in the case of the freeze, the employment freeze, some of the officials of the hospital have, in order to sabotage your mental health program, have not made transfers from one department to another? Is that what you are referring to?

A I said this was a possibility and this was what I'm sure Spencer Williams was referring to when he said that we were going to watch very closely for any of this -- this attempt at sabotaging this reduction program. I'd like to also point out with regard to the present campaign they are making, a great many charges are made with regard to mental health cutback or mental retardation cutbacks. This, too, is completely false. We are not reducing personnel at all in the field of mental retardation, because in mental retardation we do not have the same situation of the declining patient load.

Q Governor, to throw a little more light on your picture of shortage, I put my wife in the Mercy Hospital yesterday for an eye operation, and she is installed in the Maternity Ward. So, the State is not the only one that has their problems.

A No, I know, and there is going to be more of that unless we get to the business of correcting the Medi-Cal program which is throwing a burden on the hospital.

MR. BEHRENS: Any more questions?

Q Yes. Go ahead. Justice Molineri of the San Francisco Second Court of Appeals is the President of the San Francisco Association for Mental Health. The reason this whole thing came about, this T. V. campaign, was because people repeatedly tried to see you and they were rebuked for a period of six weeks, and all of their requests for appointments were rejected. Did you know about that? Did you personally reject them or your staff

or why couldn't you get together with them?

A No, I didn't, but I have also been informed, because I've checked up, we have once in a while -- this is a kind of -- kind of recurring complaint on the part of a great many people. I am sequestered and unable to be seen and I sit there with a schedule that goes about every fifteen or 30 minutes from morning to night. The only time I can do my mail is at home in bed at night, and I did some checking to find out and I have found out that for every appointment throughout the day, and the schedule is full right today clear through till after dark -- I have found out that they are turning away approximately 40 because there is that heavy a load of people seeking appointments. Now, if they were in that 40 -- but I would suggest also that certainly they had opportunity to see the people who are actually involved in administering this, beginning with Spencer Williams and beginning with the people in the mental health program headed by Dr. Lowry. And I think that these people are far better equipped to give them the facts and figures in greater detail than I pointed out here.

Q Justice Molineri said they want to give you the facts and figures.

A What?

Q They want to see you personally and give you their facts and figures. Would you be willing to see them?

A I'm willing to see anyone, and I'm seeing as many as I can. And their facts and figures wouldn't -- it would seem to me, would make a lot more sense for them to be presenting them to people like Dr. Lowry, who can -- will evaluate them better than I can.

Q I was just going to ask you if the group with which Justice Molineri and the Sacramento Fire Chief are associated are the ones that your -- you are charging distortion?

A No, I didn't attempt to put a finger on those. They know better themselves which ones.

Q They are the ones that are paying for the campaign, the T. V. spots.

A No, there is a lot of people paying for the T.V. spot including the circular I showed on the air last night of soliciting state employees on the basis if they don't stop this economy drive, their jobs may be next. And I doubt if that's exactly a program or a solicitation that is aimed purely from an interest in mental health and patient. The plain truth of the matter is we are not reducing the care for the mentally ill. We are maintaining it at a level than is greater any place in the United States. We are stimulating and encouraging the acceleration of a program that has done more in this state than any other state has done to further cure and return to normal life the patients in these hospitals.

Q Governor, a spokesman for the Psychiatric Societies of California, Dr. Irving Phillip, says California is not Number One regarding the treatment and care of mental ill.

A This is a technicality and I think if you go back a few weeks I even referred to this. It is true when you say number one, you are thinking in terms of the large industrial states, the large population states with problems similar to ours. Yes, you can find some of the smaller states with limited population where the -- the burden proportionately to these people is a little higher where it is -- maybe one installation in the state, or two, and where, of course, the initial cost of setting up such a hospital is thus, as I say, proportionately higher for those people. So, on the basis of whether they are being taxed heavier per capita than we are, this could perhaps put them in Number One.

But, I will challenge him with regard to us in the mental health care for the patient, that we are considered throughout the nation to be the leading state in that regard.

Q He also says you have to be under great strain personally to include blackmail to the entire medical profession.

A Well, you know, a head shrinker, he's probably sitting there looking at the pupils in my eyes on television. He can see me on a couch now. Well, I want to tell you, if I get on that couch, it will be to take a nap.

(Laughter)

MR. BEHRENS: Thank you, Governor.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD JUNE 20, 1967

Reported by

Beverly Toms, CSR

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(Whereupon Governor Reagan awarded the Medal of Valor pin for an act of heroism to Paul V. Johnson. A statement was subsequently given to the press by Governor Reagan.)

Q Governor, the Republicans in Omaha, Nebraska have "Reagan for President" signs hanging all over their hall. Will you comment on that?

A Well, now, I realize we all ought to be overjoyed by cancelling out this building, but I don't believe I deserve that just --

(Laughter)

A -- I mean at least let me get rid of a couple more buildings first. I'm flattered. I think anyone would have to be. I'm very gratified. I'm not a candidate for anything except to be a Favorite Son candidate here in our own State and they have so been notified.

Q Governor Reagan, just several years ago the Republican Caucus blocked appropriation for two state buildings and they came back into the budget the next year. Now will that building be back with us next year maybe or --

A No, as far as I'm concerned, the findings are that-- when I say "forseeable future" it is my understanding that as far ahead as 1980, which I think is about as foreseeable as you can get in government affairs, they can see on a standardization of office space for employees absolutely no need for this building.

Q Governor, back to Omaha again, if we could just for a moment, you are going to attend the Young Republican's Convention. You are also going to the National Governor's Conference. All these activities are going on at the time when your budget is being discussed in the Legislature. Can you tell us first how you feel about being away during this time and how you intend to communicate with the Legislature while you are gone?

A Well, Friday is the -- the meeting in Omaha where I'm speaking, so I think I've waited till the end of the week on that one. The Governor's Conference, the Western Governors' Conference takes place over the week-end winding -- well, not winding up, but my own part, as far as -- let me put it this way. I'll start all over again. For the Governors' Conferences, while we are allocated the time, if it is possible to be, that the two Governors' Conferences, the Western and then the Republican Governors' Conference, so far the only thing I have definitely committed myself to is the Western Governors' Conference as far as Monday noon, because of the importance of the subjects discussed there to California, particularly the water program involving all of the Western states. I have not definitely committed myself beyond that because of this very fact that I -- I do feel that the possibility of remaining is very slight in view of the week that it is and what's coming up.

Q Governor, back to this ^{state} building. Your statement says, "for which contracts had already been received." You mean bids had been received or contracts had been let?

A They hadn't been let yet. The State hasn't signed them.

Q In other words, bids have been received?

A There had to be some slight charges -- well, I say slight -- in comparison to the four million dollars. Charges for engineering and architectural fees and so forth that must be written off, but they amount to a very small amount to get such a savings.

Q Governor, whose responsibility was this to come up

with a request for design for the 10-story building in the first place?

A All I know is that it was part of the master plan for Sacramento and for government buildings. So, it had reached this stage when our task force intercepted it.

Q Well, were those under your administration or under another administration?

A Oh, Heavens, no, I had nothing to do with the master plan. That's -- that model had been up there in the lobby for quite some time. This is the previous administration.

Q Governor, does the cancellation of the plans for the Highway Patrol building suggest that you are not going ahead with the plans to double the Highway Patrol force?

A No, the actual force in the field is doubling -- this is in the field. This has nothing to do with the headquarters problem and the reason basically, I can go a step farther and tell you what they found -- it was simply in line with the studies that are being now for the first time, of space allocation for employees doing the same type of work and compared to private industry we have been quite lavish in a number of departments with the space that is being allocated to employees, and they found that even reducing the space allotted to employees in these two departments down to still a figure way above what is acceptable in private business -- they still do not need the third building.

Q They won't need additional for the force here?

A Not to any extent that can be seen as far as 1980, even with the expansion, that would make them grow out of the present two buildings.

Q Governor Reagan, what comments have you about the current status of your tax program?

A Would "help" be an adequate comment? Well, the tax program, I was gratified to see yesterday that it was amended back more into the shape that we originally submitted it in. It is, as you already know -- has been blocked in Committee and consideration now is being given in the

in the committee and discussion of these. I have felt, as I have expressed before, that the tax bill when introduced was a good and a sound and a practical bill, and to the best of our ability fairly distributed the burden over all of the people of California. At the same time I've always made it clear we have got an open mind. I have no authorish pride in this. We have an open mind. If anyone can show us where improvements can be made, either in fairness -- in distributing the tax burden or efficiency or effectiveness in it, we will listen. So, I'm quite sure the legislative process in this Committee, that they will discuss now the varying viewpoints that caused it to be amended in the first place, now been amended back.

Q Are you making any special efforts now to break this out of Committee?

A No, I think this Committee is a Committee where it should properly be discussed as to the form it will come out in.

Q Governor, do you attach any significance to the fact that it was party-line vote of Democrats that kept the bill from being approved in Committee yesterday?

A I'm just getting used to that.

Q Governor, what will you do if you have a budget by midnight June 30th but a tax bill has not been passed?

A Well, I don't see how I can accept a budget without a tax bill that's been passed. I -- it is a problem I know I'll meet at that particular time. A number of alternatives I suppose that are possible -- one could be very destructive, you just simply hack at a budget until it got down to the revenues that we have without a tax bill, but I think that that would be--to suggest doing that would be ~~to be~~ premature because I have no doubt that the Legislature is going to accept the responsibility of sending down a tax bill with the budget.

Q Governor, Senator Stiern suggested after the bill was held in his Committee yesterday, that if you dropped the 50 per cent sur-tax and reportedly installment payments, inserting withholding, it will generate as much income. If

you can be shown this, will you approve withholding?

A Well, I can't be shown that because what they are talking about also is the one-time windfall of two years collection in one. That doesn't do as much good for '68-'69

Mike, you had your hand up.

Q Oh, yes, Governor, there is some talk that all the debate on the tax bill and the budget is intended primarily to force you into a position of asking for more next year in a very important election year, to give you more or less a half a loaf this year and force you more in a political position next year. What do you feel about that?

A I've heard the same rumors and of course I'm very uncomfortable with those rumors, because I've -- it isn't anything that anyone would want to see happen, on our side of the fence anyway. And we are going to try to oppose it and get what we need now to do the job. I think that that would be irresponsibility in the interest of partisan politics to bring about such a thing, because I don't think it would be the best way to solve our present problems.

Way in the back there.

MR. BEHRENS: Keep him on the same subject, will you, Governor?

Q Governor, what are your feelings on educational T.V. in regards to --

MR. BEHRENS: Keep it on taxes until we get done.

GOVERNOR REAGAN: Can I come back to you, until we clear up this tax thing. Let's let everybody finish on the tax thing, then I'll come back to you.

Q Governor, would you say you would not sign a budget without a tax plan on June 30th?

A I said there were several alternatives.

Q Is not signing one?

A One of them -- one that I suggested would be the hacking it down to meet the present revenue structure without the tax increase, but I don't think that would be very responsible. I just am not going to speculate on that because I think that the Legislature is going to be responsible

and give us a tax bill.

Q Governor, do you feel bad about not really being able to lower the budget as some of your campaign promises during your campaign?

A I think we did lower it. I've explained a number of times that you must expect that a budget in California is going to grow at a rate of about 8 per cent a year. Our budget is 8 per cent over this present year's spending. It is the first time that we have held a budget in eight years down to that normal justified growth rate. It's been almost double that -- was double that this year. Remember that we started with a budget that had been submitted by the State Government before we took office, and it was this budget that we had to whittle at. Now, don't get me wrong. I am not convinced that we started from a proper base, but we had to accept the budget which we are operating because there is -- you must have some time in the economies that we are trying to effect to find out and make sure that you can make them stick. We have reduced the number of employees quite considerably, by our freeze. But, at the same time you've got to be practical enough to say now we must make sure in the coming year that we can perform this required services, make sure what adjustments may be necessary and then we will have an opportunity to say, "Now this is Government as efficient and as economical as we can make it," and base our budget on that. We didn't have that opportunity. We had to start with the type of structure of government that's been built up over the eight years to now and we did whittle down by more than 127 million dollars the budget that had been requested, by the various departments and agencies of the State. So, I think we have achieved a lot. I think we are going to achieve more. For example, things like this. (Indicating) The task force is continually reporting in as the year goes on. I believe that our real moment to find out where we stand is going to come at the end of the coming fiscal year.

Q Governor, in view of the fact --

Q Do you think the budget would be lower in the future?

A What?

Q Your budget in California would be lower in the future?

A We start from a lower base, but I told you as long as our growth continues, as long as we have the present inflationary rate, there is no way to foresee that California should not expect an eight per cent increase in cost of government every year. This is a normal increase based on that population growth and the increase in prices and wages.

Q Governor, in view of the fact that considerable sums in the budget will not be spent till late, isn't it possible for you to sign the budget in the expectation you'll get the tax bill later on?

A Well, that's -- the reason I hesitate to answer-- you are right, Squire. The reason I hesitate to answer on that, though, is I'd kind of like to see what the climate and atmosphere around it is at that time. It's been in again, out again up there -- at a place that I'm quite sure that I could do that safely because I'm quite sure, as I say, that the Legislature is going to act with -- and present a responsible tax bill.

Q Governor, when the task force completes its work, could we expect that their recommendations would be adopted in total for your next budget?

A Well, -- well, here again you know they may propose some things that would be ideal and would be in those areas where there are differences between government and business that couldn't be, but we are not going to wait for them to come in a leatherbound volume at the end as a study. We are going to do just what we did with this one (indicating), as far as they can bring in reports that can be implemented, we are going to implement them.

Q Senator Deukmejian who introduced your tax bill made three compromises yesterday in it. Do you anticipate any further compromises if they are necessary to get the tax

bill out and if so, what ones do you anticipate?

A Well, I wouldn't want to -- I wouldn't want to prejudice my case now and put a finger on any of them, but as I said, I've got an open mind and -- on these and there are a number of areas, of course, in which we have chosen to increase already existing taxes. If someone can find we are doing it in additional areas instead of centering on one so much, I'd be very happy to accept things of that kind. Is this still taxes?

Q Budget and taxes, yes. Both legislative versions of the budget, Governor, have more money for the Department of Mental Hygiene than you've recommended. Do you intend to blue-pencil any of the allocations for the Department of Mental Hygiene?

A Well, I haven't seen -- I intend to talk both with Spence Williams and with Dr. Lowry on this. So far I haven't seen any evidence that there is anything wrong with the proposals that we have made. The only thing that I could foresee that would change our thinking is something we always recognized, is if in the coming year our projected decline in patient population should not hold to that line, and shouldn't decrease as fast as we planned, then we will adjust the -- the reduction of personnel accordingly because the whole goal, the aim, is to maintain a ration of about two and two-thirds patients to one employee.

Are we still on taxes?

Q On the tax and budget. Governor, is the four million dollar out of capital outlay reduced or are you going to divert it elsewhere?

A Oh, I haven't got that far. We just -- we just found out about this. Let me find out where that money is and what we do with it.

Q Governor, were you aware of the amendments that were proposed to the tax bill yesterday by Senator Deukmejian before he brought them?

A I was aware that -- naturally, that Senator Deukmejian was going to try to restore the bill and put it back the way he introduced it.

Q Were you aware of the fact that a bill is practically never amended to go back to its original form and there are some very bruised feelings upstairs on it?

A No, but then I'm -- I've had some bruised feelings downstairs, too, so maybe we are even.

(Laughter)

Q Governor, what's your attitude towards the sales tax on newspapers?

A What?

Q Sales tax on newspapers.

A This is one, frankly, that I was in great disagreement with. I don't know how you would -- you think of the kid on the corner who comes running out at the stoplight when you stop there to sell you papers, or the machines, the coin-operated machines. I think it is unmanageable and unworkable and I have so stated.

Q Governor, the Senate budget contains funds to maintain treatment personnel at mental hospitals at their present level, so the ratio would increase, as the number of employees -- or as the number of patients decrease. Would you consider that a mandate from the Legislature to change your plan if that goes through without additional change?

A No, because I think the mandate that I should have has come from Dr. Lowry, the man who is responsible for running the mental health program. He's a professional in his field, highly respected and probably the most respected in the United States. And he assures us that this program has worked out, is satisfactory and will provide the level of service that we should have. And I would rely on his judgment in that.

Q I'd like to get in line on another subject if we are through.

GOVERNOR REAGAN. I've got one question first. Is that all the taxes here?

Q Taxes. Governor, what effect would a Republican victory in the San Francisco special State Senate election have on your program, primarily thinking of your tax program?

A Well, I think it would come along too late, wouldn't it, for this particular program? But I can tell you of a couple of effects it would have. It would result in a 20-20 balance in the Senate, and this would add severely to the nerve strain on the Lieutenant Governor on an issue that came down to him on a partisan basis.

Q Governor, at this moment the Attorney General is trying to make up his mind whether the name of Spinosa, a Republican, should come off or stay on the ballot in San Francisco. If Spinosa's name comes on, would you endorse him?

A In the primary -- I said I would take no stand in the primary. I'll do anything I can to help our members of our party win -- in a final election, but I think I have a responsibility to stay out of the primary.

Q Governor, along the same line, would you suggest that if the Republicans were to win the Senate seat in San Francisco that the Republicans then re-organize the Senate and unloading Hugh Burns and others?

A This is something I would want to listen to the council of the Legislature and the Senate. I think this is a field where the Governor should kind of keep his nose out, in the separation and the checks and balances in government, and I would heed the advice and the council of our Senators.

Q Just one final question on the budget. You've had a few months experience now in dealing with the Legislature on budgetary matters. Have your problems with the Legislature this session given you any thought about changing perhaps the organization in your office in liaison with the Legislature on dealing on budgetary and tax matters perhaps?

A Well, not in any major way. We found as we have gone on we have found a number of ways where communications weren't as perfect as they could be. We have been improving every time we found a little hitch in there, and I think some of the abrasive spots in the first few weeks have been eliminated. We do have a -- a contact, and as any minor points of this kind continue, we would continue to improve

it, but I don't think there is any major reform needed.

Now, if we are through budget.

Q I can twist mine around to the budget like that other one was.

(Laughter)

A They slipped a couple in on me here. If it isn't budget, let me -- I'll come back to you. Where was that one on education that I cut off?

Q Are you going to blue-pencil education television items in the budget?

A Well, no, what we are -- what we are more concerned is with some legislation on the floor with regard to educational television which I think runs the risk of putting the State in the broadcasting and propaganda business and I'm opposed to this.

Q Governor, Assemblyman Monagan is author of a bill to increase the retirement for already-retired State employees and there are 40 co-authors, and the sponsors of the bill say they want a letter from you, and they say you haven't replied yet. What is your answer going to be?

A Well, you've again got me. There is just too many pieces of legislation for me to know about that. I imagine that that's a problem still facing me upstairs and --

Q It will cost two million dollars, I understand.

A I don't know what the situation is with regard to that.

Q Governor, are you meeting with Senator Goldwater Thursday when he comes to Sacramento to speak?

A No, I'm sorry to say, he's an old friend and would like to have seen him, but Thursday I'll be down in the ~~Ervin~~ ^{Ervin} Campus of the Board of Regents meeting. (phonetics)

Q Governor, when was this 10 million dollar building supposed to be built?

A I think construction was supposed to start immediately on this.

Q It would have been in this fiscal year then?

A Well, I don't know whether they'd have gotten --

VOICE: Next year.

GOVERNOR REAGAN: This coming year, they couldn't have gotten in before July 1st, I know.

Q Governor, supporters of George Wallace announced in Los Angeles this morning the formation of a third party. They are apparently going to attempt to influence California for Wallace's candidacy for President. What sort of success do you think such a campaign would have on California?

A Well, I don't know. I wouldn't want to speculate on that. He fooled a lot of people back in Indiana and Wisconsin a couple of years ago, so I wouldn't speculate. I am one who does not look kindly on third-party movements. I think that we run a -- we have done pretty well on a two-party system, and I think we run a great risk of splintering, we find our government has to be kind of a coalition between splinter parties. This we have seen in France and other countries. I'd hate to have it happen here.

Q Many dis-satisfied Republicans or Elaine ~~Sheer~~ *Sheffy* (phonetics) who resigned from the Republican National Committee, joined the Wallace campaign. Do you feel there are going to be others who might follow in her footsteps?

A There might be. You don't mean to imply there are any dis-satisfied Republicans in California?

Q Governor, just on the educational television. How do you feel these bills would put the State in the propaganda business?

A Well, I think we are -- what we have uncovered in the over-all plan of this, that has us concerned, is a plan that would put California into ownership of a network of television stations, and also if -- under consideration, asking for a number of the VHF and UHF channels, and while they could use these in the daytime for education, they would still be able to go into the competition in the evening with the regularly scheduled private stations, independent stations, and I just don't think this is a business for the State to be in. I think there is great value in closed-circuit television. I think there is a great value for using television in school hours for educational practices. I just don't think the government should

be competing in the air waves of legitimate entertaining television.

Q Governor, one of your -- well, one of the big things you hit at during your campaign was the fact that it was too easy for people to come to California and land on the welfare rolls. Yesterday, a 3-court panel in Connecticut ruled that all residency requirements for welfare were unconstitutional. How do you feel about that?

A Well, I'm in great disagreement. It doesn't affect us as yet, because, of course, that was for a particular case there, a woman who moved from Boston to Hartford, Connecticut. If it should be carried, it is something that I've warned against. I made the announcement that this was a risk when I announced my candidacy at the beginning of the primary on the last campaign, that the involvement of the Federal Government with so many funds in welfare had made this a very questionable thing now, about the right of the State to have residency requirements. And I -- I would be opposed to take them away, because it is just not true that there is the same desire on the part of people to move into every state of the union. Some states, particularly those with climates like ours, Florida, some of the other southern states, are of course very attractive and to people who have no concern about making a living, who can simply choose where they would live on welfare and then go to those areas. And I think that it is going to -- if this is upheld on a nation-wide basis, then I think we have come to the moment of truth, all of us at the State level, with regard to welfare, and I look for quite a lot of wall-trembling to go on, both in the national government and here.

Q Have you done anything or plan to do anything about changing the residency requirement on California welfare programs after your criticism during the campaign?

A I haven't talked to Spence about that actually. We have -- if they are enforced, well, we have some pretty -- pretty good and pretty sound residency requirements here. My criticism during the campaign was a lack of endorsement, particularly by way of emergency county relief.

Q Governor, there are rumors again in the Capitol as there were during the abortion hearings, that people from your office are trying to kill the open-primary bill that's now in the Senate Committee, and being revised. Are you actively opposed to the open-primary legislation?

A I've expressed myself and my views on it. I don't think that it is an improvement for California, but I'm not interfering with the legislative process on this. I just believe it is contrary to -- if the bill were passed it would be contrary to my policy.

MR. BEHRENS: Any more rumors?

(Laughter)

MR. BEHRENS: Thank you, Governor.

TUESDAY, JUNE 27, 1967

(This rough transcript of the Governor's press conference is furnished to the members of the Capitol press corps for their convenience only. Because of the need to get it to the press as rapidly as possible after the conference, no corrections are made and there is no guarantee of absolute accuracy.)

GOVERNOR REAGAN: Before we start we have some guests. Mrs. Pat Howett from Sir Francis Drake High School, is here with her summer journalism class from the high school. You are very welcome, Glad to have you here.

Q. Have you had a chance to talk with the leaders since you got back about the budget and the tax program? Have you have further Comments?

A. Well, I didn't have the opportunity for the full legislative leadership meeting that I thought was scheduled for yesterday afternoon. Other ~~in~~ things intervened. But, yes. ^{When} /The budget comes down I am going to look at it very carefully. I am going to make whatever cuts I think are necessary and I am going to ~~look at it~~. I Have had a chance to go over the two alternatives, one of which was used once by my predecessor and could result in ~~near~~ chaos. The other alternative will be to operate with no budget at all. This, too, would bring about chaos. I am just going to have to believe the Legislature is going to be responsible enough to send down an adequate tax bill.

Q. Do you intend to cut the budget once it gets down to you, to pencil out items that have been put in there by legislators?

A. I am going to have to look at it and study it. Again we are talking about something that I don't know what it will be until it gets here. If there are items in there that I believe are unnecessary and that the spending would be put back in that we believe is unnecessary, I am certainly going to blue pencil it. I would like to call to you attention that the budget has been in there, as changed and augmented, since March, and it didn't get consideration in the time it should have. Your tax bill didn't get the first hearing in Committee until June 7, almost three months later. And I am a little impatient about the

timing of both of these very important items and about a great many other things that received full consideration.

Q. You haven't made up your mind -- Mr. Smith said at Tahoe you haven't made up your mind? You said we have a blue pencil and we are going to cut the budget when it come back to us. Does that mean you have already made up your mind to blue pencil items?

A. No. When we made that statement -- we have to go by what happened earlier. There is a debate going on and some reductions have been made, and there is a joint conference up there to find out. ;It would be hypothetical for me to make a blanket statement. Possibly they could send it back down here the way we put it in. I don't think that is likely. I have a hunch I will get an opportunity to use the blue pencil here and there.

Q. A few seconds ago you questioned the lack of legislative review. What would you recommend? What steps? How do you think the budget should have been considered?

A. I think with the June 30 deadline -- this has been going on for a long time -- this isn't just this question here -- I think this should be a high priority and first priority matter for the Legislature so that we don't always come right down to the dead line, particularly in this situation with the tax bill. We have a situation now where, beginning Friday, we start going in the hole ten million dollars a week ~~more~~ for every week that we don't have a ~~budget~~ revenue bill.

Q. Members of the Conference Committee have made it quite clear that they could have the budget out Wednesday night probably, but they are not going to do this, ~~or~~ they are going to hold it over to Thursday and not vote on it ~~Thursday~~, although they could. They are going to wait until Friday and you won't get the budget probably until Friday evening sometime. What do you think is behind this tactic?

A. Well I think it is perfectly obvious. While I am one who always wants to wait until Christmas~~s~~ morning to open my packages, this is a package I would like to have a little in advance. I have until midnight. I~~s~~suppose if they really thought they couldn't, probably some of them would be inclined to deliver it to me a minute before midnight.

Q. Actually, Governor, just because you signed the budget doesn't

mean that that money has to be spent, does it?

A. No. That's why I say I am going to sign it with the expectation that I get a revenue bill.

Q. You could make cuts in the budget as you go along as you have already been doing in the current budget.

A. Oh, we can reduce spending, yes, and we are going to.

Q. On those mental hygiene expenditures, if they are more than you think they should be would you be inclined to blue pencil them, or would you be inclined simply not to spend the money?

A. I would blue pencil. I think it is easier if you know in advance or are sure in advance that there is no need for a budget item. The government just has a way if the money is around of now and then finding ways to use it.

Q. There have been times in the past when the budget was not ready by the end of the fiscal year and nothing very serious apparently happened. Why can't you just sit on it and study it and decide what you want to cut and sign it when you get ready?

A. Well, I can't tell you all the technicalities involved, but I do know that to try and go on operating without a budget you get into the area of whether certain expenditures can be made following June 30 if you don't have a budget. So I think the answer is to sign the budget and expect a revenue bill.

Q. What you do on the mental hygiene budget -- you say you will blue pencil the items. Do you mean that anything above the June 30 '66 level you have already decided you are going to blue pencil that, or are you going --.

A. No. Go back to the first statements I made. I will give very serious consideration to everything that is in there. I am not hide bound enough to say we made every decision exactly right several months ago when we had to submit this budget. We had only been here a short time and now we have had an opportunity as time has gone on and we are going to give it serious consideration, and we will do what we feel is necessary. I do believe in some areas there is a possibility the budget will come down with simple additions made to it that we don't believe are necessary but have been made because of the disagreement on the part of some with our policies. If that is true, then you can expect the use of the blue pencil.

Q. Will you see Doctor Lowry before you sign the budget?

A. If I don't see him personally, I am quite sure Doctor Lowry

will be consulted by either me or someone on my behalf.

Q., There was a heated type rally in Los Angeles last Thursday night because the Senate cut out some funds for the Watts Hospital. Are you going to maintain that fund, those funds in there, for the Watts Hospital?

A. Again you are asking specifics that I have to wait until we have a budget to come to a conclusion on.

Q. What was in your original budget, wasn't it?

A. Well, you see, the key is that I can't put things back in; I can only cut things out.

Q. You are telling us, I think, that you will sign the budget bill even if its out of balance by reason of no revenues. How much out of balance do you think it will be when you sign it?

A. Well, the budget we are on for the present year has been out of balance on the basis of revenues. As I told you clear back in January, the previous administration set a spending scale that was running around one million dollars a day more than the Government was taking in. Now, our budget that we have submitted represents about an eight percent increase, commensurate with our growth and increase in inflation. I haven't got a pencil and paper to figure it out how much more that will make us out of balance; although let me tell you that at the end of six months we have reduced it quite considerably, that differential between outgoing and the present year's budget. I estimate we have reduced it in six months, the expected deficit, the scale of spending, by more than twenty million dollars.

Q. Isn't it true the budget is likely to be out of balance somewhere between a half billion and one billion dollars, and isn't it a little risky to sign a budget out of balance that much?

A. Just have to have faith in the Legislature.

Q. You indicated yesterday that you felt games were being played with the tax bill. Assemblyman Ryan yesterday in San Francisco told us that powerful Democratic block wants tax reforms. ^{You} I think the game revolves around this wish?

A. I don't know. Could be that they would like to have me in a situation of having to ask for more money later on.

Q. Have you re-considered any of your later additions to the tax package, such as maybe the extension of sales tax to non-residential utilities? Are you holding hard and fast for it?

A. Well, again, this bill is upstairs in a committee. I have expressed my willingness for any compromise that can ease any inequities. A great problem in the present tax bill didn't come with our original tax bill. When we had to go back and dig deeper and try to find additional sources of revenue to meet that one hundred dollar slump brought about by the economic slump, we had to look at areas that we ourselves regretted, and we didn't think they were basically good tax policies. Wherever there are inequities that would reflect against the business climate we would like to have it corrected if possible. But also we are up against the simple necessity of getting the money to run the show.

Q. You have said in the past that any time Doctor Lowry thought his program was hurting that you would allow him to go ahead and hire, in other words, to eliminate the freeze. I understand he has asked that the freeze be eliminated there. Is that correct?

A. I don't know about that. I only arrived back yesterday. I know Spence Williams is in constant touch with him on this type of problem.

Q. Has this spirit of compromise which you are expressing extended to withholding, or is your position still unchanged?

A. Here I stand encased in concrete from the knees down.

Q. Governor, what if the Legislature sends you a tax bill with just enough to balance the budget and doesn't permit you to keep any of your campaign promises about property tax reform? Would you sign it then, especially if it were one that would force you to come back next year and ask for another tax increase?

A. Well, again this is kind of a hypothetical question. I would rather wait and see how far they might miss the mark. It would be rather hard for me to see how they could do that in line with the budget that will undoubtedly come downstairs, because those who are opposing the tax bill are also the ones who have shown an inclination to increase the budget. I haven't heard any one that seems to want to cut it back.

Q. Governor, last night when you returned you were asked at the airport a question and your answer was that you would rather, instead of talking about the presidential candidacy, rather take pot shots at some of the legislative people who are holding back your tax program. Just exactly what kind of talk would you like to make about these people?

A. I think we have been doing it right now. I had just about had it with the lyrics to that other question. The answer is always the same. I would rather be talking about the problems that have to be solved right now, is what I meant.

Q. Now that Milton Marks is the only candidate in the Republican primary in San Francisco are you going to endorse him?

A. If there is no contested primary on the Republican side, I will whole heartedly support the one Republican candidate over there. As a matter of fact, it would be my thinking from the brief acquaintantship that I had with Senator McAteer that here is a case in which the Republican candidate I would think is more in line with Senator McAteer's philosophy and beliefs than the suggested candidacy of Burton.

Q. Would you go to San Francisco and campaign for him?

A. Well, you are getting into an area of how far or how much of a right do I have to stick my nose in somebody else's business. But I think there are ways that I should express myself. If there are ways that I can possibly help in fund raising I would do that, yes.

Q. Do you support former Assemblyman Marks on any other grounds than he is the only Republican candidate?

A. No, no. I am just saying that I could speak out now where I couldn't before when I was a possible contested primary, because I don't think I should involve myself in primaries. But now that it isn't contested, why, I can say what I ordinarily would have had to wait to say until after the primary.

Q. Do you consider Mr. Marks a moderate Republican?

A. You know me. I resist using those labels. Right at the moment, and looking at the balance of power in the Senate, he is a Republican and I don't care about the adjectives.

Q. But he is more like McAteer than Burton?

A. I think so, yes.

Q. I was going to ask you to describe Tom Reed's role. We have heard him described variously as a political advance man for you. What do you have him doing, or what do you think he is --.

A. Well, now, I tried this once, I was asked this question yesterday over in West Yellowstone. I have been a little surprised at some of the captions that have come out on my answer. So I will try again and hope we do better this time.

Tom was my northern California campaign chairman, and then he served as Appointments Secretary. Tom left to return to his own business which he had neglected for almost a year. But at the same time he has an interest in the party, and he is an official of the State Central Committee. Because of the press of all that has been going on I kind of have a feeling that I have been neglecting some of the party responsibilities that I think any office holder has, that is, to lend a hand. Now, it is just a fact of life that your box office appeal gets better the further away from home you go when it comes to the bait for fund raising. So now, in the months ahead and when the Legislature is out of session, I said I would be willing to pick up some of my obligations to make some fund raising appearances for the party. Now, most of these are reciprocal. Just as I am going to go some place else, there are people that are going to come and return here to our State and help us. I can't ask salaried employees in my office in the State to handle these party activities. So, through Jim Halley having confidence in Tom and his knowledge of what he is doing, I asked if we could turn over this party chore to the committee, specifically to Tom, so that on out-of-state invitations I could hand them to him and let him make whatever arrangements are made, checking with us, of course, as to my availability. I didn't give him the right just to go out and book me like an agent. I want to be able to say I am busy. But this is what Tom is doing, and this is the sum total of his job.

Q. Governor, isn't it going to be difficult for you to make these periodic speeches out of State on fund raising speeches for the Republican party and still steer away from perhaps the idea of not being a candidate for any other office?

A. Well, I know that some will take this that way. And yet if you look at the whole package of what goes on in the party you will find that a great many people in the Republican party for years have done just this. There is no one who speaks more than George Murphy does. He raised millions of dollars for the party in campaign years and off campaign years. There are a number of other senators and congressmen in great demand as speakers. This is also true of some governors that do the same thing. I think that you can't hold an office in our two-party system without wearing two hats, and the other hat is a party hat. I think you accept a responsibility to do what you can to help the party.

So, sure, some people bring this up in many cases. But they are bringing it up anyway. I don't need to do anything to inspire it.

Q. A question about the G.O.P. convention site. There is a report today that the Republican National Convention site has been narrowed down to Chicago, Miami and San Francisco. Are you making any special effort to bring the presidential nominating convention to California?

A. Well, the only thing I did when two cities in California asked for it, both San Francisco and Los Angeles, I, of course, expressed to the National Committee that I think it is an obligation to our State. There is a lot of good business goes along with a convention, prestige, advertising promotion. So I made it plain that we will do everything we could to cooperate and hoped they would select California. Now, if the Committee does openly get down to one California city, of course I think all all Californians would like to see it happen here.

Q. Of those now mentioned as possible candidates, which are acceptable to you?

A. Any Republican that is chosen by the party would receive my whole hearted support.

Q. In view of the increased publicity can you foresee any set of circumstances that would give you the Republican nomination?

A. No. I think the increased flurry right now is simply because I have been traveling and have made a couple of fund-raising speeches.

Q. Could you give us any idea, any kind of an estimate, of how many speeches you might make this year and where you might go?

A. Not too many. As a matter of fact, I specified that perhaps when there were occasions that I had to be away -- for example, the Governors' Conference -- that to save time and minimize travel that maybe if there were some in the area where we would be going to where I could pick them up going and coming that we could work in a few this way. There have been a great many requests, as I am sure every office holder is getting these days with an election year coming on. But there is a limit as to how long I can be away.

Q. Did you say -- when I asked were there any foreseeable circumstances that would give you the nomination, your answer was "no"?

A. Yes.

Q. The way things are going there is a possibility your favorite son candidacy is going to peak too soon.

A. Well, I will do my best to slow it down in the days ahead.

Q. Charles Warren, the Democratic State Chairman, accused you of denying Californians a chance to have a choice for a favorite son candidate. Do you have a comment on that?

A. Mr. Warren said that?

Q. Yes.

A. Well, I suppose that he is easily opposed to all the Democratic governors who had favorite son delegations, and right now there seems to be a little concern in his own party about having a favorite son delegation. The only trouble is they can't arrive at who should be the favorite son. As I say, I have long ago learned to accept Mr. Warren as not being completely objective with regard to the Republican Party's activities.

Q. Last Friday Senator Goldwater in a press conference here said that he didn't think that Governor Rockefeller had any chance for the nomination in '67. Do you agree with that?

A. Well, I am just going to speculate as to has or has not got a chance. If the Senator feels he is more free to comment ---.

Q. Governor, your traveling on a fund-raising basis, why are news conferences also scheduled in addition on the trips?

Why are they scheduled along the way?

A. One of us is in charge of that. Every once in a while I have to protect myself against his loyalty to --.

Q. Would you agree, Governor, that these out of State speeches that Tom Reed is scheduling increased the likelihood of increased the possibility that people will come knocking on your door and asking you to be President?

A. No. There are some people that look/ at it the other way around. I might be a lot less attractive after they hear me.

Q. In answer to Bill's question, you said your name is being mentioned now because of the little flurry of your travel.

If you continue this traveling, these out of State speeches, won't this continue the flurry?°

A. Well, there is going to be quite a cooling-off period now because/although I find it kind of strange to use the term "cooling-off" with what I am going to be up against in the next

few weeks here -- but I am going to be pretty close to home for a while. As I say, you are talking about fund raising. Next fall is the Governors' Conference. In connection with that, as long as I go ~~to go~~ clear across the country I think we are talking about keeping a couple invitations or accepting a couple invitations as long as we are away on that trip.

Q. Does the Central Committee pay for the expenses of traveling around the country? Mr. Reed's trips.

A. I assume they must. Mr. Reed official of the State Central Committee. I can assure you it doesn't come out of any State funds or out of the Governor's budget.

Q. Regarding your Industrial Task Force. There is a growing concern over the conflict of interest regarding this. Mr. Prior told me last week he absolutely refuses to divulge the names of the men on this task force. Is this at your order?

A. No. As a matter of fact, I didn't know there was any question about that task force. And I have just learned there are charges being made that this is perhaps in violation of the conflict of interest clause. I don't think there is any foundation in fact in that at all. The conflict of interest clause deals with legislators, elected officials and appointees of the Government. These men are not a part of the Government. These men are private business men who have voluntarily come in and agreed to do what I have asked them to do, which is as business men advise me on what they can find out as to Government, where we could institute more efficiencies. So they just don't come under this. There is no way in which they are appointed. They are not a board or a commission of any kind. They are committees of private citizens, and I am picking their brains for all they are worth.

Q. Isn't that immaterial? You wouldn't want them to be involved in conflicts of interest, would you?

A. No. I don't think they are involved in conflicts of interest. If a group of experts in the food dispensing business and in hotel keeping come back and tell me or suggest to me ways whereby we can improve the quality of the menu and at the same time by modern business practices, hotel practices, reduce the cost of providing food in our prisons --.

Q. Even if they were selling their own processing material?

A. It would be pretty strange if they came back with a suggestion

I reduce the amount that I buy if they are selling that much.

But I question that hotel men are selling food to our prisons.

Q. Assemblyman Brown has a ruling from the Legislative Counsel which says the conflict of interest clause does apply, and he mentions the incident of one of the task forces who is in the computer business -- pardon me -- who suggests a computer system of which he is the only manufacturer.

A. Well, you must remember this is only a suggestion. I am the one who makes the final decision as to what we will do. And this isn't a commission that can, as I say, make a decision themselves. These are private citizens. They are in no way officially connected. I say the Legislative Analyst's report or this counsel's report --.

Q. Did you interpret it the same way Mr. Brown does?

A. No, I don't. If I had taken one of our State commissions or created a commission giving these men one of these warrants, each one a commission to do this, I think we would then be involved in the problem of conflict of interest. It is just the same as my consulting with professional medical men on their suggestions as to what they would do.

~~What~~What's wrong with revealing the names of the members of the task force?

A. I didn't know there was any recitation. Maybe right now it is to save any embarrassment, to prevent some of these men from feeling that they might be unable to serve.

Q. We have been trying to get the names for several months. Mr. Prior went to great lengths; to use the name of Harold Howen from the telephone company to explain he would not put a volunteer in an area of his own specialty, and said that Howen was not used in the communications task force, yet some of our own department heads said the people that come around to talk to them about communications are all management employees of telephone.

A. As a matter of fact, part of that could be because we have discovered we have a nine and three quarter million dollar phone bill in the State. We ourselves are interested in reducing that phone bill, and we think this is a little like some of the other past practices that, maybe its come about because everyone was free to go out and order their own kind of communications set up. Now, I don't know how you could ask for advice on how

we can , without impairing efficiency, streamline our phone system and reduce our phone bill without consulting the people who install it.

Q. Do you think the telephone company is interested in reducing the phone bill?

A. Well, whether they are interested or not if I feel -- who else can I ask other than to take them into an office and say "How can you make this system still work and have less extensions or whatever it might be?" I have no one else to --.

Q. On the same subject, the Transportation Task Force has made the names of its members public. Wouldn't it be inconsistent to have part of this task force having the names made public and part of the task force having the names withheld? Does this strike you as inconsistent?

A. No, because, as I say, these are volunteers who have quite generously volunteered to do something for the State, for their fellow citizens, and I am not going to stick my nose in and interfere with the way they want to do it. If they want to be free of what seems to be some kind of harrassment --. I would like to point out that Senator Burns, the Democratic leader of the Senate, issued a statement recently that he too wants to get a citizens' task force of volunteers to do research in the entire Senate operation to find out how it can be made more efficient and more streamlined.

Q. Didn't the Senate release the names of those?

A. I don't know.

Q. Governor, you say you are not going to anyone but the phone company for advice in Communications. Are you unaware that the phone company does have competitors in communications?

A. When I talk about this I am talking about people -- I was talking about where would you turn to except people in the field. If my plumbing is wrong I am going to talk to a plumber.

Q. What other communications people are you consulting?

A. Well, I couldn't tell you the details on that. This isn't an operation being run personally by me and my office.

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