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Aug.  
18

PRESS CONFERENCE CALLED BY  
GOVERNOR RONALD REAGAN

Century Plaza Hotel  
Santa Monica Room  
Los Angeles, California

10:00 A.M.  
Friday, August 18, 1967

Reported by:

BEN HYATT, C.S.R.

Noon & Pratt  
707 - South Broadway  
Los Angeles, California 90014

GOVERNOR REAGAN: Good morning. I have no prepared statements, so fire when ready.

A VOICE: Governor, in light of what I am sure you have read about in the morning papers where there are great areas of difference, apparently, among Legislators and members of various healing arts professions over the cutback in Medi-Cal, could you indicate to us whether you are standing fast on the program announced by Spencer Williams or whether you are going to take a second look at it?

GOVERNOR REAGAN: No. With regard to the cuts in Medi-Cal, I am confident that Spence has done all that could be done administratively. The situation is very simple: The Legislature approved an expenditure of \$600,000,000. That is all there is. At the same time Medi-Cal is running \$820,000,000. Now, there is just no way that we can stop this reduction. We have<sup>to</sup>/stay within the budgeted amount of \$600,000,000. Now, this is our attempt administratively to ~~keep~~ this program within bounds until the Legislature can do what I think has to be done, and that is undertake studies leading to complete reform and overhaul of the program. As I said before, this was as a result of hasty legislation in the closing hours of the Session. It has been increasing in cost at better than 50 per cent a year.

All of these people that seem to be protesting so much and saying that they can solve the problem very easily, if they will just tell us either how we can reduce the program or some better way in which this program can work or if they would tell us where we can get the two hundred million dollars, I would like to hear their suggestions as to who should be taxed and how much.

A VOICE: It has been said that this is possibly illegal. In fact, the president of the California Optometric Association said that it possibly violates the Federal law. Would you comment on that, please.

GOVERNOR REAGAN: We have tried very hard, and I know Spence and his group have made a great study of staying within the framework of the Legislature and of the national rules. This again, comes to the problem that we have with so many Federal grants in aid. The Federal Government holds it out with one hand and in the other has a bat and says, "Do it our

way or else." We have tried. We know that we have to stay within their rules. We have tried and Spence is confident that we have stayed technically within those rules, but we have no other choice.

A VOICE: Governor, have you discussed the possible legality with Spencer Williams?

GOVERNOR REAGAN: Oh, yes. We were aware that in order to qualify for the Federal funds we had to stay within their framework. This we are trying to do.

A VOICE: Also, I understand that according to the funds that were allocated prior to the Medi-Cal Program that you were not allowed to figure in that which existed in '64 and '65.

GOVERNOR REAGAN: We are not. In the figure that we have, we are trying to stay within, and when we speak of something illegal, it would be very illegal and Spence would be liable if they violated the amount that has been appropriated for this program. And what is being suggested now is that they would be violating it by two hundred twenty million dollars. So, they are simply trying to stay within the framework that the Legislature provided.

May I point out here, also, that for the Legislature to be critical of what we are trying to do in that regard, then let the Legislature explain to us why they were so busy in the closing weeks of the session, so busy trying to increase the budget, and at the same time they tried desperately to decrease the amount of taxation we asked for. They have some questions to answer, then, if they wanted the other two hundred twenty million dollars spent.

A VOICE: Governor, Governor Romney of Michigan said he thought it was a tragic mistake that we are involved in the war in Vietnam. I wonder if you would comment on that, please.

GOVERNOR REAGAN: Well, you can start off from the approach that war itself is a tragic mistake, but I am in no position to comment on that. I doubt if very many people in the country, who are not in the military, know about all the discussions and policies that have been kept from the people with regard to the whole ideological world conflict that we are in; how the decisions are made, as to where we make our stands,

where we fight back. To discuss whether they are right or wrong, we would have to know what the overall policy in the conflict is, and I am not aware what that national policy is. I sometimes find myself wondering if there is a policy.

A VOICE: Governor, Thurston Morton said that the war in Vietnam is going to be the burning, compelling issue in the 1968 Presidential Election. He said the Republican presidential nominee to win will have to come up with a program for honorable disengagement from Vietnam. I wonder if you would comment on that.

GOVERNOR REAGAN: In my mind honorable disengagement is you win the war. I imagine it is going to be an issue in '68. If we suddenly make the effort that it is necessary just prior to the 1968 election to win or if we withdraw, just simply call it off and withdraw, which is being proposed, either way someone, I think, is going to be asked some questions by people as to why we had to make that decision.

A VOICE: Speaker Unruh has claimed that the success of the Legislature session has come as a result of the planning and execution of the Assembly. You have claimed that the Administration has been successful and that the Legislature is dependent upon the Administration. Now, do you swear to these two views?

GOVERNOR REAGAN: Well, I think that has to be a cooperative deal. We certainly can propose and the Executive Branch can execute, but the Legislature in the long run must pass the Legislation. A great deal of our program has had some pretty rough going and finally was successfully passed by the Legislature. Now, I don't know whether you give us the credit for having finally overcome the rough going and the objections or whether you have given them the credit for finally giving up their objections and going along with us.

A VOICE: Where do you give the credit, Governor?

GOVERNOR REAGAN: Well, it was a tough fight, Mom, but we won.

A VOICE: What Unruh said was that all the good programs originated with the Assembly and not with the Governor's Office. He said that the Governor's Office had no creative programs on education or any of these things, and that all the good programs that were passed originated with

the assembly.

GOVERNOR REAGAN: When we get down to this legislative difference of opinion, perhaps this is the very philosophy between the two party approaches today as to what we term "creative" and "constrictive."

Trying to economize and get more for the peoples' tax dollars to end needless spending and making the government more efficient has been characterized as a negative approach, and that only those things that add programs and add spending can be termed creative. I think it is pretty creative if you can make the Government of California run efficiently at a lower cost to the people. I think, also, it is not a negative approach to say that having inherited the fiscal situation that we did that you are first forced to put the government on sound financial footing before you then can start undertaking programs that you might have in mind as being for the good of the people.

A VOICE: Governor, would you explain the 48-page little blue booklet? Some observers have called it a campaign piece.

GOVERNOR REAGAN: I am not running for anything. I have a long time to go. I consider it in keeping with the promise that we made at the very beginning of the Administration, to keep the people informed, to explain step by step everything that we are trying to do. We have done that with several television reports to the people, and this book is another example. We have tried to sum up the whole several months by saying these things and how we tried to effect what our goals were.

A VOICE: Governor, Mr. Battaglia announced the formation of the establishment of a Center for a creative society in action. Can you comment on this? Would you explain it?

GOVERNOR REAGAN: Well, actually this is not a governmental thing. This is something with which we will cooperate. Dick Conell, you know his work in this regard and the efforts and research that he has led in how the private sector can do more in serving the peoples' problems, and this is a center that will be founded on a private basis for further exploration and research into the use of the independent sector, and we are certainly going to encourage that and we are going to cooperate to the fullest with him to find every area we can where we can turn to the

independent or private sector for solutions.

A VOICE: Governor, isn't that the same format that Mr. Unruh asked about eight months before, for an institute that would be supported largely by the private sector to look into long-range problems and take advantage of different tenants?

GOVERNOR REAGAN: I was not aware of that but if it was, I must commend him for it because it certainly fits into our views and what we have been trying to do in the last seven months.

A VOICE: Assuming it is true, would you pool these independent efforts?

GOVERNOR REAGAN: There isn't very much indication of a pooling resource of that independent effort, and it will just take cooperation. I would think that kind of cooperation would be bi-partisan.

A VOICE: Governor, there are several bills before you, and one of them is AB 1368. Are you conversant with Bill AB 1368?

GOVERNOR REAGAN: I am waiting to see that bill. As a matter of fact, there are a number of bills that are going to give us a great deal of cause to think, and they are still jammed up in the last printing in the State printing office. This again comes down to the important legislation tied up and being rushed through in closing hours. There is a log jam. I have been signing bills all along. There are much more than a thousand bills so far, and some of these are piled up and haven't come up, so I would rather not comment.

A VOICE: How about the Santa Monica Causeway one?

GOVERNOR REAGAN: It hasn't come down yet.

A VOICE: How about the Bank of America bill, the one that would --

GOVERNOR REAGAN: That hasn't come down, either. All of these are in that category of bills that I mentioned.

A VOICE: Governor, you are no doubt aware that Governor Guy has called a committee meeting, I think on the 26th, to consider whether the Virgin Islands trip should be canceled and is going to ask the viewpoints of other governors. What is your viewpoint on that?

GOVERNOR REAGAN: Well, I can understand their concern about that. There is no way to put all the governors on a cruise ship headed for the

Caribbean for four days, which is the extent of the conference and normally the length of the conference, without it having an appearance, I imagine, in the public's mind of luxury and fun rather than work. I don't know that it is probably going to cost any more than most governors' conferences wherever they are held. And I have even thought that holding it on a boat is not a bad idea. It certainly removes any temptation of playing golf and other sports. Maybe they will get more work done. I think consideration has to be given to the appearance, in view not only of our domestic situation, but also in view of the war that is going on and the hardships that some other Americans are undergoing, and I think that it is well that they give this a second look.

A VOICE: Do you favor canceling it, Governor?

GOVERNOR REAGAN: I think what they are meeting to discuss is trying to find some other place that looks less enjoyable.

A VOICE: That's what I mean. In other words, not to cancel the meeting but knock off the boat trip.

GOVERNOR REAGAN: I wouldn't want to give an opinion until I know that they are going to meet and seriously go through all the ramifications, and I think this is well.

A VOICE: Governor, I would like to get back to the <sup>Vietnam</sup> war issue for a moment. You mentioned before that the way to end the war is to win. The question is: How to end it and how would you avoid a brand new war?

GOVERNOR REAGAN: Well, ever since the Israelies brought a brand new concept to modern warfare, victory -- didn't start World War III. And I don't know, however, that there isn't a risk in escalation any time, but again I say once you have committed men to fight and die the cause must be worth winning.

Now, I can't give you the technical answers as to how to go about winning. I think these must come from the military. This is their business. But from all of the criticism that we have heard from military men, those criticisms seem to deal with the fact that there are too many targets that are declared off limits.

Thurston Morton in the Senate the other day gave quite a dissertation on this. He listed the really minor damage that we have been

doing so far. As far as warmaking potential is concerned with air raids, yesterday's newspaper carried a picture of a bridge being rebuilt. I wonder how many men were lost in the bombing raid that destroyed that bridge? We have a tendency to get lulled into security. "Oh, boy, we blew a bridge up. That does that bridge." As they have in the past, they have built some kind of a new bridge. In this nation if a bridge collapses or is washed away, it is a very short time until a substitute bridge is built, and the same things goes on in the war there.

Thurston Morton's account, and it was well documented, was with regard to the percentage of vital targets that could disrupt the warmaking potential that are still off limits. I think that as to specifics that if you give those who are entrusted with fighting the war more of a say and more consideration with what they say are the targets, that will destroy the warmaking potential.

A VOICE: Governor, Mr. Battaglia said that in order to stifle speculation about your possible presidential aspirations that you were going to curtail your planned speaking tour. How many cities will you visit and when?

GOVERNOR REAGAN: Well, they have to be scattered about and so there are some tentative things over the next few months. About the only thing now is three speaking engagements in September out of State, and one of those happens to be a sentimental journey. I am going back to my alma mater and dedicate the new library. In connection with that, I always try to make one trip to encompass all the speeches. I am committed to a fund-raising in South Carolina and one in Wisconsin.

Phil was right in what he told you. I was wanting to go in these few months before the fall and before the next Legislative session and do all that I could do with regard to the party chores. With '68 coming up, I think all of us have an obligation to do whatever we can to help, and fund-raising seems to be about the best thing, and as I have said, all the farther away from home, the better the results. It has been a concern to me, though, that with all this talk, that maybe I am going to have to keep that as a consideration in accepting these dates.

Principally what we have been doing, we are being guided by the

National Committee and the Congressional Campaign Committee on what are the prime Republican targets, where do they want the most effort extended by the party, and the two that we are doing, South Carolina happens to rate No. 1 in both committees as to an area where Republicans can make a greater gain. The others we are considering that are tentative in the months following are in the same basic area.

A VOICE: Governor, you look fine. Do you have a medical report?

GOVERNOR REAGAN: I feel fine and the only thing I am nursing is a guilty conscience. Everybody has been so nice and kind, all the messages and all the good wishes, which are impossible to answer. But I feel guilty because I felt fine right straight through. The thing was so minor really that it just didn't warrant all that attention, so no problems.

A VOICE: When are you going back to Sacramento?

GOVERNOR REAGAN: I haven't set a date. You know at the end of the month we have the Regent's Meeting down here regarding the tuition problem, and I know that I will be back up there for the five-day Legislature Session.

A VOICE: Governor, are you aware of the A.B.C. poll that shows you hold a very strong second position as a presidential delegate next to Mr. Nixon?

GOVERNOR REAGAN: Yes, and again I am very flattered that anyone would think that. I am not a candidate.

A VOICE: Along those lines, it has been predicted that Nixon and Romney may well chew each other up in the coming election. If that would happen and you were in the No. 2 spot, would you alter your thinking at all?

GOVERNOR REAGAN: First of all, I am going to hope that they won't chew each other up. I just have to tell you that I do not believe that man seeks that office, the office seeks the man.

A VOICE: Governor, to get back to the Medi-Cal Bill for just a moment, in the event the Federal Government should return that this violates Federal law and would eliminate approximately 50 per cent of the funds, what alternative do you have?

GOVERNOR REAGAN: We would have to review our thinking. We would have to sit down with the Federal Government and find out where we were in violation, because obviously this program must depend on this proportionate consideration by the Federal Government, and I think if we sit down with them and argue it out, and if they won the argument and they do outweigh us, I am sure we would have to realign ourselves and change our approach to whatever problem is causing that. But I don't think that the disagreement or the violation would be in whole overall on the approach; I think it would be on specifics here and there.

A VOICE: Governor Reagan, I would like to ask again about 1968. In the event your party were to nominate a person considered in the presidential political spectrum as a liberal, would you support him and indeed would you take the second spot if it were offered?

GOVERNOR REAGAN: What was the last part? Give me the last part.

A VOICE: Would you take the second spot?

GOVERNOR REAGAN: Oh, no.

A VOICE: What about the first part of the question? Would you support a man considered politically liberal?

GOVERNOR REAGAN: As I said before, I am going to support whoever is the nominee of our party. I know that there are some people that rise up any time you say that and say, "You are playing the party above the man." This is not true. I happen to believe very strongly that the Republican Party offers the only vehicle by which those of us who are opposed to the philosophy of the present leadership can bring about a change in that leadership, and I have faith in our philosophy and in our ideology to the extent, as I say, I am willing to support whoever the rank and file Republicans decide should be the nominee.

A VOICE: Governor, yesterday Mr. Battaglia said you would not disavow the statements by the U.R.O.C. Do you disagree with them?

GOVERNOR REAGAN: Which statements?

A VOICE: About President Johnson ought to be impeached or Patrick's statement about the Supreme Court Justice.

GOVERNOR REAGAN: With regard to Mr. Patrick, I don't believe in lynchings. I disagree with the impeachment suggestion. But I would also

like to point out it is my understanding that these are not policies of U.R.O.C. until they are adopted by the membership, and I have every hope that some of these resolutions that have been proposed, that the sound thinking of Republicans in that organization will not support them.

A VOICE: Governor, what resolutions are they that you do not go along with?

GOVERNOR REAGAN: I can't say that I have covered it enough to separate what were just statements and what were resolutions, but I think one had to do with a resolution about the President being guilty of treason, and if that is a resolution I doubt that it would be accepted by the organization.

A VOICE: Governor, how do you interpret the significance of the outcome of the special election in San Francisco?

GOVERNOR REAGAN: I think that the wind that started blowing in 1966 nationwide is still blowing. There has to be some significance in the first Republican <sup>Party game</sup> Senator elected in that area of San Francisco since 30 years, and so I am very happy about the result. I think that San Franciscans knew the record of Judge Marks, and I think they also must have been aware of the record of Assemblyman Burton, who has expressed views that are contrary to, well, many of the things that the people supported in the last election.

A VOICE: Do you consider this a second endorsement to your program?

GOVERNOR REAGAN: Well, the only way I can take some personal pride out of it is the fact that Assemblyman Burton did spend a great deal of his time, according to the records I have received, campaigning more against me than against Judge Marks, so I have to assume that maybe somewhere along the line some of the voters decided not to join him in the castigation of me in that election.

A VOICE: Mayor Yorty made the comment that it was not a vote for the Republicans but a vote against the Democratic nominee. Do you have any comment to make on that?

GOVERNOR REAGAN: Well, as I said about the whole '66 election nationwide, that it was largely a vote against. I would like to think that our personal charm did it, but as I say the wind gets blowing. I believe

there is a rising tide among the people of this country in protest against the whole trend and philosophy of the leadership of the Democratic Party, and certainly you cannot win any election on our side without having a great many thinking Republican and going along with this, because we are a minority party. They proved they still feel the same way in San Francisco, and I am hopeful they are going to feel the same way in '68 nationwide.

A VOICE: Governor Reagan, it occurs that you must have talked to other leaders of the party and governors concerning the recent plan, the sort of plan that Thurston Morton suggested might come about. Has this plan progressed and is there any yet?

GOVERNOR REAGAN: You mean a plan with regard to Vietnam and peace? I am not aware of any plan. I know many discussions have been reported by all of you, and if there is any controversy amongst Republicans as between escalating more rapidly or withdrawal, I am inclined to agree with statements made by Senator Dirksen and President Eisenhower with regard to not waiting, it never results in victory, it only results in unnecessary deaths.

A VOICE: I just want to make clear something you said before. Did you say that you would not accept a spot for vice presidential nominee?

GOVERNOR REAGAN: He asked me if I was interested in that and I said no, I am not.

A VOICE: Did you say you would not accept it?

GOVERNOR REAGAN: Yes. I can't see any one reason anyone could feel they could do more good in that spot than the spot I am presently in. I believe in the philosophy that I have been expressing for so long that I think I can do better right where I am here in California.

A VOICE: Even if the second spot meant a win for the Republicans?

GOVERNOR REAGAN: No, I don't think vice presidents ever elect presidents. I don't think there is any example that they have ever done that.

A VOICE: Johnson carried Texas for Kennedy.

GOVERNOR REAGAN: Well, that hardly looms as an upset. Texas has been Democratic for quite a while.

A VOICE: Your answer was "No" as to a presidential nominee that was a liberal, but is your answer an unequivocal "No" on accepting the second spot regardless of any kind of nominee?

GOVERNOR REAGAN: Again you fellows are in the area of a hypothetical question. I answered a hypothetical question once with regard to the 1964 campaign and got myself in trouble. Any of you realize that there are factors undetermined that could be brought against someone. Let me just say that all I can say from where I stand I cannot possibly see anything that would induce me to change my mind about that. Not that anybody is thinking about me for that, I can't see it at this time, anything that would induce me to change from what I now have.

A VOICE: How about the school bill? Will you need a special session to change that fifty million dollar error in the school bill?

GOVERNOR REAGAN: We are waiting for a complete analysis of that fifty million dollar mistake. I signed it with the assurance that we could protect the peoples' money administratively, and obviously that is not the best way to do it. If legislative change is needed, I am going to wait until we have the analysis and then it is not beyond our thinking that we may have to call a concurrent special session with the five-day session that is coming up.

A VOICE: Governor, could I ask just one more question on Vietnam?

GOVERNOR REAGAN: All right.

A VOICE: Do you believe that the war can be won by the use of conventional military tactics?

GOVERNOR REAGAN: I only have to go by what military authorities, including General Eisenhower, have said. They seem confident that it could be by the judicious selection of targets, or perhaps a less selective basis and simply opening up military targets for destruction. I am not a military expert, they are. I have heard none of them suggest the use of weapons other than conventional weapons.

A VOICE: Governor, what role will you be playing in the 1968 Presidential Campaign?

GOVERNOR REAGAN: Well, I stated that I will be a favorite son candidate in order to take a California delegation to the convention in an

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effort to preserve our party unity, and at the same time to make sure that California can have a voice commensurate with its size and position in the nation, in making selections and making a determination of the party's policy and candidates.

A VOICE: You have said many times that you will not seek the Republican nomination. You said that this is a job that seeks the candidate. Now, what if the convention wants to nominate you? Would you run, for example, on a Reagan-Rockefeller ticket?

GOVERNOR REAGAN: Here again we come into the area of hypothetical questions. I just think that there is -- We are ~~talking~~ talking about something that isn't going to happen, so there is no answer to that.

A VOICE: One more question. Would you evaluate for me, please, what happened to the creative society program and to your quest for economy during the last Legislature session?

GOVERNOR REAGAN: Well, you will find it in that blue book that we were talking about. I think that the fact, for example, as is spelled out in that booklet that we have a percentage, several percentage points rise in the number of State employees every year for the last several years, almost constantly. I think last year the increase in number of employees was three and a half per cent, and for the first time in the first six months of this year we have decreased the number of employees by two and a half per cent. The fact that we cut the budget as submitted by the departments; when submitting their budgets that they believed was necessary to run the State, we reduced that budget by one hundred twenty-seven million dollars, and then at second crack at it we reduced it forty-three and a half million dollars on spending programs proposed by the Legislature. We are continuing. We have not begun to put into effect the savings that we think are going to be available or open to us by way of task forces, the citizen task forces.

Other than a few immediate things, we have progressed in all of the areas in this last six months over the comparable period for last year. We reduced, for example, out-of-state travel as one of the economies by something like 70 per cent. The figures are all there in the book on this.

We have made sizable reductions in the maintenance of our buildings, storage space of documents. We have ended some duplications that have been very costly. You know that we canceled a four million dollar building. I mention that because it is even more spectacular than the 14-story building that is being built in Sacramento to house one of our large departments of government, because it will have 1,051 more employees in it than it had been planned for, simply by instituting the same allocation of space to employees that is used by private enterprise in doing similar types of work.

I am optimistic that we are going to come up with continued savings. We have just been discussing two hundred million dollars of savings in Medi-Cal.

A VOICE: Governor, one more thing on the situation as far as Detroit, Newark and so on is concerned. California so far has avoided any big racial disturbance. How has that happened? If there is a racial disturbance, what sort of plans do you have?

GOVERNOR REAGAN: Well, obviously we do have plans. We have coordinated with local law enforcement of the State. I mean the State Disaster Office and our Highway Patrol. We are in constant touch. We have a great organized setup with regard to that. But the most significant thing I think here in California has been the ability of our citizens in the Negro communities to work to cooperate with regard to trying to better things. I think they are aware that we are doing everything we can to eliminate many of the causes of distress and unhappiness in those areas by way of our job programs, education and everything else. But I think all of us should take off our hats to our own citizens here in the Watts area for their reception of what was around them at the time, the Watts Festival. I think this more than anything was significant of the common sense and the responsibilities of those people, and I can't thank them enough. I think their action in that was just great and I hope that we will be able to continue along this same line in the months ahead and get these very vexing problems eliminated.

A VOICE: Does your administration have any special preventive plans?

GOVERNOR REAGAN: We have had them from virtually the first, all those things we could do administratively. The entire approach of the Cal-Med program on a Statewide basis of providing jobs was geared to the minority communities in our State, and this has been proceeding at a good rate, and now has organizations similar to the one that did the job in Watts, in San Diego, Oakland, San Francisco, Fresno, all up and down the Valley wherever there are these pockets of excess unemployment. I think this is one of the most practical ways. I have long been a believer that many of these problems can be helped if we solve the problem economically. I don't say this is the answer to all of the social problems, but we have to recognize that if we just spend our time trying to open doors legislatively and don't spend some time giving people the price of admission to go through that door we are not doing the job. We think the price of admission can come through good jobs.

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PRESS CONFERENCE OF GOVERNOR RONALD REAGAN

HELD SEPTEMBER 5, 1967

Reporter by

Nancy L. Deffebach, 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: We have some visitors with us. We have got ten students here who are representatives of the State-wide Back-to-School Program. We are very happy that they are here in the Capitol and with the Legislature and all, and I want to -- my Office and I are very happy that we have them here participating in this.

This is just a little announcement I'd like to make before we get underway; it's kind of a public service announcement.

You know about the great distress down in San Filippi; our neighbor down in Baja-Lower California, the damage because of the terrestrial rains and the great storm down there; Bob Finch has been contacting, finding out some of the problems and some of the things that, perhaps, we could do.

We have offered whatever help we can as a State, but, I think, the people of California would be interested to know now that there is a way in which they, themselves, can be of great help. The Red Cross is working in their headquarters in <sup>MEXICALI</sup> Mexicali, but the arrangements have been made, the crossover at <sup>CALEXICO</sup> Colixico has been opened so that trucks from California can go all the way. The highway has been repaired to San Filippi. To all the Californians who would be interested, and, I think, we all should be, there is a great need for clothing, clothing for men, women and children, for cooking utensils, pots and pans, for bedding, shoes, and - well, that's not bedding, shoes with the clothing, but blankets and sheets and so forth. And there is no need, however, for medical supplies.

The Mexican Government is in there and completely taken care of that, but, I think, that it would be a wonderful neighborly

thing for the people of California to step in and do something about this. And we shall get more notice out about anything that we can as to what the status is.

These are for the people who have been so distressed in San Filippi. That is the extent of the announcement.

Q. Governor, how would the people donate this? Would they --

A. Well, I think they contact the Red Cross, because as I say, the Red Cross is handling it. As a matter of fact, I have a number for anyone who would be interested, a Mrs. Jepson in <sup>MEXICALI</sup> Mexicali, and the number is -- get out my glasses, that's the prefix - 355-1738. And, so I imagine they could find out any details.

Q. Another topic?

A. Yes.

Q. Why do you feel Battaglia quit?

A. Phil Battaglia quit for the reason stated. It always interests me how ~~no~~one seems to believe the reason stated. Phil took - Phil, in the first place serving the campaign never had any intention of going on beyond the campaign, and at my request, he sat down first to help us in that organizing period, and then got a year's leave of absence now from his law firm. And I have always known, as he did, that this was not his future. We never talked about it because I doubt he could be more effective doing what he was doing, if he didn't - if we didn't keep reminding the world that he was temporary. And now that we are passed the Legislative Session, and are going to have a period before January in which we are framing our own Legislation, it seemed that this was the proper time to make the change.

Q. Governor, at Mr. Battaglia's Press Conference, though, he told us that if you ever needed him in the future, he would be available. Now, would you tell us <sup>u</sup>that that means?

A. Well, I think that there is no question but that Phil believes in the cause, believes what we are trying to do, and I'm very grateful for what he has done, because I know ~~of no~~one that has worked the hours that he has put in, has sacrificed as much, and I'm sure he meant that if there is any way he could be used.

Q. Governor, there has been speculation in the Capitol that Mr. Battaglia left because of a feud with Mr. <sup>Netziger</sup> Nopsinger.

Comments on that?

A. No. That story isn't true, nor is the other story. That came out as to what he might be leaving for. He left to resume his private career, private practice.

Q. Why was the announcement so sudden? It really hit everybody by surprise here in the Capitol.

A. It hit me. No. The decision was made, and I had thought that actually there was going to be a delay, and, again, it was the thing of suddenly realizing that once you started taking the steps of making the transition over, there was no way to keep this quiet or stop speculation and rumors or so and it was just decided to meet it head-on, make the announcement and then go in the transition.

Q. Will you ask him to assist you in the Favorite Son Candidacy?

A. No. This is the other story that I meant. No. He is not leaving to take up any other assignment on that behalf. While I realize there is a certain amount of organization necessary, even to having a favorite son candidacy, no, he is returning to private practice.

Q. Did Mr. Battaglia ever talk to you or suggest to you that perhaps you do run for the Presidency of the United States?

A. No.

Q. Will Sandy Quinn be leaving your Staff any time in the near future that you know of?

A. I don't know anything about that. He is on vacation right now. That's all I know. He certainly hasn't talked of any resignation.

Q. Governor, if it was temporary from the outset, as far as Mr. Battaglia is concerned, would you say why he purchased a home here?

A. Yes. The present real estate market makes a lot more sense than to do what I'm doing right now: renting. As a matter of fact, I'm sure you are well aware that in our own decision to leave the mansion, we, ourselves, explored the possibility of buying instead of renting, because of today's real estate market. You usually get your money back and you can't do that with renting.

Q. Governor, do you feel that with Mr. Battaglia's leaving and Mr. Clark's replacement now that there is a greater

opportunity to effect your Deputy Governor concept of Government to dispense some of the executive authority that you see in Mr. <sup>Nopsinger</sup> Nopsinger?

A. Well, I haven't known that I have dispensed any executive authority. As a matter of fact, the --

Q. I mean Mr. Battaglia, <sup>not</sup> got in Mr. <sup>Nopsinger</sup> Nopsinger; I mean, spreading it around element.

A. Well, let me voice something, point something out. There have been, will be, going to be some changes that have been longcoming, but we have no choice. We went into the meat grinder in January with the Legislature all ready in session, and we more or less had to play the game the way we started, but we, none of us have been happy completely about that; and we have looked forward to this period when we then would be able to sit down and take a little inventory, and what we would like to do is make much more use of our entire Cabinet and some of our other appointees and have more of a Board of Directors approach than we have been able to have in the past because, as I say, we were all in the meat grinder. The new appointees, brand new in their Departments are Cabinet Officers. There was a limit to what they could do with regard to helping on any other problems and getting organized themselves, but now we look forward to making better use of all of the brains at our disposal.

Q. In other words, the welfare of Phil gives you a better opportunity now as to --

A. No. This would have happened anyway. No. This would have happened anyway, so that changes are things that we knew all along; we were, as I say, more or less caught in the pattern that we started out in, and we just had to go along with it until we got a breathing spell.

Q. Does this Board of Directors approach together with the announcement that you are not going to have regular press conferences, as we have had under other Governors mean that you are going to be more of a ceremonial Governor now and let the Board of Directors run the State?

A. I don't know. It sounds nice, but I'll bet it will be easier than the way it is, but no, not at all. The press conferences -- this is only -- we're not in session, following this five day session, and I doubt if -- I think the worst

thing in the world would be to have meaningless press conferences with very little to say as there has been all through this session. So, no. I, as a matter of fact, if you want my view on that, I think the People of California get cheated a little bit on this. There is too much ceremonial business, too many things that have to be done that I don't think that the people are getting their money's worth when you spend time doing that instead of some other very necessary things.

Q. Do you think your Legislative Program next year would fair better without Hugh Burns as Senate --

A. Whether the Senate is reorganized or not is the Senate's problem, and I am not out looking for new problems. I'll leave that to the Senate.

Q. Governor, just back on that one last point, one more question: One of the reasons we were receiving a few minutes ago for the change in your Press Conference Schedule is that you will be doing more traveling. Could you tell us anymore about your traveling other than the fact that you are going on a three-day trip at the end of this month?

A. Yes. I have agreed after a little arm twisting from my friend, Senator Murphy, and Bob Wilson of the, of the Congressional Committee, Chairman of the Congressional Committee in Washington, to do some fund raisers. We are going to try to space them out so that I am not gone for long-extended periods, but just a few day at a time trips; things like going back East for the Governors' Conference, and we are going to try to do some party fund raisers, and do the chores that, I think, anybody is obligated to do.

Q. Could you tell us where some of these fund raisers might be, what States, or what areas, where you might be going

A. Yes. Tentatively, now, beyond this one trip which is tied into my going back to my old Alma Mater for library dedication, I'm going to South Carolina and to Wisconsin.

Q. But beyond that, Governor, beyond that.

A. Beyond that I am going to do some fund raisers in one or possibly two in Texas; I am going to be in Ohio, back in Des ~~Moine~~ <sup>Mines</sup> where I started as a sports announcer. I am going to --

VOICE: Kentucky.

A. Kentucky. Now, these states, starting over, these first ones are high-priority States as far as the Senatorial and the Congressional Committee are concerned. They sort of rate where they think the parties should be making the greatest effort. They also tie in with some things I'm going to do, for example, I have had an invitation for about two years, in December I'm going to keep it, to do, to go back to Yale for the fellowship. I am also doing an appearance at Kansas University and in each one of these cases, we are tying these in just as we did the Eureka thing, so, again it's not just, it doesn't make extra trips.

Q. Are you, Governor -- what do you expect the Legislature to have accomplished this week?

VOICE: Could we stay on the same subject?

GOVERNOR REAGAN: Oh, We'll get back to that then.

Q. This is going to be asked; I might as well ask it now. Who is going to pay for these things?

A. The trips will be paid for out of the funds raised at the fund raisers. I have made it very carefully clear that there will be no California State money used on any trips of mine for this purpose.

Q. In what area will these trips be made?

A. What?

Q. That you mentioned?

A. These -- we have scattered them out. There will be a few in September, a few we know about we definitely have a schedule of the same kind surrounding the Governors' Conference in October. We have some in November, and then we are going to tie a couple of fund raisers into this Club Fellowship which takes me East in December. That's as far as the schedule goes that I know.

Q. Does the Kansas University bear somewhat of a Fellowship thing where you go into classes, or is it strictly a fund raiser?

A. No. The Kansas University thing is a sort of a visiting lecture series where you go in for one lecture to the students.

Q. Is that Kansas State or the University of Kansas, Governor?

VOICE: It's the Alf Lander.

GOVERNOR REAGAN: It's the Alf Lander Election Survey, but I know something, I've got to look in my desk. I didn't pay much attention to whether it was the Kansas State or --

VOICE: Kansas State.

GOVERNOR REAGAN: What is it, Pat? Kansas State.

Q. Governor, we missed you at the opening of the Fair.

Are you going to go out to see it before it's over

A. I hope so, but I know Pat Gayman hasn't told me what I can do as yet; I have to ask her when she is letting me out.

Q. Governor, all these speeches are bound to increase speculation about your Presidential Candidacy, don't you think?

A. Well, this might be, and let me tell you, this was a consideration, and for a time I almost became neither a hawk nor a dove, but a chicken on this, and I didn't want to make this speculation, and said, "Let's not do it," and then I, again, as I say, Senator Murphy is very persuasive, and I just decided that it was ridiculous to let this speculation, which I didn't seem to be able to stop, anyway, to let this keep me from doing what I think are party chores that should be done.

Q. Governor, you mentioned obligations to the Party. Would you consider it an obligation to the Party to yield to a draft of being a Presidential Candidate?

A. Oh, I can't, let me -- I am not a candidate. I am going to --

Q. Could you be drafted?

A. Anything I say has got to be wrong on this, and it just -- and I find myself wishing I hadn't even come in today if I do answer it. Let me say I am just going to do what I have been assigned to do here, hopefully with greater ease than we have had in the past, and that brings me to the answer to the gentleman's question here about what I hope for from this situation or this particular session.

I hope that the Legislature gets rid of that fifty million dollar mistake. I hope that they make other minor corrections that are needed in the Educational Bill, and then I hope the Legislature sees its way clear to do what I think is a duty to the State of California and does not over-ride a single veto of the Governor.

Q. Do you think they are even able to?

A. What?

Q. Do you think they are even able to over-ride a veto?

A. I don't know. I hope they are not.

Q. Governor, speaking of vetoes, you vetoed this Bill increasing the maximum limit of the Cal-Vet Loan to \$20,000. In your veto message you say that the hundred and fifty million dollars of the bond issue would be used up if the thing were raised. Didn't your administration ask for a lower bond issue when it was originally proposed in the Legislature of five hundred million dollars, and if so, isn't that in contradiction?

A. I don't know if it's, whether it would be a contradiction in that. I think the program is adequate as it is, and the best advice that I could get from our own financial people was that this would be detrimental to overall, to raise this limit on the loans, so I vetoed accordingly.

Q. Governor, some of the retired State Employees are saying that one of your campaign promises was to look with favor upon a cost of living increase toward retired State Employees, yet you vetoed the <sup>Monagan</sup> ~~Monigan~~ Bill.

A. That's right, but we also know that here, again, this is, that this goes for several other bills. There were bills that I vetoed because of no disagreement with the bill whatsoever. As a matter of fact, once we are in the clear and know our fiscal situation better and what we have available, I will be in line helping to get some of those same bills passed again, and they won't be vetoed. There were a number of bills that were vetoed simply because there was no provision for the money at the present time.

Q. Do you agree with <sup>Monagan's</sup> ~~Monigan's~~ statement that you have committed yourself next session to working for increases to employee's retirement?

A. I told him that I would; yes.

Q. Governor, since Senator <sup>Dymally</sup> ~~Diamondly~~ says that the plan for medical hassle is at your doorstep and is not the State Legislature's, that you meet tomorrow with him and other Los Angeles Assemblymen, Phil Green and Charlie Warren and --

A. Well, Senator, Senator <sup>Dymally</sup> ~~Diamondly~~ knows better than this. Senator <sup>Dymally</sup> ~~Diamondly~~ knows that we inherited a hundred and thirty

million dollars of past debts in the medical program that wasn't discovered until we finally could take county by county inventories, and he knows that we have a ruling from the Attorney General that we must pay back that out of the present budget, and this delivered a blow to the entire medical spending. It meant that we have reduced the medical program in some ways, reductions which, I think, should have taken place anyway, but in others, we have reductions which all of us regret and which we hope will be able to restore once we get this backlog paid off and are on a more current basis.

Q. Governor, is that meeting tomorrow or today with Senator <sup>Dymally</sup> Diamondly? Will you meet with him?

A. I don't know if a meeting is scheduled. I have to look at Pat again. I just got here, fellows.

VOICE: Tomorrow.

GOVERNOR REAGAN: Is the meeting scheduled tomorrow?

Q. Governor, what about Medical? Do you think it will be restored and what part do you think will be left out?

A. We regretted it particularly for children, the reductions which, again, I say, we hope and firmly believe are temporary, the reductions on dental care and glasses and so forth, for children.

Q. Have you received any answer to your special request to Ribicon that both programs be allowed to be segmented to provide eye glasses and preventive dentistry for children?

A. I don't know that we do have any.

Q. Ribicon, he is a Senator from --

A. I don't know.

Q. There was a letter sent to him, it's my understanding, from the Administration asking that he reintroduce his ~~bill~~ ammendment that would allow those programs to be segmented.

Q. This is possible that this is gone from the Health and Welfare Department, because we are interested in getting some Legislative changes that will make us more flexible and able to handle this program better. We are restricted in a number of ways by Federal Regulations that have gone in present grants, and we are interested in getting some changes and we also believe there is a better atmosphere in Congress and a better chance of getting by.

Q.       Governor where do you expect to get the money to restore these cuts?

A.       Well, again, it's like that hundred and ninety-four million dollar debt, Squire. If we, once we pay off this backlog, that was, that we found in the pipeline, that no one seemed to know about, and it must be spent out of this year's budget, well, that, that's not a recurring thing, then we will be on a basis in which all of the money budgeted will be available for current cost.

Q.       Well, do you think it a possibility of asking for emergency Legislation in January if there is, if these cutbacks are still in effect then? Emergency appropriations?

A.       No. I don't see any chance of that because, again, I can't see anything that would change our present situation with regard to the funds available.

Q       Well, I mean appropriations, more funds?

A.       Well, you can't appropriate what isn't there.

Q.       Well --

A.       But, we will meet that in January, I will say, that we have no intention of calling any special session prior to January to take up any of these.

Q.       I meant voting more revenue in January?

Q.       No. I think we have, I think we have hit the people of California as hard as they should be hit.

Q.       Governor, were these cuts anticipated at the time you drew up your budget?

A.       No, no, we didn't, as I say -- we did, the first comprehensive survey that could be done, had to be done on all 58 county basis of spending, in medical, this was one we discovered in the length of the pipeline, and that there were bills they had not properly evaluated at any time up until now; the cost of medical, because of the long delay from the doctor's desk, and the vendor's desk, to getting to the State, what the extent of the backlog of bills were.

Q.       On a new subject, if we are through with that.

VOICE: Wait a minute. There is a man over in the corner there trying to get in the act. Get it over with, will you?

Q.       Governor, now that the Board of Regents has voted to

institute an increase --

VOICE: Have we finished the Medical thing?

GOVERNOR REAGAN: Well, yes, if we're going to change subjects, I'll start here and then there, but --

Q. Governor, your own people in Health and Welfare have said that a **large** part of the problem in Medical was the **exorbitant** fees charged by doctors who are taking medical patients; next Legislative Session, would you look favorably on legislation to put a limitation on doctor's fees under the Program?

A. Well, I would rather you took that up with Spence Williams.

Q. I did.

A. In this department.

Q. He's the one who told me.

A. Well, he has under consideration some changes with regard to this and some efforts to put caps on the spendings. I am not so sure that exorbitant fees was the problem so much as perhaps exorbitant number of visits with regard to certain, in certain areas.

Q. Would you oppose a Legislation on doctors' fees?

A. Well, I'd rather not answer this until I have had time for one thing to digress the memorandum on this subject that is on my desk right now from Spence.

Q. Well, doesn't Spence also have authority to put a limit on fees?

A. I think he does, yes, but there are some ramifications with regard to that, also, that, I think, would call for consideration before you just accept that as an answer.

Q. Governor, how do you feel now after your operation?

A. I feel fine. I'm glad we got Medical down to a personal basis. No. I haven't had an uncomfortable moment, I'm more than happy to say.

Q. Governor, we are doing - A.B.C. ~~is~~ <sup>in</sup> Los Angeles - a special on capital punishment, and just to get off the, unless there are other questions, I'd like to ask you two or three questions.

A. All right. These are a special; then we'll go to you and then we'll go back.

Q. Could you state for me the official position on capital

Punishment of y Administration?

A. Yes. As expressed by myself on a number of occasions, I believe that capital punishment is necessary and should be maintained.

Q. Do you state this also as a personal view?

A. Yes. This is a personal view. I have been on both sides of the fence with regard to this, but I feel and believe that it is an essential in the preservation of law and order. I believe it is a preventative.

Q. From your experience now as Governor, do you believe that the Governor as a person should be the Court of Last Resort?

A. Well, this I know, there have been people who have proposed some kind of additional hearing body to take this responsibility away from the Governor. I am not sure that that is wise. I think that we have, we have proven that we make available, all the way to the United States Supreme Court, every legal means of Court of Appeal, and then there must stand with someone the last expedient of the Clemency Hearing, if something is changed in the situation of the individual, that over and beyond the legal findings would warrant clemency; my own position has been that clemency should be determined on that basis alone, and should not be used by a Governor to just simply over-turn the findings of the Court because of some personal feeling of his own.

Q. Should the Clemency Hearing itself be the criteria or should the Governor have the opportunity to make a personal decision, if necessary?

A. Well, I am not sure I understand your question.

Q. In other words, as I see your answer, you are telling me that the Clemency Board makes the decision, and the Governor goes with that Board decision.

Q. No. This is the Governor's decision and it must be based on whether there are factors introduced that now warrant clemency, nothing to do with guilt or innocence. This is a, this would be an entirely different situation if something was introduced as new evidence that now makes this legally --

Q. How would you limit capital punishment if it were retained; that is my last question.

A. Well, no here Bob Finch and I have talked and found that we had a similar viewpoint in that, that, there is any need for a review, I think should be in the hands of the legally trained, the Judiciary, and the law to see if there is a, if the crimes covered by capital punishment should be widened or whether they should be narrowed; at the moment, it is hard for me to see where they could be narrowed anymore. I think that capital punishment should not necessarily and very rarely, if ever, does apply to a crime in passion; I think it usually is the premeditated, the cold-blooded killing, usually in connection with the commission of another crime, and as I say, I am, I see no reason to change that.

Q. Can we get back to the regular press conference now, please?

GOVERNOR REAGAN: Yes. Now, I recognize two.

Q. The <sup>Reorganization</sup> ~~Reorganization~~ Bill you signed gives you a wide power, and it, I know that you vetoed a bill that would have created a licensing agency under the new licensing agency - under the Department of Professional and Vocational Standards; do you intend to use your power to eliminate any of the existing licensing boards that some of which come under criticism?

A. This veto was because we have that entire subject under study, and just didn't want to take any action while we are studying the entire subject to make sure that the public interest is being properly protected, and yet at the same time to see that we are not forcing on ourselves excessive licensing and reviewing boards of that kind.

Q. Is it your intention now to **eliminate** any of those boards under the power you have and under this new law, your own Reorganization Act?

A. Well, that is going to depend on the studies that are being made.

Q. My question is on a different matter, Governor.

A. All right.

Q. Now that the Board of Regents has recommended an increase in the fees at the University of California rather than instituting tuition, which you indicated was just a matter of <sup>e</sup> ~~s~~ symantics, would an increase figure -- what figure would you be satisfied with and would you make recommendations as to what to do with the

money gained through the increase?

A. Well, let me straighten one thing out here. It was not increased fees. I discovered that the ~~sym~~antics, and it was more than ~~sym~~antics; I discovered that they covered the words, the use of the word "fee" just as the word "tuition" was objectionable to some others. I had thought that this was nothing but a case of a name; in fact, I had, at sometimes I'm afraid made careless ~~remarks~~ to the effect that if I had started calling it "fees" there would have been no objection, but I discovered that there seems to be a technical definition, particularly in the minds of some of the ~~the~~ Regents with regard to what is covered by the word "tuition," and what is covered by the word "fees." I could not accept the increase charge under the term "fee" and did not use the term "fee," at all because fee in University language has a very definite technical boundary. Tuition has some technical boundaries to the point that some of the Regents who were in favor of the increased charge and in favor of the uses that we suggested of that increased charge still would vote against it if called "tuition" because they thought it opened doors then for further Legislative use with regard to what the University would have to fund for itself.

My proposal was we were not bounded by any figure, we made a proposed figure, but at the time we are willing to accept the idea that the Regents should determine what this figure would be, that there be a charge assessed against the students and I suggested basically three uses of the money; that half . . . of the money be used for a program of loans and grants for those students who going to college is a hardship with or without tuition because of the other expenses of going to college; these would be grants up to as much as \$2,000 a year, a combination of loans and grants, so given that at the end of four years they come out 50-50 loan and grants, but the greatest part of the loan is in the earlier year, and it decreases to try and meet the drop-out problem and stimulate going all the way to the diploma, because each year the student could see that by "gumming" the next year he would get a greater grant and have to borrow less to go.

The other provision and one of the places that I think

anytime there has to be economy, and that is all of the time, no Department ever gets all that it asks for. You have to meet the growth of the University, the added professors; you have to meet the added, in addition to pay, a pay raise, and so forth, to keep up with inflation, and usually what you wind up with is when you do have to stop something or cut it, new chairs, new teaching chairs, new courses, are the things that have to be postponed; you can't afford to put them in; at this time, therefore, to reward the Department who would be paying an increased charge, to give them more than just helping their fellow students.

Our other proposal was the use of some several million dollars of this money to underwrite and finance two hundred and fifty new teaching chairs on the nine University campus' and then we suggested the use of some of these funds for Capital improvements in the campus, although I left that wide open and said that the Regents, Committee of Regents be appointed to come back with any other recommendations they thought were suitable to the use of that money, but I very carefully refrained from using the word "fee" just as they refrained from using the word "tuition."

Q. Governor, you have said here in the past that, I believe, in the idea of tuition is a philisophical basis?

A. Yes.

Q. Would you still like to see tuition charge called "tuition" of if they adopt a fee, which you think is adequate to finance these programs, would you drop the idea of tuition called "tuition?"

A. Well, a week ago, I would have answered that and given you a very strong statement in my <sup>belief</sup> ~~believe~~ that, yes, go ahead and call it tuition, which I must say some of the arguments that I heard about that would open up - made me - I am very willing to accept simply the assessing of this charge, to accomplish these ends; I think the same thing is done. I think the philisophical question, I believe, that it's good tax policy to assess a part of the charge or a part of the tax against those who are getting the service, and I don't believe there is anything wrong with beginning to <sup>attach</sup> this responsibility or some of it to our young people. (15)

Q. Governor, if they are essentially the same, what evils could tuition open up that fees could not?

A. Well, the fees are bound in by certain specifics in the University language as to what the fees can be used for and how they can be controlled and who controls them, the disposition of them; Tuition, in the minds of some of the Regents, they believe opened the door in which at some future time a Legislature could conceivably leave things, necessary expenses out of the General Fund, and force the students to pay them, which would not be right. So, I was willing to leave it nameless and specify what it would be used for.

Q. Governor, you once ~~shifted~~ tuition at the University of California to tuition at the State College, and now that the Regents have rejected tuition, how does that effect your stand on the State Colleges?

A. Well, this is up to the Legislature; maybe the Legislature may discuss it and approve it. We would like to call it a <sup>h</sup>charge, also. That's all right with me.

Q. Governor, on another subject?

A. No.

Q. No? I have one on tuition.

A. All right.

Q. Governor, last year -- this year you commented about the fees being used for fifty-five million <sup>dollar</sup> football stadiums; did you go into the Regent's Meetings at all and attempt to cut the fees, whether they are called tuition or not, so that they wouldn't have to be spent in things of that area, that you opposed at that time?

A. No, but I nodded agreement when a suggestion was made that maybe someone should take a look at the fees and see whether they were still being used completely in line with the original concept and whether they in any way could be reduced to help the students, whether they were all still absolutely necessary. I don't think it hurts any time to take a look at how the money is being spent.

Q. Did you take a look?

A. I said I agreed with the Regents when some Regent suggested that this be done.

Q. Governor Concerning the Senate leadership, Senator Harmer said last week the Republicans have a responsibility to other Republicans to reorganize. He said it would be a breach of faith with the Republicans who came from other parts of the State to help Senator Marks in his campaign in San Francisco; if the Republicans fail to take advantage of this, the fact that they now are able to reorganize; do you think that this is true? Do you think that the Republicans should reorganize, and do you think it would be a breach of faith with Republican party workers if they do not?

A. I just can't answer you. This is -- ask some Senators this question.

Q Governor, do you think there will be any further special call of the Legislature, and I'm speaking specifically of areas of Congressional Reapportionment and other tax reforms as has been requested by the County Supervisors Association?

A. No. The only one that I could conceivably see that could happen, when I said a moment ago I had no intention of calling any, I could see where we might be forced with regard to the reapportionment that could happen.

Q. This year?

A. But other than that, I have no intention.

Q. Governor, another subject, <sup>so</sup> as far you have appointed 17 judges, all Republicans. Now, how does that square with your campaign promises to keep politics out of your Judicial appointments?

A. Well, it still leaves us outnumbered by Democratic Judges by three to one, actually; we have made no attempt on that basis, and I'm not sure that we have been 100%. I think we have appointed some Democratic Judges, but, I'll tell you this: we set up a system, when we couldn't get our Judicial Reform Bill through, the merit system through, we set up a system voluntarily whereby Judges in the area, where Judges to be appointed, a committee of a State Bar, and then a Citizen's Committee independently classify and rate the candidates that are the applicants that have been suggested or the people who have been suggested for Judgeships; then, insofar, we have appointed in every instance only the person that received the top grading, the top total of points from these three separate

groups. I don't know what more we can do to try and keep it out of politics then this.

Q. This produces Republican Judges?

A. I have been trying to say that our Party, you know, has really got the answers to the problems for a long time.

Q. Governor, you mentioned earlier here in answer to Jack's question about taxes for next year that the people of California have been hit hard enough, Senator John Stuffle, San Diego, believes that there is not only an anti-tax move now working in California, but there is an anti-Reagan movement working as well as a result of these new taxes; do you find any indication of this?

A. Well, I haven't seen it so far, if it's true; I'm sorry about that, but I came here to do what I thought had to be done and I'm going to do it that way; worse that can happen to me is I go back to the ranch.

Q. Governor, when Mr. Battaglia had his press conference here a week or so ago, he said that one of the reasons he was leaving was because of the essential part of the Creative Society Program for the '68 Session had been completed. I wonder if you could outline briefly what you plan for the '68 session, just hit some high points, perhaps, or some of the major programs that you are planning for next year.

A. A. Oh, well, first of all we -- I can't get too specific because a lot of what we are looking forward to will be coming out of the citizen's task force which is now completing their findings and are putting this into a report form for us. Out of this will come much of what we set out to do. I am sure he must have been referring to the fact that we turned to the citizens for these answers. We are still -- we are still in the process of a study on tax reform, a complete tax overhaul, looking at our entire system, and we are sorry that so much of what we had to do is, was based on purely the financial thing of getting us on a sound financial footing. We look forward now to being able to go constructively in answering some of the problems. We are looking at the entire subject of welfare, what I think are the welfares, in the philosophical approach to welfare so far; we, in connection with tax reform, we still believe that there

is large reform needed in the area of property tax.

I couldn't just stand here now and spin off what we have done, but I do think that we are right, and we have the Creative Society in the sense of the people of California underway.

*McClellan's*  
I think Chad ~~Black's~~ program in job training and the finding of the jobs in industry and particularly the minority groups is about at the end of the organizing state, and I think in the days ahead we will see great concrete results from this.

VOICE: Thank you, Governor.

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PRESS CONVERENCE OF GOVERNOR RONALD REAGAN

HELD SEPTEMBER 12, 1967

Reported by:

Nancy L. Deffebach, 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.)

GOVERNOR REAGAN: There <sup>are</sup> ~~is~~ no opening remarks, so carry on.

Q. Governor, what is your opinion --

VOICE: You do have an opening remark.

GOVERNOR REAGAON: Oh, well, I was -- I wasn't going to do it yet, but all right; we'll do it. Let me make my opening remark, and then I'll recognize you.

VOICE: Win Adams has been named Cabinet Secretary?

GOVERNOR REAGAN: Yes. I would like to introduce the new Cabinet Secretary, Win Adams, who has come over here from Resources to take this job, Ladies and Gentlemen.

Now.

Q. Governor, what is your opinion of a presidential contender who by his own admission is susceptible to "brain-washing"?

A. Well, I think he has made an explanation of the context in which he used the term. Perhaps he expressed at the same time the concern that a lot of Americans should have as to whether they are getting all of the facts that they are entitled to have about both foreign and domestic policy.

Q. Could you be "brain-washed" if you went to Viet Nam?

A. I am almost afraid to answer that because somebody that has been a -- in an unfriendly sense might suggest that you have to have a brain before it can be washed.

Q. Governor, on May the 9th, on your news conference here you said that, "I don't believe a country of our size

and its comparable power, North Viet Nam, is turning full resources to this Nation behind the forces now over there to win a victory."

Do you think we are now turning full resources of our nation behind our forces over there now?

A. Well, according to what military men seem to say and the arguments that we read that are going on in the Legislature in Washington, no. I don't believe so. There are still a list of targets that are not open to bombing by our Forces, and I don't think that the full technological power of the United States is being used. I think the great - basically the controversy there is that we have, we are attempting to fight the enemy more on his terms; the foot-soldier with the hand gun and the rifle in his hand, and I don't think that this is a war, or type of war that the United States should engage in when there are forces like Russia and China, Asia, generally, that can outman us as to the number of men involved. I think that the United States must look to the technological ability in the leadership in the world in that field for this and all other conflicts.

Q. Does this mean the use of limited nuclear weapons?

A. Well, I think all of us have agreed that, and I think there have been statements by people on both sides of this controversy that nuclear weapons we hope would not be resorted to. I still repeat what President Eisenhower said sometime ago, that perhaps one of our great mistakes, however, was in assuring the enemy in advance of our intention not to use them; that the enemy should still be frightened that we might.

Q. Governor Romney of Michigan apparently in the past couple of weeks has been moving toward the position that the United States should not really be involved in Viet Nam, that he was convinced at first that the fight was morally right, but now he is not so sure. What do you think such a position is going to do to the Republican Party in general.

A. Well, I don't think that this is the important argument; pretty tragic thing, now we are going to sit down and fight about whether four or five years ago we should have accepted the invitation of the South Vietnamese Government to go in there.

We killed a great many Americans since then. My contention is that once the decision is made, you are killing men, and there is a, you either should not have gone in or you should have gotten out, the moment you knew you were making a mistake, that we shouldn't have gone on for this long a period killing men.

Q. Well, Governor, then were you saying that we should remain in Viet Nam and step up our efforts, including the possible use of nuclear bombs until we can win?

A. I didn't say anything about the possible use of nuclear bombs, and I don't think this would be necessary to win, but this idea of arguing over whether escalation would be right, we've had escalation. We have had escalation for four years, and the escalation has been gradual up to the present. Now, four years ago, or perhaps it would be more accurate to say two or three years ago, there were Americans there and there were military-men who were advocating escalation then to the point that we have now reached, And you have to ask yourselves if we have suddenly stepped up the war to the point that military-men wanted, which is the present level of combat, the war might have ended, because doing it all at once might have brought the enemy to the bargaining table; but he has been able to help himself to resistance to this gradual escalation. And it isn't a question anymore of whether escalation is right or wrong, we have had it. The thing is, should we still have it by degrees or have a limit on it, or shouldn't we do whatever is necessary to win this war.

Q. Governor, do you favor <sup>escalation</sup> ~~exclation~~, then?

A. Yes, to win the war as quickly as possible.

Q. Governor, should the people of this country have a chance to vote on whether or not we want to go to war?

A. Well, now, you are getting back to the constitutional question that is involved as to the Congress' Acts in giving the power to the President to declare or to commit troops to combat without the constitutional provision of a Declaration of War. Now, this Congress did give the President that power;

now, many Congressmen have since stated that they do not believe the intent of that legislation was to allow a President on his own to go to an unlimited type or fully sized war, that this was to give him emergency powers, and some of them have stated that they believe that before escalation in any kind of conflict, then Congress should be consulted, and there would in a sense be the people voting.

Q. In general, what do you think has been the affect of Governor Romney's brain-washing statement on his position and --

A. Well, you'll have to ask Governor Romney that and ask the people that.

Q. How about on the effect of the Republican Party:

A. Well, the Party has just had a national meeting, and I don't see that they took any action with regard to this or to this statement. Governor Romney has explained what he meant by this term. I have explained here that I am a believer in the Credibility Gap. I do not believe the Government of the United States has been keeping the people informed to the extent as is the peoples' right, but what effect this might have had on whatever goals the Governor of Michigan has, I am not prepared to comment.

Q. Will you place a time limit on the victory in the war, if you allowed further escalation; would you place a time limit? Would you ultimately see some form of negotiation as essential?

A. Well, I think you get the negotiations -- I think all of history proves that an enemy comes to the negotiating table because it hurts too much not to. He doesn't come through persuasion, and friendly persuasion may be a fine thing at the community level, but it never seems to be the end result of a war. And it is true that in the <sup>Korean</sup> Conflict, we were always ready to negotiate that, but the enemy didn't come to the conference table until he was confronted with a threat, and we know now, and it has been revealed that the United States did let the word get to the enemy by way of certain neutral sources, that we were considering the use of atomic weapons. Now, I question whether we would have used those

weapons, but the enemy couldn't afford to take that chance, and he sat down and the war came to an end, although there are some fellows in the demilitarized zone there now who challenge that.

Q. Governor, has there been any change in your possible plans to go to Viet Nam? Are you thinking about going there at all?

A. I don't know. You are going to have to ask Pat Gayman. I don't know whether she will let me go to Viet Nam.

Q. Governor --

A. She said I'm going to have a hard time getting to San Francisco.

Q. Governor, could we go to a different subject?

VOICE: Governor, I'd like to ask you something else about Viet Nam.

GOVERNOR REAGAN: Oh.

Q. If at this moment, if you were President of the United States and you found such opposition from the Russian people in regard to the war in Viet Nam, would you be willing to reconsider your position and authority already given to you by Congress?

A. Oh, now, you are asking a pretty hypothetical question. I never played "If I were King." No, I don't think -- this is a questionable answer. I don't think anyone should even suggest or hint at an answer of that kind unless they were in the position and knew the facts which are not available to anyone outside of that particular position. This would be taking an awful gamble to try and answer that question. I would just say that anyone in an executive position, whether it is at a State or Local or Federal level, I think, has an obligation to keep the people as fully informed as possible, and the only, possibly the only basic area that should not be made available to the people is where there would be risk of giving away security information to the enemy at the same time. And in that regard, I think there has been a tendency throughout the country to not keep the people fully informed, and we are not practicing that or not going to practice it in California.

We are going to keep them informed.

Q. Governor, now on a different --

VOICE: I have one more question.

GOVERNOR REAGAN: Wait a minute. Is this on the war?

VOICE: No.

GOVERNOR REAGAN: Do you got another one on the war here?

Q. Governor, when you said you were in favor of a sharp escalation of the war, would you say more air power or sending over more troops; what type of escalation do you favor

A. Well, I think you are talking about decisions that should properly be left to the Military. Once you are engaged in a war, consistent with national policy, I think the Military then, that is what they are trained for, to tell you what are the best methods of attack, what are the vulnerable targets, what is the vulnerable ability of the enemy, and there have been indications that the Military does not believe that we have attacked the enemy properly, at its most vulnerable points.

Now --

Q. Can we go on to a different subject now? What -- do you approve of the Citizens Committee building the Governor's Mansion appealing to lobbyists for \$1,000?

A. I don't see that is anything any different in their approaching the business community by way of their representatives here in Sacramento, then there was in the swimming pool for the old mansion having been built by contributions solicited from the lobbyists.

Q. Do you approve of that?

A. What

Q. Did you approve of that?

A. Well, I wasn't around.

Q. Would you have?

A. I don't see that there is anything particularly wrong. It's not an undercover thing you are, when you set out to raise money for any voluntary cause. I do think there is one difference I would like to point out, that in the case of building the swimming pool at the Governor's Mansion, this was solicitation by people in office, and thus, there was the possibility of influxuation on Government; this other is being done by a Citizen's

Committee, and if they chose to turn to their fellow businessmen, and their fellow citizens, there still is no obligation whatsoever on either myself or any future Governor who will live in that home. We have nothing to do with it.

Q. Do you ever expect to see a list of those who have contributed to this mansion?

A. Oh, I'm sure there would be a list kept, yes. As a matter of fact, I know there will be a list kept because, at least by the Committee, because they have pledged that any amount over the prescribed, or the suggested \$550 thousand dollars raised, it will be returned.

Q. What I meant was a rather ready file in your office like those who contributed to the campaign?

A. Oh, no, no. I wouldn't think that there would be any point in that or any purpose whatsoever. I think that there should be an acknowledgement from the State of California, that means the total Government, including the Legislature, to the people, for this contribution to the State, but I would see no reason why such a thing should be kept.

Q. But, Governor, they asked for \$1,000; this goes against broadening the basis of support for the fund, doesn't it? I mean, you know they have as many people --

A. I am not a party to this and I have tried to keep my nose out of that committee, just on the basis that this is being built for California, and California permanently, not just one Administration. So I didn't feel that this Administration should have any particular voice in what is being done, but I have simply supposed that this was done on the basis that those representatives of industry and business here and various causes represent more than one client, and that, thus, this was spreading it with no violation of the \$ 10 contribution.

Q. Governor, that swimming pool that you mentioned would up costing the State about \$4,000; do you think there is a chance that the mansion might wind up costing the State some money, too?

A. I don't foresee anything that it could. I actually do not know whether the Committee, which is dealing with the Legislative Committee to make sure that this does meet with general Governmental approval, and all, I don't know whether

they have gotten into such areas as security measures, and so forth, and whether those will be a part of the gift or whether they will later be installed by the State. This I wouldn't know. That would be the only area in which I can see that there would be any.

Q. Have you and Mrs. Reagan approved this site on the American River.

A. What is that?

Q. Have you and Mrs. Reagan approved this site on the American River

A. I have never -- I have never seen it. I think that the subcommittee headed by Brick Templeton took Nancy out there. I think she did see this ground.

Q. And approved it?

A. Well, she said it was very pretty. There wasn't anything, if you say "approved" in the context of having to give an okay or no to the property, we, as I say, don't have that right. She did think it was very beautiful. Incidentally, on this subject, before we leave it here, if there was any indication here or any inference that, about this idea of contributor, and that we keep them on file, or would keep them on file, which we don't, or wouldn't, I want you also to know that there is no such file in our Government or in our Administration here with regard to campaign contributors.

VOICE: They are pretty handy across the hall, if you have need of it.

GOVERNOR REAGAN: What

VOICE: They are pretty handy at the --

GOVERNOR REAGAN: Well, this is a matter of the law, not ours.

VOICE: Governor, could we have one --

GOVERNOR REAGAN: Wait a minute. I recognize someone down here.

VOICE: Well, if he has got a question on it.

GOVERNOR: You are going to change the subject.

Q. Governor, the two letters that Mr. Kaiser sent to all the legislative advocates have at the bottom of it a list of the names of the Finance Committee, and they list Mr. Salvatore and

and Mr. Rubble and Mr. Firestone, and all of the people or many of the people who are prominent in your campaign; couldn't this say to a lobbyist, even if it wasn't your intention or Mr. Kaiser's intention, that he ought to contribute to this if he wanted to be a successful lobbyist?

A. I don't think so. Again, I think if you will read farther on that list you will also see that there are some names who were prominent on that committee in raising financing for my predecessor in the last campaign, also. It is a bipartisan group, and those names are there, and intentionally so, and, again, I would like to point out, you know, it is very possible moving as slow as things move today, not only the raising of money, designing structure, and getting it built, that four years will go by and somebody else will live in it, so that let me re-emphasize, they are not building this for one Governor of one Administration, they are building this for the State of California.

Q. Is this an announcement you are not going to seek a second term?

A. What is that?

Q. Was that an announcement that you are not going to seek a second term?

A. No. Maybe it was just a modest assumption that they might not give me a second term.

Q. Governor, what was the name of the office holder you were referring to in relation to the swimming pool during Pat Brown's time here? You said -- didn't you say an office holder solicited funds for that?

A. No. I said the context there was that Government itself was making a solicitation rather than an outside citizens group.

Q. If you were keeping free from the financial aspect of the Resident's Fund, does that mean you are going to ask Mrs. Reagan to keep free of the architectural design of this building?

A. That's right, and we have. Yes. They have already made a selection of a group of architects, including the architectural firm here that is involved, I think, with the master plan.

Q. Yes, but he said yesterday that he expected Mrs. Reagan would take a strong hand in the actual design of the building.

A. Well, now, if they -- if they ask here and she is able to

give any help, why, I'm quite sure that she will be very happy to do it, but I assure you that it will be in no way to influence with what our dictates might be, as against what is best thought to be proper for the State in the long-range plan.

Q. Is Mr. Stevenson one of the architects who designed your home in Southern California?

A. That's right; yes. And I do know something about how his name came into it: out of a hat. There are a great many prominent architects in Southern California, when you start trying to choose them, you might wind up with architects outnumbering the contributors, and so someone has conceived the best way to do it was to simply pull a name out of a hat. I, very frankly, we were delighted it turned out that way, because we, having had personal experience with him, very great confidence in his ability to build a very lovely home.

Q. Do you think the mansion might look then like your home in Southern California?

A. No. As a matter of fact, I think that decision has pretty generally been agreed upon. It is my understanding that they believe the most typical thing over the long-range plan for California, would be in the context of Early California, the Monterey-Spanish type of architecture and, I think, that is very fitting for the State.

Q. Does this committee campaign have your endorsement? You say you are not giving active support, but do you endorse that?

A. I think it is a wonderful thing to do, yes. I think that the people of California should be very proud to voluntarily do this. I have looked at what is going on in some of the other states, one that is now building with taxpayers' money a \$2 million dollar mansion, which will also house executive offices, and that sort of thing. No, I think this is a splendid thing, and typical of California. I think we should all be proud of it.

Q. What state is that?

A. Georgia.

VOICE: Do you want to change the subject?

Q. There are some questions raised today about the transition in the way you handled the reappointment of Mr. Erreca, carrying

him as an interim appointee and to reappoint him and then firing him; could you explain this course of events.

A. It might make it sound very harsh; yes, there is no question, but I am, I am responsible in, and certainly technically responsible for any appointment; on the other hand, I think everybody has to recognize that if you are going to give departments the economy that they should have to run their affairs, you have to grant them the right to structure their organization in what they think will be the most compatible way, and the most compatible personnel to do the job. On this basis, the change was made. There is no reflection intended on either the character or the ability of Mr. Erreca. This was a departmental decision, and the department, also, I'd like to point out, had for the first time the opportunity to get a man that we had wanted in Government some time ago, and I didn't think we could get, and a man that, of a type and a quality that State Governments very seldom can get, and that is Mr. Nelson, who is a trained engineer as well as an Administrator for many years with the Los Angeles Department of Water and Power. And we are very happy to have him as a part of the organization.

Q. But, Governor, isn't -- if I can just follow that one point further; isn't it true, though, while you had Mr. Erreca as an interim, on the interim basis, couldn't you have determined at that point how he was structuring his department? I mean, why was it necessary to reappoint him and then two months later --

A. Well, there, Mike, I can only say this, that if I can, that you can't be <sup>omnipotent</sup> ~~omnipotent~~, and you can't be always in doing this, when you have a new Administration, you have new department heads; you have sections of the Cabinet with a number of departments under them. They do their best. No-one wants it this way, but there are going to be those changes, as you have your shakedown crews, and things don't work out as the way you thought they would, and your department heads come in and they want to follow a different course; I think we have had surprisingly little of that in Government so far, and when it does happen that you do make such a change, but no-one could deny that you just can't come out right with the structure that you want the first time around in every instance.

Q Governor, when other Brown Administration appointees were let go, they were afforded the dignity of resigning, having been told that they wouldn't be needed; why did you find it desirable to flat out fire this guy without any warning?

A. Well, I made a decision with regard to the change for the Department, whether it was rightly or wrongly handled, that anyone can speculate on. I just -- no explanation other than that this is the way it was handled after I agreed that the change could be made.

Q. Would you like to speculate on whether it was rightly or wrongly handled?

A. What?

Q. Would you like to speculate on whether it was rightly or wrongly handled?

A. No, but the way it was handled, I'll have to take the responsibility then.

Q. Governor, what is - just to clarify something here: are you saying that the move was initiated by Gordon Luce as the Transportation Administrator?

A. I am saying that in the Department over there, the entire Department, they wanted to make a change. They had an opportunity to get Mr. Nelson, who, I think, is going to be a fine and great addition to our Administration and to Government, and bring to the people of California a type of service that normally State Government can't afford.

Q. Well, Governor, aren't you talking about the agency rather than the Department-Head? Was Mr. Erreca - and he certainly didn't want any change, don't you mean the agency?

A. Well, I am using these terms just in the general sense that these things happen both at Department and at Cabinet levels. I am responsible. I made the decision.

Q. You said it was a Department decision; don't you mean "agency" then?

A. All right. Agency decision.

Q. Governor, there are some reports in print today that this has something to do with Phil Battaglia's resignation, that Mr. Erreca was Phil's man, and that it was Phil's decision that he should stay on.

A. No, nothing of the kind.

Q. Governor, can we change the subject?

VOICE: No. Governor.

Q. You haven't explained why this man was fired; is there any particular reason that helped you make your decision? Can you give us any details of why you decided to let him go?

A. I think I have given the explanation of that. An opportunity, as I say, that particular agency, if that will help, that particular agency wanted to make that change, and I believe that you have to give various agencies a certain amount of <sup>autonomy</sup> ~~attimony~~ and decision, if you are going to ask them to do the job.

Q. But there was no basis to support that, then?

A. ~~There is no basis to support that other than the suggestion~~  
A. What?

Q. There is no basis to support that other than the suggestion you let him go?

A. Well, I don't know what more you need to know. This agency apparently felt that they would be better able to do their job with the change made, then we made the change.

Q. Does this carry any implication that perhaps later, as the Administration goes along, that Walt Shannon and Dr. Lowry be replaced?

A. I have no - I certainly heard no complaints or heard no suggestions that they should be; no.

Q. Governor, Democrats are clamoring for the firing of Spencer Williams, whom they described as a hawk political appointment; are you going to accomo<sup>m</sup>date them?

A. No. I am not.

Q. Why not?

A. And I disagree completely. Why, I would think that the Democrats would have an opportunity to raise their dissatisfaction with the Governmental structure along about 1970, if they so disapprove. I disapprove completely with what some Democrats may be saying about Spence Williams. I think that he inherited probably the biggest can of worms in the entire State Government, and is doing a tremendous job in trying to bring order out of the chaos and a return to sanity. And I am going to back him in what he is trying to do.

Q. Governor, you said earlier that you were very happy to have Mr. Nelson as head of the Department, and you tried to get him before; was he interviewed for the job of Public Works Director earlier in the --

A. No. This was just early in the Administration, I can't specify as to what, just what departments, but there was, we were led to believe at an earlier time that he might consider a position in Government, and we knew that we would be very happy to have him as a part of the Government, and at the time, whatever his own decision was, this didn't seem likely. And now more recently he did become available. He was persuaded that he could serve the State and very happy for us he is willing to do this.

Q. Do you anticipate that Gordon Smith will be with you at the first, by the first of next year?

A. He better be. He is --

Q. Governor, do you feel the recent veto session was a waste of time?

A. Do I feel the recent veto session was a waste of time? Well, that depends on from what side you look at it. I enjoyed the way it turned out very much. Actually I am in favor of the proposition that was voted by the voters. My predecessor vetoed over a thousand bills, and <sup>as</sup> I understand it, only 99 of them were accompanied by a message. The rest were in the nature of pocket vetoes that didn't have to be explained. I believe that the, that if the Government is going to veto a bill, they should have to explain to the people why it is being vetoed, and whether there is a better system than calling in expensive extra sessions, this could be worked out by the Legislature, actually if the bills would come down in less of a rush at the last minute, perhaps they could in the regular session treat these vetoes without having to come back, but I am not going to be so optimistic to believe that we can bring about that change. Historically, legislation does seem to come in a flood in the last few days.

Q. Governor, on the subject of Medi-cal, last week Spencer Williams made it bluntly clear that during this period the recipients could receive it and then from there the vendors might not be paid for any services they render at this time. The recipients say the vendors are very reluctant to give them Medi-cal.

A. Well, now, I can't comment on what Spence Williams said because I don't know that, but I will tell you what the situation is; Unto this day we have warned all vendors that if they continue to give the services that is not in keeping with our new set of regulations, and we win on this appeal basis, they will have given the services free. There will be no pay for it. They are taking that chance. If they have enough faith in the upholding of the Judge's decision that they go ahead giving the services that we have ruled out, they won't be paid if our regulations hold up.

Q. Is that in effect ignoring the Court Order, Governor Reagan?

A. No. I think it is obvious that if we win, the situation is actually there is no question that I am impatient with this Court Order and what it has done, and I would like to point out that the alternative that the Judge has given us is unthinkable. The alternative is to lop 160 thousand people completely off the rolls, medically indigents off the rolls for any kind of treatment, or service whatsoever, and this, we believe, is contrary to the National Law, and would cost us, the Federal Fund, to say nothing of what it would cost those people. It makes a, you know, it makes a nice sounding phrase to say "why shouldn't we just trim proportionately all across the board on all services." And the, your first inclination is to say, "Well, that makes sense, that sounds fine," but when you actually analyze what this means, it is pretty ridiculous because what it means is that you are saying to someone who needs a cancer operation, "You can't have the cancer operation," so that someone else can have braces on their teeth.

Q. Governor, why did you sign the bill requiring this, then?

A. Requiring what?

Q. Requiring across the board cuts when feasible instead of lopping off complete services, if it's ridiculous?

A. We did lop off complete services.

Q. Well, but the Court found that that, under the legislation was the number one priority for cuts, it was the Legislature that did this under a bill signed by you.

A. No. That is why we and the courts disagree with our interpretation of the legislation.

Q. Governor, all other considerations besides, and speaking hypothetically, do you have any ideological objections to a

Rockefeller-Reagan Ticket?

A. That gets us --

VOICE: Could we stay with Medi-Cal for just a moment?

GOVERNOR REAGAN: He wants to stay with Medi-Cal.

I have never been so happy to be a recipient of Medi-Cal benefits myself.

No. I can answer you; let me just answer his question now, and dust this off. No. I just made it plain, I am not interested in any such contest at all, any such position.

Q. I don't understand. You said "no." Does that mean you have no hypothetically ideological objection were it to come about?

A. Well, there is no need to explain it. I am just not interested in that proposition at all.

Q. That's either side of the ticket?

A. What?

Q. That's either side of the ticket

A. That's right.

Q. Why is that, Governor? Why aren't you interested?

A. Well, for one thing, in the sense of being able to contribute a service, or do what you, some of the things which you believe need doing, I think there is a greater opportunity in this position than there would be in that position.

Now, who wants to get back to Medi-Cal.

VOICE: I think that's about it.

Thank you, Governor.

GOVERNOR REAGAN: All right.

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